



ELLERSTON CAPITAL

16 December 2019

Ellerston Pre-IPO Fund
Information Memorandum

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Ellerston Pre-IPO Fund

IMPORTANT INFORMATION

Ellerston Capital Limited ABN 34 110 397 674, AFSL 283 000 (Ellerston Capital, the Manager or we) is the issuer of this Information Memorandum (IM) dated 16 December 2019. Investments in the Ellerston Pre-IPO Fund (Fund) are made available by Ellerston Capital as the trustee of the Fund. Units in the Fund are available for issue under this IM.

An application for Units under this IM may only be made on the Application Form accompanying this IM. The Application Form contains important terms relating to the Fund and should be read in full before deciding to invest. The Application Form does not form a part of this IM. A person may not pass on the Application Form onto another person unless it is accompanied by a printed copy of this IM or a complete and unaltered version of this IM.

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

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

This IM only constitutes an offer of or invitation to apply for financial products to persons within Australia or in places where it is lawful to make such an offer or invitation. Units in the Fund are not available for purchase within the United States or by US Persons (refer Glossary – Section 9).

If you access an electronic copy of this IM, then you should ensure that you download and read the entire IM and the Application Form. A paper copy of this IM (including any supplementary document) can be obtained free of charge by calling Ellerston Capital on (02) 9021 7797 or by emailing info@ellerstoncapital.com.

You will be asked to provide personal information to us (directly or through the Administrator) if you apply for Units. For information about how the Manager collects, holds and uses this personal information see Section 8.7.

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

No person other than Ellerston Capital has caused or authorised the issue of this IM nor do any of them take any responsibility for the preparation of this IM or the establishment or performance of the Fund. All actions referred to in this IM as being taken by the Fund are performed by Ellerston Capital as trustee of the Fund or its delegates, as the case may be, in respect of the Fund.

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

Subject to the law and the Trust Deed, the Manager may change at any time the information, terms and conditions set out in this IM and otherwise applying to Units. Where a person is a Unitholder, they will be provided with at least 30 days written notice of any such change which is materially detrimental to them as a Unitholder including any change to fees. Unitholders who redeem their Units prior to the change will ordinarily not be bound by the change. Where a change is not materially adverse to investors, the information may be made available at: www.ellerstoncapital.com. Investors may obtain a paper copy of this information free of charge by contacting the Manager using the details in the Corporate Directory.

Certain capitalised expressions used in this IM have defined meanings, which are explained in the Glossary of this document. References to \$ or A\$ are to Australian dollars.

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1. Key Features

This Information Memorandum (IM) contains an invitation to invest in Units in the Ellerston Pre-IPO Fund. This table contains a summary of the key features of the Fund. You should read the IM in full before deciding whether to invest.

FEATURE	OVERVIEW	
INVESTMENT OBJECTIVE	The investment objective of the Fund over time is to generate a positive return above a Hurdle Return of 6% p.a net of Fees.	Section 2.2
INVESTMENT PHILOSOPHY	The Fund has been established to focus on investments in Unlisted Pre IPO, Expansion Capital and Listed Microcap Investments. The Fund may gain exposure to investments via a variety of instruments (including Derivatives and debt instruments) when pursuing the investment objective.	Section 2.3
INVESTOR ELIGIBILITY	Wholesale Clients.	Section 2.4 and 2.5
FUND STRUCTURE	The Fund is an Australian domiciled closed ended unit trust and is not registered with ASIC as a managed investment scheme.	
APPLICATIONS	Application Amounts for units in the Fund may be accepted up until the Final Closing Date. The Manager has discretion to open additional offer periods to accept additional investments on a case by case basis, for a period of 18 months following the Final Closing Date (which may be via the issue of a new class or series of units). Following such time, additional investments will not be accepted unless approved by Special Resolution.	
TERM	5 years from the Final Closing Date unless terminated earlier by: (i) the Manager; or (ii) Special Resolution, in accordance with the Trust Deed.	Sections 3 and 6
MANAGEMENT FEE	1.5% pa of the Net Asset Value of the Fund (plus GST). The Management Fees will be accrued quarterly and due and payable in arrears on the last Business Day of each quarter until the conclusion of the Term. In the event that any asset has not been realized at the end of the Term, the Manager may agree to waive the Management Fee for that period. Refer to Section 4 for further information about fees and other costs payable in respect of the Fund.	Section 4
PERFORMANCE FEE	20% of the investment return above the Hurdle Return for each financial year, calculated and accrued quarterly.	Section 5.1 and 5.2
HURDLE RETURN	6% p.a net of Fees.	Section 5.4
VALUATIONS	Following the Final Closing Date, the Fund will conduct quarterly valuations on the last Business Day of each quarter or on such other days as determined by the Manager and in accordance with the Trust Deed. The Fund may make investments prior to the Final Closing Date, in which case the Fund may determine a unit price outside of the quarter as determined by the Manger.	
DISTRIBUTIONS	Where distributable income is available, distributions will be made annually (as at 30 June) or such other times as determined by the Manager.	Section 5.5

2. Ellerston Pre-IPO Fund

2.1. ABOUT THE MANAGER – ELLERSTON CAPITAL

Ellerston Capital is a specialist investment manager providing a range of innovative equity and alternative strategies.

As a firm majority owned by its principals and employees, our clients' objectives are our objectives.

Ellerston Capital has been managing money since 2002 and as at 30 June 2019 manages over \$5 billion in long only Australian, global and Asian equities, Australian market neutral, and global long-short equity strategies, and private investments. The Manager's investment products are designed to take advantage of the strengths and capabilities of our experienced investment team and also the opportunities which we feel exist in the market place.

Ellerston Capital is based in Sydney and holds an Australian Financial Services License (AFSL No. 283000) which regulates its prudential requirements and its delivery of financial services in Australia.

2.2. INVESTMENT OBJECTIVE

The Fund aims to outperform the Hurdle Return, after all fees and expenses, over the Term. There is no guarantee that the Fund will meet this objective. In seeking to fulfil the objective, the Fund will focus on investments in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies, predominantly in Australia but also covering OECD and developed countries. The Fund invests into companies through a variety of securities, including but not limited to debt and equity securities (including convertible notes). The Fund will be investing in unlisted and listed microcap securities to implement the investment objective, but may also hold cash or liquidity investments. The Fund is subject to a lockup and is suitable only for investors with an investment horizon of five years or more.

2.3. INVESTMENT STRATEGY

The Manager will invest using a fundamental, research driven investment strategy to provide returns above the Hurdle Return that are not correlated to listed equity markets. The Manager undertakes fundamental research to selectively identify and invest in quality companies focus on investments in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies, predominantly in Australia but also covering OECD and developed countries. The Manager seeks to manage downside risk through significant pre trade due diligence, appropriate deal structuring, active management and position sizing.

2.4. INVESTMENT STRUCTURE

The Fund will be managed within an Investment Period of three years and a total Term of five years, both calculated from the Final Closing Date. At the end of the Investment Period, the focus of the Fund will be to manage the wind down of the portfolio in a way which seeks to maximise Fund value and return capital to investors.

How Does the Strategy Work?

1. During the Investment Period, the Manager will focus on investing the Fund's capital in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Investments on behalf of the Fund.
2. Investors are entitled to annual distributions of the taxable income of the Fund, however if an investment of the Fund is realised before the end of the Investment Period, The Manager has the right to reinvest the capital in new investments.
3. At the end of the Investment Period, the Fund is only able to make further investments in limited circumstances such as Follow-On Investments, investments related to cash management and investments in which the Fund has a pre-existing actual or contingent obligation to make.
4. From the end of the Investment Period the Manager will seek to maximise the value of the investments in the Fund before the end of the Term. Capital will be periodically returned to investors over this period as investments of the Fund are realised.
5. It is The Manager's intention to realise all Fund investments before the end of the Term. If the Fund still holds investments at the end of the Term, The Manager will seek to manage investments to maximise unitholder value and may:
 - (i) allow Unitholders to redeem some or all of their units in the Fund in return for an in specie distribution of their pro-rata share of an asset (if possible); and/or

- (ii) continue as the Trustee and Investment Manager under the Trust Deed during the wind-up period, until all investments held by the Fund have been fully realised and the proceeds distributed to Unitholders.

2.5. INVESTMENT GUIDELINES

NUMBER OF POSITIONS	10-20 positions in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies.
POSITION LIMITS	Minimum position limit at time of investment of 1% of the Fund's Net Asset Value; maximum position limit of 10% of the Fund' Net Asset Value at the time of investment.
DERIVATIVES	Futures and exchange traded options may be used to gain exposure or manage certain risks.
SHORT SELLING	Not permitted.
BORROWING	Not permitted.
GEARING/LEVERAGE	Not permitted.

Thresholds incorporate the Delta Exposure gained through Derivatives.

Save where specified to the contrary, the above thresholds apply as at the time of the relevant investment. Where a threshold would be breached merely because of any appreciation in value (e.g. as a result of strong outperformance), depreciation in value, capital restructure, managing cash flows corporate action or similar event, the Fund will be rebalanced or reduced back to below that threshold within a reasonable timeframe.

2.6. SEED INVESTMENTS

The Fund may hold seed investments at the time of the Final Closing Date. These investments may be funded through Applications into the Fund which may be sourced either from entities associated with the Manager or from external investors. A list of seed investments can be obtained from the Manager by investors upon request.

2.7. PERFORMANCE

Performance information for the Fund can obtained by telephoning (02) 9021 7797 or by emailing info@ellerstoncapital.com.

3. Risks

An investment in the Fund involves risk, including the risk that the value of the Fund's investment could fall and that distributions could be lower than expected or not paid at all. No guarantee or representation is made that the Fund will be successful, that the capital value will grow or be maintained, or that there will be any distributions.

Please be aware that the investment program is speculative, that is, we undertake a process of selecting investments with higher risk in order to profit from a higher return over the long term. There can be no assurance, however, that the Fund's investment objective will be achieved. Investors should consider any investment in the Fund as a supplement to an overall investment portfolio and should invest only if they are willing to undertake the risks involved.

Prospective investors should consider and understand risk in determining whether an investment in the Fund is suitable for them. While it is not possible to identify every risk relevant to investing in the Fund, the summary below lists some of the significant risks associated with investing in the Fund. Investors should read this IM in full and consult their financial adviser or other professional adviser before deciding whether to invest in Units.

3.1. RISKS APPLICABLE TO THE FUND

All investments carry risk. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term. The significant risks of the Fund are:

- **General Investment Risk:** Like any investment, the investment returns of an investment in the Fund will be subject to economic variables (including interest rates, unemployment, inflation and economic growth), market conditions, factors impacting particular investee companies and government policy. Some investee companies will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities.
- **Manager Risk:** The Fund relies heavily on the ability of Ellerston Capital to identify investment opportunities that will generate a return commensurate with the underlying risk. If the Manager makes the wrong decisions, the Fund can have negative returns. Unfavourable circumstances may affect the Manager's ability to make investments at acceptable prices. The Investment Manager may not be successful in implementing its investment strategy. Further, there is a risk that key personnel may depart or The Manager may be removed as trustee and Manager of the Fund.
- **Liquidity Risk:** Unlisted investments made by the Fund are illiquid, as there is no established secondary market for their securities. Investments in listed micro-cap stocks also suffer from a lack of liquidity. Where the liquidity of a particular market or security is restricted, it can affect the performance of the Fund. Lack of liquidity or market depth can affect the valuation of the Fund's assets as it looks to realise securities at quoted prices and the ability of the Fund to exit a position in a timely manner.
- **Limited Diversification:** Ellerston Capital intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. If the Fund's investment portfolio is concentrated in a small number of investments, the portfolio will be subject to a greater level of volatility. Also, the use of a single investment manager applying generally similar trading methodologies could mean lack of diversification and, consequentially, higher risk.
- **Speculative nature of certain investments:** Certain investments by the Fund may be regarded as speculative in nature and involve increased levels of investment risk. An inherent part of a strategy may be to identify securities which are undervalued by the marketplace. The success of such a strategy necessarily depends upon the market eventually recognising such value in the price of the security, which may not necessarily occur. Unlisted positions, as well as IPOs, may involve highly speculative securities
- **Fund Risk:** The success of the Fund depends upon our ability to develop and implement the Fund's investment strategy and identify investment opportunities that achieve the Fund's investment objective
- **Derivatives Risk:** Derivatives, such as options, warrants, futures and swaps, may be used by the Fund for hedging and non-hedging purposes. The risks of using derivatives might include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected and counterparty risk.
- **Counterparty risk:** Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. For example, a company in which the

Fund holds a convertible note could default on its obligation to repay the face value of the note plus interest. A party defaulting on its obligations could subject the Fund to substantial losses.

- **Leverage risk:** The Fund's portfolio is likely to include companies which may have significant debt in their capital structures. Investee companies with a leveraged capital structure have increased exposure to rising interest rates, refinance risk, economic downturns and deteriorations in the financial performance of the company. Leverage may also exacerbate losses.
- **Investee Companies failure risk:** One or more investee companies acquired by the Fund could suffer financial difficulties and/or fail leading to financial difficulties for the Fund and/or a loss of capital to investors. Follow on funding may be required that may dilute the Fund's interest in an investment. Similarly the Fund holds seed investments and there is a risk that the Fund will not receive an expected return or any return at all on these investments
- **Redemption risk:** The Manager does not intend to permit unitholder redemption requests during the Term. It is the Manager's intention to realise all Fund investments before the end of the Term and return capital to unitholders. Where the Fund cannot sell its investments in a timely manner, there may be substantial delays in the return of capital to unitholders or payment of redemption proceeds. In particular, the Fund liquidity will be adversely affected where a counterparty to the Fund's investments defaults on its payment obligations to the Fund. Insolvency of such a counterparty may inhibit the ability of the Fund to return capital to investors or pay redemption proceeds or may cause significant delays in doing so.
- **Currency risk:** The Fund's portfolio may hold investments priced in foreign currencies. These investments will be exposed to foreign exchange risk which can either positively or negatively impact the investment returns of the Fund.
- **Past performance:** The performance of the Manager's other funds cannot be relied upon in assessing the merits of the Fund. Applicants should read the Information Memorandum in full and obtain independent advice prior to investment.
- **Legal, Regulatory and Tax risks:** The Fund is not required to be registered under the Corporations Act 2001 (Cth) and accordingly the investors do not receive the protections provided as a regulated scheme. Legal and tax regulations that apply to the Manager, the Fund and its investments may change. Changes to tax law, interpretation or practice could adversely affect the tax treatment of an investment in the Fund and the tax treatment of the Fund's investments. Investors should obtain their own tax advice in relation to an investment in the Fund.
- **Distributions:** As a Unitholder you may not receive distributions when you expect them or in the way you have asked for them to be paid. The Fund is not designed for investors seeking regular income payments. There is no guarantee that any distributable income will be generated. In certain circumstances, Unitholders may be liable for tax on distributions even if they have not received any distribution in cash.

3.2. RISK MANAGEMENT

The Manager has risk management processes in place including:

- Undertaking research on individual investments to the best of our ability;
- Ongoing monitoring of investments;
- Actively monitoring the Fund's exposure;
- The use of portfolio guidelines ([Section 2.5](#)), compliance policies and procedures; and
- Obtaining accounting, legal and tax advice in conducting the affairs of the Fund and completing our reporting obligations.

4. Fees and Other Costs

4.1. SUMMARY OF FEES AND OTHER COSTS

This section shows fees and other costs that you may be charged.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN FEE IS PAID
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil.	Not applicable
Contribution Fee The fee on each amount contributed to your investment.	Nil.	Not applicable.
Withdrawal Fee The fee on each amount you take out of your investment.	Nil.	Not applicable.
Termination Fee The fee to close your investment.	Nil.	Not applicable.
Management Costs		
The fees and costs for managing your investment.	Management Fee 1.5% (exclusive of GST) p.a. of the Net Asset Value of the Fund.	Accrued in the Unit price and payable from the assets of the relevant class quarterly in arrears until the conclusion of the Term. Refer to Section 4.2 for more details.
	Expenses Estimated at up to 0.50% p.a. of the Net Asset Value of the Fund.	Accrued in the Unit price and payable from the assets of Fund when the amounts are incurred. Refer to Section 4.2 for more details.
	Performance Fee 20% of the investment return above the Hurdle Return for each financial year, calculated and accrued quarterly.	Accrued in the Unit price and payable from the assets after 30 June in each year in arrears. Refer to Section 4.2 for more details.
Service Fees		
Investment Switching Fee The fee for changing investment options.	Nil.	Not applicable.

Notes:

1. All fees set out in this **Section 4** are exclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.

4.2. ADDITIONAL EXPLANATION OF FEES AND COSTS

GST

All fees set out in this **Section 4** are exclusive of any applicable Goods and Services Tax (**GST**) and net of input tax credits (unless otherwise stated). The Fund may not be entitled to claim an input tax credit in all instances.

Management Fee

A management fee of 1.5% per annum (plus GST net of reduced input tax credits) of the Net Asset Value of the Fund is payable by the Fund to the Manager until the conclusion of the Term. It is calculated quarterly and due and payable in cash by the Fund to the Manager on the last Business Day of each quarter in arrears based on the Net Asset Value of the Fund (before deduction of any accrued management fee and any accrued performance fee) and reflected in the Net Asset Value of the Fund. In the event that any asset has not been realised at the end of the Term, the Manager may agree to waive the Management Fee for that period only.

Expenses

All costs or general expenses reasonably and incurred in the proper performance of its duties by the Manager in connection with the management of the Fund and the Offer are payable out of the Fund. The Manager is responsible for providing all office personnel, office space and office facilities required for the performance of its services. The Fund bears all other expenses incidental to its operations, including, but not limited to, fees payable to the Fund's service providers (e.g. administrator and custodian); taxes imposed on the Fund or the Manager (in its capacity as trustee of the Fund); governmental charges and duties; the Fund's advisers (e.g. legal, accounting and audit); and printing and distributing the IM, subscription materials, marketing materials and any reports and notices to Unitholders or prospective Unitholders. Over time, as the Fund grows in size, the total of these ongoing expenses is estimated at 0.50% p.a. of the Fund's Net Asset Value. However, the actual ongoing expenses may be higher than this estimate. The Fund may also incur unanticipated expenses arising from its business, such as litigation and indemnification expenses.

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

Performance Fee

The Manager is entitled to a Performance Fee for outperforming the Hurdle Return. The Performance Fee is a way of providing an incentive for the Manager to strive to continually produce returns above the Hurdle Return and is in addition to the Management Fee and so forms part of the Management Costs charged to Unitholders as a whole. The Manager may elect to receive part of its Management Fee and/or Performance Fee in the form of Units in the Fund. Any Units issued to the Manager will be at the Application Price for those Units applicable at that time.

The Performance Fee is equal to 20% of the investment return above the Hurdle Return for each financial year, calculated for the full financial year and accrued quarterly.

At the end of each financial year if there is a Performance Fee for that financial year (Current Financial Year Accrual), 50% is payable (Current Year Payable Amount) and 50% is carried forward (Carried Forward Amount) to future periods.

The Carried Forward Amount is added to the following financial year performance fee i.e. in any financial year the total Performance Fee accrual is equal to the Current Financial Year Accrual plus any Carried Forward Amounts from previous periods.

In addition to the Performance Fee payment at the end of a financial year, the total Performance Fee shall be payable on a pro rata basis where:

- income distributions are made;
- capital is returned;
- redemptions are processed

If at the end of a financial year the investment return is below the Hurdle Return (Underperformance), then any Carried Forward Amounts are reduced at a rate of 20% of the Underperformance and any remaining Underperformance is carried forward to future periods (adjusted as income distributions are made, capital is returned and as redemptions are processed) and must be recouped before a performance fee is accrued.

Example 1:

At the start of Year 1 the Net Asset Value (before Performance Fees) is \$10m, at the end of the Year 1 the Net Asset Value (before Performance Fees) is \$11m. The investment return for the Year 1, is 10%, or \$1m. The Hurdle Return for the Year 1 is 6%, or \$600k. For year 1 the investment return is above the Hurdle Return.

The Performance Fee for Year 1, the current financial year, is $(\$1m - \$600k) * 20\% = \$80k$ (Current Financial Year Accrual)

50% of the Year 1, Current Financial Year Accrual, is payable i.e. \$40k. The balance of \$40k is carried forward to future years where it either becomes payable on a pro rata basis (as income distributions are made, as capital is returned or as redemptions are processed) or it is reduced due to Underperformance.

Example 2:

At the start of Year 3, the Net Asset Value (before Performance Fees) is \$15m, at the end of Year 3 the Net Asset Value (before Performance Fees) is \$15.5m. The investment return for the current financial year 1 is 3.33%, or \$500k. The Hurdle Return for the Current Financial Year 1 is 6%, or \$900k. For Year 3 the investment return is below the Hurdle Return "Underperformance".

The Performance Fee for Year 3, the current financial year, is $(\$500k - \$900k) * 20\% = (\$80k)$ (Current Financial Year Accrual)

At the start of Year 3, the Carried Forward Amount was \$200k, this is reduced during Year 3 due to Underperformance to \$120k ($200k - 80k = \$120k$). The total Performance Fee accrual at the end of Year 3 is \$120k and is carried forward to future years.

Example 3:

On the 31st of March in Year 4 there is a Current Financial Year Accrual of \$50k, as well as Carried Forward Amounts from previous periods of \$50k. The total Performance Fee accrual is \$100k

On the 31st of March in Year 4 the Net Asset Value is \$12m and a total of \$2m (16.67% of the Net Asset Value) capital is returned to Investors.

As a result of the return of capital a pro rata amount of the Total Performance Fee Accrual becomes payable i.e. 16.67% of \$100k = \$16.67k. The total Performance Fee accrual after the return of capital and the Performance Fee payment is \$83.33k

Tax

Prospective investors should obtain independent professional advice in relation to their particular circumstances regarding the taxation consequences of an investment in the Fund before investing. **See Section 6.**

Fee waiver or deferral and issue of Units

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

5. Applications and Dealing with Your Investment

5.1. APPLYING

We may only issue interests in the Fund to Wholesale Clients.

To invest in the Fund you must complete the Application Form accompanying this IM and provide the proof of identity documents set out in the Application Form.

Applications

In respect of each initial investment, an investor must qualify as a Wholesale Client. Applications are accepted at the absolute discretion of the Manager. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

Application Process and Cut-Off Times

Application Forms and Application Amounts must be received by the Administrator prior to 12:00pm (Sydney time) on the Final Closing Date, unless otherwise agreed by the Manager in its absolute discretion. The Manager may from time to time allow additional dates for accepting applications. Additional Application Forms may be obtained from the Administrator or by telephoning the Manager on (02) 9021 7797 or emailing info@ellerstoncapital.com.

Minimum investments

The minimum investment is \$100,000, subject to the Manager's discretion to accept a lower amount. The Manager may in its discretion raise or lower the minimum investment amount provided that the investor is a Wholesale Client. Certification of investor status will be required as a prerequisite for investing in the Fund. Additional investments will not be accepted after the Final Closing Date unless approved by Special Resolution.

5.2. APPLICATION ACCEPTANCE AND INTEREST

To ensure the Fund remains efficient and competitive, the Manager may in its absolute discretion reject or decline to accept applications (in part or in full) and may close the Fund to further investment where it believes the Fund has reached capacity.

The Manager has the discretion to open additional offer periods to accept additional investments

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

5.3. REDEMPTIONS

Lock Up Period

The Manager does not intend to permit Unitholder redemption requests during the Term. It is the Manager's intention to realise all investments before the end of the Term. If the Fund still holds investments at the end of the Term, the Manager will seek to manage investments to maximise Unitholder value, and may: i. allow Unitholders to redeem some or all of their units in return for an in-specie distribution of their pro-rata share of an asset (if possible); and/or ii. continue as Trustee and Manager under the Trust Deed during the wind-up period, until all investments held by the Fund have been fully realised and the proceeds distributed to Unitholders. The Redemption Price per unit in the Fund being redeemed is the Net Asset Value per Unit as at the time of the redemption. The Trust Deed provides that it may take up to 90 days from the day when your redemption price is calculated, until you receive your redemption proceeds.

In certain circumstances redemptions may be suspended, as set out below.

Suspension of redemptions

Whilst the Fund is not registered as a managed investment scheme, redemptions may be suspended for up to 120 days including where:

1. It is impracticable or impossible for the Administrator to calculate the Net Asset Value of the Fund, for example, because of financial market disruptions or closures;
2. The payment of redemption proceeds involves realising a significant portion of Fund assets which would, in the opinion of the Manager, result in remaining Unitholders bearing a disproportionate amount of tax or expenses, or suffering any other disadvantage or diminution of the value of Units held;

3. The Manager reasonably considers it to be in the interests of Unitholders, or it is otherwise permitted by law; or
4. The Fund is being wound up.

5.4. TRANSFERS

Units may not be sold, transferred or otherwise disposed, directly or indirectly, without the prior written consent of the Manager (which may be granted, on certain terms and conditions, or delayed or withheld in its sole and absolute discretion). Transfer requests should be made in writing to the Administrator. The Manager may require prescribed transfer documentation to be completed by the transferor including without limitation the completion of an Application Form. Any Units sold or transferred without such consent may be compulsorily redeemed by the Manager in its absolute discretion. A transfer of Units involves a disposal of Units, which may have tax implications. Stamp duty may also be payable on the transfer unless an exemption applies. You should obtain tax and stamp duty advice before requesting a transfer.

5.5. DISTRIBUTIONS

Distributions will usually be determined annually as at 30 June or more frequently at the Manager's discretion. Distributions will generally be paid within 30 calendar days after the distribution date. Distributions are generally paid out in cash. Distributions of marketable securities may be permitted when approved by Special Resolution. The Manager has absolute discretion in performing its obligations as a Trustee and may accept or reject a written direction from a Unitholder. The Manager may also in its discretion waive the minimum initial investment and minimum holding amount requirements. Distribution statements are forwarded to all Unitholders annually.

5.6. UNIT PRICING AND VALUATIONS

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal undivided part of the market value of the portfolio of investments that the Fund holds. As a result, each unit has a dollar value or unit price. The unit price is calculated by dividing the Net Asset Value by the total number of units in the Fund held by Unitholders on that calculation day. All unit prices are calculated to four (4) decimal places. The number of units issued in the Fund is calculated and rounded to the nearest whole number. Units are priced on the last Business Day of each quarter, and/or such other time or times as the Manager may determine ('Valuation Day'). The assets of the Fund will be valued with reference to the last traded share price for the day (in the case of listed investments) and, in the case of unlisted investments, by the Manager in accordance with the Trust Deed. The Manager intends to apply the International Private Equity and Venture Capital Valuation Guidelines and the Australian equivalent of the International Financial Reporting Standards in determining the value of unlisted investments. The Net Asset Value of the Fund includes the value of income accumulated since the previous distribution date. While the Manager does not intend to permit investor redemptions during the Term, if this were to be permitted, the Manager may charge a buy/sell spread. This represents the Manager's estimate of the transaction costs the Fund would incur to sell the Trust property and is applied because a redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes. This is retained in the Fund for the benefit of all Unitholders. In calculating the Net Asset Value of the Fund, the Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, the Manager, Trustee and any administrator or valuations agent of other collective investments into which the Fund invests. If and to the extent that the Manager is responsible for, or otherwise involved in the pricing of any of the Fund's assets (for example in the case of unlisted or suspended stocks), the Administrator may accept, use and rely on such prices, without verification, in determining the Net Asset Value of the Fund and shall not be liable to the Fund, any Unitholder or any other person in doing so.

6. Tax considerations

6.1. GENERAL OVERVIEW

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

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

6.2. SUMMARY OF TAX IMPLICATIONS

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

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

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

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

It is intended that the Fund will qualify as a managed investment trust (MIT) for Australian tax purposes. Where possible, the Trustee of the Fund will elect for the Fund to be an Attribution Managed Investment Trust (AMIT). If such election is made, the election will apply for all income years while the Fund continues to meet certain criteria.

Taxation of the Fund

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

Where the Fund qualifies as a MIT, the Trustee intends to elect for deemed capital gains tax (CGT) treatment to apply to the Fund. The election applies to investments in shares, units in a unit trust, land and rights or options to acquire shares, units or land. The election does not apply to other assets or derivatives.

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

Taxation of distributions from the Fund

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

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

Cost base adjustments

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

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

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

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

Disposal or redemption of units

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

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

Annual tax statement

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

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

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

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

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

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

Indirect Investment in the Fund

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

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

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

Reporting

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

Foreign Account Tax Compliance Act (FATCA)

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

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

7. Material documents

7.1. TRUST DEED

The operation of the Fund is governed by law and the Trust Deed of the Fund. .

The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Unitholders and the Manager.

A number of provisions in the Trust Deed Trust Deed are discussed elsewhere in this IM. The following are some key matters covered by the Fund's Trust Deed:

- The nature of Units and the rights which attach to those Units;
- The powers of the Manager;
- The Manager's entitlement to be paid fees;
- How the Administrator (on behalf of the Manager) will calculate the Net Asset Value of the Fund, a key component to the calculation of the Issue Price and Redemption Price;
- How the Manager will treat applications for Units, including the Manager's discretion to refuse applications for Units in whole or in part at its discretion;
- The Manager's ability to refuse transfers of Units;
- The Manager's ability to accumulate part or all of the income in the Fund in a financial year and the Manager's ability to allocate income, deductions and credits to particular classes of Unitholders;
- Unitholders' rights in relation to distributions (and how the Manager determines the distribution amount);
- The convening of, and attending and voting at, any Unitholder meetings and the binding nature of resolutions on all Unitholders;
- The retirement of the Manager and the appointment of a new trustee of the Fund;
- How the Manager will deal with Unitholder complaints; and
- The termination of the Fund. The trust terminates at the earlier of 80 years less one day and the Manager determining to terminate the trust by written notice to Unitholders. The Trust Deed governs the procedure to be followed by the Manager on the termination of the Fund.

The Trust Deed also includes specific provisions covering the following matters which are not explained elsewhere in this IM:

Compulsory redemption

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

1. The Units are held in breach of prohibitions contained in the Trust Deed;
2. The Units are held in circumstances which might result in a violation of an applicable law or regulation (including by the Manager), or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
3. A Unitholder made a misrepresentation in acquiring its Units;
4. A Unitholder is a registered holder of Units having a Net Asset Value of less than \$50,000; or
5. The continued participation of a Unitholder might cause the Manager or any Unitholder to violate any law or if any litigation is commenced or threatened against the Manager or any Unitholder arising out of the participation by the Unitholder in the Fund.

The Manager's indemnity and liability

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

Investor liability

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

Amending the Trust Deed

The Manager may amend the Trust Deed.

8. Additional Information

8.1. COMMUNICATION AND REPORTING

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

COMMUNICATION	TIMING
Performance report	Quarterly
Fund update	Quarterly
Tax statement	Annually

Information relating to the Unitholder and the Fund will be provided by email.

8.2. FURTHER INFORMATION

A non-exhaustive summary of some of the key terms of the Offer and Trust Deed of the Fund has been set out in this IM. The Trust Deed may be viewed between 9:00am and 5:00pm, Sydney time, on weekdays by contacting the Manager on info@ellerstoncapital.com or (02) 9021 7797.

8.3. OFFER CHANGES

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

8.4. COMPLAINTS RESOLUTION

The Manager has a formal policy in place for dealing with complaints. In the first instance, complaints should be in writing to the Company Secretary, Ellerston Capital Limited, Level 11, 179 Elizabeth Street, Sydney NSW 2000. The Manager will acknowledge Unitholder complaints within 30 days of receipt by the Company Secretary, and will generally investigate complaints and aim to provide a response (if not resolve the complaint) within 60 days of receipt of the complaint although some complaints may take significantly longer to deal with.

8.5. ANTI-MONEY LAUNDERING

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

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

In some circumstances, the Manager may need to re-verify this information. The Manager has delegated these activities to the Administrator.

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

8.6. PRIVACY

The Application Form accompanying this IM requires you to provide personal information. The Manager and each service provider to the Manager or Fund may collect, hold and use your personal information in order to assess your application, service your needs as a client or investor, provide facilities and services to you, the Manager or the Fund and for other purposes permitted under the Privacy Act 1988 (Cth). Tax and company laws also require some of the information to be collected in connection with your application. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all. Your information may also be disclosed to members of the Ellerston Capital Group and to their agents and service providers on the basis that they deal with such information in accordance with the Manager's privacy policy. The Manager may need to disclose information about you to government entities and regulators as required by law.

Your information may also be used to inform you about investment opportunities or other matters that the Ellerston Capital Group thinks may be of interest to you. Contact the Manager using the contact details in the Corporate Directory if you do not want your personal information to be used for this purpose or to request a copy of your personal information held by the Manager (or its registry provider).

8.7. KEY CORPORATE GOVERNANCE POLICIES

Related party transactions

Ellerston Capital has a related party transactions policy which acknowledges the requirement that related party dealings be on "arm's length terms", be approved by the members of the entity giving the benefit to the related party, or that an exemption applies to the transaction.

The related party transactions policy sets out procedures designed to protect Unitholders' interests and ensure that related party transactions are on "arm's length" terms or otherwise comply with Corporations Act requirements.

The Fund may acquire exposure to assets from other Ellerston Capital managed funds and where it does so, this will be on an arm's length basis.

Conflicts of interest

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

Where we consider that a particular conflict of interest is likely to have a materially adverse effect on Unitholders, we will seek to implement adequate arrangements to mitigate and prevent (where practicable) these adverse effects on Unitholders. We will resolve such conflicts of interest fairly and reasonably in accordance with the law, ASIC policy and our own procedures.

Deal allocation policy

Investment opportunities will generally be allocated to the Fund along with other funds and client accounts operated by Ellerston Capital having regard to factors that may include: investment objectives, investment strategy, portfolio guidelines, particular mandate requirements, risk profile and any other factors that we consider relevant.

8.8. SERVICE PROVIDERS

The Manager has appointed Mainstream Fund Services Pty Ltd to provide custody, administration and Link Market Services Limited to provide registry services for the Fund.

8.9. CONSENT

All parties listed in this IM have given consent (which has not been redeemed at the date of this IM) to being named, in the form and context in which it named in this IM. The Administrator:

1. Has not authorised or caused the issue of this IM;
2. Does not make or purport to make any statement in this IM (or any statement on which a statement in this IM is based) other than as specified; and
3. To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this IM other than the reference to its name in a statement or report included in this IM with its consent as specified.

Glossary

ADMINISTRATOR	Mainstream Fund Services Pty Ltd	IPO	Companies undertaking an initial public offering which: a) are existing investments of the Fund;
AFSL	Australian Financial Services Licence	ISSUE PRICE	Means in respect of a unit in the Fund the amount of its issue price that has been paid or is payable to the Fund.
AML/CTF LAW	Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)	LISTED MICROCAP INVESTMENTS	Listed companies which a. are existing investments of the Fund.
APPLICATION AMOUNT	The amount contributed by an investor to acquire Units in the Fund.	MANAGEMENT FEE	Has the meaning provided in Section 4.2
APPLICATION FORM	The application form accompanying this IM	MANAGER	Ellerston Capital as trustee and investment manager of the Fund
ASIC	Australian Securities and Investments Commission	NET ASSET VALUE	The net asset value of the Fund or the relevant class as determined under the Trust Deed. Refer to Section 5.7
BUSINESS DAY	Any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia	OFFER	The invitation to subscribe for Units set out in this IM.
CALCULATION PERIOD	Has the meaning provided in Section 4.2.	PERFORMANCE FEE	The outperformance fee payable to the Manager as set out in Section 4.2
TRUST DEED	Trust Deed	PRE IPO	Companies which are currently unlisted but plan to list on a traded market.
CONTRIBUTION FEE	Has the meaning provided in Section 4.2	REDEMPTION PRICE	Has the meaning provided in Section 5.4
CORPORATIONS ACT	Corporations Act 2001 (Cth)	SPECIAL RESOLUTION	Means a resolution approved by unitholders holding together at least 75% of the Net Asset Value and who are entitled to vote on the resolution.
DERIVATIVE	A financial instrument when the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index)	TRUSTEE	Ellerston Capital Limited.
ELLERSTON CAPITAL	Ellerston Capital Limited (ABN 34 110 397 674)	TERM	5 years from the Final Closing Date unless terminated earlier by: (i) Ellerston Capital; or (ii) Special Resolution, in accordance with the Trust Deed.
ELLERSTON CAPITAL GROUP	Ellerston Capital and each of its related bodies corporate, and each of their associates	UNIT	Beneficial interest in the Fund issued as offered under this IM.
FINAL CLOSING DATE	31 March 2020 or the date on when the Manager determines is the Final Closing Date.	UNITHOLDER	A person entered on the register of the Fund as a holder of Units.
FOLLOW-ON INVESTMENT	Means an investment in an entity, scheme or arrangement in which the Fund has an existing investment or entity which is or was an associate (as defined in the Corporations Act 2001 (Cth)) of that investment	UNLISTED EXPANSION CAPITAL	Companies which are currently unlisted and have a preference to remain private for the foreseeable future
FUND	Ellerston Pre-IPO Fund: an Australian domiciled unit trust, constituted by and under its Trust Deed.	US PERSONS	Has the meaning given to the term in Regulation S of the US Securities Act 1933 (as amended).
GST	Australian Goods and Services Tax, as established under the A New Tax System (Goods and Services Tax) Act 1999 (Cth)	VALUATION DAY	The last Business Day of each quarter, and/or such other time or times as the Manager may determine.
HURDLE RETURN	6% per annum return net of Fees.	WHOLESALE CLIENT	As defined in the Corporations Act 2001 (Cth)
IM	This Information Memorandum.	WITHDRAWAL FEE	Has the meaning provided in Section 4.2
INVESTMENT PERIOD	3 years from the Final Closing Date.		



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