

An Offer of Shares together with an entitlement to one Loyalty Option for every two Shares issued under the Offer to raise a minimum of \$35 million and up to an aggregate of \$75 million.

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Shares and Loyalty Options being offered under this Prospectus, or any other matter relating to an investment in the Company.

ELLERSTON GLOBAL INVESTMENTS

Prospectus

Ellerston Global Investments Limited
ACN 169 464 706

Joint Lead Managers

Morgans IN ALLIANCE WITH CIMB

 **Wilson HTM**
INVESTMENT GROUP


EVANS &
PARTNERS

Important Notices

This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.

Ellerston Global Investments Limited (Company) is a public company incorporated in Australia.

Lodgement and listing

The Prospectus is dated 16 September 2014 and has been lodged with the Australian Securities and Investments Commission (**ASIC**). This is a replacement Prospectus which replaced the Prospectus dated 9 September 2014 and lodged with ASIC on that date. This Prospectus expires on 8 October 2015. No Securities will be allotted, issued, transferred or sold on the basis of this Prospectus after the Expiry Date.

A summary of the material differences between the Original Prospectus and this replacement prospectus is as follows:

- inclusion in the Chairman's letter of a reference to an initial period of up to 3 months for portfolio construction;
- removal of a partially duplicated paragraph in the description of the Company's investment strategy and mandate in the Investment Overview;
- inclusion in the Investment Overview of the new question 'What is the time frame for Investment Portfolio construction?' as well as the answer to that question and a reference to Section 5.3;
- deletion from the Investment Overview of non-actual financial performance discussed in Section 4;
- additional disclosure in Sections 3.1 and 3.3 by way of explanation of concepts and terms used and the inclusion of a source for Fig 1 in Section 3.4;
- additional disclosure in Section 4.5 in relation to the financial performance of 4 other investment strategies provided by the Manager, the inclusion of reasons why the disclosure in this Section is relevant to prospective investors and their advisers and emphasising (by relocating the last paragraph) that past performance should not be considered a reliable indicator of future performance of the Company; and
- additional disclosure in section 10.1 on when a termination payment is not payable to the Manager on termination of the Management Agreement.

The Company has applied to ASX Limited (ASX) for admission to the Official List and for Official Quotation of the Shares on issue as at the date of this Prospectus and the Shares and Loyalty Options issued under the Offer. Vested Loyalty Options are expected to be quoted on ASX within one month after the Vesting Date.

Neither ASIC nor ASX takes any responsibility for the content of this Prospectus. Admission to the Official List is in no way an indication of the merits of the Offer or the Company.

Offer

This Prospectus contains an invitation to apply for Shares together with one Loyalty Option for every two Shares issued to each Applicant.

Loyalty Options issued to an Applicant will either Vest or lapse on the date that is 6 months after the Closing Date. Loyalty Options held by an Applicant will Vest at the Vesting Date if and only if the Applicant holds at the Vesting Date the same or a greater number of Shares as the number of Shares issued to the Applicant under this Prospectus.

Loyalty Options that do not Vest on the Vesting Date lapse with immediate effect on the Vesting Date and are of no further force or effect.

Each Vested Loyalty Option is exercisable at \$1.00 until 5.00pm (Sydney time) AEST on the third anniversary of the Vesting Date or if that anniversary is not a Business Day, the following Business Day.

The Minimum Subscription is \$35 million. However, the Company reserves the right to accept additional subscriptions for Shares to raise up to an aggregate \$75 million. No Shares will be issued until the Minimum Subscription has been received.

No person is authorised to provide any information, or to make any representation, about the Company or the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by the Company in connection with the Offer. Except as required by law and only to the extent required by such law, neither the Company nor any other person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under the Prospectus, the repayment of capital or the payment of dividends on the Shares.

Before deciding to invest in the Company, investors should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under the Prospectus. The Offer does not take into account the investment objectives, financial situation or particular needs of individual investors. An investment in the Company should be considered speculative. You should carefully consider the risks (including those set out in Section 5) that impact on the Company in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding to invest in the Company. No cooling-off regime (whether provided for by law or otherwise) applies in respect of the acquisition of Shares under this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company, its Directors and its management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, the Company does not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 5. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Prospectus.

Important information for New Zealand investors

This Offer to New Zealand investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the *Corporations Regulations 2001* (Cth) (Regulations). In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and the contents of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees

for collective investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements relating to investments in New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Securities is not New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the Securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand, in New Zealand dollars.

If the Securities are able to be traded on a securities market and you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell the Securities on your behalf. If the Securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

A copy of this Prospectus and other documents relating to the Offer have been, or will be, lodged with the New Zealand Companies Office under the mutual recognition regime.

While the Offer is being extended to New Zealand investors under the mutual recognition regime, no application for listing and quotation is being made to NZX Limited.

Exposure Period

Pursuant to the Corporations Act, this Prospectus is subject to an exposure period of seven days after the date of the Original Prospectus, which period may be extended by ASIC by a further period of seven days.

The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, the Company will:

- return any Application Monies that the Company has received;
- provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency, and give each Applicant the option to withdraw the Application within 1 month and be repaid the Subscription Amount; or
- issue to each Applicant the Shares and Loyalty Options applied for in the Application, provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency and give each Applicant the option to withdraw the Application within 1 month and be repaid the Application Monies.

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Electronic Prospectus

The Prospectus may be viewed online at <https://events.miracle.com/EllerstonGlobalInvestments>

The Offer pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia and New Zealand. The Company is entitled to refuse an application for Securities under this Prospectus if it believes the Applicant received the Offer outside Australia in non-compliance with the laws of the relevant foreign jurisdictions.

Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia, or any jurisdiction outside Australia where the distribution of the electronic version of this Prospectus is not restricted by law.

Securities to which this Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus.

Applications must be made by completing the Application Form that forms part of, is attached to, or accompanies this Prospectus or applying online at <https://events.miraql.com/EllerstonGlobalInvestments>. Application Forms must be completed in accordance with the accompanying instructions.

Applicants may apply online for the Securities. Any Applicants applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is included in or is accompanied by a hard copy of this Prospectus or accompanies the complete and unaltered electronic version of this Prospectus.

During the Offer Period, any person may obtain a paper copy of this Prospectus by contacting the Share Registry's offer information line on 1300 551 627 (within Australia) or +61 1300 551 627 (outside Australia). Questions relating to the Offer may also be directed to the Share Registry's offer information line.

Foreign investors

Please refer to Section 2.10 in relation to the ability of foreign investors to participate as Applicants in the Offer.

Information about the Manager

This Prospectus contains certain information about the Manager, its directors, senior executives and business. It also contains details of its investment approach, strategy and philosophy. To the extent that the Prospectus includes statements by the Manager or includes statements based on any statement of, or information provided by, the Manager, the Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

Authorised Intermediary

The issuer of the Prospectus is the Company. Offers of Securities under this Prospectus will be made under an arrangement between the Company and Morgans Financial Limited (**Authorised Intermediary**), as a holder of an Australian Financial Services Licence, under Section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the Shares and Loyalty Options under the Prospectus and the Company will only issue the Securities in accordance with those offers and no others.

Privacy

By completing an Application Form, you are providing personal information to the Company and **Link Market Services Limited** as the Share Registry, which is contracted by the Company to manage Applications, and you consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected, held and used both in and outside of Australia by the Company, and the Share Registry on its behalf, to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment.

If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a Security holder, the Corporations Act requires information about you (including your name, address and details of the Shares and any Loyalty Options you hold) to be included in the Company's public Share and Option registers. This information must continue to be included in the Company's public Share and Option registers even if you cease to be a Security holder.

The Company and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Share Registry for ongoing administration of the Company's public Share and option registers;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- the Joint Lead Managers in order to assess your Application;
- market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Securities and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder and Loyalty Option holder registers will be accessible by the public.

Currency

References in this Prospectus to currency are to Australian dollars unless otherwise indicated.

Time

All references in this Prospectus to time are to the legal time in Sydney, Australia.

Glossary

Certain terms and abbreviations in this Prospectus have defined meanings that are explained in the Glossary to this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter.

Diagrams

Diagrams used in this Prospectus are illustrative only.

Applications

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Detailed instructions on completing the Application Form can be found on the back of the Application Form. The acceptance of an Application Form and the allocation of Shares are at the discretion of the Company.

Company website

Any references to documents included on the Company or Manager's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

CONTENTS

Important dates	02
Key Offer Information	03
Chairman's Letter	04
1. Investment Overview	05
2. Details of the Offer	16
3. Company Overview	24
4. Manager Overview	30
5. Risks	38
6. Key people, benefits and interests	46
7. Financial Information	54
8. Investigating Accountant's independent limited assurance report on the historical and pro forma financial information	60
9. Taxation	64
10. Material contracts	69
11. Authorised Intermediary – Financial Services Guide	86
12. Glossary	95
13. Appendix A Loyalty Option Terms of Issue	99
Corporate directory	IBC

Important dates

Lodgement of the Prospectus with ASIC	16 September 2014
Offer opens	9.00am, 22 September 2014
Offer closes	5.00pm, 10 October 2014
Expected final date for issue of Shares	16 October 2014
Trading of Shares expected to commence on ASX	22 October 2014
Vesting Date for Loyalty Options (refer to section 10.6)	7.00pm, 10 April 2015
Expiry date of Vested Loyalty Options	5.00pm, 10 April 2018

The above timetable is indicative only. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications (generally or in particular cases) without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Key Offer Information

Lodgement of the Prospectus with ASIC	16 September 2014
Company name	Ellerston Global Investments Limited (ACN 169 464 706)
Proposed ASX Codes	EGI (Shares) EGIO (Loyalty Options)
Securities offered	Fully paid Shares and one Loyalty Option for every two Shares issued.
Loyalty Options	The Loyalty Options are expected to be listed for quotation on the ASX within one month after the Vesting Date.
Minimum number of Shares available under the Offer	35,000,000 Shares
Maximum number of Shares available under the Offer	75,000,000 Shares
Minimum Gross Proceeds from the Offer	\$35,000,000
Maximum Gross Proceeds from the Offer	\$75,000,000
Application amount	\$1.00 per Share. No additional amount is payable for Loyalty Options
Exercise price of each Vested Loyalty Option	\$1.00
Minimum number of Loyalty Options that may be issued	17,500,000 Loyalty Options
Maximum number of Loyalty Options that may be issued	37,500,000 Loyalty Options
Pro forma net asset value backing per Share based on the Minimum Subscription amount of \$35,000,000 (based on the unaudited statements of financial position set out in Section 7.2)	\$0.972 ¹ per Share
Pro forma net asset value backing per Share based on a subscription amount of \$75,000,000 million being achieved (based on the unaudited statements of financial position set out in Section 7.2)	\$0.977 ² per Share

1. Calculated on the assumption that the full Minimum Subscription is raised under the Broker Firm Offer.

2. Calculated on the assumption that the full Maximum Subscription is raised under the Broker Firm Offer.

Chairman's Letter

16 September 2014

Dear Investor,

On behalf of the Board of Directors, I am pleased to invite you to become an investor in Ellerston Global Investments Limited (**Company**).

The Company has been established to provide investors with access to a global equity¹ portfolio with a distinctively contrarian high conviction investment strategy, which will be managed by Ellerston Capital Limited (**Manager**) under the terms of the Management Agreement. The Manager is a specialist funds manager that was founded in 2004 and has over \$3 billion in funds under management (as at 30 June 2014).

The Company is seeking to raise a minimum of \$35 million and a maximum of \$75 million through the Offer and to obtain a listing on the Australian Securities Exchange (**ASX**).

A distinctive feature of this Offer is that following completion of the Offer, the Company intends to undertake the issue of Loyalty Options offered under the Prospectus on a one-for-two basis to investors who apply for Shares under this Prospectus. Loyalty Options that do not lapse become freely transferable and exercisable 6 months after the Closing Date of the Offer.

The Australian market is characterised by having a small number of very large stocks, particularly in the financials and materials sectors, and is underweight sectors such as technology and healthcare. Given there are over 50 equity markets globally and 97% of all listed equities are traded outside of Australia, many investors find themselves underweight global equities and are seeking an effective way to increase their exposure. I believe that the Company provides an opportunity to increase your global equity exposure and access our expertise in identifying investments otherwise unavailable to Australian investors on the ASX.

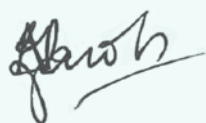
As Chairman² and Chief Investment Officer³, I have overall responsibility for investment decisions with the support of the Board, the Manager and its team of investment professionals, each of whom have deep expertise across Australian and international markets. We have also committed to apply for a minimum of 10% of Shares under the Offer, up to a maximum of \$5 million of the Company's Shares on issue immediately after the completion of the Offer.

The Manager will employ a distinctively contrarian, high conviction investment strategy that seeks to identify stocks with a compelling risk/reward profile. The trade off between risk and potential return is improved by implementing the highest conviction ideas from a universe of securities that the Manager feels are temporarily misunderstood and fundamentally mispriced. Unconstrained by benchmark weights or one particular investment style, the Manager undertakes fundamental, bottom-up investment research and analysis which are then combined with market insights and macroeconomic overlay. In following this approach, the Manager will over an initial period of up to 3 months construct a relatively concentrated portfolio targeting between 10 and 25 global equity securities.

This Prospectus contains further details of the Offer including information about the Company, its investment strategy and details of key risks of investing in the Company (see Section 1.3). I encourage you to read this Prospectus in full and carefully consider it before making your investment decision.

On behalf of the Board of Ellerston Global Investments Limited, I invite you to consider participating in this investment opportunity.

Yours faithfully,



Ashok Jacob
Chairman

¹ Including Australia

² Of the Company

³ Of the Manager



1.

Investment Overview

1. Investment Overview

1.1 Introduction and overview of the Company's business

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the business of the Company?	<p>The Company is a newly incorporated Australian public company which has not yet conducted any operations. Upon completion of the Offer, the Company will be a listed investment company that will primarily invest in global equity securities.</p> <p>The Company's objective is to generate superior returns for Shareholders, with a focus on risk management and capital preservation.</p> <p>The Company's Investment Portfolio will be managed by the Manager. The Company will provide investors with the opportunity to access an actively managed portfolio and gain exposure to the investment experience and expertise of the Manager.</p> <p>It is intended that the Company's Investment Portfolio will be comprised of a concentrated portfolio targeting between 10 and 25 global equity securities.</p>	Section 3
What is the Company's investment strategy and mandate?	<p>The Company's investment strategy is to construct a concentrated portfolio of global equities securities using the Manager's distinctively contrarian high conviction, benchmark independent investment approach. The trade off between risk and potential return is improved by implementing the highest conviction ideas from a filtered universe of securities that the Manager feels are temporarily misunderstood and fundamentally mispriced. The Manager will undertake disciplined 'bottom up' stock selection based on rigorous fundamental analysis in respect of the stocks identified. This is overlaid with the Manager's 'top down' assessment of macroeconomic conditions and the market outlook. In following this approach, the Manager aims to allocate capital to securities which have a compelling risk/reward profile.</p> <p>The Manager will target the following guidelines:</p> <ul style="list-style-type: none"> • International listed securities (including emerging markets); between 50% and 100%; • Australian listed securities: between 0% and 20%; • International unlisted securities (including emerging markets); between 0% and 10%; • Australian unlisted securities: between 0% and 5%; • Cash and equivalent exposures: between 0% and 50%; • Number of securities positions: targeting between 10 and 25; • Foreign currency: may be unhedged with ability to actively hedge up to 100%. <p>The Company may invest in a wide range of securities, including equities, debt, interest products, foreign currencies, cash and Derivatives.</p> <p>Derivatives may be used as part of its overall investment strategy, including but not limited to the purpose of hedging the Investment Portfolio, to increase or decrease individual security, portfolio or country exposures with the aim of generating or protecting returns. The Company may use exchange traded or OTC Derivatives.</p> <p>The key dependencies underpinning the investment strategy are the research, analysis, skill and experience of the Manager as well as market conditions.</p>	Section 3

1.1 Introduction and overview of the Company's business (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key highlights of the Offer?	<p>Taking up this Offer will allow investors to:</p> <ul style="list-style-type: none"> • access a specialist investment manager with a distinctively contrarian high conviction investment approach and a benchmark independent philosophy of stock selection; • access a Manager with deep expertise across Australian and global markets who combined manage in excess of \$3 billion as at the date of this Prospectus in Australian and global portfolios; • diversify their existing portfolio with access to global investment opportunities with compelling risk/reward profiles that are complementary to a domestic equity portfolio; • benefit from an investment approach and process which has been developed over the past 30 years by Ashok Jacob and seeks to: <ul style="list-style-type: none"> – identify what are considered compelling investment opportunities; and – manage portfolio risk; • take advantage of a competitive fee structure; and • benefit from oversight by a Board with strong experience in capital markets, corporate governance and investment, with a focus on cost control and efficiency. 	Sections 3 and 4
What is the financial position of the Company?	While the Company is yet to commence trading, unaudited statements of its financial position as at 16 September 2014 are set out in Section 7.2.	Section 7.2
What is the time frame for Investment Portfolio construction?	Investment in the Company should be regarded as a long term proposition. The Manager estimates that it may take approximately 3 months to fully construct the Investment Portfolio.	Section 5.3
Will any related party have a significant interest in the Company or the Offer?	<p>As at the date of this Prospectus, the Manager is the sole Shareholder of the Company and is therefore a related party of the Company. The Company and the Manager have entered into a Management Agreement pursuant to which the Manager is entitled to be paid certain fees by the Company. Further details of the Management Agreement are set out below and in Section 10.1.</p> <p>Certain members of the Board may also be employed by the Manager in some capacity and receive remuneration pursuant to the terms of their agreement.</p> <p>Certain shareholders, directors and employees of the Manager and the Company have indicated an intention to apply for Securities under the Offer.</p> <p>Other than as set out above, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct or indirect interest in the Company or the Offer.</p>	Section 10 in relation to the Management Agreement

1. Investment Overview

1.1 Introduction and overview of the Company's business (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
Who manages the Investment Portfolio?	<p>Ellerston Capital Limited holds an Australian Financial Services Licence (No. 283000) and has been appointed as the Manager to manage the Investment Portfolio for the Company.</p> <p>The Manager is a specialist funds manager that was founded in 2004 and has a long-term track record¹ of managing equity based investment strategies.</p> <p>Today, the Manager has over \$3 billion in funds under management (as at 30 June 2014) across a range of strategies including large and small capitalisation Australian equity, global long short, Australian market neutral and private equity.</p> <p>Ashok Jacob, as Chairman & Chief Investment Officer, has overall responsibility for the Manager's investment decisions. The Manager's team will comprise 17 investment professionals each of whom have significant skill and experience in different geographies, sectors and industries. The Manager has a total of 33 staff including in-house legal and compliance, finance and administration, operations & risk management, distribution and investor relations.</p> <p>The Company believes that its Directors and the Manager bring together significant experience and expertise in funds management, listed and unlisted equities, corporate governance and in providing comprehensive financial and investment advice.</p> <p>Details of the Board and the experience and credentials of the Manager are set out in Sections 6.1 and 4 respectively.</p> <p>A summary of the material provisions of the Management Agreement is set out in Section 10.1.</p>	Sections 3, 4, 6.1 and 10
What are the key terms of the Management Agreement?	<p>The Manager will be responsible for managing the Investment Portfolio in accordance with the investment objectives, strategy, guidelines and permitted investments set out in Section 3.</p> <p>The Company will pay the Manager a Management Fee of 0.75% p.a. (plus GST) of the pre tax net asset value of the Investment Portfolio, calculated and accrued monthly and paid monthly in arrears.</p> <p>In addition, the Manager will be entitled to receive a Performance Fee from the Company equal to 15% (plus GST) of the amount by which the Investment Portfolio's pre tax return exceeds the return of the MSCI World Index (Local), calculated and accrued monthly and paid annually in arrears. If the Investment Portfolio's pre tax return is less than the return of the MSCI World Index (Local), and the Performance Fee calculation is negative then this amount will be carried forward until it has been recouped.</p> <p>The Management Agreement provides for the appointment of the Manager for an initial term of 10 years. Subject to Shareholder approval, the Management Agreement may be extended for a further 10 year term. After the end of the 'Term' (as defined in the Management Agreement), the Management Agreement will continue until terminated in accordance with the Management Agreement.</p>	

1. Fund track record dates back to 2002 when money was managed as part of the Consolidated Press Holdings Group prior to the establishment of Ellerston Capital in 2004.

1.1 Introduction and overview of the Company's business (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key terms of the Management Agreement? (continued)	If the Management Agreement is terminated, then in certain circumstances the Manager is also entitled to a termination payment equal to 5%, reduced by 1/120th for each calendar month elapsed between the commencement of the extended term and the termination date, of the net tangible asset backing of each security in each class of Shares in the Company as calculated under the ASX Listing Rules.	Sections 3 and 10
Does the Board approve investments?	Board approval is not required for investments undertaken by the Manager that are in accordance with the Company's investment objectives, strategies, guidelines and permitted investments. Any investments that the Manager proposes outside of these parameters must be approved by the Board.	Sections 3 and 10
What is the Company's dividend policy?	<p>The Company intends to pay semi-annual dividends to Shareholders. However, as the objective of the Company is long term capital growth, there may be periods in respect of which dividends may be low or are not paid at all.</p> <p>The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deem relevant.</p> <p>It is the current Board policy that all dividends paid to Shareholders will be franked to the maximum extent legally permissible without exposing the Company to liability to pay any franking deficits or any other tax or impost.</p> <p>No assurances can be given about the payment of any dividend and the level of franking on any such dividend. Please note that the proposals set out above may be impacted by various factors outside the control of the Company and are subject to the risks set out in Section 5.</p>	Section 3.11
Does the Company have any other material contracts?	<p>In addition to the Management Agreement, the Company has entered into an Offer Management Agreement with respect to the Offer.</p> <p>The Offer Management Agreement includes provisions governing Morgans Financial Limited's role as the Authorised Intermediary. Refer to Section 10 for further details.</p>	Section 10

1. Investment Overview

1.2 Overview of the Offer

TOPIC	SUMMARY	FOR MORE INFORMATION									
What is the Offer?	<p>The Company is offering Shares together with one Loyalty Option for every two Shares issued under the Offer to raise a minimum of \$35 million and up to an aggregate of \$75 million (excluding any proceeds from the exercise of Vested Loyalty Options).</p> <p>i) Loyalty Options issued to an Applicant will lapse or Vest on the Vesting Date (ie, 6 months after the Closing Date). Loyalty Options held by an Applicant will Vest at the Vesting Date if and only if the Applicant holds at the Vesting Date the same or a greater number of Shares as the number of Shares issued to the Applicant under this Prospectus.</p> <p>ii) Loyalty Options that do not Vest immediately lapse with effect on and from the Vesting Date. The expiry date of Vested Loyalty Options is the third anniversary of the Vesting Date or if that anniversary is not a Business Day, the following Business Day.</p> <p>For details relating to the rights and liabilities of the Shares, refer to Section 10.7. For the terms and conditions of the Loyalty Options, refer to the Appendix and Section 10.6.</p>	Sections 2, 10.6 and 10.7									
Who is the issuer?	Ellerston Global Investments Limited, a public company limited by shares, registered in Victoria.	Section 2									
Why is the Offer being conducted?	The Company is offering the Securities to raise funds to undertake investments consistent with the investment objectives and guidelines outlined in this Prospectus, to pay the costs of the Offer and to obtain a listing on ASX.	Section 2.1									
What is the minimum application size?	You may apply for a minimum 2,000 Shares, with incremental multiples of 500 (i.e. in incremental multiples of at least \$500).	Section 2.5									
How can I apply?	<p>Applicants under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Offer Application Form accompanying this Prospectus.</p> <p>You may apply for Shares under the General Offer by completing the Application Form accompanying or included in this Prospectus or online at https://events.miraql.com/EllerstonGlobalInvestments. Any Applicants applying online must personally complete the online Application Form. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).</p>	Section 2.5									
What is the capital structure of the Company following completion of the Offer?	<p>On completion of the Offer, the capital structure of the Company will be as set out below (assuming that 100% of the subscription amount is raised under the Broker Firm Offer.)</p> <table> <tr> <th></th><th>Minimum Subscription \$35,000,000</th><th>Maximum Subscription \$75,000,000</th></tr> <tr> <td>Shares</td><td>35,000,000</td><td>75,000,000</td></tr> <tr> <td>Loyalty Options</td><td>17,500,000</td><td>37,500,000</td></tr> </table>		Minimum Subscription \$35,000,000	Maximum Subscription \$75,000,000	Shares	35,000,000	75,000,000	Loyalty Options	17,500,000	37,500,000	Section 7.2
	Minimum Subscription \$35,000,000	Maximum Subscription \$75,000,000									
Shares	35,000,000	75,000,000									
Loyalty Options	17,500,000	37,500,000									

1.2 Overview of the Offer (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • the Broker Firm Offer; and • the General Offer. 	Section 2.1
Who can participate in the Offer?	<p>Investors that have a registered address in Australia or New Zealand can participate in the General Offer.</p> <p>The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who are Applicants who have a registered address in Australia, or New Zealand.</p>	Section 2.1
Who are the Joint Lead Managers to the Offer?	<p>The Joint Lead Managers are:</p> <ul style="list-style-type: none"> • Morgans Corporate Limited; • Wilson HTM Corporate Finance Ltd; and • Evans and Partners Pty Ltd. 	Section 10.2
Is the Offer underwritten?	No.	Section 2.5
What do Applicants pay when applying under the Offer?	All Applicants under both the Broker Firm Offer and General Offer pay \$1.00 for each new Share offered under this Prospectus.	Section 2.4
What is the allocation policy?	<p>In allocating the Shares, it is the intention of the Board to ensure that the Company has an adequate spread of Shareholders. The allocation of the Shares is at the absolute discretion of the Joint Lead Managers (in consultation with the Company).</p> <p>It is currently anticipated that certain shareholders, directors and employees of the Manager will be permitted to participate in the Offer.</p>	Section 2.6
What fees and costs are payable to the Joint Lead Managers and Brokers?	<p>The Company will pay to the Joint Lead Managers a management fee of 1.0% (exclusive of GST) of the gross proceeds of the Offer.</p> <p>The Company will also pay a broker firm selling fee of 1.5% (exclusive of GST) of gross proceeds of the Offer assuming 100% Broker Firm Offer.</p>	Section 10.2
Will the Shares and Loyalty Options be listed?	<p>The Company has applied to be admitted to the Official List and to seek quotation of the Shares and Loyalty Options on ASX (as well as existing Shares in the Company).</p> <p>The Vested Loyalty Options are expected to be quoted on ASX within one month after the Vesting Date.</p>	Section 2.8
What are the tax implications of investing in Shares?	The tax consequences for an investor of any investment in the Shares (and Loyalty Options) will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.	Section 9
What are the consequences of the Company's status as a LIC?	<p>On the basis of the current investment strategy, the Company expects that it may generally be considered to hold its investments on revenue account.</p> <p>Consequently, the Company may generally not make capital gains and therefore Shareholders may not be able to obtain taxation benefits under the LIC regime.</p>	Section 3.12

1. Investment Overview

1.2 Overview of the Offer (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
Can the Company issue additional Shares and options or other securities?	Yes, subject to the restriction under the Offer Management Agreement (refer Section 10.2 for further details).	Not applicable
When will I receive confirmation that my Application has been successful?	The Company expects that holding statements will be sent by standard post on or around 17 October 2014. If you received an allocation through your Broker, please contact your Broker to confirm your allocation.	Not applicable
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares and Loyalty Options to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any refunded Application Monies.	Section 2.1
Is there a cooling-off period?	No.	Important Notices
Where can I find key financial information relating to the Company?	The Company has only recently been incorporated and to date has undertaken no business activity (other than the preparation of the Prospectus, preparation and execution of the Offer Management Agreement and Management Agreement and the retainer of various service providers in connection with the Offer). Please refer to Section 7.2 for unaudited statements of financial position in respect of the Company.	Section 7.2
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, please call the Share Registry's offer information line on 1300 551 627 (within Australia) or +61 1300 551 627 (outside Australia), between 8.30am and 5.30pm (Sydney time). If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	Important Notices

1.3 Investment risks

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the risks of investing in the Shares?	<p>An investment in the Company should be considered to contain an element of risk. You should give full consideration to this Section 1.3 and the detailed discussion of risks that is set out in Section 5 of the Prospectus.</p> <p>The key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> the ability of a Shareholder to sell Shares on ASX will be a function of the turnover or liquidity of the Shares at the time of sale. Given the nature of the Company, it is likely that there will be a low level of liquidity in trading of the Shares. As a result, Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire; the Company will be exposed to fluctuations in certain foreign currencies. The Manager may make use of foreign exchange hedging with the aim of reducing the effects of currency movements on the return profile of the Company. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to foreign exchange movements; the Manager may also hedge the exposure of other investments of the Company against investment loss, but is not obliged to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant. See Section 5.1 for risks associated with hedging; the Management Fee and Performance Fee may create an incentive for the Manager to overstate the value of investments and/or make investments that are riskier or more speculative than would be the case in the absence of a fee based solely on the performance of the Company; a fall in global or local equity markets, global or local bond markets, market volatility or lack of movement in the value of the Australian dollar against other major currencies may materially affect both the performance of the securities in which the Company invests and the net tangible asset backing of the Shares; the Manager may stop managing the Investment Portfolio meaning the Company may have to find a new investment manager; the Shares and/or the Company's investments may decline in value. Investors in the Company are exposed to this risk through both their holding in the Shares and through the Company's investments. In addition, the Shares may trade on ASX at a discount to the net asset value of the Investment Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Investment Portfolio; the Company is subject to a range of regulatory controls imposed by government and regulatory authorities which may change and have a negative effect on the Company, its investments and/or returns to Shareholders; and the past performance of investment portfolios managed by the Manager, and persons associated with the Manager, are not a guide to future performance of the Company. 	Sections 1.1 and 5

1. Investment Overview

1.3 Investment risks (continued)

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the additional risks of investing in the Shares?	<p>In addition to those key risks detailed above, there are further risks associated with the Company and an investment in the Shares, including in the following areas:</p> <ul style="list-style-type: none">• loss of Ashok Jacob or any other senior member of the investment team of the Manager;• potential conflicts of interest;• counterparty, credit and service provider risk;• deterioration in global economic or equity / debt market conditions;• adverse currency movements;• risks in relation to the use of Derivatives;• valuation risks in relation to the Company's investments;• interest rate risk;• no guarantee of dividends or return of capital;• operational costs;• change in accounting policies;• size of Investment Portfolio;• the time it takes for the Company to have its Investment Portfolio fully invested;• future capital requirements of the Company;• absence of operating performance history of the Company; and• changes in taxation laws of policies. <p>Investors should bear the above risks in mind, when considering whether to participate in the Offer.</p> <p>In addition, investors are strongly advised to regard any investment in the Company as a long term proposition and be aware that substantial fluctuations in the value of their investment may occur during that period. More detail about these and other risks associated with the Company can be found in Section 5.</p>	Section 5

1.4 Key information on the experience and background of the Directors and the Manager

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Directors and what is their experience?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Ashok Jacob – Not Independent Chairman • Sam Brougham – Independent Non-Executive Director • Paul Dortkamp – Independent Non-Executive Director • Stuart Robertson – Independent Non-Executive Director <p>See Section 6.1 for further details regarding the background of the Directors.</p>	Section 6.1
What are the Directors to be paid?	<p>Following their appointment, it is proposed that the Directors will receive the following amounts (inclusive of superannuation) for the first year:</p> <ul style="list-style-type: none"> • Ashok Jacob – nil • Sam Brougham – \$27,500 • Paul Dortkamp – \$27,500 • Stuart Robertson – \$27,500 	Section 6.5
Who is the Manager and what is its track record?	<p>The Manager, Ellerston Capital Limited, is a specialist investment manager with a distinctively contrarian high conviction investment approach and a benchmark independent philosophy to stock selection. The Manager is majority owned by its principals and employees. The Manager has over \$3 billion in funds under management (as at 30 June 2014) across a range of strategies including large and small capitalisation Australian equity, global long short, Australian market neutral and private equity.</p>	Section 4



2.

Details of the Offer

2. Details of the Offer

2.1 What is the Offer?

The Company is offering Shares and Loyalty Options to raise a minimum of \$35 million and up to an aggregate of \$75 million.

For every two Shares issued to an Applicant under the Offer, the Applicant will be issued one Loyalty Option.

Loyalty Options issued to an Applicant will either lapse or Vest on the date that is 6 months after the Closing Date. Loyalty Options held by an Applicant will Vest at the Vesting Date if and only if the Applicant holds at the Vesting Date the same or a greater number of Shares as the number of Shares issued to the Applicant under this Prospectus.

Loyalty Options that do not Vest on the Vesting Date will lapse with immediate effect on the Vesting Date and will be of no further force of effect.

Each Vested Loyalty Option will be exercisable at \$1.00, and may be exercised at any time after the Vesting Date until 5.00pm (Sydney time) on the third anniversary of the Vesting Date or if that anniversary is not a Business Day, the following Business Day.

Vested Loyalty Options are expected to be listed for quotation on ASX within one month after the Vesting Date.

The rights attaching to the Shares and Loyalty Options are set out in Sections 10.7 and 10.6 respectively and the terms and conditions of the Loyalty Options are set out in the Appendix.

The Offer is comprised of a:

- (a) **Broker Firm Offer**, which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. Investors who have been offered a firm allocation by a Broker, will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Securities under the Broker Firm Offer.
- (b) **General Offer** open to investors who have a registered address in Australia or New Zealand.

Applicants under the Broker Firm Offer and the General Offer will be required to pay an Application Amount of \$1.00 per Share for each Share they apply for.

Discretion under the Offer

The Company reserves the right not to proceed with the Offer at any time before the allotment of Securities under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Joint Lead Managers or Brokers until these are received by the Company.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares specified in the Application or any of them without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

The Company reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

2. Details of the Offer

2.2 Minimum Subscription

The Minimum Subscription required for the Offer to proceed is \$35 million. If the Minimum Subscription is not obtained within 4 months after the date of this Prospectus, the Company will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

2.3 Licensed Dealers

Offers under this Prospectus will be made pursuant to an arrangement between the Company and Morgans Corporate Limited under section 911A(2)(b) of the Corporations Act. The Company will only authorise Morgans Corporate Limited to make offers to people to arrange for the issue of the Securities by the Company under the Prospectus and the Company will only issue the Securities in accordance with Applications made pursuant to such offers if they are accepted. The Company has entered into such an agreement with the Joint Lead Managers.

The Company has agreed to pay a management fee of 1.0% (in aggregate and exclusive of GST) of the gross proceeds received by the Company from the Offer to the Joint Lead Managers. The Company has also agreed to pay 1.5% (exclusive of GST) of gross proceeds received by the Company assuming 100% of subscriptions are raised under the Broker Firm Offer.

2.4 Is the Offer underwritten?

No, the Offer is not underwritten.

Morgans Corporate Limited, Wilson HTM Corporate Finance Ltd and Evans and Partners Pty Ltd are acting as Joint Lead Managers to the Offer. The Company and the Joint Lead Managers have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 10.2.

2.5 How do I apply under the Offer

Who is eligible to participate in the Offer?

Who can apply for Shares under the General Offer?

The General Offer (which does not include the Broker Firm Offer) is open to Retail Applicants and Wholesale Applicants resident in Australia or New Zealand. The Company reserves the right in its absolute discretion to issue no Shares to Applicants under the General Offer. All Applicants under the General Offer must have an eligible residential address in Australia or New Zealand.

Who can apply under the Broker Firm Offer?

The Broker Firm Offer is open to Retail Applicants resident in Australia or New Zealand and to Wholesale Applicants in Australia, or New Zealand, who have received a firm allocation from their Broker.

Completing and returning your Application under the retail Offer

What is the minimum and maximum application under the Offer?

Applications must be for a minimum of 2000 Shares and 1000 Loyalty Options. Applications in excess of the minimum number of Shares must be in multiples of 500 Shares and 250 Loyalty Options.

There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

The Company, reserves the right to reject any Application or to allocate a lesser number of Shares than that which is applied for.

How do I apply under the General Offer?

In order to apply for Securities under the General Offer, please complete the Application Form that is included in or accompanies this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus) or apply online at <https://events.miraql.com/EllerstonGlobalInvestments>. Application Forms must be completed in accordance with the accompanying instructions.

Any Applicants applying online must personally complete the online Application Form and pay the Application Monies via BPAY® only. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

For printed Applications, once completed, please lodge your Application Form and Application Monies so that it is received at the address of the Company's Share Registry set out below by the Closing Date.

By mail to:

Ellerston Global Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

How do I apply under the Broker Firm Offer?

If you are applying for Securities under the Broker Firm Offer, you should complete and lodge your Broker Firm Application Form with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with their Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

The allocation of Securities to Brokers will be determined by the Company in consultation with the Joint Lead Managers.

Securities that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Securities from those Brokers.

It will be a matter for the Brokers how they allocate Securities among their clients, and they (and not the Company nor the Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Securities.

The Company, Registry and the Joint Lead Managers take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your Broker if you have any questions.

How to complete and attach your cheque for the Application Monies

Application Monies may be provided by BPAY® (see below), cheque(s) or bank draft(s). Cheque(s) or bank draft(s) must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed 'Not Negotiable'; and made payable:
 - for Applicants in the General Offer: to 'Ellerston Global Investments Limited'; or
 - for Applicants in the Broker Firm Offer: in accordance with the directions of the Broker from whom you have received a firm allocation.

2. Details of the Offer

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Paying your Application Monies by BPAY®?

Australian investors may apply for Securities online and pay their Application Monies by BPAY®. Australian investors wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at <https://events.miraqle.com/EllestonGlobalInvestments> and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

Any Applicants applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Fees, costs and timing for applications

When does the Offer open?

The Offer is expected to open for Applications on 22 September 2014. However, this may be delayed if ASIC extends the Exposure Period for the Prospectus.

What is the deadline to submit an Application under the Offer?

It is your responsibility to ensure that your Application Form and Application Monies are received by the Share Registry before 5.00pm (Sydney time) on the Closing Date for the Offer which is 10 October 2014. Broker Firm Offer Applicants should return their applications in accordance with the deadline set out to them by their Broker.

The Company and the Share Registry take no responsibility in respect of an Application Form or Application Monies which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Monies are received by the Share Registry.

Is there any brokerage, commission or stamp duty payable by Applicants?

No stamp duty is payable by Applicants on the acquisition of Securities under the Offer.

What are the costs of the Offer and who is paying them?

The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the offering documentation. At the time of production of this Prospectus the costs payable by the Company are estimated to be \$1,384,337 assuming the Minimum Subscription of \$35 million is achieved and \$2,515,708 assuming the maximum subscription amount of \$75 million is achieved (in both cases assuming that 100% of the relevant subscription amount is raised under the Broker Firm Offer). The Company will pay these costs from the proceeds of the Offer (see Section 7.5).

Confirmation of your Application and trading on ASX

When will I receive confirmation whether my Application has been successful?

Applicants under the General Offer will be able to call the information line on 1300 551 627 (within Australia) or +61 1300 551 627 (outside Australia), between 8.30am and 5.30pm Sydney time, from 17 October 2014 to confirm their allocation.

Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 17 October 2014.

Is DvP settlement available?

Delivery versus payment (DvP) settlement is available for Applicants under the Broker Firm Offer. Please contact your Broker for further details.

When will I receive my Securities and when can I trade my Securities?

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Securities to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 16 October 2014.

Trading of the Shares on ASX is expected to commence on 22 October 2014 on a normal T + 3 settlement basis. Vested Loyalty Options are expected to be quoted on ASX within 1 month after the Vesting Date.

If you sell your Securities before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Company's Offer Information Line.

Who do I contact if I have further queries?

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Share Registry on 1300 551 627 (within Australia) or +61 1300 551 627 (outside Australia) between 8.30am and 5.30pm Sydney time.

2. Details of the Offer

2.6 Allocation policy

The basis of allocation of Securities under the Offer will be determined by the Joint Lead Managers in consultation with the Company, subject to any firm allocations under the Broker Firm Offer. Certain Applicants nominated by the Company may be given preference in the allotment of Securities.

It is currently expected that certain shareholders, directors and employees of the Manager will be permitted to participate in the Offer.

The Company reserves the right in its absolute discretion to not issue Securities to Applicants under the General Offer and may reject any Application or allocate a lesser number of Securities than those applied for at its absolute discretion.

2.7 Application Monies

All Application Monies will be held by the Company on trust in a separate account until the Securities are issued to successful Applicants.

2.8 ASX listing

The Company has applied to ASX for admission to the Official List and for its Shares and Loyalty Options to be granted official quotation by ASX. The Company is not currently seeking a listing of its Shares on any financial market other than ASX. Vested Loyalty Options are expected to be listed for quotation on ASX within one month after the Vesting Date.

The fact that ASX may admit the Company to the Official List and grant official quotation of the Shares and, after the Vesting Date, Vested Loyalty Options is not to be taken in any way as an indication of the merits of the Company or the Securities offered for issue under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Shares to be quoted within 3 months after the date of this Prospectus, the Shares and Loyalty Options will not be issued and all Application Monies will be refunded (without interest) as soon as practicable. ASIC has granted permission for Vested Loyalty Options to be quoted on ASX not later than 7 months after the Closing Date of the Offer.

2.9 Tax implications of investing in the Company

The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A summary of the Australian taxation implications of investing in the Company is set out in Section 9 and is based on current tax law and Australian Taxation Office rulings. The information in Section 9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

2.10 Overseas distribution

No action has been taken to register or qualify the offer of Securities under this Prospectus, or to otherwise permit a public offering of Securities, in any jurisdiction outside Australia and New Zealand.

Offer only made where lawful to do so

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons who come into possession of this document should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

United States residents

The Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.



3.

Company Overview

3. Company Overview

3.1 Overview

The Company is a newly incorporated Australian public company that has not yet conducted any operations. The Company has been established to provide exposure to global equities security markets utilising the Manager's distinctively contrarian, high conviction, benchmark independent investment approach which seeks to identify stocks which we believe have a compelling risk/reward profile. The trade off between risk and potential return is improved by implementing the highest conviction ideas from a universe of securities. The Manager filters the existing universe to identify securities that the Manager feels are temporarily misunderstood and fundamentally mispriced. This is confirmed with the Manager's analysis and understanding of factors affecting business model, industry structure, management team and valuation (see further Section 3.3 below).

The Company gives investors the opportunity to access a concentrated portfolio targeting between 10 and 25 global equity securities. Whilst this approach may exhibit greater levels of volatility, the Company believes that the risk reduction benefit of diversification diminishes with more than 25 securities.

3.2 Investment objectives

The Company's primary objective is to generate superior returns for Shareholders over time, with a focus on risk management and capital preservation. To achieve the primary objective the Company will:

- seek to provide investors with access to global investment opportunities with compelling risk/reward profiles that are complementary to a typical domestic equity portfolio;
- seek to increase the value of the Investment Portfolio by allocating capital to a limited number of securities in which the Manager has the highest conviction; and
- be aware of currency and cash exposures and manage them in line with the Manager's macroeconomic and market outlook.

3.3 Investment strategy

The Company's investment strategy is to construct a concentrated portfolio of global equities securities using the Manager's distinctively contrarian, high conviction, benchmark independent investment approach. The focus is on disciplined 'bottom up' stock selection based on rigorous fundamental analysis. This is overlaid with the Manager's 'top down' assessment of macroeconomic conditions and the market outlook.

The strategy will be implemented by the Manager's highly experienced investment team, made up of equity specialists with deep expertise across Australian and international markets.

The Company will have a broad investment universe and will seek to invest capital where the Manager believes the most compelling risk/reward opportunities exist.

Often the focus will be contrarian investment opportunities where the Manager's view of a company's medium to long term prospects differs from current market pricing. The Manager's investment process acknowledges the short coming of markets and the inefficiencies which can be exploited, especially being able to avoid the 'herd mentality' and seeks to identify investments which the Manager believes have been mispriced. For example, the Manager often uses the term "fallen angel" to describe a well-known company, or a company with a strong asset/brand portfolio, that is impacted by an event. Consequently, the security may be oversold and becomes fundamentally mispriced.

In order to assess the probability of a security increasing over time towards its true fundamental value, the Manager will look to understand:

- What is driving the current mispricing and what is the market missing?
- What is the catalyst and what will unlock value or cause a re-rating?
- What insight do we have from our analysis and what edge does it provide that we can profit from?

3. Company Overview

Fundamental security analysis is qualitative, focussing on management, strategy and factors affecting the business, industry and quantitative focusing on areas such as earnings, cash flow, liquidity, capital structure and balance sheet strength. The Manager refers to this approach as a fundamental ‘bottom up’ stock selection.

Once the security analysis is complete, the risk/reward profile understood and the level of conviction assessed, an appropriate position size is determined for inclusion in the Investment Portfolio.

The Manager will also assess the potential impact of the macroeconomic climate and market outlook on the Company’s investments, sector and geographic exposures. The Manager refers to this approach as ‘top down’. An example of ‘top down’ analysis includes mapping the potential market impact from Central Bank changes to monetary policy. The Manager’s ‘top down’ view can be particularly important in establishing the level of conviction in a particular security and therefore its weight in the Investment Portfolio, as well as shaping the currency hedging strategy.

The Manager may from time to time significantly increase exposure to cash or cash-like investments, which may include circumstances where the Manager believes investment opportunities are limited, to protect capital or to manage liquidity.

The Manager will use these strategies and its investment experience and skill with the objective of producing investment returns for the Company.

Refer to Sections 5 and 9 for general and tax related risks associated with the Company’s investments.

3.4 Background to international securities markets

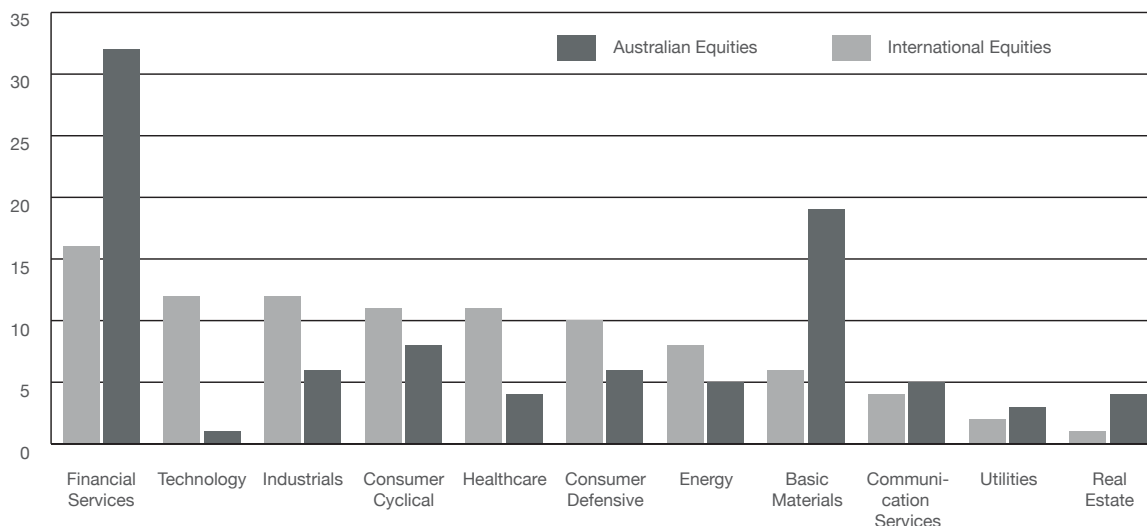
The Manager believes that over the medium to longer term, an investment in a global equity portfolio is complementary to an Australian domestic equity portfolio.

Global markets offer a range of opportunities that are not available on the Australian market, including exposure to fast-growing companies, sectors and economies and greater opportunities for diversification.

Given there are over 50 equity markets globally and 97% of all listed equities are traded outside of Australia, many investors find themselves underweight global equities and are seeking an effective way to increase their exposure.

The Australian market is dominated by a small number of large stocks, particularly in the Financials and Materials sectors (refer to Fig 1 below). Exposure to global equities provides Australian investors with increased opportunities to invest in sectors such as Technology and Healthcare, which are more equally represented on a global level.

Fig 1: Average Sector Weights – International & Australian Share Funds



Source: Ellerstion Capital Limited

In the Manager's opinion, the macro economic climate also favours global investing and, in combination with currency hedging, believes the Investment Portfolio can benefit from the management of both currency headwinds and tailwinds.

3.5 Asset classes

The Company proposes to typically invest in the following assets:

- (a) Listed securities (including equity and debt securities);
- (b) Cash and cash-like investments;
- (c) Foreign currencies;
- (d) Unlisted Equities targeting a listing on an exchange within 6 months; and
- (e) Derivatives with respect to the asset types listed in 3.6.

3.6 Asset types

The table below sets out the asset types the Company may invest in and the expected overall allocation ranges, however we may fall outside these allocation ranges from time to time.

ASSET TYPES	ALLOCATION RANGE FOR EACH STATED ASSET TYPE
Equity and other securities:	
• International listed securities (including emerging markets)	50-100%
• Australian listed securities	0-20%
• International unlisted securities (including emerging markets)	0-10%
• Australian unlisted securities	0-5%
Cash and fixed interest:	0-50%
• Cash	
• Cash equivalent securities or exposure	
• Australian government bonds	
• Australian corporate bonds	
• International government bonds	
• International corporate bonds	
Derivatives & Foreign Currency:	0-100%
• Foreign exchange contracts	
• Exchange-traded derivatives	
• OTC derivatives (primarily for hedging purposes)	
Structured products	0%
Real property	0%
Direct unlisted infrastructure	0%

Portfolio Diversification

In order to allow the Company the flexibility to invest where the Manager sees investment opportunities, the Company has broad investment ranges. The Manager intends that (i) not more than 10% of the Company's Net Asset Value at the time of purchase will be invested in any one investment, and (ii) the Company's Investment Portfolio will comprise a minimum of 10 and will target a maximum of approximately 25 positions at any one time, however the Company may fall outside these boundaries from time to time.

3. Company Overview

3.7 Location and currency

There will not be any pre-determined ranges for the locations and currency of denominations of investments. However, the Company will invest predominantly outside of Australia, focusing on the United States and Europe with opportunistic allocations to Asia and emerging markets from time to time. The currency of denomination of investments will generally follow the location of the investments. See Section 3.9 for information about how foreign currency exposures may be hedged.

3.8 Leverage

Leverage is a tool which magnifies exposures beyond the assets available to the Company by increasing the level of investible assets. It is not proposed that the Company's Investment Portfolio will be leveraged on a net basis.

3.9 Derivatives and Foreign Currency

Derivatives

The Company may use Derivatives as part of its overall investment strategy, including but not limited to:

- (a) hedging (portfolio and/or individual security risk);
- (b) to increase/decrease overall portfolio and country exposures;
- (c) investing indirectly where the Manager determines that investing indirectly would, for example, be commercially advantageous, tax efficient or provide a more practicable means of access to the relevant investment; or
- (d) short term portfolio management purposes, for example obtaining economic exposure to the market whilst physical exposures are being bought.

The Company may use any type of Derivative, including exchange traded derivatives such as Futures and options and OTC Derivatives such as swaps, options and forward contracts (for example over currencies). Derivatives may have similar effects to leverage as they increase the level of investible assets.

Counterparties

The Manager engages reputable and regulated investment banks and brokerage firms as Derivative counterparties after conducting due diligence. See Section 5.1 for risks associated with Derivatives.

Foreign Currency

The Company will be exposed to fluctuations in certain foreign currencies. The Manager may make use of foreign exchange instruments with the aim of reducing or increasing the effect of currency movements on the return profile of the Company. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to foreign exchange movements.

Investment Hedging

The Manager may also hedge the exposure of other investments of the Company against investment loss, but is not obliged to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant. See Section 5.1 for risks associated with hedging.

3.10 Changes to investment strategy

The investment objectives, strategies, guidelines and permitted investments outlined in this Section 3 are expected to be implemented by the Manager upon the listing of the Company on the ASX. It is not expected that the Company will change any of these investment objectives, strategies, guidelines and permitted investments. If there are changes, these changes will only be made with the approval of the Board, after consultation with the Manager. The Company will notify Shareholders via the website and ASX of any material changes to the Company's investment objectives, strategies, guidelines and permitted investments.

If the Company's Investment Portfolio ceases to comply with the investment objectives, strategies, guidelines or permitted investments outlined in this Section 3, the Manager must use its best reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance or longer period permitted by the Company.

3.11 Dividend Policy

The Company intends to pay semi-annual dividends to Shareholders. However, as the objective of the Company is long term capital growth, dividends may be low and there may be periods in respect of which dividends are not paid at all. The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectations of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends and other factors that the Board deem relevant. It is the current policy of the Board that all dividends paid to Shareholders will be franked to the maximum extent legally permissible without exposing the Company to liability to pay any franking deficits or any other tax or impost.

However, no assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

Please note that the proposal set out above may be affected by various factors outside the control of the Company and are subject to the risks set out in Section 5.

3.12 Status as a Listed Investment Company

On the basis of the current investment strategy, the Directors expect that the Company will generally be considered to hold its investments on revenue account. Consequently, it is likely that the Company will generally not make capital gains and therefore shareholders will not be able to obtain taxation benefits under the LIC regime.

For this reason, it is recommended that investors do not make a decision to apply for Securities under this Prospectus solely on the basis of potential taxation benefits that may result from the Company being treated as a LIC.


The Company will pay company tax on income it receives including capital gains and offshore dividend income. Accordingly, the Company may be able to pay dividends that are fully or partly franked to Shareholders in Australia.

However, the Company may hold certain investments on capital account and therefore may be able to pass through LIC taxation benefits to Shareholders that qualify for these concessions. Whether an investment is held on capital or revenue account will need to be assessed on a case by case basis.

3.13 Reports to Shareholders

Within 14 days after the end of each month, the Company will release on ASX a statement of the net tangible asset backing of its Shares as at the end of that month. The calculation of the net tangible asset backing of Shares will be made in accordance with the Listing Rules.

The Company will provide to Security holders on request, free of charge, a copy of statements released to ASX of the net tangible asset backing of Shares from time to time.



4.

Manager Overview

4. Manager Overview

4.1 About the Manager

The Company's investment strategy is proposed to be implemented by the Manager, which holds Australian Financial Services Licence 283 000.

The Manager specialises in equity strategies with a high conviction, benchmark independent investment approach, which seeks to identify opportunities by investing in stocks that are mispriced or misunderstood. The Manager has over \$3 billion in funds under management (as at 30 June 2014), with a client base that includes leading sovereign, industry and corporate superannuation funds as well as individual investors. The Manager currently manages a number of strategies including large and small capitalisation Australian equity, global long short, Australian market neutral and private equity.

The Manager is majority owned by principals and staff. The focus of the Manager is on bottom-up stock selection based on rigorous fundamental analysis seeking to identify where a company's medium to long term prospects differ from the market's perception of that company's prospects.

The Manager's investment products are designed to take advantage of the strengths and capabilities of their experienced investment team and also the opportunities which exist in the market place.

4.2 Features of the Manager

The Manager believes that Shareholders of the Company stand to benefit through the application of the Manager's distinctively contrarian, high conviction, benchmark independent approach underpinned by rigorous stock selection.

Deep Equity Expertise	<p>The Manager specialises in equity strategies, with deep expertise across Australian and international markets.</p> <p>The team is led by Ashok Jacob who has been investing globally for over 30 years.</p>
Benchmark Independent Approach	<p>The Manager's process is a result of confidence in their insights, ability and judgement to identify securities that have a compelling risk/reward profile.</p> <p>Alpha is generated from the Managers high conviction, benchmark independent, bottom-up investment approach whereby strong views are expressed through position size.</p> <p>Whilst at times likely to exhibit greater volatility, the potential for returns from ideas that the Manager has the highest conviction in, and which it believes have been mispriced, will be maximised with this approach.</p>
Contrarian Edge	<p>The Manager's investment process acknowledges the shortcoming of markets and the inefficiencies which can be exploited. Often the Manager's focus will be contrarian investment opportunities where the view of a company's medium to long term prospects differ from the market's perception.</p>
Investor Alignment	<p>The principals and selected staff of the Manager own equity in the Manager and regularly invest their own money alongside investors. This ensures alignment of interests and creates value for shareholders.</p>

4. Manager Overview

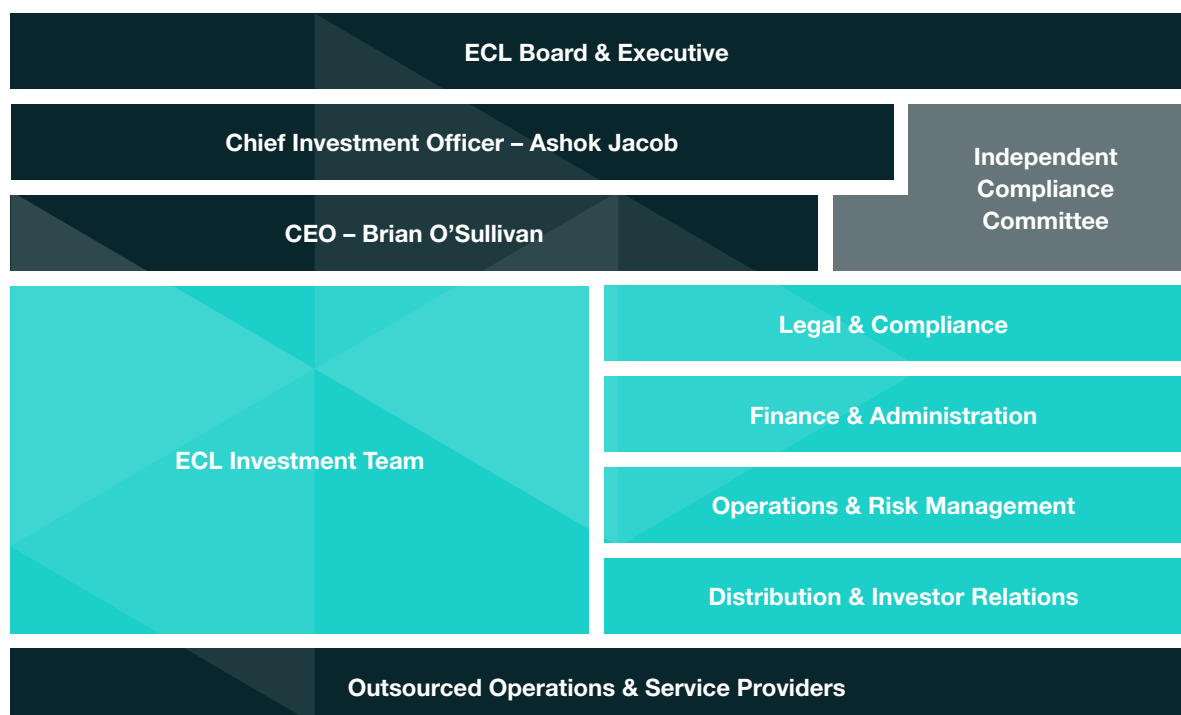
4.3 Manager's strategies

The Manager has a complementary range of strategies aimed at building wealth over time by seeking to identify stocks that have a compelling risk/reward profile.

The table below represents the core range of equity strategies managed by the Manager.

STRATEGY	GLOBAL EQUITIES	AUSTRALIAN & ASIAN EQUITIES		
		Ellerston Australian Shares	Ellerston Small Companies	Ellerston Australian Market Neutral
Key Features	<ul style="list-style-type: none"> Global long/short Fundamental bottom-up stock selection Global macro outlook overlay. 	<ul style="list-style-type: none"> Fundamental bottom-up stock selection Concentrated portfolio Mid Cap (Ex Top 20) bias. 	<ul style="list-style-type: none"> Fundamental bottom-up stock selection May also invest up to 20% in Asia (excluding Japan) Mid – Small Cap bias. 	<ul style="list-style-type: none"> Absolute return Employs a Relative Value and Special Situations strategy Low correlation with traditional asset class returns.

4.4 Manager's organisational structure



4.5 Historical performance of funds under the management of the Manager

The information on past performance of funds under the management of the Manager included in this Section should not be considered as a reliable indication of future performance of the Company. The proposed investment strategy of the Company is different to the strategies pursued by the funds described below.

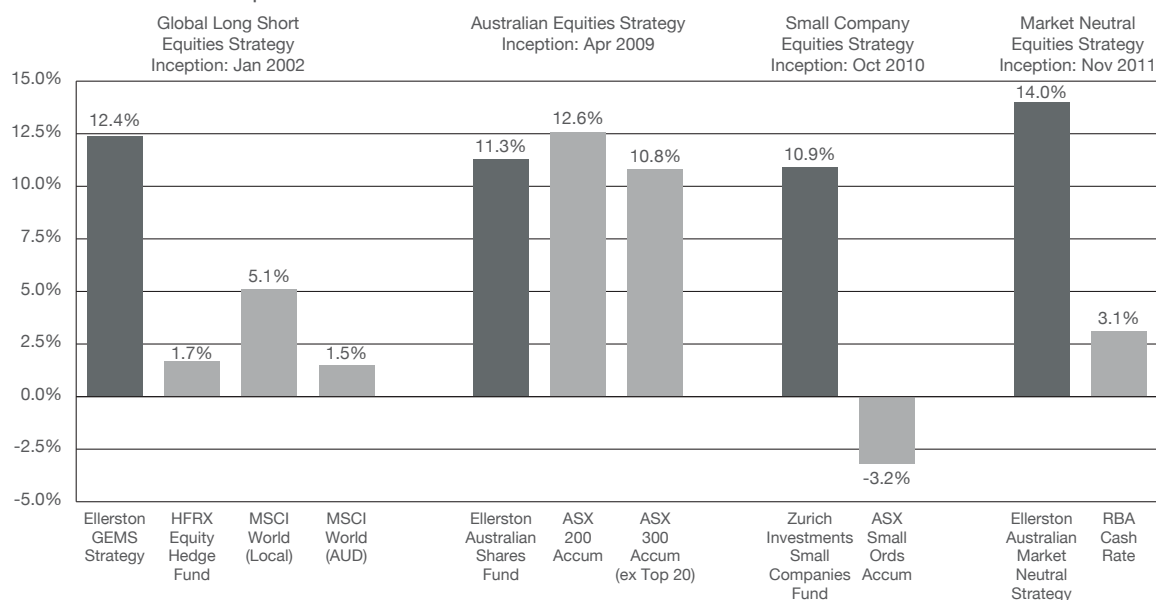
The Company believes that the disclosure of the historical performance of funds under the management of the Manager is helpful to investors to become aware of the knowledge, experience and track record of the Manager in constructing and managing investment portfolios over an extended time frame. The Company therefore believes that the disclosure should assist investors and their advisers in deciding whether or not to invest in the Company which has engaged the Manager to undertake the same task in relation to the Company's Investment Portfolio.

The investment strategy proposed for the Company is outlined in Section 3.6 and differs from the investment strategies below. Specifically:

- The Global Long Short Equities Strategy provides investors with exposure to global markets utilising a long short strategy. The portfolio targets a minimum of 50 securities and net exposure between 20% and 80%.
- The Australian Equities Strategy invests in a concentrated portfolio comprising no more than 25 Australian listed securities, typically with a mid cap (ex top 20) bias.
- The Small Companies Equities Strategy invests in a portfolio of between 30 and 50 small company securities. The fund may also invest up to 20% in Asian smaller companies (ex Japan).
- The Australian Market Neutral Equities Strategy utilises a relative value and a special situations strategy to create a portfolio with a low correlation with traditional asset class returns.

In contrast, the proposed investment strategy for the Company (as outlined in Section 3.6) is global, long only and concentrated (10-25 global securities).

Per Annum returns since inception as at 30 June 2014

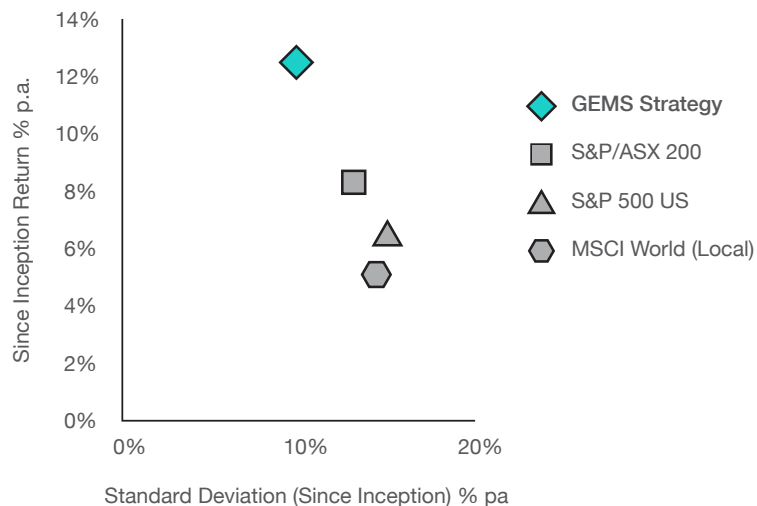


4. Manager Overview

GEMS Strategy Performance & Volatility

Since its inception in 2002, the GEMS strategy has achieved higher returns than any of the major equity indexes in the Figure opposite with lower risk as measured by the volatility of returns.

This is consistent with the strategies focus on superior returns with a focus on risk management and capital preservation.



* The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility: the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset. Data as at 30 June 2014.

PERFORMANCE ¹ VOLATILITY*	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.	TOTAL RETURN SINCE INCEPTION
Ellerston Global Equity Managers (GEMS) Strategy (Global Equities) ²	15.3% 3.6%	10.4% 6.9%	9.0% 8.1%	12.4% 9.5%	333.1%
MSCI World Index Total Return (Local)	21.7% 8.6%	13.0% 11.8%	14.4% 12.4%	5.1% 14.4%	86.3%
MSCI World Index Total Return (AUD)	20.1% 10.9%	16.7% 10.2%	11.5% 9.8%	1.5% 12.0%	20.4%
HFRX Equity Hedge Fund Index (USD) ³	7.6%	1.4%	2.1%	1.7%	23.1%

Other Ellerston Strategies

PERFORMANCE ¹	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.	TOTAL RETURN SINCE INCEPTION
Zurich Investments Small Companies Fund (Australia & Asia Small Company Equities) ⁴	19.4%	10.2%	NA	10.9%	47.3%
ASX Small Ordinaries Accum Index	13.1%	-2.9%	NA	-3.2%	-11.5%
Ellerston Australian Share Fund (Australian Equities) ⁵	12.5%	8.9%	9.1%	11.3%	75.4%
ASX 200 Accum Index blended benchmark	17.4%	9.9%	10.9%	12.6%	86.3%
ASX 300 Accum Index (Ex Top 20)	15.7%	5.7%	8.1%	10.8%	71.1%
Ellerston Australian Market Neutral Strategy (Australian Equities) ⁶	20.1%	NA	NA	14.0%	41.8%
RBA Cash Rate	2.5%	NA	NA	3.1%	8.6%

The notes below should be read in conjunction with the table above and on page 33.

1 The return figures are calculated net of fees and expenses. The net returns may include audited and un-audited results. Past performance is not a reliable indicator of future performance.

2 For the period since inception from 1 January 2002 to 30 April 2006, the CPH Group GEMS Portfolio was not operated within a separate fund structure. The underlying investment assets of the CPH Group GEMS Portfolio were owned during that time within corporate entities of the CPH Group for which audited accounts were prepared on an annual basis. Accordingly, in order to provide relevant historical performance information for the period 1 January 2002 to 30 April 2006 (Historical Returns) net returns were calculated on the basis of the actual dollar returns of the CPH Group GEMS Portfolio adjusted to reflect a fund structure similar to the Fund and including all fees.

3 Data prepared by Bloomberg Global Limited who has not consented to the inclusion of the data in this Prospectus.

4 Since inception from October 2010, Zurich Investments Small Companies Fund is managed by Ellerston Capital Limited.

5 Since inception from 1 April 2009, the performance of the Ellerston Australian Share Fund was measured against the ASX 200 Accum Index (EX AREITS) up to 30 June 2012. From 1 July 2012 the benchmark became the ASX 200 Accum Index. Data in relation to these indices is prepared by Bloomberg Global Limited who has not consented to the inclusion of the data in this Prospectus.

6 The returns from the period since strategy inception in November 11 to 3 June 13 are the audited returns of the Market Neutral pairs and cash balance included in the Ellerston Australian 130/30 Fund. On 3 June 13 the Ellerston Australian 130/30 Fund was amended to focus solely on a Market Neutral Strategy.

4.6 The investment team

The Manager is team will comprise 17 highly experienced investment professionals made up of equity specialists with deep expertise across Australian and global markets.

With an average industry experience of 17 years, the members of the investment team have each seen multiple market cycles and combined are responsible for managing in excess of \$3 billion (as at 30 June 2014) in Australian and global portfolios.

The investment team members set out below have all had direct involvement in the execution of the strategies pursued by the Manager. The Company will be able to draw upon and benefit from this depth and breadth of experience in the construction and maintenance of the Investment Portfolio.

Each of the investment team members set out below are experts in a particular industry sector, or possesses specific product skills (e.g. listed market dealing, transaction structuring, quantitative analysis and legal). With experience across a broad range of industry sectors, as well as in the transactional requirements for undertaking international investments, the Manager believes that it is well placed to manage the Company's Investment Portfolio.

Each member of the investment team will be available to devote the amount of time required for the Manager to properly perform its functions in managing the Investment Portfolio in accordance with the Management Agreement.

4. Manager Overview

Ashok Jacob

Ashok Jacob has over 30 years investment experience and has served as a Director and as Chief Investment Officer of the Manager since inception and part of the Ellerston team since 2002¹.

Ashok has overall responsibility for, and plays a key role in the Company's investment decisions. He is supported by a team of investment professionals, each of whom have significant skill and experience in different geographies, sectors and industries.

Ashok has held prominent positions including Chief Executive Officer of the Consolidated Press Holdings group and Managing Director of Thorney Holdings, then the investment arm for the Pratt Group. Ashok is an experienced board member and current appointments include: Crown Ltd, MRF Ltd and Thorney Opportunities Ltd. Previous directorships include Publishing and Broadcasting Ltd, Challenger Financial Group Ltd, Fleetwood Holdings Ltd, Ecorp Ltd, CPH Investment Group Ltd, Folkestone Ltd and Snack Foods Ltd. Ashok was also the Chairman of Hoyts Cinemas from 1999 until 2004.

Ashok holds an MBA from the Wharton School of the University of Pennsylvania (1984).

Arik Star

The Manager will introduce Arik Star and his partner David Serry as members of the investment team with principal responsibility for the management of the Company's Investment Portfolio as representatives of the Manager. Arik will report to Ashok Jacob as the Manager's Chief Investment Officer.

Arik has over 18 years investment management experience and is currently a principal of Kira Capital, a private Melbourne based investment management firm with a focus on global equities that he founded in 2005. Previous experience included working with Ashok Jacob while they were both at Consolidated Press Holdings and prior to that, Thorney Holdings, which Arik joined in 1996. In addition to specific investment management experience, Arik has broad investment experience, having also worked in corporate advisory, project and structured finance and merchant banking roles.

Arik has a Bachelor of Banking and Finance degree from Monash University.

The Manager looks forward to welcoming Arik and David to its investment management team.

Mark Haet

Mark Haet, has served as an Investment Analyst/Portfolio Manager of the Manager since 2005, and has over 20 years investment experience.

Prior to joining the Manager, Mark worked as a Senior Portfolio Manager at QBE Insurance, in charge of managing the group's U.K. equity portfolio.

Prior to joining QBE, Mark worked for Kingdon Capital in New York from 1998-2002, as a Portfolio Manager, responsible for the group's investments in Australia, EMEA, and Latin America. From 1994-1998, he worked at Bankers Trust Australia as a Portfolio Manager in charge of the group's Latin American investments.

Mark holds a Bachelor of Arts in Economics, *magna cum laude*, from Duke University. He is also a CFA and an Associate of the Securities Institute of Australia.

Chris Kourtis

Chris Kourtis, has served as a Portfolio Manager of the Manager since 2005 and is a Director with over 29 years investment experience.

Prior to joining the Manager Chris co-founded the Melbourne based Investment Management firm Portfolio Partners in 1994, where he held various positions including Director and Senior Investment Manager and was formerly the Head of Equities until January 2003. It was from that point that he gave up his role to conceive and focus on managing the highly successful Elite Opportunities Concentrated Australian Shares Fund.

¹ Ellerston Capital Limited was not established until 2004. Prior to that money was managed as part of Consolidated Press Holdings Group.

Prior to Portfolio Partners, Chris worked as Senior Portfolio Manager, Deputy Head of Equities and Head of Resources Strategy at County Natwest Australia Investment Management where he was responsible for the management of County's largest specialist equity mandates.

Chris has a Bachelor of Commerce degree from the University of Melbourne and is a Senior Associate of the Financial Services Institute of Australia.

Mary Manning

Mary Manning, has served as an Investment Analyst of the Manager since 2012, and has over 18 years investment experience.

Prior to joining the Manager, Mary worked with Oaktree Capital where she was a Senior Vice President in the Emerging Markets hedge fund group working in both the Singapore and New York offices. Prior to Oaktree, Mary spent two years as a financial analyst for Soros Fund Management in New York and three years as an Analyst with Citigroup in New York, London and Moscow.

Mary has a PhD in Economics from the University of Sydney, an MBA from Harvard Business School and a Bachelor of Commerce degree from the University of Calgary, Canada.

David Leslie

David Leslie, has served as an Investment Analyst of the Manager since 2005, and has over 20 years investment experience.

Prior to joining the Manager, David worked at Deutsche Bank in Sydney for five years where he was the number one rated Gaming and Casino Analyst and had previously been a member of the top rated Technology Research Team.

Previous experience includes five years as a Financial Analyst with EDS, where David completed assignments in New York, Dallas and Sao Paulo.

David has a degree in Economics and Finance from the Royal Melbourne Institute of Technology.

David Serry

David Serry has seven years of experience as an Investment Analyst.

David previously spent time in New York where he worked as an Investment Analyst at Kira Capital from 2007. Prior to this, David was an Investment Analyst at the Victor Smorgon Group and an Account Executive at The Global Consulting Group, a subsidiary of Hunstworth PLC. David also practised as a lawyer at Freehills in Mergers & Acquisitions and Superannuation.

David holds a Bachelor of Laws (Hons) and Bachelor of Commerce from Monash University.

4.7 The business team

The business team led by Brian O'Sullivan is responsible for day-to-day business issues and operating infrastructure. The business team will focus on the corporate, general administration and service requirements of the Company, allowing the investment management team to focus on the Investment Portfolio.

Brian O'Sullivan

Brian has more than 23 years of experience and has served as a Director, Chief Executive Officer and independent compliance committee member of the Manager since 2009.

Brian has extensive experience in funds management and operations, including senior roles in financial services with Everest Capital, Zurich Capital Markets Asia, BT Financial Group and an early career in chartered accounting with Price Waterhouse.

He is a qualified Chartered Accountant, an Associate of FINSIA and holds a Bachelor of Commerce (Accounting) from the University of New South Wales.



5.

Risks

5. Risks

5.1 Introduction

Investing in the Shares involves a high degree of risk. You should carefully consider the risks involved in acquiring the Shares, as well as any Shares acquired as a result of the exercise of Vested Loyalty Options described below.

If any of the events or developments described below occurs, the Company's business, financial condition or results of operations could be negatively affected. In that case, the market price of the Shares (and therefore the value of any Loyalty Options you hold) could decline, and you could lose all or part of your investment.

You should note that on quotation of the Shares on the Official List, the market price may differ significantly to the Issue Price paid for the Shares and/or may not reflect the fair value of the Investment Portfolio calculated by the Manager and the Company.

While not exhaustive, this section identifies the risks that the Directors regard as the major risks associated with an investment in the Company. You should read the whole of this Prospectus (with particular emphasis on this Section 5) in order to fully appreciate the risks of an investment in Shares and the manner in which the Company intends to operate before any decision is made to subscribe for Securities.

While prudent management and investment techniques may be effective in reducing the risks to Shareholders (and holders of Loyalty Options), no assurances can be given by the Company as to the future success of the Company's investment strategies, any particular investment decisions or, importantly, the investment returns or the market price at which the Shares may trade on ASX. To that extent, investment in the Company ought to be regarded as speculative and, as with any equity investment, substantial fluctuations in the value of that investment may and often do occur.

If you are considering an investment in the Company, you are also strongly advised to consider whether the Securities are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this Section 5). If you are in any doubt about the suitability of an investment in the Company, you should consult with your financial adviser, stockbroker, solicitor, accountant or other professional adviser before deciding whether to apply for the Securities.

5.2 General and investment strategy risks

The operating results and profitability of the Company are sensitive to a number of factors including those set out below. They are not an exhaustive list and should be carefully considered in evaluating the Company and its prospects.

The Company should not be seen as a predictable, low risk investment. The Company's investments will primarily be in global equity securities and these can be considered as having a higher risk profile than cash, fixed interest or a diversified portfolio of larger capitalised equities. The Company, Manager and Joint Lead Managers do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Company.

TYPE OF RISK	DESCRIPTION OF RISK
Liquidity risk	<p>There is a risk that the Investment Portfolio's underlying investments may not be easily converted to cash. This can result in a loss if the holder of the security needs to sell within a particular timeframe.</p> <p>The Company will be a LIC. The ability of a Shareholder to sell Shares on the ASX will be a function of the turnover or liquidity of the Shares at the time of sale. Turnover is a function of a wide variety of factors including the size of a company and the cumulative investment intention of all current and possible investors in the Company at any one point in time.</p> <p>Given the nature of the Company, and the traditionally lower trading volumes experienced by LICs, if the Company is able to achieve only the Minimum Subscription, it is likely that there will be a low level of liquidity in trading of the Shares. As a result, Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire.</p>

5. Risks

TYPE OF RISK	DESCRIPTION OF RISK
Risks Applicable to the Company	<p>General Investment Risk</p> <p>The investment returns of the Company may be subject to general economic (including interest rates, unemployment, inflation and economic growth), market condition and government policy risks.</p> <p>The value of the Company's investments can fall due to operational and financial circumstances such as circumstances affecting an investment's underlying businesses (including their level and availability of debt and interest rates), their profits, earnings and cash flows.</p> <p>Counterparty and Service Provider Risk</p> <p>Default by any of the Company's counterparties or Service Providers (e.g. Custodians) may cause losses to the Company. The Manager will seek counterparties and service providers which have a low risk of defaulting, although these risks cannot be eliminated entirely.</p> <p>Derivatives</p> <p>The Company may trade in Derivatives (including Futures, Foreign Exchange Contracts and options) which are sophisticated financial products. The use of Derivatives also gives rise to counterparty risks as set out above.</p> <p>Past Performance and History</p> <p>There can be no assurance that the Company will achieve its investment objective. The Company's past performance information should not be relied upon as (and is not) an indicator of future performance.</p>
Performance Fee incentive	<p>Any Performance Fee payable or potentially by the Company to the Manager may create an incentive for the Manager to make investments on behalf of the Company that are riskier and more speculative than would be the case in the absence of a fee payable to the Manager based solely on the performance of the Company, which may add to the risk and volatility of the Investment Portfolio's underlying investments. Please refer to Section 10.1 for full details of how and when the Performance Fee is payable.</p>
Manager risk	<p>The success and profitability of the Investment Portfolio in part will depend upon the ability of the Manager to make investments that increase in value over time and the retention of the Manager as manager of the Investment Portfolio (together with the retention of the Manager's investment team).</p> <p>The following factors may affect the Manager's performance:</p> <ul style="list-style-type: none"> • poor investment strategy and securities selection in that the Manager may be unable to construct a portfolio in accordance with the Company's proposed investment objectives, strategy, guidelines and permitted investments and even if it does so, there can be no guarantee that the investment strategy will be successful or that the Manager will not make investment decisions that result in unprofitable outcomes; • changing market conditions such as negative changes in market sentiment; • loss of key clients and/or personnel; • market perception of the Manager and its funds management business; and • market and systemic risk.

TYPE OF RISK	DESCRIPTION OF RISK
Manager risk (continued)	<p>While the Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee the Manager will achieve any particular investment return within the Investment Portfolio or that its future performance will match or exceed its past performance.</p> <p>The Manager is required to hold an Australian Financial Services Licence to operate its business. The ability of the Manager to continue managing the Investment Portfolio is dependent on the maintenance of its Australian Financial Services Licence. To the extent that the Manager should lose or have restrictions imposed on its Australian Financial Services Licence to prevent it from continuing to manage the Company's investments, the Company will need to identify and engage a suitably qualified and experienced investment manager to implement the Company's investment strategy. Similarly, if the Management Agreement is terminated for any other reason, the Company will need to identify and engage a suitably qualified and experienced investment manager.</p> <p>There can be no guarantee that the Company will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the Management Agreement to the standard required by the Company or to a level that matches or exceeds the performance of the Manager. The Management Agreement is terminable by the Manager on three months' notice after the first anniversary of the date of the agreement. See Section 10.1 for further details of the terms of the Management Agreement.</p> <p>As a result the Company is exposed to the risk of having to source an alternative investment manager or changing its activities if the Manager terminates the Management Agreement after the first year.</p> <p>The Manager may also terminate the Management Agreement if a person alone or together with associates acquires Shares such that their voting power in the Company is more than 50%.</p>
Investment risk	<p>There is a risk that the Securities and/or the Company's investments will fall in value over the short or long term. Individual security prices may fluctuate and under perform other asset classes over time. Investors in the Company are exposed to this risk through both their holding in the Securities and through the Company's investments.</p> <p>Also, the Shares of the Company may trade on ASX at a discount to the net asset value of the Investment Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Investment Portfolio.</p> <p>The Manager expects that the Investment Portfolio will take approximately 3 months to construct. During this period the risk exists that movements in the market may result in an Investment Portfolio with a cost base different to the cost base that would apply if the Company listed with a fully constructed Investment Portfolio.</p> <p>The Manager will invest in international and domestic securities.</p>
Concentration risk	<p>There is potential for volatility due to the lack of diversity within the Company's Investment Portfolio. The lower the number of investments, the higher the concentration and, in turn, the higher potential volatility.</p>

5. Risks

TYPE OF RISK	DESCRIPTION OF RISK
Derivatives risk	<p>There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain.</p> <p>Derivative instruments include futures, options on futures, over-the-counter options, exchange-traded options, swaps and forward contracts.</p> <p>The value of all derivatives is 'derived' from underlying physical assets, such as company shares, commodities and bonds.</p> <p>Derivatives such as futures and options may be used by the Company:</p> <ul style="list-style-type: none"> • to offset the risk of price variations of securities; • as an alternative to purchasing the physical security; • to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and • in the management of currency and interest rate risk. <p>In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.</p> <p>The use of derivatives potentially exposes the Company to counterparty, legal and documentation risks.</p>
Foreign Investment and Emerging Markets Risk	<p>The Company may, through its foreign investments (including emerging markets) and exposure to foreign currencies, have exposure to risks not usually associated with investing in Australia and other developed markets such as political, social and economic instability, difficulty in enforcing legal rights, unforeseen taxes and less stringent regulatory protections, reporting and disclosure. These factors may affect the value of the Company, volatility of the Company's returns and liquidity of the Company's investments.</p> <p>Valuation</p> <p>Investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realization value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets. Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals and accruals.</p> <p>Currency Risk and Hedging</p> <p>Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of the Company. The Company's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful.</p> <p>The Company may also hedge the exposure of the other investments in the Company against investment loss, but is under no obligation to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.</p>

TYPE OF RISK	DESCRIPTION OF RISK
Regulatory risk	<p>The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p>
Personnel risk	<p>The Manager's performance is largely dependent on the skills and efforts of its investment team. The Manager's ability to perform effectively is dependent on its ability to retain and motivate its investment team. There can be no guarantee that the Manager will be able to retain its investment team or that the Manager will be able to attract and retain management personnel of sufficient experience and expertise to manage the Investment Portfolio.</p>
Potential conflicts of interest	<p>The Manager is, and may continue to be, the manager or adviser to other funds and investment vehicles. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to the Company and consequently Shareholders.</p>
Currency and foreign jurisdiction risk	<p>In addition to investments in Australian entities, the Manager may invest in international securities (i.e. securities of entities which are not domiciled in Australia). Hence the Company may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms. In addition, the Company may be exposed to risks relating to its investments in securities of entities which are located in a foreign jurisdiction, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders of securities in such foreign entities as compared to the laws in Australia.</p>
Counterparty and credit risk	<p>Counterparty risk is the risk that a counterparty, such as a clearing house prime broker or custodian, will not be able to meet its obligations under a contract.</p> <p>The investment strategies of the Company and the Manager rely on the successful performance of contracts with external parties, including securities brokers and service providers. There is a risk that these counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Company to the risk of loss. In the case of a default, the Company could also become subject to adverse market movements while replacement transactions are executed.</p> <p>The ability of the Company to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company.</p>
Interest rate risk	<p>Changes in short and long term interest rates can have a positive or negative impact on investment returns.</p>

5. Risks

TYPE OF RISK	DESCRIPTION OF RISK
Dividend risk	<p>The ability of the Company to pay a fully or partly franked dividend is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment and franking of dividends difficult and unpredictable.</p> <p>No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's Investment Portfolio or the return of the capital invested by Shareholders. Specifically, the Manager may make poor investment decisions resulting in the returns being inadequate to pay an annual dividend to Shareholders.</p>
Operational costs	<p>Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of the Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.</p>
Accounting policy risk	<p>Changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.</p>
Size of Investment Portfolio	<p>The size of the Investment Portfolio may affect its risk profile. The Company may not be able to manage its risks as efficiently if it achieves only the Minimum Subscription. However, the risk of loss of investments included in the Investment Portfolio will not necessarily be reduced if the level of acceptance under the Offer exceeds the Minimum Subscription.</p>
Future capital requirements of the Company	<p>There can be no assurance that the Company will not need to raise additional capital to fully exploit business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.</p> <p>If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business, financial condition and results of operation.</p>
Market risk	<p>Investment returns are influenced by general market factors both in Australia and internationally and by factors specific to each security. In particular, the market prices of the shares of many listed entities have in recent times experienced wide fluctuations which in many cases reflect a diverse range of non-entity specific influences including:</p> <ul style="list-style-type: none"> • general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices; • variations in the local and global markets for listed securities; • domestic and international economic conditions; • changes in investor confidence generally and in relation to specific sectors of the market; • natural disasters, global hostilities and acts of terrorism; • changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and • the inclusion or removal of stocks from major market indices. <p>The Manager proposes that the Investment Portfolio will be constructed so as to reduce market risks but those risks cannot be entirely eliminated. In a strong equity market, the Investment Portfolio may underperform the broader market, as the Investment Portfolio will have limited exposure to market risk.</p> <p>As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.</p>

TYPE OF RISK	DESCRIPTION OF RISK
No operating or performance history of the Company	<p>The Company is a new entity with no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company or Manager to achieve the objectives set out in the Prospectus.</p> <p>The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.</p>
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders. Tax liabilities are the responsibility of each individual investor. There may be tax implications arising from ownership of the Securities, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the Securities.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the Australian Taxation Office.</p> <p>The Company is not responsible for either taxation or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>

5.3 Timeframe for investments

Investors are strongly advised to regard any investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. As noted above, the Manager estimates it may take approximately 3 months to fully construct the Investment Portfolio.

In addition, the above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities. Therefore, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

You should consider that an investment in the Company is speculative and consult your professional advisers before deciding whether to apply for the Securities.



6.

Key people,
benefits and
interests

6. Key people, benefits and interests

The Company believes that the Manager has the skill, depth of knowledge and history of achieving results through a distinctively contrarian high conviction investment approach to manage this Investment Portfolio.

The Manager will be overseen by the Board of Directors who together have a broad range of experience in investment management combined with financial and commercial experience.

The following table provides information regarding the Directors, including their years experience and position:

NAME	YEARS BUSINESS EXPERIENCE	POSITION	INDEPENDENCE
Ashok Jacob	30	Chairman	Not Independent
Sam Brougham	30	Non-Executive Director	Independent
Paul Dortkamp	40	Non-Executive Director	Independent
Stuart Robertson	23	Non-Executive Director	Independent

6.1 The Board

Ashok Jacob Chairman – Not Independent

Ashok has been a Director of the Company since September 2014.

Ashok Jacob has over 30 years investment experience and has served as a Director and as Chief Investment Officer of the Manager since inception and part of the Ellerston team since 2002¹.

As Chairman and Chief Investment Officer of the Company, he has overall responsibility for, and plays a key role in the Company's investment decisions. He is supported by a team of investment professionals, each of whom have significant skill and experience in different geographies, sectors and industries.

Ashok has held prominent positions including Chief Executive Officer of the Consolidated Press Holdings group and Managing Director of Thorney Holdings, the investment arm for the Pratt Group. Ashok is an experienced board member and current appointments include: Crown Ltd, MRF Ltd and Thorney Opportunities Ltd. Previous directorships include Publishing and Broadcasting Ltd, Challenger Financial Group Ltd, Fleetwood Holdings Ltd, Ecorp Ltd, CPH Investment Group Ltd, Folkestone Ltd and Snack Foods Ltd. Ashok was also the Chairman of Hoyts Cinemas from 1999 until 2004.

Ashok holds an MBA from the Wharton School of the University of Pennsylvania (1984).

Sam Brougham Independent Non-Executive Director

Sam Brougham has served as a Director of the company since September 2014.

Sam has over 30 years investment experience and is currently a Director of Ceres Capital, a private Melbourne-based investment firm he founded in 1999. Ceres Capital specialises in global equity investing.

In addition, Sam is involved in US real estate and other US and various Australian private equity investments.

Prior to Ceres Capital, Sam worked at Structured Asset Management, a successful hedge fund he co-founded in 1993 focusing predominantly on global equity markets.

From 1985 to 1993, Sam worked at JB Were and was a partner from 1988.

Sam spent his early career working for Price Waterhouse and received his economics degree from Adelaide University in South Australia.

¹ Ellerston Capital was not established until 2004. Prior to that money was managed as part of Consolidated Press Holdings Group.

6. Key people, benefits and interests

Paul Dortkamp – Independent Non-Executive Director

Paul has been a Director of the Company since September 2014.

Paul currently serves as the principal of Rivergum Investors, a consulting firm specialising in investment process and compliance.

Paul has a wide range of Board experience with extensive experience across the main asset classes. He is an external member of compliance committees for a wide range of registered schemes and responsible entities, having served on over 20 committees in businesses around the world.

Prior to Rivergum Investors, Paul was Head of Asset Allocation and a Director of First State Fund Managers Limited (now Colonial First State Investments). He was Director of Trading & Funding at Security Pacific Gold from 1989 to 1990. Paul spent his early career working in the Securities Markets Department of the Reserve Bank of Australia.

Stuart Robertson – Independent Non-Executive Director

Stuart has served as a Director of the Company since September 2014.

Stuart is currently engaged as a consultant by the Manager, responsible for deal origination, structuring and execution primarily in the unlisted market. He has extensive experience working with both listed and unlisted vehicles.

Stuart has broad experience in investment banking, funds management and alternative investments and has held senior roles at BT Funds Management and Zurich Australia.

Stuart is a qualified CA, a Fellow of FINSIA and graduate of the AICD. In addition he holds an MBA from the MGSM.

6.2 Management team

Most members of the management team of the Manager referred to in Section 4.6 are employed by the Manager with the exception of those employed by Kira Capital who are representatives of the Manager. As these persons are not employees of the Company, they will not be entitled to be paid any fees by the Company (except persons who are appointed to the Board (refer to Sections 6.1 and 6.4 for details)).

6.3 Interests and benefits of experts and advisers

Except as disclosed in this Prospectus, no expert, stockbroker, promoter or any other person named in this Prospectus, has now, or has had, at any time during the two years ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- (c) the Offer.

Legal Adviser

Minter Ellison has acted as the Company's Australian legal adviser and in that capacity has been involved in providing Australian legal advice to the Company in relation to the Prospectus and the Offer. The Company has paid or agreed to pay Minter Ellison estimated fees of approximately \$180,000 (plus GST and disbursements) in respect of these services provided, in accordance with its usual time based charge out rates.

Auditor

Ernst & Young is the auditor of the Company. The Company has agreed to pay fees of approximately \$40,000 (plus GST and disbursements) in respect of audit services to be provided this financial year.

Investigating Accountant

Ernst & Young has acted as the Investigating Accountant to the Offer and has prepared the Investigating Accountant's independent limited assurance report on the historical and pro forma financial information contained in Section 8. The Company has paid or agreed to pay Ernst & Young estimated fees of approximately \$14,000 (plus GST and disbursements) in respect of these services performed in relation to the Prospectus.

Authorised Intermediary

Morgans Financial Limited has agreed to act as the Authorised Intermediary to the Offer. Details of the fees and other amounts the Company has paid or agreed to pay to the Authorised Intermediary for its services are set out in Section 10.3.

Joint Lead Managers

Morgans Corporate Limited, Wilson HTM Corporate Finance Ltd and Evans and Partners Pty Ltd have each agreed to act as Joint Lead Managers to the Offer. Details of the Offer Management Agreement (including fees and other amounts paid or payable to the Joint Lead Managers for their services), are set out in Sections 1.2 and 10.2.

6.4 Custodian

The Company proposes to appoint State Street Australia Limited (**SSAL**) as the custodian of the assets of the Investment Portfolio. The Custodian's role will be limited to holding the assets of the Investment Portfolio as agent of the Company. The Custodian has no supervisory role in relation to the operations of the Company and is not responsible for protecting its interests. The Custodian has no liability or responsibility for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this Prospectus and has not authorised it.

SSAL has given and not withdrawn its consent to be named in the Prospectus as the Custodian.

The Custodian holds the Investment Portfolio as bare trustee and such investments are not investments of the Custodian or any other member of the Custodian's group of companies. Neither the Custodian, nor any other member of the Custodian's group of companies, guarantees the performance of the investment or the underlying assets of the Investment Portfolio, or provide a guarantee or assurance in respect of the obligations of the Company or its related entities.

6.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus:

- (a) no Director or proposed Director holds at the date of this Prospectus or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:
 - (i) the formation or promotion of the Company; or
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or in connection with the Offer; or
 - (iii) the Offer; and

6. Key people, benefits and interests

(b) no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (i) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (ii) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or in connection with the Offer.

Shareholdings of Directors

At the date of this Prospectus, the Company has one Share on issue which is held by the Manager.

The Directors (and directors, shareholders and employees of the Manager) may subscribe for Securities as part of the Offer. Other than as set out above, no Director has an interest in the Securities of the Company immediately prior to the date of this Prospectus.

Remuneration of Directors

The Directors have agreed that Ashok Jacob (**Chairman**) will not receive any fees whilst Sam Brougham, Paul Dortkamp and Stuart Robertson will each initially receive \$27,500 per annum (inclusive of superannuation) in fees, for acting as a Director of the Company.

Ashok Jacob is a director and, through interposed entities, a shareholder of the Manager. As a director and indirect shareholder of the Manager, he will benefit from the entry by the Manager into the Management Agreement with the Company and by the payment of fees under the Management Agreement. The Company believes that the Management Agreement has been entered on arm's length terms and that the remuneration payable to the Manager is reasonable. Accordingly, the Company has not obtained Shareholder approval to the execution of the Management Agreement. Details of the Management Agreement are set out in Section 10.1 of this Prospectus.

Deeds of Indemnity, Insurance and Access

The Company has entered into deeds of indemnity, insurance and access (**Deeds**) with each Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office.

This 7 year period may be extended where certain proceedings or investigations commence before that 7 year period expires.

Pursuant to the Constitution, the Company may indemnify each person who is or has been a Director or secretary of the Company against certain liabilities incurred by that person as a Director or secretary of the Company. Under the Deeds, the Company indemnifies each Director against any and all 'Liabilities' (as that term is defined in the Deeds) incurred by the Director as an officer of the Company (or a controlled entity of the Company) and any and all reasonable 'Legal Costs' (as that term is defined in the Deeds) incurred by the Director in defending an action for a 'Liability' (as that term is defined in the Deeds) incurred by the Director as an officer of the Company (or a controlled entity of the Company). The Deeds stipulate that the indemnities are unlimited as to amount, continuing and irrevocable.

Pursuant to the Constitution, the Company may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by the person as a Director. Under the Deeds, the Company must obtain insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office.

6.6 Related Party Transactions

As at the date of this Prospectus, the Manager is the sole Shareholder of the Company and is therefore a related party of the Company. The Company and the Manager have entered into a Management Agreement pursuant to which the Manager is entitled to be paid certain fees by the Company. Further details of the Management Agreement are set out below and in Section 10.1.

The Manager has a number of different clients on whose behalf it invests under its various investment mandates. Certain shareholders, directors and employees of the Manager have indicated an intention to apply for Securities under the Offer.

Other than as set out above, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct or indirect interest in the Company or the Offer except as disclosed in this Prospectus.

6.7 The Board and Corporate Governance

The Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment.

The Board endorses the Corporate Governance Principles and Recommendations (**ASX Recommendations**) published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations.

The Company intends that the following policies and procedures will be implemented and made available on the Company's website prior to listing of the Company on the Official List.

Board Charter

The Board Charter formalises the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

Code of Conduct

The Code of Conduct for Directors addresses matters relevant to the Company's legal and ethical obligation to its stakeholders. The policy outlines its requirements with respect to:

- (a) relationships;
- (b) compliance with laws and ethics;
- (c) conflicts of interest;
- (d) confidentiality;
- (e) use of Company assets; and
- (f) competition.

6. Key people, benefits and interests

Securities Trading Policy

The Securities Trading Policy sets out the Company's policy with regard to trading in Company securities. The policy applies to all Directors and key management personnel of the Company and their associates. The policy outlines: the requirements; general prohibition on insider trading; restrictions on trading; additional restrictions on short-term trading; permission to trade; exceptions; required notification of proposed trade in Securities; and notification of trade in the Securities.

Audit Committee Charter

The Audit Committee Charter outlines the composition of the Committee; its responsibilities; authority; meeting requirements; reporting procedures; and oversight of the risk management system.

Continuous Disclosure Policy

The Continuous Disclosure Policy has been adopted with a view to ensuring that the Company complies with the protocol requirements of the ASX Listing Rules. The strategy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing this information; and policy review details.

Securityholder Communication Policy

The Board of directors aims to ensure that Shareholders are informed of all major developments. The Securityholder Communication Policy outlines responsibilities for reports issued to shareholders; ASX announcements; Annual General Meetings; maintenance of the Company website; requests for information; and review of shareholder communications.


Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee Charter outlines the composition of the committee; its responsibilities; duties; and meeting requirements.

Responsibilities of the Board

The responsibilities of the Board include:

- (a) protection and enhancement of Shareholder value;
- (b) formulation, review and approval of the objectives and strategic direction of the Company;
- (c) monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- (d) approving all significant business transactions including acquisitions, divestments and capital expenditure;
- (e) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (f) the review of performance and remuneration of Directors;
- (g) review of performance and remuneration of the Manager;
- (h) the establishment and maintenance of appropriate ethical standards; and
- (i) evaluating and, where appropriate, adopting with or without modification the ASX Recommendations.



The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has considered the ASX Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company will seek to follow these recommendations and, as required under the Listing Rules, where the Company determines it would be inappropriate to follow the principles because of its circumstances, the Company will provide reasons for not doing so in its annual report.

The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the nature of the Company's operations and its size.

Independence

The board considers that each of Sam Brougham, Paul Dortkamp and Stuart Robertson is an independent director, free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of the Director's judgement and each is able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

Ashok Jacob is currently considered by the Board to not be independent having regard to the indicators of independence set out in Box 2.3 of the ASX Recommendations.



7.

Financial Information

7. Financial Information

7.1 Use of proceeds

The Company intends to use the funds raised from the Offer for investment consistent with the investment strategy, objectives, guidance and permitted investments set out in Section 3 and to pay the costs of the Offer.

7.2 Unaudited statements of financial position

The historical statement of financial position has been extracted from the unaudited trial balance of Ellerston Global Investments Limited as at 28 July 2014 (**Historical Financial Information**).

The pro forma statements of financial position (**Pro Forma Financial Information**) set out below have been prepared to illustrate the effects of the pro forma adjustments described below for the different subscription amounts as if they occurred on 16 September 2014.

- Completion of the Offer based on each of the amounts indicated being raised; and
- Payment of the Offer related expenses, as deducted from the cash amount, in accordance with Section 7.5 below.

The Pro Forma Financial Information comprises:

- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the minimum subscription of \$35 million of ordinary shares.
- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the maximum subscription of \$75 million of ordinary shares.

The Historical Financial Information and Pro Forma Financial Information are collectively referred to as the (**Financial Information**).

The pro forma statements of financial position have been prepared on the basis of the following assumptions:

- 100% of the relevant subscription amount is raised under the Broker Firm Offer.
- All subscribers for Shares are either Australian residents or are investing through an Australian resident entity.
- The Company will derive future income of a sufficient nature to enable the recognition of a deferred tax asset in relation to the costs of the Offer.
- The Company is registered for GST in Australia and is eligible to claim reduced input taxed credits on eligible expenses incurred in relation to the Offer in accordance with the Goods and Services Tax Act 1999.
- Calculations are exclusive of costs of the Offer including fees payable to the Joint Lead Manager.

The tax benefit is applied to the expenses net of any GST refundable. The tax benefit is calculated at the prevailing company tax rate which currently 30%. For example a cash outlay of \$110 dollars (GST inclusive) which the company can claim a 75% reduced input tax credit on is presented in these statements as follows:

	\$
Expenses (net of tax)	71.75
GST receivable	7.50
Deferred Tax Asset	30.75
	110.00
Calculated as follows:	
Cash Outlay (GST exclusive)	110.00
Less: Reduced Input Tax Credit	(7.50)
Net Expense (pre DTA)	102.50
DTA (30% of Net expenses)	30.75

7. Financial Information

If you do not understand the unaudited pro forma statements of financial position and related notes you should seek professional guidance from your professional adviser before deciding whether to invest in the Securities.

Historical and Pro Forma Statements of Financial Position

	UNAUDITED HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 28 JULY 2014	PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 16 SEPTEMBER 2014	
		MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
		\$35,000,000	\$75,000,000
Assets			
Cash	1	33,615,664	72,484,293
Deferred Tax Asset	149	415,301	754,712
Total Assets	150	34,030,965	73,239,006
Liabilities			
	502	0	0
Net Assets	-352	34,030,965	73,239,006
Equity			
Issued shares and options	1	35,000,001	75,000,001
Less costs of fundraising	0	-969,036	-1,760,995
Retained earnings	-353	0	0
Total Equity	-352	34,030,965	73,239,006
NTA per share	-352.000	0.972	0.977

Note: The figures in the above table are calculated assuming that 100% of the subscription amount is raised under the Broker Firm Offer.

7.3 Capital structure

The anticipated capital structure of the Company on completion of the Offer (assuming that 100% of the subscription amount is raised under the Broker Firm Offer) is set out below:

	AS AT 28 JULY 2014	MINIMUM SUBSCRIPTION \$35,000,000	MAXIMUM SUBSCRIPTION \$75,000,000
Shares	1	35,000,000	75,000,000
Loyalty Options	1	17,500,000	37,500,000

7.4 Cash

A reconciliation of the historical statement of financial position and the unaudited pro forma statements of financial position for cash (assuming that 100% of the subscription amount is raised under the Broker Firm Offer) is as below:

	AS AT 28 JULY 2014	PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 16 SEPTEMBER 2014	
		MINIMUM SUBSCRIPTION \$35,000,000	MAXIMUM SUBSCRIPTION \$75,000,000
Initial Subscriber Share at \$1.00	1	1	1
Proceeds of offer	0	35,000,000	75,000,000
Expenses on offer (net of tax) – refer to section 7.5	0	-969,036	-1,760,995
Deferred tax asset	0	-415,301	-754,712
Estimated net cash position	1	33,615,664	72,484,293

7. Financial Information

7.5 Expenses of the Offer

The expenses to be paid by the Company in relation to the Offer have been estimated at \$969,036 (net of tax) assuming the Minimum Subscription of \$35 million is achieved and \$1,760,995 (net of tax) assuming a maximum subscription amount of \$75 million is achieved (in both cases assuming that 100% of the subscription amount is raised under the Broker Firm Offer).

A breakdown of these expenses (net of claimable GST and deferred tax asset) is provided below:

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
	\$35,000,000	\$75,000,000
ASX and ASIC	67,652	89,611
Broker Firm Selling Fees	404,250	866,250
Investigating accountant and Tax	19,034	19,034
Joint lead manager fees	269,500	577,500
Legal Fees	138,600	138,600
Other expenses	70,000	70,000
Total estimated expenses of the offer	969,036	1,760,995

7.6 Significant accounting policies

A summary of significant accounting policies that have been adopted in the preparation of the historical and pro forma statements of financial position set out in Section 7.2. or that will be adopted and applied in preparation of the financial statements of the Company for the period ending 30 June 2015 and subsequent periods, is set out as follows:

(a) Basis of preparation

The historical statement of financial position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

The pro forma statements of financial position have been prepared in a manner consistent with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7.2 of the Prospectus, as if those events or transactions had occurred as at 16 September 2014.

Australian Accounting Standards set out an accounting framework that the Australian Accounting Standards Board have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with the recognition and measurement requirements of Australian Accounting Standards ensures that the historical and pro forma statements of financial position also comply with the recognition and measurement requirements of International Financial Reporting Standards.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards. The unaudited pro forma statements of financial position have been prepared on the basis of assumptions outlined in Section 7.2.

The costs incurred by the Company in relation to the Offer are presented net of deferred tax assets (DTA) and reduced input tax credits in accordance with Australian accounting standards and the accounting policies described in this Section 7.6. The historical and pro forma statements of financial position have been prepared on an accrual basis and are based on historical cost.

(b) Investments in financial assets

Financial assets at fair value through profit or loss will initially be recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments will be recognised directly in profit or loss. After initial measurement, the Company will measure financial assets which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments will be recorded in 'Change in fair value of financial assets at fair value through profit or loss'.

Fair value in an active market

The Company will value listed investments at the last quoted price.

Fair value in an inactive or unquoted market

The fair value of financial assets that are not traded in an active market will be determined using valuation techniques. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(c) Foreign currency translation

Both the functional and presentation currency of the Company is Australian dollars (\$).

Transactions in foreign currencies will initially be recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies will be retranslated at the rate of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in a previous financial report will be recognised in the Statement of Comprehensive Income in the period in which they arise.

(d) Income tax

Under current legislation, the Company is subject to income tax at 30% on taxable income. A capital gains tax concession may be available to investors where certain requirements are met. Refer to Section 9 for further information.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in profit or loss.



8.

Investigating Accountant's
independent limited assurance
report on the historical and
pro forma financial information

8. Investigating Accountant's independent limited assurance report on the historical and pro forma financial information



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

The Directors
Ellerston Global Investments Limited
Level 11, 179 Elizabeth Street
Sydney NSW 2000

16 September 2014

Dear Directors

Independent Limited Assurance Report on Ellerston Global Investments Limited's Historical and Pro Forma Financial Information

1. Introduction

We have been engaged by Ellerston Global Investments Limited ("Ellerston" or the "Company"), to report on the historical financial information and pro forma financial information of Ellerston for inclusion in the prospectus ("Prospectus") to be dated on or about 16 September 2014, and to be issued by Ellerston, in respect of the offer of shares, together with an entitlement to one Loyalty Option for every two shares subscribed for under the offer to raise a minimum of \$35 million and up to an aggregate of \$75 million, ("the Proposed Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of Ellerston included in Section 7.2 of the Prospectus:

- the Historical Statement of Financial Position as at 28 July 2014.

(Hereafter the 'Historical Financial Information')

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards. The Historical Financial Information has been extracted from the unaudited trial balance of Ellerston as at 28 July 2014, being Ellerston's date of incorporation.

Pro Forma Financial Information

You have requested Ernst & Young to review the following pro forma financial information of Ellerston included in Section 7.2 of the Prospectus:

- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the minimum subscription of \$35 million of ordinary shares.
- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the maximum subscription of \$75 million of ordinary shares.

(Hereafter the 'Pro Forma Financial Information')

(Collectively, the 'Financial Information').

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

8. Investigating Accountant's independent limited assurance report on the historical and pro forma financial information



The Pro Forma Financial Information has been derived from the Historical Financial Information of Ellerston, and adjusted for the effects of pro forma adjustments described in Section 7.2 of the Prospectus.

The stated basis of preparation used in the preparation of the Pro Forma Financial Information is, in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7.2 of the Prospectus, as if those events or transactions had occurred as at 16 September 2014.

Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Ellerston are responsible for the preparation and presentation of the Historical and Pro Forma Financial Information, including the basis of preparation, the selection and determination of pro forma transactions included in the Pro Forma Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical and Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. It is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance report on any financial information used as a source of the Financial Information.



5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 7.2 of the Prospectus and comprising:

- the Historical Statement of Financial Position as at 28 July 2014

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.6(a) of the Prospectus.

Pro Forma Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, as described in Section 7.2 of the Prospectus and comprising:

- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the minimum subscription of \$35 million of ordinary shares.
- the Pro Forma Statement of Financial Position as at 16 September 2014 based on the raising of the maximum subscription of \$75 million of ordinary shares.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 7.6(a) of the Prospectus.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 7.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of the Proposed Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young



9.

Taxation

9. Taxation

The following is a general discussion on the key Australian taxation issues arising as a direct result of investment in the Company. The information is provided in relation to Australian resident investors who hold shares in the Company on capital account for income tax purposes and does not apply to Australian resident investors who hold their shares in the Company on revenue account or as trading stock and does not apply to foreign resident investors.

The discussion is based on Australian taxation laws, announcements and practices currently operative at the date of this Prospectus. The discussion is general in nature and is not intended to cover all of the potential taxation consequences that could arise for any particular investor. Tax law is complicated and tax outcomes rely heavily on the facts and circumstances of each party involved. As such, this discussion should not be relied on and investors should obtain independent professional advice on their own situation concerning the taxation consequences of their investment. The following tax discussion is based on a considered view of the operation of the tax law as it applies based on the facts and circumstances known at the time of the publication of this Prospectus.

Tax implications – Ellerston Global Investments Limited

The Company is an Australian resident company that will be listed on the ASX. The Company will be taxed at the prevailing company tax rate which is currently 30%.

The Company will be required to maintain a franking account and intends to pay franked semi-annual dividends to shareholders. The Board intends to frank dividends at the maximum extent legally permissible without exposing the Company to liability to pay any franking deficits or any other tax or impost.

Tax implications – Australian resident investors holding their investment on capital account

Dividends

Dividends should be included in the assessable income of the investor in the year in which the Company pays a dividend.

Where the Company pays a franked dividend and an investor is a “qualified person” (refer comments below) the investor is also required to include an amount equal to the franking credits attached to the dividend in their assessable income. Qualified persons are also entitled to a tax offset equal to the franking credits attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor’s taxable income. Individuals and complying superannuation funds are entitled to a refund of excess franking credits where the tax offset from the franking credit exceeds the investor’s tax liability.

The benefit of franking credits can be denied where an investor is not a “qualified person” in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a “qualified person”, an investor must satisfy the holding period rule and, if necessary, the related payment rule. The holding period rule requires an investor to hold their shares ‘at risk’ for more than 45 days continuously, measured as the period commencing the day after the investor acquires the shares and ending on the 45th day after the shares become ex-dividend. The date the shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which an investor has a materially diminished risk of loss or opportunity for gain in respect of the shares (eg. through transactions such as granting options or warrants over shares or entering into a contract to sell the shares) will not be counted as a day on which the investor held the shares ‘at risk’.

9. Taxation

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend paid by the Company. The related payment rule requires the investor to have held the shares at risk for a period commencing on the 45th day before, and ending on the 45th day after the day the shares become ex-dividend. Practically, this should not impact investors who continue to hold shares and also do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

Status as a Listed Investment Company

The Company is an Australian resident and will be listed on the ASX.

Broadly, the Company will qualify as a LIC if it invests at least 90% of the market value of its CGT assets in permitted investments and provided that the Company does not own more than 10% of another company (that is not itself a LIC) or trust. Permitted investments include shares, units, options, rights or similar interests as well as financial instruments.

The discount capital gains concession is not available to LICs, however, where a LIC derives a capital gain in respect of an asset which has been held for 12 months or more the LIC capital gain provisions allow the benefit of the CGT discount to flow through to certain investors. The benefit is received in the form of a deduction and allows for shareholders of LICs to receive benefits similar to those received by the discount capital gains concession on that portion of any one dividend that can be reasonably attributable to capital gains that would be discount capital gains had they been made by an individual, trust or complying superannuation fund directly.

The Company will advise the amount of LIC capital gains, if any included in each dividend.

As discussed in Section 3.12, on the basis of the current investment strategy, it is anticipated that the Company will generally be considered to hold its investments on revenue account.

For this reason, it is recommended that investors do not make a decision to apply for Securities under this Prospectus solely on the basis of potential taxation benefits that may result from the Company being treated as a LIC.

However, the Company may hold certain investments on capital account and therefore may be able to pass through LIC taxation benefits to investors that qualify for these concessions. Whether an investment is held on capital account or revenue account will need to be assessed on a case by case basis.

a. Individual investors – Australian tax resident

Individual shareholders will be taxed on dividends at their relevant marginal rate. An individual can deduct 50% of the LIC capital gain amount, if any, from the dividend paid by the Company.

Example:

This example assumes an individual Australian resident investor (who is a qualified person) receives a fully franked dividend from the Company of \$70, with a LIC capital gain amount of 100%. In this example the individual pays the current top marginal tax rate of 47% plus 2.0% Medicare levy and the Company tax rate is 30%. This individual should include the following amounts in their assessable income:

	\$
Dividend paid	70.00
Franking credits	30.00
Assessable income	100.00
Deduction for LIC capital gain	50.00
Taxable income	50.00
Income tax	24.50
Franking credits	(30.00)
Tax (refund)	(5.50)

b. Life Insurance Companies and Complying superannuation fund investors

Life Insurance Companies (where the dividend is in respect of shares that are complying superannuation/FHSA assets) and complying superannuation funds shareholders will be taxed on dividends at the prevailing tax rate which is currently 15%. A complying superannuation fund and a life insurance company (in respect of shares that are complying superannuation/FHSA assets) can deduct 33⅓% of the LIC capital gain amount, if any, from the dividend paid by the Company.

Example:

This example assumes a complying superannuation fund (who is a qualified person) receives a fully franked dividend from the Company of \$70, with a LIC capital gain amount of 100%. In this example the complying superannuation fund pays a tax rate of 15% and the Company tax rate is 30%. This complying superannuation fund should include the following amounts in its assessable income:

	\$
Dividend paid	70.00
Franking credits	30.00
Assessable income	100.00
Deduction for LIC capital gain	33.33
Taxable income	66.67
Income tax	10.00
Franking credits	(30.00)
Tax (refund)	(20.00)

9. Taxation

c. Corporate investors – Australian tax resident

Dividends received by corporate investors will be taxed at the prevailing company tax rate which is currently 30%. To the extent that excess tax offsets arise, (ie where the total tax offsets available to an investor exceed the tax payable), corporate investors can convert their excess non-refundable tax offsets into a tax loss equal to the excess franking credits divided by the Australian corporate tax rate.

Capital Gains Tax implications

Acquisition of shares

At the time an investor acquires shares in the Company investors will obtain a cost base for capital gains tax purposes equal to the sum of the consideration paid for their investment in the shares and any non-deductible incidental and holding costs incurred to acquire them.

Disposal of shares

To the extent the disposal proceeds of the shares exceed an investor's cost base of the shares, the investor should realise a capital gain for income tax purposes. Where the investor has held the shares for longer than twelve months, discount capital gains treatment may be available to eligible investors. The CGT discount percentages are currently 50% for an individual or trust and 33 1/3% for a complying superannuation fund. To the extent the disposal proceeds of the sale are less than the investors reduced cost base in the shares, the investor should realise a capital loss.

Acquisition of Loyalty Options

The issue of Loyalty Options should not result in any immediate tax implications for investors.

Where Loyalty Options held by an investor lapse, a CGT event will arise. Given no consideration will be received, a capital loss may arise on the date the Loyalty Options lapse, equal to any incidental or holding costs incurred to acquire the Loyalty Options.

Where an investor sells their Loyalty Options on the ASX a CGT event will arise on the date of sale. As the investors will not pay any consideration for the acquisition of the Loyalty Options, the investor's costs base should be limited to any incidental and holding costs incurred. A capital gain will arise where the capital proceeds on the disposal of the Loyalty Options exceed the cost base. The CGT discount (discussed above) should be available to eligible investors where the Loyalty Options have been held for greater than twelve months. A capital loss will arise where the reduced cost base of the Loyalty Options exceeds the capital proceeds from disposal.

Where an investor exercises the Loyalty Options and is issued with Shares in the Company the cost base for those Shares will be the amount paid to exercise those Loyalty Options plus any incidental and holding costs incurred. The Shares will be deemed to be acquired on the day the Loyalty Options are exercised. No other capital gains event should arise through the exercise of the Loyalty Option.

Other taxes

Australian stamp duty implications in respect of the issue of and ownership of Shares in the Company

Investors should not be liable for stamp duty on the holding or transfer or their investment in the Company.

Australian Goods and Services Tax implications in respect of the issue and transfer of shares in the Company

Investors should not be liable to GST on the purchase, disposal or transfer of their investment in the Company.



10.

Material
contracts

10. Material contracts

The Directors consider that certain agreements are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for the Shares (**Material Agreements**).

The provisions of the Material Agreements are summarised below. As this Section 10 only contains a summary, the provisions of each Material Agreement are not fully described. To understand fully all rights and obligations pertaining to the Material Agreements, it would be necessary to read them in full.

10.1 Management Agreement

The Company and the Manager have entered into the Management Agreement whereby, subject to the provisions set out below, the Company has exclusively appointed the Manager to invest and manage all of the assets of the Company (including any controlled entity of the Company) from time to time, for and on behalf of the Company for an initial term of 10 years pursuant to a successful application of waiver of ASX Listing Rule 15.16. The initial term will commence on the date on which Shares first commence trading on ASX on a deferred or normal settlement basis.

The Management Agreement has no effect unless on or before 31 October 2014 (or another date as agreed between the parties) Shares commence trading on ASX on a deferred or normal settlement basis.

After the end of the 'Term' (defined in the Management Agreement as the initial 10 year term or any renewed term), the Management Agreement will continue until terminated in accordance with the Management Agreement.

Duties

Under the Management Agreement, the Manager must (amongst other things):

- Keep proper books of account in relation to the Investment Portfolio, recording transactions by the Manager and provide information in relation to the Investment Portfolio to assist the Company in the preparation of reports required under any 'Relevant Law' (as defined in the Management Agreement);
- Exercise reasonable due diligence and vigilance in carrying out its functions, powers and duties under the Management Agreement;
- Account to the Company for any monetary benefits, fees or commissions received by the Manager or any related body corporate of the Manager (excluding the Company) in relation to the investment in the Investment Portfolio other than benefits in the nature of soft dollar receipts and 'Fees' (as defined in the Management Agreement);
- Act in good faith in determining any allocation of a 'Block-Booked Transaction' (as defined in the Management Agreement) to the Investment Portfolio before, during and after the Block-Booked Transaction has been entered into by the Manager;
- Determine whether the Company should issue Shares or options for the purpose of making additional investments and provide recommendations to the Company as to the recommended size of the issue;
- Assist the Board in determining the amount of or declaring dividend or distribution (including payment of a capital of a capital nature) to be paid by the Company;
- Assist the Company to manage its relations with holders of Securities and the public;
- Assist the Company to comply with its continuous disclosure obligations under Section 674 of the Corporations Act and ASX Listing Rule 3.1;
- Value or procure the valuation of the Investment Portfolio at least once per month during the Term;
- To the extent not expressly provided for above, make written recommendations (together with reasonable supporting information and analysis) to the Board in respect of any matter which requires the approval of the Board. Although for the avoidance of doubt the Board is under no obligation to act on any recommendation of the Manager in respect of a matter which requires Board approval.

Investment Guidelines

The Management Agreement sets out the investment instructions that must be complied with by the Manager in making any investment decision. The investment instructions may be amended from time to time by agreement in writing between the Company and the Manager.

The Management Agreement also sets out the investment objectives and the investment strategy.

The investment objectives provide that the Company's primary objective is to generate superior returns for Shareholders over time, with a focus on risk management and capital preservation. To achieve the primary objective it is proposed that the Company will:

- provide Shareholders with access to global investment opportunities that are complementary to a domestic equity portfolio;
- seek to increase the value of the Investment Portfolio by allocating capital to a limited number of securities and financial products in which the Manager has the highest conviction; and
- be aware of currency and cash exposures and manage them in line with the Manager's macroeconomic and market outlook.

The stated investment strategy is to construct a concentrated portfolio of global equities securities and financial products using the Managers distinctively contrarian high conviction benchmark independent investment approach, by identifying opportunities in stocks that the Manager considers have been mispriced or misunderstood by the market. The focus of the Investment Portfolio is proposed to be on disciplined 'bottom up' stock selection based on rigorous fundamental analysis, which is overlaid with a 'top down' assessment of macroeconomic conditions and the market outlook.

Powers of the Manager

Subject to the investment instructions of the Company and any express restrictions set out in the Management Agreement and any express restrictions set out in the Management Agreement, the Manager has the powers of a natural person to deal with the Investment Portfolio and to do all things and execute all documents necessary for the purpose of managing the Investment Portfolio. However, the Manager must not knowingly do anything which the Manager is prohibited from doing by a 'Relevant Law' (as defined in the Management Agreement) and must not without the prior written consent of the Company:

- Enter into or cause the Company to enter into any Derivatives Contracts (as defined in the Management Agreement) unless there are at all times, in the case of each Derivative Contract, sufficient assets in the Investment Portfolio to support the Company's underlying liability;
- Delegate any of its discretionary management powers under the Management Agreement, except to a related body corporate of the Manager;
- Charge or encumber in any way (other than as arises by lien in the ordinary course of business or by statutory charge) any asset in the Investment Portfolio;
- Engage in securities lending in relation to the Investment Portfolio; or
- Borrow any money or incur any other liability by way of financial accommodation.

For the purposes of carrying out its function under the Management Agreement, the Manager may (subject to the Manager using reasonable care and diligence) appoint any broker to act in relation to the Investment Portfolio on behalf of the Company (subject to reasonable monitoring of capacity and performance of the broker by the Manager)

Subject to any 'Relevant Law' (as defined in the Management Agreement), the Manager may invest all or part of the Investment Portfolio with funds the Manager manages on behalf of other persons.

Non-exclusivity

The Manager is permitted to perform similar investment and management services to the services performed for the Company for itself and other persons.

10. Material contracts

Fees

Management Fee

The Company must pay the Manager a Management Fee of 0.75% per annum (plus GST) of the pre tax net asset value of the Investment Portfolio, calculated and accrued monthly and paid monthly in arrears.

Performance Fee

In addition, the Manager will be entitled to receive a Performance Fee from the Company equal to 15% (plus GST) of the amount by which the Investment Portfolio's pre tax return exceeds the return of the MSCI World Index (Local), calculated and accrued monthly and paid annually in arrears.

The Performance Fee for each month will be aggregated and paid annually in arrears. A Performance Fee will be payable only if the Investment Portfolio's pre tax return exceeds the return of the MSCI World Index (Local) for the financial year. If the Investment Portfolio's pre tax return is less than the return of the MSCI World Index (Local) for the Financial Year, no Performance Fee will be payable in respect of that financial year and the negative Performance Fee amount will be carried forward to the following financial year or financial years until it has been recouped.

Expenses

The Company must pay or cause to be paid all taxes, costs, charges and expenses properly incurred by the Manager in connection with the investment and management of the Investment Portfolio or the acquisition, disposal or maintenance of any investment in the Investment Portfolio, (including all 'Custodian', 'Clearing House' (as defined in the Management Agreement) and brokerage fees and excluding taxes incurred by the Manager in respect of the income of the Manager and also excluding in-house administration costs of the Manager) or in acting under the Management Agreement.

The Manager may allocate costs, charges and expenses incurred in connection with an asset acquired or to be acquired and disposed of on behalf of the several persons between those persons proportionately to their respective interests in the relevant asset.

The Company must pay or cause to be paid all costs, charges and expenses properly incurred by the Manager in connection with any administrative services required to be performed under the Management Agreement.

Termination

The Manager may terminate the Management Agreement by not less than 3 months written notice to the Company given not earlier than the first anniversary of the date of the Management Agreement.

The Company may terminate the Management Agreement by not less than 3 months written notice to the Manager where:

- the Company believes on reasonable grounds that termination of the Management Agreement and the Manager's role as manager of the Investment Portfolio is necessary for the purposes of the Board complying with its duty to act in the best interests of the Shareholders; or
- Shareholders in general meeting pass a resolution approving termination where the Manager has had a reasonable opportunity to state its case in the materials sent to Shareholders prior to the meeting and in person at the meeting

but any such termination cannot take effect on a date earlier than the 10 year initial term.

In addition to the above termination rights, the Company and the Manager may terminate the Management Agreement at any time by written notice, where the other party defaults under the Management (and the default is not remedied in the case of the Manager, within 20 business days of receiving notice, and in the case of the Company, within 10 business days of receiving notice) or certain prescribed events occur.

The Manager may terminate the Management Agreement at any time if the Company ceases to be listed on the ASX, enters into various forms of external administration or if a person (alone or together with the person's associates) acquires a relevant interest in Shares where because of the acquisition that person's or someone else's voting power in the Company exceeds 50%.

Following termination of the Management Agreement, the Manager may deal with the Investment Portfolio for up to 30 business days from the effective date of termination of the Management Agreement in order to vest control of the Investment Portfolio in the Company.

Termination Payment

If the Management Agreement is terminated by the Company for any reason except for termination as a result of a breach of the Agreement by the Manager or the external administration of the Manager, the Manager is entitled to a termination payment equal to 5%, reduced by 1/120th for each calendar month elapsed between the commencement of the extended term and the termination date, of the net tangible asset backing of each security in each class of shares in the Company as calculated under the ASX Listing Rules.

Company Indemnity

The Company indemnifies the Manager against any direct loss or liability reasonably incurred by the Manager arising out of or in connection with, and any direct costs, charges, expenses incurred in connection with, the Manager or any of its officers or agents properly acting under the Management Agreement or on account of any bona fide investment decision made by the Manager, or its officers or 'Supervised Agents' (as defined in the Management Agreement'). This obligation continues after the termination of the Management Agreement. The indemnity given by the Company to the Manager does not extend to any 'Consequential Loss' (as defined in the Management Agreement) and the Company is not otherwise liable to the Manager under the Management Agreement for any other loss or liability.

Manager Indemnity

The Manager indemnifies the Company against any direct loss or liability reasonably incurred by the Company arising out of, or in connection with, any direct costs, charges and expenses reasonably incurred by the Company in connection with:

- Any negligence, fraud or dishonesty of the Manager or its officers or 'Supervised Agents' as defined in the Management Agreement).

This obligation continues after the termination of the Management Agreement. The indemnity given by the Manager to the Company does not extend to any 'Consequential Loss' (as defined in the Management Agreement) and the Company is not otherwise liable to the Manager under the Management Agreement for any other loss or liability.

Assignment

Neither the Company nor the Manager may assign any of its rights and obligations under the Management Agreement without the prior written consent of the other party except to a related body corporate of the party upon 5 business days written notice to the other party and subject to the related body corporate agreeing to be bound by the Management Agreement.

10.2 Offer Management Agreement

The Company, the Manager and the Joint Lead Managers entered into an offer management agreement on 16 September 2014 (**Offer Management Agreement**). Under the Offer Management Agreement, the Company appointed:

- Wilson HTM Corporate Finance Ltd, Morgans Corporate and Evans and Partners Pty Ltd as the Joint Lead Managers to the Offer; and
- Morgans Corporate Limited as the Authorised Intermediary (further details regarding the appointment of the Authorised Intermediary under the Offer Management Agreement are set out in Section 4.1).

The Joint Lead Managers have agreed under the Offer Management Agreement to arrange and lead manage, and act as bookrunners for the Offer. The Manager has agreed to support the Company in the performance of particular specified obligations under the terms and conditions of the Offer Management Agreement.

10. Material contracts

Fees and expenses

Subject to the Minimum Subscription being achieved, the Company must pay the Joint Lead Managers (in equal proportions) a management fee of 1% (exclusive of GST) of the 'Offer Proceeds' (as defined in the Offer Management Agreement). The Company has also agreed to pay to a Joint Lead Manager or broker a broker firm selling fee of 1.5% (exclusive of GST) of the amount equal to the total number of Offer Shares in respect of which the Lead Manager or broker has received or procured valid Applications under the Broker Firm Offer, multiplied by the Issue Price (exclusive of GST).

The Company will also:

- Pay or reimburse the Joint Lead Managers in connection with the Offer Management Agreement, this Prospectus and the Offer, including reasonable legal fees of the Joint Lead Managers (up to a maximum of \$50,000) and marketing, travel, postage printing and accommodation expenses and other costs, fees, commissions, disbursements, charges, taxes or duties; and
- Pay all costs and expenses payable in relation to completion of the including any fees or charges payable by the Joint Lead Managers to the ASX or ASX Settlement,

as soon as reasonably practicable and in any case within 5 days after a request for payment or reimbursement by the Company is made by the Joint Lead Managers or on termination of the Offer or the Offer Management Agreement.

Each Joint Lead Manager is solely responsible for paying any fees (if any) payable to co-managers or brokers appointed by it in relation to the Offer. Where more than one Joint Lead Manager appoints a co-manager or broker, those Joint Lead Managers must pay any fees payable to the co-managers or brokers appointed in such proportions as those Joint Lead Managers may agree or failing agreement, equally. The Company is not responsible in any way or in any circumstances for the payment of any fees payable to any co-managers or brokers appointed by one or more of the Joint Lead Managers in relation to the Offer.

Representations and warranties

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Company's compliance with the Corporations Act and ASX Listing Rules in relation to making the Offer. The Company gives a number of further representations and warranties, including that the Prospectus will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary in order to make the statements therein not misleading.

Except as disclosed in the Prospectus, the Company must not:

- Without the prior written consent of the Joint Lead Managers at any time after the date of the agreement and before the expiration of 120 days after the Settlement Date (as defined in the Offer Management Agreement) issue or agree to issue or indicate in any way that it may or will issue or agree to issue any Shares, Options, or other interests or securities in the Company, other than pursuant to the Offer, the Offer Management Agreement, or as a result of the exercise of options currently on issue; or
- In any way reduce, reorganise, or otherwise alter the Company's capital structure or agree or announce an intention to do any of those things, without the prior written consent of the Joint Lead Managers at any time after the date of the agreement and before the expiration of 120 days after the Securities are issued pursuant to the Offer, provided that this prohibition will not apply if the alteration of the Company's capital structure arises from a takeover bid or merger proposal which has been approved by the Directors acting in accordance with their fiduciary duties.

Termination Events

Termination events not subject to materiality

Each Joint Lead Manager may terminate the Offer Management Agreement prior to the issue of the Securities under the Offer, without cost or liability to that Joint Lead Manager, by giving a written notice of termination to the Company if any of the following occurs:

- the Securities have not been issued in accordance with the Prospectus on or before 8 December 2014;

- the S&P/ASX 200 Index at any time falls to a level which is 90% or less than the level at the close of trading on the date of the Offer Management Agreement and remains below that level for a period of three consecutive Business Days;

any of the following occurs: a material adverse change or effect, or any development involving a prospective material adverse change or effect in, or affecting:

- the general affairs, business operations, assets, liabilities, financial position or performance, profits, losses, Prospectus, earnings position, shareholders equity or results of operations of the Company and each 'Related Body Corporate' (as defined in the Offer Management Agreement) of the Company or otherwise (taken as a whole); or
- liability for the Joint Lead Managers under the Corporations Act or any other law or regulation;
- the Company withdraws the Prospectus, any supplementary prospectus or the Offer;
- the Company changes the material terms of the Offer as set out in the Prospectus (or any supplementary prospectus) except with the prior written consent of the Joint Lead Managers;
- the Company withdraws the Prospectus, any Supplementary Prospectus or the Offer or indicates that it intends to do any of those things;
- the Minimum Subscription is not achieved by 5.00pm Sydney time on the Closing Date;
- ASX makes an official statement to any person, or indicates to the Company or the Joint Lead Managers that:
 - the Company will not be admitted to the Official List;
 - quotation (as that expression is used in the Listing Rules) on ASX of all of the Securities, (collectively, ASX Approval) will not be given; or
 - ASX Approval will be given but that the Company will not be admitted to the Official List or the Shares will not be quoted by ASX before 9 December 2014;
- ASX Approval (subject only to customary listing and quotation conditions imposed by ASX) has not been given before the date defined in the Offer Management Agreement as the quotation approval date, or if ASX Approval is granted, such approval is subsequently withdrawn, qualified or withheld before Completion;
- the Company or a 'Related Body Corporate' of the Company (as defined in the Offer Management Agreement):
 - disposes, or agrees to dispose of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus; or
 - ceases or threatens to cease to carry on business, in either case without the prior consent of the Joint Lead Managers;
- any of the following occur:
 - there is a material omission from the Prospectus or any other document issued or published by the Company, or on behalf of the Company with its written consent, in respect of the Offer, and any marketing presentation used by the Company to conduct the marketing of the Offer (Disclosure Document), of information required by the Corporations Act or any other applicable law or requirement;
 - the Prospectus or any other Disclosure Document contains a misleading or deceptive statement;
 - a statement in the Prospectus or any other Disclosure Document becomes misleading or deceptive in any material respect;
 - a matter referred to in section 719 of the Corporations Act occurs in respect of the Prospectus; or
 - a Disclosure Document does not comply with, in any material respect, an applicable law.

10. Material contracts

- The Due Diligence Report (as defined in the Offer Management Agreement) or any other information supplied by or on behalf of the Company to the Joint Lead Managers in relation to Shares, the Securities, the Company, or the Offer, is untrue, incorrect, misleading or deceptive in a material respect;
- ASIC issues or threatens to issue proceedings in relation to the Offer or commences, or threatens to commence any inquiry or investigation in relation to the Offer or any subscription of shares in the Company.
- any of the following occur:
 - ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus and the application is not dismissed or withdrawn before the Closing Date;
 - a person (other than a Joint Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
 - ASIC gives notice of intention to hold a hearing in relation to the Prospectus, or makes an interim order, under section 739 of the Corporations Act;
 - any person (other than a Joint Lead Manager) gives a notice under section 733(3) of the Corporations Act;
 - any person (other than a Joint Lead Manager) who consented to the inclusion of a statement in, or to being named in, the Prospectus (or any supplementary prospectus) withdraws that consent; or
 - an application is made by ASIC for an order under Part 9.5 in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus;
- the Joint Lead Managers reasonably form the view that a supplementary or replacement prospectus must be lodged with ASIC under section 719 of the Corporations Act and the Company does not lodge a supplementary or replacement prospectus in the form, with the content and within the time reasonably required by the Joint Lead Managers;
- the Authorised Intermediary terminates the Offer Management Agreement, and the Company is not able to appoint a duly qualified and authorised replacement entity to conduct the 'Activities' (as defined in the Offer Management Agreement) before that termination takes effect; or
- an 'Insolvency Event' (as defined in the Offer Management Agreement) occurs with respect to the Company or a 'Related Body Corporate' of the Company (as defined in the Offer Management Agreement).

Termination events subject to materiality

- In addition, each Joint Lead Manager may terminate the Offer Management Agreement prior to the issue of the Securities under the Offer, without cost or liability to that Joint Lead Manager, by giving a written notice of termination to the Company if any of the following occurs and the Joint Lead Manager determines that the event has or would have a Material Adverse Effect (as defined in the Offer Management Agreement);
- there is a material breach by the Company of the Offer Management Agreement;
- there is introduced, or there is a public announcement of a proposal to introduce into any legislature of Australia, a law or regulation, or a new government policy is adopted by a government in any of those jurisdictions or there is a public announcement of a proposal to adopt a new government policy by such a government (other than a law or government policy announced before the date the Offer Management Agreement was entered into between the parties) any of which does or is likely to prohibit the Offer, capital issues or the taxation treatment of the Securities or regulate or affect the Offer, capital issues or taxation treatment of the Securities in a material adverse fashion;
- any adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, New Zealand, the United Kingdom, the United States of America and Hong Kong;
- any information supplied by or on behalf of the Company to the Joint Lead Managers (including information provided during the 'Due Diligence Investigations' (as defined in the Offer Management Agreement) and information which becomes available as a result of a new circumstance arising after

the date of the Offer Management Agreement) in relation to the Company or the Offer is or becomes false, misleading or deceptive, including by way of omission;

- a general moratorium on commercial banking activities in Australia, New Zealand, the United Kingdom, the United States of America and Hong Kong, is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange and the Hong Kong Stock Exchange or is suspended or limited in a material respect for at least one trading day;
- a material contract or an agreement referred to in the Prospectus is, without the prior written consent of the Joint Lead Managers:
 - breached by the Company or a ‘Related Body Corporate’ of the Company (as defined in the Offer Management Agreement); or
 - terminated (whether by breach or otherwise);
 - the Company is in default of any of the material terms or conditions of the Offer Management Agreement or breaches any warranty, undertaking or covenant given or made by it under the Offer Management Agreement and that default or breach is either incapable of remedy or is not remedied within 5 business days after it occurs;
 - other than as disclosed in the Prospectus, the Company or a ‘Related Body Corporate’ of the Company (as defined in the Offer Management Agreement) charges or agrees to charge, the whole or a substantial part of its business or property;
- any of the following occur:
 - a Director or member of the executive team of the Company (as listed in the Prospectus) is charged with an indictable offence;
 - any governmental agency commences any public action against the Company or any of its Directors or senior managers in their capacity as a Director or senior manager of the Company;
 - any Director or senior manager of the Company is disqualified from managing a corporation under any law of any jurisdiction; or
 - the Company or a Director or senior manager of the Company engages in any fraudulent conduct or activity; or
 - other than as contemplated in the Prospectus, a change in the Directors or senior management of the Company is announced or occurs without the written consent of the Lead Managers;
 - any representation or warranty contained in this agreement on the part of the Company is breached or becomes false, misleading or incorrect;
 - there is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or a major escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, or Hong Kong, or involving any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world.

Indemnity

Subject to certain exclusions relating to, among other things, fraud, recklessness, wilful misconduct or gross negligence, or a material breach of the Offer Management Agreement by the indemnified parties (to the extent not caused, induced or contributed to by the Company or its officers or employees or caused by a reliance on information in the Prospectus or information provided by or on behalf of the Company), the Company indemnifies the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Joint Lead Managers pursuant to the Offer Management Agreement.

10. Material contracts

Guarantee

The Manager unconditionally and irrevocably guarantees to the Joint Lead Managers and certain affiliated parties the due and punctual performance and observance by the Company of certain specific payment obligations under the Offer Management Agreement. To the extent that the Company fails to perform or observe these obligations under, or pursuant to, the Offer Management Agreement, the Manager undertakes that it will perform or procure performance or observance of the relevant obligations promptly on request by the Joint Lead Managers.

The Manager agrees to pay or reimburse each Joint Lead Manager on demand for:

- its costs in making, enforcing and doing anything in connection with this guarantee including, but not limited to, legal costs and expenses on a full indemnity basis; and
- all stamp duties, fees, taxes and charges which are payable in connection with this guarantee or a payment, receipt or other transaction contemplated by it.

10.3 Authorised intermediary

The Offer Management Agreement also includes provisions governing Morgans Financial Limited's role as the Authorised Intermediary.

The Company has appointed and authorised the Authorised Intermediary to undertake all or any of the following activities (collectively, the Activities):

- make offers in accordance with the Prospectus to arrange for the issue of the Securities by the Company; and
- arrange the issue of the Securities by the Company to Applicants who lodge a 'Valid Application' (as defined in the Offer Management Agreement).

The Company, the Joint Lead Managers and the Authorised Intermediary acknowledge and agree that (amongst other things):

- the Authorised Intermediary is the holder of an Australian Financial Service Licence 235410 under which the Authorised Intermediary is authorised to provide certain financial services, including dealing in a financial product by issuing securities to investors; and
- providing financial product advice to investors in relation to securities; the Authorised Intermediary provides financial services in its own right and not as agent for the Company;
- the Company has not obtained an AFSL and will rely upon the statutory exemption under section 911A(2)(b) of the Corporations Act from the licensing requirement in respect of the Activities;
- the Authorised Intermediary will ensure that the requirements of the Corporations Act are complied with so that the Company is entitled to rely on the exemption from licensing requirements under the Corporations Act in respect of the Activities; and
- the Authorised Intermediary may perform the Activities through any of its authorised representatives who are able to provide financial services on the Authorised Intermediary's behalf in accordance with requirements of all applicable laws (including financial services laws), provided doing so will not result in the Company requiring an AFSL, or cause the Company to breach the Corporations Act.

10.4 Incorporated

The Company was incorporated on the 28 July 2014 and is registered in Victoria.

10.5 Balance date and company tax status

The financial statements of the Company will be made up to 30 June annually. The Company expects to be taxed as a LIC.

10.6 Rights and liabilities attaching to the Loyalty Options

The rights and liabilities attaching to the Loyalty Options are summarised below as follows:

Register

The Company will maintain a register of holders of Loyalty Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer/transmission

Until the Vesting Date, Loyalty Options will not be transferable and will not be quoted on the ASX.

Following the Vesting Date, Vested Loyalty Options will be permitted to be transferable.

Issue Vesting and lapse

Loyalty Options issued to an Applicant will either Vest or lapse on the date that is 6 months after the Closing Date (**Vesting Date**).

Loyalty Options held by an Applicant will Vest at the Vesting Date if and only if the Applicant holds at the Vesting Date the same or a greater number of Shares as the number of Shares issued to the Applicant under this Prospectus.

Loyalty Options that do not Vest on the Vesting Date lapse with immediate effect on the Vesting Date and are of no further force or effect.

Exercise

A Vested Loyalty Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Vested Loyalty Options, signed by the registered holder of the Vested Loyalty Option, together with payment to the Company of \$1.00 per Vested Loyalty Option being exercised and the relevant option statement.

A Vested Loyalty Option may be exercised at any time in the period commencing on the day after the Vesting Date and ending on the third anniversary of the Vesting Date or, if that anniversary is not a Business Day, the following Business Day. Vested Loyalty Options which are validly exercised will be deemed to have been exercised on the last day of the month in which Notice of Exercise in respect of those Vested Loyalty Options is lodged with the Company. A Notice of Exercise of Vested Loyalty Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend entitlement

Loyalty Options, once issued, do not carry any dividend entitlement until they are exercised following Vesting. Shares issued on exercise of Vested Loyalty Options rank equally with other Shares then on issue from their date of issue and are entitled to dividends paid on and from this date where the record date for the dividends occurs after the date of issue of the Shares.

Participation rights

For determining entitlements to the issue, a Loyalty Option holder may only participate in new issues of securities to holders of applicable Shares in the Company if the Loyalty Option has been exercised and Shares allotted in respect of the Loyalty Option before the relevant record date.

The Company must give at least 6 business days' notice to Loyalty Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

10. Material contracts

If between the date of issue and the date of exercise of a Loyalty Option of the Company makes one or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue) in accordance with the Listing Rules, the exercise price of Loyalty Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E[P - (S+D)]}{N + 1}$$

where:

NE is the new exercise price of the Loyalty Option;

OE is the old exercise price of the Loyalty Option;

E is the number of underlying Shares into which one Loyalty Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for a Share under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus to the holders of Shares in the capital of the Company, the number of Shares over which the Loyalty Option is exercisable will be increased by the number of Shares which the holder of the Loyalty Option would have received if the Loyalty Option has been exercised before the record date for the bonus issue.

Reconstructions and alteration of capital

Any adjustment to the number of outstanding Loyalty Options and the exercise price under a reorganisation of the company's share capital must be made in accordance with the Listing Rules at the time of the reorganisation.

ASX Listing

Loyalty Options that have not Vested will not be listed for quotation on ASX or any other financial market.

Vested Loyalty Options are expected to be quoted on ASX within one month after the Vesting Date.

Shares issued on the exercise of Vested Loyalty Options will rank equally with other Shares then on issue and the Company will apply to ASX to have those Shares quoted on ASX.

Terms and conditions

For the terms and conditions of the Loyalty Options, refer to the Appendix for full details.

10.7 Rights and liabilities attaching to Shares

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the Constitution, statute, the Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each Share held.

Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. For further information in respect of the Company's proposed dividend policy, see Section 3.11.

Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the Listing Rules or the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or, subject to compliance with the Listing Rules and the ASX Settlement Operating Rules, by any other form approved by the Directors.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

Issue of further shares

Subject to the Corporations Act, the Listing Rules, and the Constitution, the Directors may issue and allot, or dispose, of Shares on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time. The Directors' power under the Constitution includes the power to grant options and performance rights over unissued Shares.

Winding up

Without prejudice to the rights of the holders of Shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind all or any of the Company's assets; and for that purpose, determine how it will carry out the division between the different classes of Shareholders, but the liquidator may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

Non-marketable parcels

The Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Share buy-backs

Subject to the Corporations Act, the Listing Rules, the Company may buy Shares on terms and at times determined by the Board.

Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. The rights attached to any class of Shares may be varied in accordance with the Corporations Act.

Dividend reinvestment plan

The Directors may resolve, in respect of any dividend which it is proposed to pay on any Shares, that holders of those Shares may elect to forego their right to share in the proposed dividend or part of the proposed dividend; and instead receive an issue of Shares credited as fully paid or a transfer of fully paid Shares (or both).

10. Material contracts

Directors – appointment and rotation

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum is fixed by the Directors but may not be more than seven, unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote.

Directors – remuneration

The Directors, other than an executive Director, will be paid by way of fees for services up to the maximum aggregate sum per annum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum per annum is \$250,000, with the initial remuneration of the Directors set out in Section 6.5. Any change to that maximum aggregate sum needs to be approved by Shareholders. Pursuant to the Constitution, non-executive Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

Indemnities

The Company, to the extent permitted by law, indemnifies each Director against any liability incurred by that person as an officer of the Company or its subsidiaries, and reasonable legal costs incurred by that person in defending an action for a liability of that person. The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person. The Company may enter into a deed with any officer of the Company to give effect to those matters outline in this paragraph.

The Company, to the extent permitted by law, may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by that person as a Director.

Amendment

The Constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

The Company must give at least 28 days' written notice of a general meeting of the Company.

10.8 Consents and disclaimers

Each of the parties who are named below:

- (a) has not made any statement that is included in this Prospectus, or any statement on which a statement is made in this Prospectus is based, other than as specified in this Section;
- (b) has not authorised or caused the issue of any part of this Prospectus;
- (c) makes no representations or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this Prospectus; and

(d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this Prospectus, other than as specified in this Section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by an investor as a result of this Prospectus being inaccurate or incomplete in any way or for any reason.

Authorised Intermediary

Morgans Financial Limited has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Authorised Intermediary, in the form and context in which it is named and the inclusion of its Financial Services Guide in Section 11 in the form and context in which it is included.

Australian Legal Adviser

Minter Ellison has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the legal advisers to the Offer, in the form and context in which it is named.

Auditor

Ernst & Young has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the auditor to the Company, in the form and context in which it is named.

Investigating Accountant

Ernst & Young has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Investigating Accountant in connection with the Offer and to the inclusion of the Investing Accountant's independent limited assurance report on the historical and pro forma financial information in the form and context in which it appears in Section 7.

Joint Lead Managers

Morgans Corporate Limited, Wilson HTM Corporate Finance Ltd and Evans and Partners Pty Ltd have respectively given, and as at the time of lodgement of this Prospectus, have not withdrawn their consent to be named in the Prospectus as the Joint Lead Managers to the Offer, in the form and context in which they are named respectively.

Custodian

State Street Australia Limited has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Custodian of the assets of the Company's Investment Portfolio, in the form and context in which it is named.

Share Registry

Link Market Services Limited has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Share Registry of the Company, in the form and context in which it is named.

Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as the Company's Share Registry. **Link Market Services Limited** has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Manager

Ellerston Capital Limited has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Manager and to the inclusion in this Prospectus of the statements by it, or the statements based on statements made by it, concerning its business, investment strategy and philosophy, its opinions, expectations and beliefs, its financial and investment results, in the form and context in which those statements appear in this Prospectus.

10. Material contracts

10.9 Expenses of the Offer

The total estimated expenses of the Offer payable by the Company (including the Authorised Intermediary's fees and Joint Lead Managers' fees, accounting and tax fees, legal fees, lodgement fees, ASX listing fees, fees for other advisers, prospectus design, printing, advertising and other miscellaneous expenses (including taxes and other government charges), will range from approximately \$1,384,337 (assuming \$35 million is raised under the Offer) to \$2,515,708 (assuming \$75 million is raised under the Offer), and calculated on the basis that 100% of each subscription amount is raised under the Broker Firm Offer. These costs are payable by the Company or to the extent that the costs have been paid by the Manager, will be reimbursed by the Company to the Manager.

10.10 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

10.11 ASX waivers

ASX Listing Rule 15.16 sets a maximum term of 5 years for an Investment Management Agreement.

The Company has applied for and been granted a waiver of ASX Listing Rule 15.16 to allow for a maximum term of 10 years under the Management Agreement, which may be renewed with the approval of Shareholders for a further period of up to 10 years.

10.12 ASIC relief

Section 723(3)(b) of the Corporations Act requires that if a disclosure document for an offer of securities states or implies that the securities are to be quoted on a financial market (whether in Australia or elsewhere), the securities must be admitted to quotation within 3 months of the date of the disclosure document, or else the issue or transfer of securities is void, and the person offering the securities must return the money received by the person from the applicants as soon as possible.

The Company has applied to ASIC for and been granted relief from this requirement, to permit it to apply for quotation of Loyalty Options within 7 days after the date of the disclosure document, on the basis that Vested Loyalty Options will not be admitted to quotation until a date that is no later than one month after the Vesting Date in respect of Loyalty Options.

10.13 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between Investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

10.14 Working capital statement

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

10.15 Authorisation

Each Director has authorised the issue of this Prospectus. Each Director has consented (and has not withdrawn their consent) to the lodgement of this Prospectus with ASIC.

10.16 Governing Law

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed by the laws in force in the State of Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.



11.

Authorised Intermediary – Financial Services Guide

11. Authorised Intermediary – Financial Services Guide

Stockbroking | Wealth Management | Corporate Advice

Morgans IN ALLIANCE WITH
 **CIMB**

Financial Services Guide

A guide to our relationship
with you and others
Version 5 – February 2014

Morgans and CIMB – Please visit www.morgans.com.au to understand the products and services within our alliance.

11. Authorised Intermediary – Financial Services Guide

A guide to our relationship with you and others

Please refer to our website www.morgans.com.au for the most up to date version of our FSG.

This Financial Services Guide (FSG) is an important document for retail investors. It provides you with information about Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410) ('Morgans', 'we', 'us' or 'our') to help you to fully understand the financial services we offer.

This guide contains important information about:

- ☐ The services we offer you
- ☐ How we and our associates are paid
- ☐ Any potential conflict of interest we may have
- ☐ Our internal and external dispute resolution procedures and how you can access them.

This FSG relates only to financial services provided by Authorised Representatives of Morgans Financial Limited to retail investors. Morgans Financial Planning Pty Ltd has its own FSG.

If we provide personal Financial product advice about a product (other than securities such as listed shares) or if we offer or arrange to issue a financial product, we will generally provide you with a Product Disclosure Statement (PDS) or other disclosure document in relation to the financial product. The PDS will contain information about the particular product including the features, benefits, fees and risk associated with that product to assist you in making an informed decision.

Who is responsible for the financial services provided?

Our advisers are Authorised Representatives of Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410), which trades as Morgans. Morgans is responsible for the financial services provided to you. Details of your individual adviser are included in the adviser profile.

Morgans has an Australian Financial Services Licence (AFSL) and is a Participant of ASX Group (ASX), a Broker Participant in the CHESS system operated by ASX Settlement (a group company of ASX), a Clearing Participant of ASX Clear, and a Professional Partner of the Financial Planning Association of Australia Limited. Morgans is also a Participant of the National Stock Exchange of Australia Ltd (NSXA). As a Participant of ASX Group and NSXA, all transactions are issued subject to the ASIC Market Integrity Rules and the Rules, directions, decisions and requirements of ASX, NSXA, the Clearing Rules and the Settlement Rules.

Morgans Financial Limited is licensed to provide financial services under the Corporations Act 2001. You should also note that Morgans is obligated under the Anti-Money Laundering and Counter Terrorism Financing Act not to execute any trades for a client unless the client has been properly identified and verified to our satisfaction.

What financial services and products do we offer?

Morgans is authorised under its AFSL to provide the following financial services:

- ☐ Financial Products advice, both general and personal
- ☐ Deal in financial products by issuing securities
- ☐ Underwriting securities
- ☐ Deal in Financial Products on behalf of others

Morgans and its related companies are committed to providing advice appropriate to your personal circumstances and based on our comprehensive market and financial knowledge. Our aim is to work with you to determine, develop and maintain a tailored personal investment strategy.

We offer a comprehensive range of products and services to assist you to achieve your financial goals. These include:

- ☐ Strategic planning advice, including consideration of social security, estate planning, insurance, wealth protection, taxation and superannuation issues
- ☐ Stockbroking services, including quality research on a wide range of Australian companies and access to corporate issues
- ☐ Equity finance (margin lending) advice
- ☐ Advice on the use of derivatives (such as options and warrants) within your overall investment strategy
- ☐ Advice in relation to managed investment products, structured products, cash deposits and fixed interest investments, including government bonds, debentures and stocks
- ☐ A managed portfolio service (Wealth+) that provides effective, efficient and timely reports (including taxation reports) and qualifies participants to reduced brokerage rates.

Morgans offers a Managed Discretionary Account ("MDA") service to a limited number of approved clients. Such clients will be mandatory enrolled in Wealth+ and agree on an investment strategy, any exclusions, operating fees etc as part of the discretionary agreement. Refer to a separate section later in this FSG.

Morgans is also authorised to deal in foreign exchange in order to facilitate settlement of international transactions and to provide a custodial or depository service for its nominee company services, which is operated as part of its stockbroking business.

A guide to our relationship with you and others

Best Execution Policy

There are multiple exchange markets operating in Australia. As a market participant, we must take reasonable steps when handling and executing an order in equity market products to obtain the best outcome for our clients. We have a Best Execution Policy that outlines how we will execute and deal with orders to ensure that we adhere to our best execution obligation. This policy is publicly available on our website.

What information should you provide to receive personalised advice?

You need to provide us with details of your personal objectives, risk profile, your current financial situation and any other relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to provide this information. However, if you choose not to provide any or all of the information requested, the advice you receive from us will be limited accordingly and may not be appropriate to your needs, objectives and financial situation.

In these circumstances you should consider the appropriateness of our advice in the light of your own objectives, financial situation or needs prior to making any investment decision. If the advice relates to the acquisition of an unlisted Financial Product, you should consider the relevant Product Disclosure Statement before making a decision.

Statement of Advice

Whenever we provide you with any personal financial advice, you may be entitled to receive a Statement of Advice (SOA) from us. The SOA will tell you:

- ☐ The advice
- ☐ The basis on which the advice has been provided
- ☐ Our fees and commissions
- ☐ The basis of the remuneration received by your adviser
- ☐ Any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

Further Advice

However, whenever we provide you with further advice, which takes into account your relevant personal circumstances, a SOA generally will not be provided. In these circumstances, we will maintain brief details of the basis of advice and you may request, for a period of seven (7) years from when the advice is provided, a copy of the record of advice.

A record of your 'relevant personal circumstances' will be maintained

and a SOA, detailing these personal circumstances and any agreed investment strategy and advice, will be provided to new retail clients. Thereafter, a new SOA will only be provided if you advise that your circumstances have changed materially.

Product Disclosure Statement

If we recommend to you a particular Financial Product (other than securities such as listed shares), we will provide you with information about the particular Financial Product in a Product Disclosure Statement to help you make an informed decision about the Financial Product.

The Morgans Network

All Morgans advisers are Authorised Representatives of Morgans under our AFSL. Morgans has a network of offices around Australia which are operated in one of two ways. Each office is either:

- ☐ An 'Owned Office' where the staff and Authorised Representatives are all employees of Morgans Holdings Pty Ltd. Morgans Financial Limited is the operating company and a wholly owned subsidiary of Morgans Holdings Pty Ltd.
- ☐ A 'Managed Office' where a service entity has entered into a Management Agreement with Morgans to manage the office of Morgans in a geographical location. The service entity employs all staff including Authorised Representatives for that office.

What will Morgans be paid for providing financial services and how are any commissions, fees or other benefits calculated?

Generally the payment we receive will be based on the amount you pay. It may vary from one Financial Product Issuer to another. Details of the payment we receive are contained in the Product Disclosure Statements for most Financial Product Issuers available from your adviser.

We will advise you about any commissions, fees and any other benefits, where possible, in actual dollar amounts prior to the transaction. This information will be provided verbally and/or, where a SOA is issued, in the written SOA or confirmation.

When personal advice is given, if the remuneration (including commission) or other benefits are not calculable at that time, the manner in which the remuneration (including commission) or other benefits are to be calculated will be disclosed at the time the personal advice is given or as soon as practicable after that time.

There are a number of ways we may be remunerated for our services depending on the type of advice you receive

11. Authorised Intermediary – Financial Services Guide

A guide to our relationship with you and others

Payments you make to us

- Brokerage is payable by you when we buy or sell securities, such as shares, warrants and options, on an authorised market. The amount of brokerage you pay will be determined in consultation with your adviser. A minimum charge may also apply to transactions. You will also have to pay GST on brokerage.
- We may charge you a fee, depending on the time we spend developing your plan, or depending on the value of funds you invest. This fee will be determined in consultation with your adviser but would normally be based on an hourly rate.
- We may charge you a management fee annually or in instalments, based on the value of your portfolio. This fee will normally be based on the amount under management.
- We may charge you administrative or miscellaneous fees covering (not fully inclusive) off market transfers, cancellations & rebooking, nominee fees, international custody, SRN enquiries, fail fees, late settlement or early settlement, bond custody and settlement etc.

Payments and other benefits we may receive from Financial Product Issuers (including GST)

- We may receive a payment called commission which is paid to us by the Financial Product Issuer(s) (e.g. fund manager, CMA provider, or life insurance company). This can be paid in the following manner:
 - We may receive a one off payment from the Financial Product Issuer at the time you invest or contract. These generally are calculated as a percentage of the amount you have invested, typically between 0% and 5.5%, and are deducted from the amount invested. Life insurance company first year commissions (upfront) range between 0% and 121%.
 - We may receive ongoing payments, called trailing commissions, from a Financial Product Issuer during the time you hold an investment product. On investment products these trails typically range between 0% and 1.1%.
- Renewal commissions on life insurance products range between 0% and 33%.
- Example – If you invested \$10,000 in an unlisted investment product and we charged you an initial commission of 1.65% and received an ongoing commission of 0.55% from the Financial Product issuer, then
 - Morgans would receive \$165 as an initial commission; and
 - Morgans would receive \$55 per annum as an ongoing commission for the period you continue to own the product.

- We do not charge clients any brokerage in connection with subscriptions for shares in IPOs. We may, however, receive a fee from the issuer for handling the application as disclosed in the relevant prospectus and/or allocation letter.
- In connection with on-market warrant purchases from warrant issuers, we may receive incentive fee payments from those warrant issuers as disclosed in the relevant Issuer Offering Circulars. As a guide these fees may range between 1.1% and 2.2% of the on-market transaction value.
- Morgans does not provide its own margin lending facilities. Where clients borrow through margin lending arrangements facilitated by our business connections, we may receive a trailing commission of up to 0.275%, and potentially an 'override commission' of up to 15 basis points, of the outstanding balance of such loans. As members of the financial services industry, staff members of Morgans are entitled to receive a discount on personal margin loans they may hold from such suppliers. These discounts (depending on the issuer) may vary between 50 and 100 basis points and are not related to any client business.
- On cash deposit products we will receive a commission which is distributed to the service entity and the adviser as per the following example:
 - If we receive a commission of \$100, the service entity may receive \$85 from Morgans. Out of the amount the service entity receives, an adviser remunerated by commission will receive a share which is typically around 35%, or \$35.
- We may receive fees, normally determined as a percentage of revenue, from external parties where we have referred you to them for expert advice (eg insurance or mortgage agent/ broker).
- We may receive payments or benefits from Financial Product Issuers to assist in training of advisers or marketing of their products.
- We may be paid volume bonuses and other incentives directly from Financial Product Issuers, although the amount or percentage will vary from Issuer to Issuer.
- We may earn interest, at prevailing bank deposit rates, on the aggregate balance of any funds retained within our trust account.

A guide to our relationship with you and others

Schedule of Fees (including GST)

Equities and Warrants brokerage

Depending on volume and size of orders, flat rates may be negotiated with your adviser, but as a guide minimum rates are (selling/buying per transaction).

Up to \$1,800	Minimum small transaction rate*
Over \$1,800	\$5.50 plus
	2.75% on first \$5,000*
	2.20% on next \$10,000
	1.65% on next \$35,000
	1.10% on the remainder

*Minimum small transaction brokerage rates may vary on an office by office basis. Clients should check with their adviser. As a guide the minimum rate may range from \$55 to \$110 per transaction. Brokerage is payable on or before the settlement date referred to in the confirmation.

Option brokerage and charges

When you trade an option, the value of the trade is generally lower than if you were to trade the same number of the underlying shares. Because of this, options are generally a cost efficient way to trade your view of a stock or an index. The costs involved in trading an option are:

Brokerage

Brokerage is payable by you when Morgans buy or sell exchange traded options on your behalf on a sliding scale subject to a minimum of \$75:

Premium Value	Brokerage
\$0 - \$5,000	2.75%
\$5,001 - \$15,000	2.20%
\$15,001 +	1.75%

The brokerage charged by Morgans for LEPO's is 0.5% of the Premium Value subject to a minimum of \$75.

A different rate of brokerage may be negotiated with your adviser. Consideration will be given to a negotiated rate and could for instance, be dependent on the volume and size of option transactions that occur on your account. All brokerage charges are shown on your Trade Confirmation/Contract Note.

ASX Clear (AC) – Fees

AC charges a transaction fee of \$0.143 per share option contract, including GST. If you are exercised or are assigned a share option, AC charges an exercise fee of \$0.55 per contract and in the case of index options, AC charges \$0.50 per contract, including GST, for both the transaction fee and the exercise fee. Please note that these charges are subject to change at any time by the AC.

Fixed Interest Products

Our remuneration depends on the duration and value of the investment and is usually without charge to the client.

For fixed term and short term money market investments arranged on behalf of clients, Morgans may receive a commission payment from the deposit taker of up to 0.44% which does not reduce the interest received by the client or the principal investment. In addition, some money market providers pay Morgans an 'override commission' of up to 15 basis points which may be volume related and may be partly distributed to the management entity employing the Authorised Representative.

Financial Planning Fees

Transaction based services

Entry Fees, including commissions	0%-5.5%
Ongoing commission	0%-1.1%

Clients may choose to have all entry fees / commissions rebated and pay for services on a fee basis.

Fee Based Services

Initial consultation	Nil or as agreed at interview
Written report	Negotiated fee**
Ongoing portfolio service	Negotiated fee**
Administration services	Negotiated fee**

Private superannuation Services

Written investment strategy up to a maximum of \$550

**Quoted in Statement of Advice

Hourly rates for professional time in attendance vary and will depend on the seniority and experience of the adviser and will be quoted in the Statement of Advice or other written report.

11. Authorised Intermediary – Financial Services Guide

A guide to our relationship with you and others

Managed Portfolio Service (Wealth+)

Wealth+ is offered under a fee-for-service arrangement. The Wealth+ fee structure is determined in consultation with your adviser to ensure that a cost effective, total solution is tailored to your specific requirements and may be dependent on many factors such as the level of service required, type and number of investments held as well as the nature and cost of other services you require.

The fee structure for the Wealth+ service will be clearly detailed in a personalised Statement of Advice (where personal advice is provided) and confirmed in your Wealth+ Client Agreement.

As a guide the minimum annual fees (incorporating the administration and adviser fees) will be:

- ☐ 1.32% on the first \$250,000 of portfolio value
- ☐ 0.66% on the next \$250,000 of portfolio value
- ☐ 0.44% on the value of the portfolio exceeding \$500,000.

These fees are inclusive of GST and are charged to your account in arrears. In most cases the fees are tax deductible. A minimum annual fee, establishment fee and/or exit fees may also apply and will be negotiated with your adviser.

Please note that brokerage and other fees may also apply.

Life Insurance Products

When we arrange Life Insurance products on your behalf we will receive commission on the placement of these products. The commission we receive on these products will vary between different insurance companies. Commission paid in the first year will vary between 0% and 121% of the first year's premium depending on the type of product recommended. Upon renewal of your insurance in subsequent years we receive commission between 0% and 33% of the yearly premium.

If you have any queries regarding remuneration, fees or charges, you may request from your adviser full details of the calculation of a particular commission, fee or other benefit for providing a specific financial service.

How are our service entities, advisers and referral sources paid?

Service Entities

For our Managed Offices, the service entities are paid monthly in accordance with the Management Agreement between Morgans and the service entity. The amount that the service entity is paid depends on the various products, volume levels, agreed commission distribution, and fixed costs associated with the business written by

advisers at the relevant managed office. For example, on a brokerage charge to the client of \$100, the service entity may receive around \$85 from Morgans. Out of the amount the service entity receives, the service entity will then pay its fixed costs and remunerate its employees in accordance with their employment contracts.

If your adviser is employed by a service entity, this manner of calculation will be disclosed at the time that personal advice is given to you or as soon as practicable afterwards.

Advisers

Advisers are remunerated by their employer by way of salary and/ or a percentage share of commissions earned by Morgans from business written by the adviser (ranging from 33 1/3% to 55% depending on the products and volume levels) and/or a share of any profits of the service entity or Morgans Holdings Pty Ltd where the adviser is a shareholder or unit holder of such entity. Advisers may also earn bonus payments based on the individual and the company's performance.

Referral Services

If a third person such as a financial planner or an accountant has referred you to us, we may pay to that person a part of any fees or commissions we receive from you. This will be disclosed to you at the time of transacting business.

What information do you hold on my file and can I access it?

We maintain a record of your personal and other information including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you and details of specific transactions.

We are committed to implementing and promoting a Privacy Policy, which will ensure the privacy and security of your personal information. A copy of our Privacy Statement and Privacy Policy are available from your adviser and on our website.

If you wish to examine your file please ask us. We will make arrangements for you to do so.

Managed Discretionary Accounts ('MDA') Only

For select clients we may offer the ability to access our MDA service. You must first enter into an MDA Agreement ("the MDA Agreement") with us before we can provide those services to you. Before entering into the MDA Agreement it is essential that you consider the significance of the risks associated with investing through the MDA service.

A guide to our relationship with you and others

Risks

Generally, there are a number of inherent risks associated with any investment in the stock market. These include, but are not limited to, movements in domestic and international markets, the current and future economic environment, company liquidity, investor sentiment, interest rates and market volatility. As a consequence of these risks, a MDA client should be prepared for falls in the market and the possibility of a negative return on their investment.

Please note that Morgans does not guarantee the maintenance of capital or a specific rate of return on any MDA portfolio or any other products, including those in an MDA portfolio.

Our obligations to MDA clients

As an MDA client we will provide you with the following:

- ☐ The manner in which you may give instructions to us on how rights relating to your portfolio are to be exercised
- ☐ An investment program or SOA prepared in accordance with the Corporations Act 2001. This program will include the following:
 - Information about the nature and scope of the discretions you will authorise and require us to exercise on your behalf
 - Any significant risks associated with the MDA
 - The basis on which the MDA is considered to be suitable for your relevant circumstances
 - Any warnings that the program may not be suitable for you if you have provided us with limited or inaccurate information about your personal circumstances, and
 - A warning that the program may cease to be suitable for you if your relevant personal circumstances change
- ☐ An annual review of the investment strategy for the MDA, and
- ☐ Any other information that could reasonably be expected to have a material influence on your decision whether to use the MDA service.

What should you do if you have a complaint?

If you are not happy with the service you receive from us you are entitled to complain. We have established procedures in place to ensure that all enquiries and complaints are properly dealt with.

To save yourself valuable time, gather all the facts and documents about the complaint, think about the questions you want answered and decide what action you want us to take.

The following process has been established to address your concerns as quickly as possible:

- ☐ Contact your adviser or their immediate superior and explain the problem. Most issues can be resolved quickly in this way.
- ☐ If you are unable to resolve the issue within three (3) days, please contact the Complaints Officer on (07) 3334 4888 or send your details in writing to:

GPO Box 202, Brisbane QLD 4001.

- ☐ If we are unable to resolve the matter to your satisfaction, you can refer your case to an independent complaint handling body. Morgans is a member (Member No 10690) of:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001.

They can be contacted on 1300 780 808 or facsimile (03) 9613 6399.

For complaints above \$500,000 contact:

ASX Complaints Officer
(PO Box H224, Australia Square, 1215) or; Australian Securities and Investment Commission (ASIC) operates an infoline on 1300 300 630.

What compensation arrangements do we have?

We are required by the Corporations Act 2001 and ASX Operating Rules to have adequate compensation arrangements in place.

Morgans Holdings Pty Ltd has a comprehensive Professional Indemnity insurance policy to cover claims in relation to the conduct of Authorised Representatives/employees at the time of the relative incident that gave rise to the claim. This professional indemnity policy includes Morgans.

Any questions?

Please contact your adviser if you have any further questions about the financial services we provide. This document should be retained for your future reference.

11. Authorised Intermediary – Financial Services Guide

Morgans Financial Limited

ABN 49 010 669 726 AFSL 235410

A Participant of ASX Group | A Professional Partner
of the Financial Planning Association of Australia

Level 29 123 Eagle Street Brisbane

QLD 4000 Australia

GPO Box 202 Brisbane QLD 4001 Australia

Telephone +61 7 3334 4888

Toll Free 1800 777 946

Email info@morgans.com.au

v5.02/14

Queensland

Brisbane	+61 7 3334 4888
Bundaberg	+61 7 4153 1050
Cairns	+61 7 4222 0555
Caloundra	+61 7 5491 5422
Chermside	+61 7 3350 9000
Edward St	+61 7 3121 5677
Emerald	+61 7 4988 2777
Gladstone	+61 7 4972 8000
Gold Coast	+61 7 5592 5777
Ipswich/Springfield	+61 7 3202 3995
Mackay	+61 7 4957 3033
Milton	+61 7 3114 8600
Mt Gravatt/Capalaba	+61 7 3245 5466
Noosa	+61 7 5449 9511
Redcliffe	+61 7 3897 3999
Rockhampton	+61 7 4922 5855
Spring Hill	+61 7 3833 9333
Sunshine Coast	+61 7 5479 2757
Toowoomba	+61 7 4639 1277
Townsville	+61 7 4725 5787
Yeppoon	+61 7 4939 3021

South Australia

Adelaide	+61 8 8464 5000
Norwood	+61 8 8461 2800

New South Wales

Sydney	+61 2 8215 5055
Armidale	+61 2 6770 3300
Ballina	+61 2 6686 4144
Balmain	+61 2 8755 3333
Chatswood	+61 2 8116 1700
Coffs Harbour	+61 2 6651 5700
Gosford	+61 2 4325 0884
Hurstville	+61 2 9570 5755
Merimbula	+61 2 6495 2869
Neutral Bay	+61 2 8969 7500
Newcastle	+61 2 4926 4044
Newport	+61 2 9998 4200
Orange	+61 2 5310 2100
Port Macquarie	+61 2 6583 1735
Scone	+61 2 6544 3144
Sydney – Level 9	+61 2 8215 5000
Sydney – Level 33	+61 2 8216 5111
Sydney Hunter St	+61 2 9125 1788
Sydney Hunter St (Parramatta)	+61 2 9615 4500
Sydney Reynolds Equities	+61 2 9373 4452
Wollongong	+61 2 4227 3022

Victoria

Melbourne	+61 3 9947 4111
Brighton	+61 3 9519 3555
Camberwell	+61 3 9813 2945
Carlton	+61 3 9066 3200
Farrer House	+61 3 8644 5488
Geelong	+61 3 5222 5128
Richmond	+61 3 9916 4000
South Yarra	+61 3 9098 8511
Traralgon	+61 3 5176 6055
Warrnambool	+61 3 5559 1500

ACT

Canberra	+61 2 6232 4999
----------	-----------------

Northern Territory

Darwin	+61 8 8981 9555
--------	-----------------

Tasmania

Hobart	+61 3 6236 9000
--------	-----------------

Western Australia

Perth	+61 8 6462 1999
-------	-----------------

Corporate Advice

Brisbane	+61 7 3334 4888
Sydney	+61 2 8215 5055
Melbourne	+61 3 9947 4111
Perth	+61 8 6160 8700

www.morgans.com.au



12.

Glossary

12. Glossary

The following terms used in this Prospectus have the following meanings unless the context otherwise requires.

AFSL means Australian Financial Service Licence

Allotment Date means the date the Company anticipates the Shares and Loyalty Options will be allotted and issued to Applicants

Applicant means a person who makes an Application for Shares and Loyalty Options under this Prospectus

Application means an application for Shares and Loyalty Options under this Prospectus

Application Amount means the amount required to be submitted with an Application, being the Issue Price multiplied by the number of Shares applied for

Application Form means either the General Offer Application Form or the Broker Firm Offer Application Form

Application Monies means the Monies payable in connection with an Application

ASIC means Australian Securities and Investments Commission

ASX or **Australian Securities Exchange** means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange it operates, as the context requires

ASX Recommendations means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendation (third edition, March 2014)

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532

ASX Settlement Operating Rules means the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement

Authorised Intermediary means Morgans Financial Limited (ACN 169 464 706) (AFSL 235410)

Board or **Board of Directors** means the board of directors of the Company

Broker Firm Offer means the offer referred to in Section 2.1

Brokers means the brokers who have introduced the Applicants to the Broker Firm Offer

Business Day means a day, other than a Saturday, Sunday or public holiday on which Australian banks (as defined in the Corporations Act) are open for business in Melbourne and Sydney, Australia.

CHESS means Clearing House Electronic Sub-register System operated in accordance with the Corporations Act

Closing Date means 5.00pm (Sydney time) on 10 October 2014

Company means Ellerston Global Investments Limited ACN 169 464 706

Consolidated Press Holdings means Consolidated Press Holdings Limited ACN 008 394 509

Constitution means the constitution of the Company

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

Custodian means State Street Australia Limited ACN 21 002 965 200

Derivative means a financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (eg, an individual share or a broad share market index)

Directors means the directors of the Company

Equities mean shares or other equity interests in a company or managed investment scheme

Expiry Date means 8 October 2015

Exposure Period means the period of 7 days after the date of lodgement of the Original Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act

General Offer means the offer referred to in Section 2.1

GST means Australian Goods and Services tax

Investigating Accountant means Ernst & Young

Investment Portfolio means the portfolio of securities and other assets and liabilities (pre tax) of the Company to be managed in accordance with the Management Agreement by the Manager pursuant to the investment mandate and strategy set out in this Prospectus

Issue means the proposed issue of Shares and Loyalty Options pursuant to this Prospectus

Issue Price means the price per Share being \$1.00 per new Share

Joint Lead Managers means Morgans Corporate Limited, Wilson HTM Corporate Finance Ltd and Evans and Partners Ltd

Kira Capital means Kira Capital Pty Limited ACN 116 598 817 and Kira Asset Management Pty Limited ACN 147 871 716

Legal Adviser means Minter Ellison Lawyers

LIC means listed investment company

Loyalty Option means an option, subject to Vesting, to acquire one option per two Shares at an exercise price of \$1.00 per option and on the other terms set out in the Terms of Issue.

Management Agreement means the agreement between the Manager and the Company dated 9 September 2014

Management Fee means the management fee(s) payable to the Manager by the Company pursuant to the terms of the Management Agreement

Manager means Ellerston Capital Limited ACN 110 397 674 or a wholly-owned subsidiary

Minimum Subscription means the minimum subscription being sought by the Company under the Offer, being \$35 million

Net Asset Value means value of the company's assets minus its liabilities

Net Tangible asset means value of the company's assets minus its liabilities

Offer means the offer detailed in this Prospectus of Shares and Loyalty Options

Official List means the official list of the ASX

Official Quotation means official quotation of Securities by ASX

Opening Date means 9.00am Sydney time on 22 September 2014

Original Prospectus means the prospectus dated 9 September 2014 and lodged with ASIC on that date (which is replaced by this Prospectus).

Loyalty Option holder means a person registered from time to time on the Company's register of Loyalty Options as a holder of one or more Loyalty Options

Performance Fee means the performance fee(s) payable to the Manager by the Company pursuant to the terms of the Management Agreement

Proceeds means the capital raised by the Offer

Prospectus means this document (including the electronic copy of this prospectus), dated 16 September 2014 and any supplementary or replacement prospectus in relation to this document

12. Glossary

Retail Applicant or **Retail Investor** means an Applicant or investor who is not a wholesale Applicant or Wholesale Investor

Securities means the Shares and Loyalty Options offered pursuant to the Prospectus

Share means a fully paid ordinary share in the capital of the Company

Share Registry means Link Market Services Limited

Shareholder means a person registered from time to time on the Company's register of Shares as a holder of one or more Shares

Short Selling means selling an investment (which has been borrowed from another party) with the intention of buying it back at a later date. Short Selling also includes achieving this outcome through the use of Derivatives

Subscription Amount means the amount of money payable by an Applicant for new shares

Terms of Issue means the terms of issue of Loyalty Options set out in Appendix A

US Securities Act means the U.S. Securities Act of 1933 (as amended)

Vesting means the process under which a Loyalty Option first becomes exercisable by an Applicant in accordance the Terms of Issue. The terms Vest and Vested used in this Prospectus have corresponding meanings

Vesting Date means 7.00pm (Sydney time) on the date that is 6 months after the Closing Date

Wholesale Applicant or **Wholesale Investor** means an Applicant or investor who is (in either and in each case) not a retail client under section 761G or 761GA of the Corporations Act



13.

Appendix A Loyalty Option Terms of Issue

13. Appendix A

Loyalty Option Terms of Issue

1.0 Defined Terms

Unless otherwise defined, capitalised terms used in this Annexure have the meanings given to them in the Glossary to the Prospectus.

Applicant means a person who has applied for and been issued Shares under the Prospectus.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.

Business Day has the same meaning as in the ASX Listing Rules.

Exercise Notice means the notice specified in clause 15.1(a).

Exercise Price in relation to a Loyalty Option, the exercise price specified in clause 5, as adjusted from time to time in accordance with clause 12.

Expiry Date in respect of a Vested Loyalty Option means 5.00pm (Sydney time) on the third anniversary of the Vesting Date or if that anniversary is not a Business Day, the first Business Day following that anniversary.

Month means a period starting on the first day of a calendar month and ending on the last day of that calendar month.

Loyalty Option holder means a person registered from time to time on the Company's register of option holders as a holder of one or more Loyalty Options.

Prospectus means the replacement prospectus dated 16 September 2014 lodged by the Company with ASIC and includes any supplementary or replacement prospectus in relation to that prospectus.

Vesting means the process under which a Loyalty Option first becomes exercisable by an Applicant in accordance with these terms of issue. The terms **Vest** and **Vested** used in these Terms have corresponding meanings.

Vesting Date means 7.00pm (Sydney time) on the date that is 6 months after the Closing Date.

2.0 Vesting and lapse

(a) Loyalty Options Vest if and only if on the Vesting Date:

- (i) the Loyalty Options are held by a Loyalty Option holder who is an Applicant who has been issued Shares under the Offer; and
- (ii) the Loyalty Option holder holds as at the Vesting Date the same or a greater number of Shares as the number of Shares that are issued to the Loyalty Option holder under the Prospectus.

(b) A Loyalty Option that has not Vested as at 7.00pm (Sydney time) on the Vesting Date lapses with immediate effect and is not capable of exercise, and the Company will have no liability whatever in respect of the Loyalty Option.

3.0 Entitlement

Each Vested Loyalty Option entitles the Loyalty Option holder, on exercise of the Loyalty Option, to apply for one fully paid ordinary share in the capital of the Company.

4.0 Issue price

No amount is payable on issue of the Loyalty Options.

5.0 Exercise price

Each Loyalty Option has an exercise price of one Australian dollar (A\$1.00) (**Exercise Price**).

6.0 Option period

Each Vested Loyalty Option may be exercised at any time in the period commencing on the day after the Vesting Date and ending on the Expiry Date by delivery to the Company of a notice of exercise (in or to the effect of the form provided to the Loyalty Option holder by the Company at the time of the grant of the Loyalty Option or otherwise), accompanied by payment of the Exercise Price.

7.0 Expiry Date

Unless exercised or lapsed earlier, each Loyalty Option expires at 5:00pm (Sydney time) on the Expiry Date. A Loyalty Option that has expired is not capable of exercise and the Company will have no liability whatever in respect of the expired Loyalty Option.

8.0 Dividends

The Loyalty Options do not confer any right to dividends.

9.0 No voting rights

The Loyalty Options will confer the right to attend general meetings of the Company and to receive reports to shareholders, but will not confer any right to vote or speak at any meeting.

10.0 Transfer

- (a) A Loyalty Option that has not Vested is not transferable.
 - (b) A Vested Loyalty Option may be freely transferred at any time after the Vesting Date, in accordance with the Corporations Act and, if applicable, the ASX Settlement Operating Rules and the ASX Listing Rules.
-

11.0 Holding Statement

The Company must give each Loyalty Option holder a certificate which sets out the number of Loyalty Options issued to the Loyalty Option holder:

- (a) the Exercise Price of the Loyalty Options;
 - (b) the date of issue of the Loyalty Options; and
 - (c) the Vesting Date of the Loyalty Options.
-

13. Appendix A

Loyalty Option Terms of Issue

12.0 Participation rights, bonus issues, rights issues and reorganisations

12.1 Participation

A Loyalty Option holder is not entitled in that capacity to participate in any new issue to existing Shareholders of Securities in the Company unless they have validly exercised in accordance with these terms their Vested Loyalty Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

12.2 Notice of new issue

The Company must give a Loyalty Option holder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under clause 12; and
- (b) the right (if any) to exercise their Options under clause 12.

12.3 Bonus issues

If the Company makes a bonus issue of Shares or other Securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Loyalty Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Vested Loyalty Option is exercisable is increased by the number of Shares which the Loyalty Option holder would have received if the Loyalty Option holder had validly exercised in accordance with these terms the Vested Loyalty Option before the record date for determining entitlements to the issue.

12.4 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Loyalty Option before the record date for determining entitlements to the issue, the Exercise Price of each Option is reduced in accordance with the ASX Listing Rules.

12.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Loyalty Option holder (including the number of Loyalty Options to which each Loyalty Option holder is entitled and/or the Exercise Price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

13.0 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 12 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Loyalty Option holder.

14.0 Notice of change

The Company must within a reasonable period give to each Loyalty Option holder notice of any change under clause 12 to the Exercise Price of any Options held by a Loyalty Option holder or the number of Shares which the Loyalty Option holder is entitled to subscribe for on exercise of a Loyalty Option.

15.0 Method of exercise of Options

15.1 Method and payment

To exercise Vested Loyalty Options, the Loyalty Option holder must give the Company or its Share Registry, at the same time:

- (a) a written exercise notice (in the form approved by the Board of the Company from time to time) (**Exercise Notice**) specifying the number of Vested Loyalty Options being exercised and Shares to be issued; and
- (b) payment of the Exercise Price for the Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company.

15.2 Exercise all or some Options

- (a) A Loyalty Option holder may only exercise Vested Loyalty Options in multiples of 500 unless the Loyalty Option holder exercises all Vested Loyalty Options held by the Loyalty Option holder.
- (b) Vested Loyalty Options will be deemed to have been exercised on the date the application is lodged with the Company.

15.3 Amended Option holding statement

If a Loyalty Option holder exercises less than the total number of Vested Loyalty Options registered in the Loyalty Option holder's name, the Company must give the Loyalty Option holder an amended certificate stating the remaining Vested Loyalty Options held by the Loyalty Option holder.

16.0 Issue of Shares

After receiving an application for exercise of Vested Loyalty Options and payment by a Loyalty Option holder of the Exercise Price, the Company must within 15 Business Days after the deemed exercise date set out in clause 20(b), issue the Loyalty Option holder the number of fully paid ordinary shares in the capital of the Company specified in the application.

17.0 Ranking of Shares issued on exercise of Options

Subject to the Company's constitution, all Shares issued on the exercise of Vested Loyalty Options rank in all respects *pari passu* with the existing ordinary shares in the Company at the date of issue and only carry an entitlement to receive dividends that have a record date after the Shares were issued.

18.0 Quotation

Loyalty Options that have not Vested will not be quoted on ASX or any other financial market. The Company will apply to ASX for official quotation of Vested Loyalty Options.

Subject to the terms set out in the Prospectus and the ASX Listing Rules, the Company will apply to ASX for official quotation of Shares issued on the exercise of Vested Loyalty Options (unless at the time of exercise, it is not listed on ASX).

19.0 Duties and taxes

The Company is not responsible for any duties or taxes that may become payable in connection with the issue of Shares following exercise of, or in connection with any other dealing with, Vested Loyalty Options.

13. Appendix A

Loyalty Option Terms of Issue

20.0 Notices

- (a) All notices, requests and statements given or made under these terms must be in writing.
- (b) The Company must send any notice, request or other document relating to the Options to be sent to a Loyalty Option holder under these terms to the Loyalty Option holder's registered address as recorded in the Company's register of Loyalty Option holders and will be taken to be delivered on the day after the day it is sent.
- (c) A Loyalty Option holder must send any notice, request or other document relating to the Options to be sent to the Company under these terms to the Company's registered office or as the Company otherwise specifies by notice to the Loyalty Option holder.
- (d) At any time, a holder for the time being of Vested Loyalty Options may request the Company to give the Loyalty Option holder a blank Exercise Notice. The Company must give the Loyalty Option holder a blank Exercise Notice promptly on receiving the request.

21.0 Governing law

These terms and the rights and obligations of Loyalty Option holders are governed by the laws of New South Wales. Each Loyalty Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Corporate directory

Directors

Ashok Jacob

Not Independent Chairman

Sam Brougham

Independent Non-Executive Director

Paul Dortkamp

Independent Non-Executive Director

Stuart Robertson

Independent Non-Executive Director

Company Secretary

Ian Kelly

Registered Office

c/- Ellerston Capital Limited
Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Joint Lead Managers

Morgans Corporate Limited
(AFSL 235407)
Level 29, 123 Eagle Street
BRISBANE QLD 4000

Wilson HTM Corporate Finance Ltd
(AFSL 238383)
Level 38, 71 Eagle Street
BRISBANE QLD 4000

Evans and Partners Pty Ltd
(AFSL 318075)
171 Collins Street
MELBOURNE VIC 3000

Investigating Accountant

Ernst & Young
680 George Street,
SYDNEY NSW 2000

Auditor

Ernst & Young
680 George Street,
SYDNEY NSW 2000

Legal Adviser

Minter Ellison Lawyers
Level 23, 525 Collins Street,
MELBOURNE VIC 3000

Manager

Ellerston Capital Limited
ACN 110 397 674
Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Authorised Intermediary

Morgans Financial Limited
(AFSL 235410)
Level 29, 123 Eagle Street
BRISBANE QLD 4000

