

COLLINS ST

VALUE FUND

Information Memorandum

1 July 2023

Series 2 Units

Offer to invest in a portfolio of Australian securities with a focus on identifying deep value investment opportunities.

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Important Notice

Collins St Asset Management Pty Ltd ACN 601 897 974 (CSAM) is the trustee of the Collins St Value Fund (Fund). CSAM holds an Australian Financial Services Licence (AFSL No. 468935).

CSAM is the issuer of this Information Memorandum (IM) and the issuer of units in the Fund (Units).

Prospective investors should read this IM in its entirety before making a decision about whether to invest in the Fund. This IM sets out general information about the Fund for the recipient of this IM (Recipient) to consider in making a decision as to whether the Recipient should acquire an interest in the Fund.

This document

This IM is dated 1 July 2023 (IM Date). It relates to the Offer of Units. Its delivery at any time after the IM Date does not imply that the information contained in it is accurate, timely and complete at any time subsequent to the IM Date.

This IM is not a product disclosure statement or disclosure document as defined under the Act. The level of disclosure in this IM is less than that of a product disclosure statement, prospectus or similar disclosure document. A copy of this IM does not need to be and has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

Not a registered scheme

At the date of this IM the Fund is not required to be and is not registered as a managed investment scheme pursuant to section 601ED of the Act.

Investors to undertake own due diligence

Information contained in this IM has been provided to Investors to assist them to make an assessment of whether or not to invest in the Fund. In relation to the information contained in this IM, none of CSAM or their officers, employees, related parties, associates, consultants, advisers and agents, warrant or represent that:

- all information which is relevant to the Offer or to the acquisition of Units has been provided in this IM; or
- all information provided under this IM is accurate, correct or complete or does not contain misleading or deceptive statements.

Whilst CSAM have undertaken due diligence in relation to the Fund and the information which has been presented in this IM, it is possible that, due to factors such as the passage of time or the uncertainty in forecast details, the information contained in this IM may be inaccurate at the date of release of this IM or at a later time.

Except where expressly disclosed, the information contained in this IM has not been independently verified or independently audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by CSAM and their associates or advisers as to the accuracy or completeness of any part of this IM, nor will they have any responsibility to update or supplement this IM.

This IM has been prepared without taking into account the objectives, financial situation or needs of any particular person. Investors are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, Investors should read this IM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this IM.

To the maximum extent permitted under the law, CSAM disclaim any liability arising from any information provided in this IM, including any errors or omissions.

By making an investment in the Fund, an Investor warrants and represents to CSAM that they have undertaken their own due diligence in relation to the Offer, Units, and an investment in the Fund, including without limitation, in relation to the structure of the Fund, its investments and the likelihood of returns from the Fund.

No performance guarantee

None of CSAM or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantee the performance or success of the Fund, the repayment of capital or any particular rate of return on investments in the Fund or (where information about tax is provided) any particular tax treatment.

There can be no assurance that the Fund will achieve results that are comparable to the track record of CSAM, or that the Fund's investment objectives will be achieved.

An investment in the Fund does not represent a deposit with, or a liability of, CSAM or any of its associates. CSAM is not authorised under the Banking Act 1959 (Cth) to carry on banking business or for any other purpose and is not supervised by APRA, and investments in the Fund are not covered by the depositor protection provisions available to depositors that make a deposit with an Australian authorised deposit-taking institution (ADI) under that Act.

There are inherent risks in investing in the Fund, including the risks described in section 3 (Key Risks) of this IM. These risks include that an investment in the Fund is speculative, that the investment may result in a reduction or complete loss in the capital value of the investment and loss of income and the risk that returns are less than expected or that there are delays in repayment of capital. The risks associated with an investment in the Fund are different to a cash deposit or investment in an ADI.

No personal investment advice

Investors should read the whole of this IM before making a decision about whether to invest in the Fund.

This IM contains important information. However, the information contained in this IM is general information only and is not personal financial product advice. It does not take into account your investment objectives, financial situation or particular needs. Before you invest you should read this IM (and any supplementary IM or website updates) carefully and in its entirety having regard to your objectives and financial situation. You should obtain independent financial and taxation advice about whether an investment in the Fund is suitable for you.

Information

No person is authorised to provide any information or to make any representation in connection with the Offer which is not contained in this IM. No such information or representation may be relied on as having been approved by CSAM. CSAM does not give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM nor does it, to the extent that the law permits, accept any liability however caused to any person relating in any way to reliance on information contained in this IM. Any information or representation in relation to the Offer not contained in this IM may not be relied on as having been authorised by CSAM or their advisers.

Availability of Offer

This IM is not made available generally to the public but rather is supplied personally to the Recipient on the conditions set out below, which are taken to be accepted and agreed by the Recipient as evidenced by the retention by the Recipient of this IM, in part consideration of the supply of this IM. If these conditions are not acceptable, this IM must be returned immediately.

The Offer under this IM is available to persons receiving the IM within Australia. The IM does not constitute and should not be construed as an offer, invitation or recommendation by CSAM to apply for Units in any jurisdiction where such an offer, invitation or recommendation may not be lawfully made. This IM does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than Units.

Unless otherwise determined by CSAM at its sole and unfettered discretion, the Offer is only open to wholesale clients (within the meaning of that term under the Act) receiving this IM within Australia and who accept the conditions of receipt of this IM.

Updates to this IM

Information contained in this IM is current as at the date of this IM and information may change from time to time. CSAM is under no obligation to update this IM and investors should enquire about any updated information.

Forward-looking statements

Certain information contained in this IM constitutes ‘forward-looking statements’ that can be identified by the use of forward-looking terminology such as ‘may’, ‘will’, ‘should’, ‘expect’, ‘aim’, ‘anticipate’, ‘foresee’, ‘estimate’, ‘target’, ‘intend’, ‘likely’, ‘planned’, ‘continue’, ‘potential’, or ‘believe’ or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates in this IM, including estimates of returns or performance, are ‘forward-looking statements’ and are based on certain assumptions that may change.

Due to various risks and uncertainties, including those set out in Section 3 (Key Risks), actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, or are unknown to CSAM. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on any forward-looking statements.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this IM are forward-looking statements and subject to this cautionary statement.

Past performance information

Where this IM sets out any past performance in respect of the Fund, the Fund’s strategy, or other funds or investment vehicles operated or managed by CSAM, Investors must not interpret that information as a representation about the future performance of the Fund. Past performance is not a reliable indicator of future performance.

Confidentiality

The contents of this IM are confidential. Neither this IM nor any other information provided by CSAM may be disclosed to any other party, except for the purpose of obtaining independent advice in connection with the consideration of an investment in the Fund or used for any purpose other than the consideration of an investment in the Fund, unless the express prior written consent of CSAM is obtained. Any reproduction of all or part of this IM is strictly prohibited without the written consent of CSAM and may only be reproduced in accordance with that consent. In the event that the Recipient does not participate in the Fund, this IM, along with all related materials, must be returned to CSAM immediately on demand.

Summary of key documents only

This IM contains a summary of the terms of the Fund and certain other material documents. However, Investors should refer to the complete legal documentation for the Fund (available on request from CSAM). Investments in the Fund are governed by the Trust Deed and associated documents and nothing in this IM limits or qualifies the powers and discretions conferred on CSAM under those documents. This IM should be read in conjunction with the Trust Deed and associated documents for the Fund. In the event of any inconsistency between the Trust Deed and associated documents and this IM, then the Trust Deed will prevail to the extent of the inconsistency.

Applications may be rejected

CSAM reserves the right to evaluate any applications or subscriptions to acquire Units and to reject any or all of them (in whole or in part), without giving reasons for rejection. CSAM is not liable to compensate the Recipient or any Investor for any costs or expenses incurred by any person in reviewing, investigating or analysing any information in relation to the Offer, the Fund or otherwise.

No cooling-off rights

No cooling-off applies to the issue of Units.

Trustee limitation of liability

Except in certain circumstances prescribed by law, CSAM enters into transactions in respect of the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

Currency

In this IM any reference to currency, 'A\$' or 'AUD' is to Australian Dollars, unless otherwise indicated.

Questions

Any questions regarding this IM should be directed to CSAM, whose contact details are set out in Section 10 (Corporate Directory).

Letter

Dear Investor

We are pleased to present you with this offer to invest in the Collins St Value Fund (**Fund**). The Fund is a long only, Australian equities managed fund which seeks to create strong investment returns over the medium and long term. We seek out businesses in which we have a strong conviction with the aim of building a concentrated portfolio of quality Australian securities. We focus on identifying deep value investment opportunities, and work to identify sustainable businesses trading at a discount to our assessment of value.

The trustee of the Fund and issuer of the Units in the Fund is Collins St Asset Management Pty Ltd (**CSAM**). The executives of CSAM have significant experience in analysing and investing in Australian listed securities.

The Fund is open to persons considered “wholesale clients” under the Act.

A key feature of the Fund is its fee structure. No ongoing management fee is payable to CSAM. CSAM receives ongoing fees based on performance of the Fund.

The performance fee incentivises the Fund managers to add value for investors. The fee is only payable when the Fund outperforms the Hurdle Rate. In addition, a high water mark applies. See section 6 of this IM for further details.

We encourage you to review the IM and discuss the opportunity with your relevant adviser/s.



Vasilios Piperoglou

CO-FOUNDER, HEAD ANALYST



Michael Goldberg

CO-FOUNDER, MANAGING DIRECTOR

1. Key Features

The table below sets out the key features of the Fund. However, potential investors should read this IM in its entirety before making a decision to invest in the Fund.

Key Feature	Details	Further Information see section
Fund Name	Collins St Value Fund (ABN: 72 216 927 424)	
Trustee	Collins St Asset Management Pty Ltd ACN: 601 897 974 AFSL: 468935	4
Custodian	Sandhurst Trustees Limited	4.3
Registry and Unit Pricing	Apex Fund Services Ltd	4.3
Auditors	Pitcher Partners	
Investment Objective	The Fund seeks to create strong investment returns over the medium and long term.	2.1
Investment Strategy	The Fund invests in a concentrated portfolio of securities issued by entities listed mainly on the Australian Securities Exchange. It focuses on identifying deep value investment opportunities. This is achieved by identifying sustainable businesses trading at a discount to our assessment of intrinsic value.	2.4
Index Benchmark	The Fund is index unaware	
Asset Class	Long-only, Australian securities, including convertible notes (and cash)	
Gearing	There is no gearing at the Fund level.	2.6
Initial Issue Price	\$2.00 per unit. The unit price for entry and exit is calculated on the last day of each calendar month.	
Investment Term	There is no fixed investment term. Investors may apply to acquire Units in the Fund at any time the Fund is open for investment. Investors may redeem Units subject to the applicable liquidity and redemption policy.	2.5
Offer Opened	The offer for Series 2 Units opened on 1 July 2023	
Units on Offer	There is no minimum or maximum number of Units on offer. Investors may acquire as many Units as they wish, subject to the Minimum Subscription and Minimum Subsequent Investment Amounts.	
Minimum Subscription	\$250,000	
Minimum Subsequent Investment Amounts	\$50,000. This may be varied at the discretion of CSAM.	

Distribution Policy	Distributions are intended to be calculated and paid annually, following the payment of distributions, if any, by companies in which the Fund is invested.	2.7
Frequency of the issue of Units	CSAM intends to issue Units once a month for applications received during the immediately preceding month. CSAM may vary these times in its absolute discretion.	
Unit Structure	There are two classes of Units on issue. This IM relates to the issue of Series 2 Units. Series 2 Units are the only Units on offer to new investors as of 1 July 2023 who wish to invest in the Fund without using an intermediary.	
Redemption request and exit fee	Redemptions for Units may be submitted at any time during the life of the Fund. Redemptions received during a month will usually be redeemed at the Unit price calculated on the last day of that month and will be actually redeemed during the month after the redemption request is received by CSAM or its representative. Redemption requests made prior to the first year anniversary of an investor's initial application to invest in the Fund are subject to a 2% exit fee. CSAM retains the discretion to delay redemptions.	2.5
Fees and other costs	<p><u>Entry Fee:</u> There is no entry fee.</p> <p><u>Ongoing Management Fee:</u> There is no ongoing management fee payable.</p> <p><u>Performance Fee:</u> 25% of outperformance of the Hurdle Rate. The performance fee is calculated and payable monthly. A high water mark applies to the performance fee.</p> <p><u>Other Costs:</u> Normal expenses, such as (and not limited to) custody, registry, unit pricing, accounting, legal, audit, brokerage and investor reporting expenses will be payable by the Fund.</p>	6
Fees payable by investee companies	Where the Fund invests via a convertible note, the Fund may require the company in which the Fund invests to pay them an implementation fee. This fee may be fixed or based on the amount of money the Fund advances to the company. The fee will be payable by the company upon the Fund advancing the subscription moneys to it.	
Buy / Sell Spread	0.50% buy, 0.50% sell.	6.5
Key Benefits	The payment of income distributions, if any, the Fund receives on its investments and the	3.1

	potential for capital gain from the realisation of the Fund's investments.	
Key Risks	All investments carry risk, including the risk income is not received and that the value of the Fund assets decrease or there is a realised loss of capital in part or in whole.	3.2

2. Investment Details

2.1 Investment Objective

The Fund seeks to create strong investment returns over the medium and long term.

2.2 The Opportunity

Collins St Asset Management Pty Ltd (**CSAM**) is pleased to present an opportunity to invest in a concentrated, high conviction Australian securities fund that is benchmark unaware. The Fund is high conviction in that it seeks to identify value opportunities in which the Fund forms a strong view as to the opportunity. The Fund intends to then make the appropriate corresponding investment in those opportunities.

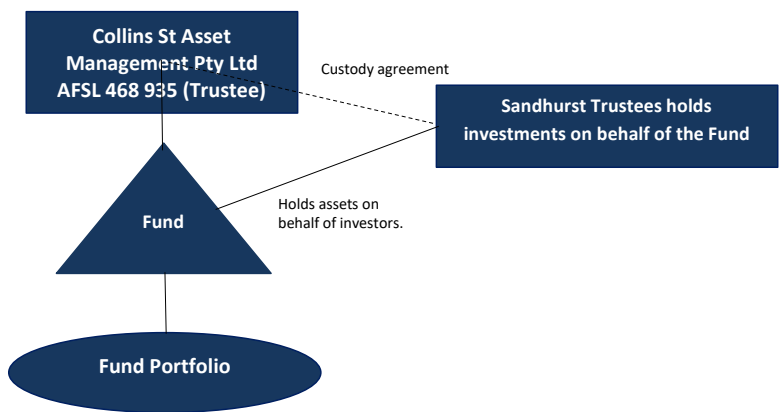
Investors and management of the Fund have aligned interests. This is achieved by implementing a zero ongoing management fee structure with the only ongoing fee being a performance fee payable if performance thresholds are met.

The trustee for the Fund is CSAM, which holds Australian Financial Services Licence 468935. CSAM is authorised to operate the Fund. CSAM's office is based in 365 Little Collins St, Melbourne, Victoria.

There is no minimum or maximum number of Units to be issued in the Fund. A buy / sell spread applies (see section 6.5). The minimum initial investment is \$250,000 (subject to variation at the absolute discretion of CSAM). The Fund is open-ended.

2.3 Trust Structure

The Fund is an unlisted unit trust. The Fund is not registered with ASIC. CSAM is the trustee of the Fund.



2.4 Investment Strategy

CSAM believes that investment returns are enhanced when fund managers properly understand the particulars and sector dynamics of the companies in which they have invested. As a result, the managers of the Fund intend to maintain a concentrated portfolio of investments in companies that they have investigated and consider to be undervalued.

The managers assess the attractiveness of potential investments using a number of common industry based measures, a proprietary in-house model and by speaking with management, industry experts and competitors. Once the managers form a view that an investment offers sufficient upside potential relative to the downside risk, the Fund seeks to make an investment. The investment may be executed by way of an acquisition of shares on or off market, participation in a placement or other share issue or by purchasing a debt instrument issued by the relevant entity that is convertible into equity (convertible note).

The Fund endeavours not to allow a single position to represent a stake so great as to single handedly dictate the overall viability of the Fund. The managers have implemented procedures to assist in achieving this outcome.

If no appropriate investment can be identified the managers allocate the Fund's capital towards short term investment alternatives. These may include participating in takeovers, special dividends, corporate restructures or investing in ASX listed bonds. Should no suitable investments be found the Fund is prepared to hold cash and patiently wait for the right opportunities to present themselves.

2.5 Investment Term, Redemptions and Exit Fee

The Fund is open-ended.

Redemptions may be submitted at any time during the life of the Fund. Redemptions received during a month will usually be redeemed at the Unit price calculated on the last day of that month and will be actually redeemed during the month after the redemption request is received by CSAM. The redeemed amount may be paid by way of a distribution by the Fund and a subsequent redemption of the relevant Units.

Redemption requests received prior to the first year anniversary of an investor's initial application to invest in the Fund are subject to an exit fee equal to 2% of the value of the Units being redeemed as well as any distribution made to the investor which arises resulting from or in relation to the exit. There is no exit fee applicable to redemption requests received on or following the first anniversary of an investor's initial application to invest (a 0.50% sell spread still applies).

CSAM retains absolute discretion to suspend or delay redemptions.

Under the trust deed of the Fund CSAM may suspend and delay redemption requests. Circumstances in which CSAM may not give effect to all or part of a redemption request may include (although not be limited to) situations where there is a circumstance outside its control which it considers impacts on its ability to properly or fairly calculate the Unit price. Other

situations include times that CSAM believes it is not practicable to sell investments in the usual time frame or where disposal would be prejudicial to other Unitholders (eg. a large single redemption, or a number of significant redemptions together or adverse market conditions). Additionally, where, at the time a request is made, a portion of the Fund's assets comprise illiquid assets, and are not readily convertible to cash, or at a time when a transfer of funds cannot, in the opinion of CSAM, be effected at normal rates of exchange, CSAM may delay redemption requests.

If CSAM does refuse to give effect to all or part of a redemption request it will advise the Unitholder as soon as practicable of such refusal. CSAM, in its absolute discretion, may reasonably endeavour to give effect to the redemption request as soon as possible thereafter, and in an orderly manner, which may involve giving effect to the redemption request by treating it as a series of smaller requests over a number of weeks or months.

2.6 Debt

The Fund does not intend to include gearing in its structure. Investors should be aware that many of the companies invested in by the Fund will themselves have debt on their balance sheet.

The prudent use of debt finance is an important component in establishing the optimal capital structure for a company. The Fund takes into account the extent of reliance on debt to finance underlying business activities in the companies whose securities are acquired. A greater reliance on debt may increase a company's exposure to adverse changes in interest rates and financial markets.

2.7 Distribution Policy

The Fund intends to provide investors with distributions of income if surplus funds exist after operating costs.

Distributions are intended to be calculated and paid annually, following the payment of distributions, if any, by companies in which the Fund is invested.

In any given distribution period CSAM may retain some cash for liquidity purposes. Distributions will be paid from operational cash flows. CSAM does not intend to pay any distributions from borrowings or from unrealised valuation gains.

Investors have the opportunity to choose not to have their distributions reinvested in the Fund by ticking the appropriate box in the Fund application form. Distributions will be automatically reinvested in the Fund if an investor does not specify their preference.

2.8 Applications

The Offer remains open until otherwise determined by CSAM in its absolute discretion.

The minimum initial subscription amount is \$250,000. Subsequent subscriptions must be for a minimum of \$50,000. However, CSAM retains absolute discretion to alter minimum subscription amounts.

To invest in the Fund, initial investors must complete and sign the Fund application form and return it to Collins St Asset Management at the address shown. Subsequent investments need not be made on the initial application form. A short form application form will be provided to investors wishing to add to their initial investment. CSAM retains the discretion to reject an application for Units without giving a reason.

Investors need to meet our application requirements including identification of the investor for the purposes of meeting our obligations under Australian law in respect of terrorism financing and money laundering. This requirement also applies to additional investments made by the same investor.

Applications received during a month will be issued Units at the price calculated at the end of the month in which the complete application is received by CSAM or its representative.

All investors who apply for Series 2 Units will receive an investment confirmation following the issue of their Units.

Further information on the application process can be found in Section 8.

2.9 Wholesale clients

Units will be issued only to investors under this IM who qualify as “wholesale clients”.

An investor is generally a “wholesale client” for the purposes of the Act, where any one of the following applies:

- (a) the investor’s investment is \$500,000 or more;
- (b) the investor provides an accountant’s certificate stating that the investor has net assets of at least \$2.5 million or has earned at least \$250,000 in each of the last two financial years;
- (c) the investor is a “professional investor” (including those that hold an Australian Financial Services Licence, are APRA regulated or have at least \$10 million worth of assets); or
- (d) CSAM is satisfied on reasonable grounds that the investor has suitable previous experience in financial products, subject to certain conditions.

By lodging an application form in respect of the Offer of Units contained in this IM you declare and warrant to CSAM that you are and will remain a wholesale client within the meaning of the Act.

3. Risks

Like any investment, there are risks associated with investing in the Fund. By nature, the risks associated with investments in securities cannot be exhaustively listed. Every investment is influenced by many factors that can affect both its value and the income it produces. Each investment can decline as well as increase in value. Many risk factors fall outside our control and cannot be completely mitigated.

The following is a non-exhaustive list of some risks associated with investment in the Fund. You should consider and weigh them up carefully and make your own assessment in respect of them and where necessary seek professional advice.

Investors should be aware that there is no guarantee that the implementation of the investment objective or process will not result in losses to the investors. Income distributions are not guaranteed and neither is the return of capital.

- (a) **Industry risk:** There is a risk that a particular industry in which the Fund has invested may perform poorly or suffer a downturn due to global or local factors or changes to government policy in one or more jurisdiction. There can be no guarantee that losses equivalent to or greater than the overall industry will not be incurred as a result of investing in the industry.
- (b) **Concentration Risk:** The Fund is likely to hold a concentrated portfolio of securities. The relatively small number of investments means that a significant decline in the price of a security may have a material impact on the unit price of the Fund and therefore the value of Units.
- (c) **Variations in stock market conditions including the value and demand for listed securities:** Any downturn in the securities market in general may affect the resale value of the securities held by the Fund.
- (d) **Tracking errors:** At any given time, the price at which listed companies trade on stock exchanges may not accurately reflect the price of the assets represented by the securities.
- (e) **Stock exchange trading risk:** Trading of securities on the Australian stock exchange may be suspended by the exchange or by the listed companies because of market conditions or other reasons. If this occurs, the Fund will not be able to sell or transfer its securities.
- (f) **Custody and insurance risk:** The Fund invests in securities issued by listed companies. Assets of the company are held by the company or an appointed custodian and are not controlled by the Fund. Access to the assets could be restricted by natural events or human actions. Accordingly, there is a risk that some or all of the assets could be lost, stolen or damaged and listed companies would not be able to satisfy their obligations in respect of financiers or other counterparties.

- (g) **Settlement risk:** The process of acquiring and disposing securities is subject to the normal settlement procedures of the relevant stock exchange. The Fund is exposed to a risk that settlement through the stock exchange does not occur as expected.
- (h) **Legal, regulatory and compliance risk:** Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund. Although unable to predict future policy changes, CSAM intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes. The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Competition and Consumer Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and policies and this may result in the loss of authorisations under the AFSL held by CSAM thereby preventing the continued operation of the Fund.
- (i) **Changes in the law:** Changes in government policy and legislation including changes to the environmental laws, taxation systems, securities law or laws relating to certain overseas jurisdictions or the management of managed investment schemes within Australia may affect the financial performance of the Fund.
- (j) **Inflation and interest rate risk:** Fluctuations in inflation and interest rates may affect the income and resale value of the securities held by the Fund and therefore the value of the Fund's investment in those securities.
- (k) **Natural disasters, social unrest, pandemics and terrorist attacks:** These events may occur throughout the world and may affect the income and resale value of the securities held by the Fund and therefore the value of the Fund's investment in those securities.
- (l) **Security specific risk:** An investment in a company's securities may be affected by unexpected changes in that company's operations (such as changes in management or the loss of a key customer) and change in business environment.
- (m) **Small and medium capitalisation company risk:** It is likely that some of the securities held by the Fund will be in smaller listed companies. Securities in these companies may trade less frequently and may experience greater price volatility than larger companies. Smaller capitalisation companies may also have more limited operating histories, markets, product lines or financial resources than larger companies. They may also depend heavily on key personnel.
- (n) **Liquidity risk:** There are restrictions on withdrawals from the Fund. The Fund is an illiquid investment. Investors may only withdraw in accordance with the terms of issue of the Units. There is currently no secondary market for Units in the Fund, and it is unlikely that any active secondary market will develop. There are substantial restrictions on the transferability of Fund interests under the Trust Deed and applicable securities laws. There is the risk that the Fund's assets may not easily be convertible into cash without a loss of capital or a significant delay.

- (o) **Market risk:** Investment in a specific group of securities is exposed to the universal risks of the securities market. However, there can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such securities.
- (p) **Risk associated with key parties:** CSAM may elect to retire or may be replaced as the Trustee or the services of key personnel of the Trustee may become unavailable for any reason. The Fund is relying on the ability of CSAM and the investment team to achieve the Fund's investment objectives. If the CSAM or a member of its investment team were not to continue in their respective roles, or be replaced by suitably qualified and experienced professionals, the Fund may not be able to achieve its objectives. There is also a risk that CSAM may fail to identify and adequately manage the investment risks in the Fund's portfolio or execute the investment strategy effectively, affecting the ability to pay distributions or reduce the value of the Units. Operational risks of CSAM include the possibility of systems failure, cyber-attacks, documentation risk, fraud, legal and regulatory risk and other unforeseen circumstances.
- (q) **Taxation:** The Fund is a unit trust. Taxation law is constantly evolving and being amended. Changes to taxation legislation may impact adversely on an investment in the Fund. Investors are advised to obtain their own professional taxation advice. While the Fund expects to be treated as a tax flow through entity, there is a risk that it will be taxed as a company. The AMIT regime (see section 5) may qualify this risk but there is a risk the Fund may not be an Attribution Managed Investment Trust. As is the case with the funds invested on the initial application for Units, there is no guaranteed return on any funds that are distributed and reinvested. Those funds may not achieve any return and the return of the capital is not guaranteed.
- (r) **Service provider risk:** You could be adversely affected if any of the various parties involved in the operation of the Fund, including CSAM or service providers fail to perform their obligations. This could impact your returns or the ability to withdraw your funds.
- (s) **Disputes and defaults:** The Fund may be involved in disputes and possible litigation with counterparties or services providers. There exists a risk that a material or costly dispute or litigation could affect the amount of expected income of the Fund.
- (t) **Counterparty risk:** Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because it becomes insolvent or cannot otherwise meet its obligations to the Fund. A party defaulting on its obligations could subject the Fund to substantial losses because the Fund will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.
- (u) **Debt instruments:** The Fund may from time to time elect to invest in a listed company via a debt instrument that is convertible into equity. There can be no guarantee that the issuer of the instrument will be able to pay any or all of the coupon payments or the principal (if the instrument is not converted into equity before its expiry). Further, there is no guarantee that the price at which the shares in the issuer of the instrument trade on the relevant stock exchange will be greater than the price at which shares in the entity will be issued to the Fund if an election is made by the Fund to convert the debt instrument into equity.

The Fund may take security, such as mortgages, guarantees, charges or other forms of security interests to secure some or all of the funds advanced to the company. However, there is a risk that securities provided to the Fund by the company may not be enforceable or sufficient on a sale to fully repay all outstanding capital and income. In particular, Investors should be aware that:

- the value of the security may fall during the term of the convertible note;
- guarantees and other forms of security interests provided may not carry sufficient value due to the lack of assets in the guaranteeing persons or entities; and
- security interests may not be enforceable due to priority arrangements entered into by the issuing company with third parties.

Security taken by the Fund may be subordinated to earlier security registrations made by the senior financier(s). That means that the senior financier(s) will be entitled to receive payment of interest and/or repayment of principal before payments of any interest and/or principal can be made to the Fund. As a result, should the security taken by the Fund be insufficient to repay both the senior financier and the Fund, any shortfall will be borne by the Fund.

A deficiency in the documentation relating to a debt instrument that is convertible into equity could, in certain circumstances, adversely affect the return on that instrument. This may make it difficult for the Fund to enforce any security it holds in respect of the arrangement and may also affect the ability to recover any penalties imposed against the issuing company.

- (v) **Conflicts of interest risks:** Executives of CSAM and its directors may already hold shares in some companies that the Fund may invest in. Executives of CSAM and its directors may own shares in listed companies that cannot be invested in by the Fund for a range of reasons including but not limited to that the price of those shares is no longer attractive, or the liquidity risk is not deemed suitable for the Fund. In addition, other Funds managed by CSAM have investments in listed companies. These investments may no longer be available to the Fund or an investment by the Fund may no longer be considered appropriate due to changes in share price, valuation, subsequent information or performance, liquidity, investment structure, company outlook or any other reason.

4. Management

4.1 Collins St Asset Management Pty Ltd

Collins St Asset Management Pty Ltd (**CSAM**) is the trustee of the Fund. CSAM holds Australian Financial Services Licence 468935. The founders of CSAM are Michael Goldberg and Vasilios Piperoglou.

CSAM is a funds management business that places a strong emphasis on identifying value investment opportunities. The directors of CSAM have significant experience in listed securities investment.

4.2 Key Executives

MICHAEL GOLDBERG
Managing Director

Michael is a Founder, Executive Director and Investment Manager of the group of companies that in addition to the Fund includes the trustee of the Collins St Special Situation Fund No.1, a high conviction long only fund investing in the oil and gas services industry, the trustee of CSAM GPI Fund and the trustee of the Collins St Special Situation Fund No. 2, a high conviction long-only fund investing in the global gold and precious metals industry.

Michael has more than 15 years' experience in funds management. Prior to founding Collins St Asset Management, Michael was a senior portfolio manager at a boutique Melbourne based wealth management firm.

VASILIOS PIPEROGLOU
Co-Founder and Head Analyst

Vas is a Founder and Investment Manager of the group of companies that in addition to the Fund includes the trustee of the Collins St Special Situation Fund No.1, a high conviction long only fund investing in the oil and gas services industry, the trustee of CSAM GPI Fund and the trustee of the Collins St Special Situation Fund No. 2, a high conviction long-only fund investing in the global gold and precious metals industry.

Vas has more than 15 years' experience in equities investment. Prior to founding Collins St Asset Management, Vas managed equity portfolios for wholesale clients at a boutique Melbourne based wealth management firm where he was a Portfolio Manager from 2010 to 2014.

ANTON LAWRENCE
Chief Strategist

Anton has over 30 years' experience as an investment analyst and fund manager.

Specialising in product structuring, due diligence, and regulatory compliance, Anton provides the advice and know how necessary to drive the Fund's compliance and processes, while also providing invaluable advice on the impact of macroeconomic effects on the global and local economy.

ROBERT HAY

Head of Distribution and Investor Relations

Rob has worked for over 18 years in the Financial Services industry where he has held a diverse range of national and state-based roles.

Rob's expertise includes distribution, research, and advisory across a wide range of product types with a specific focus on providing services to the wholesale and high net worth communities.

NICK TORELLI

Investment Analyst

Nick brings a high level of financial analysis to the investment team. He has had in-depth experience in securities investment and is a valued contributor to the due diligence process on prospective opportunities.

4.3 External Services

4.3.1 Custodian

CSAM utilises Sandhurst Trustees Limited as the primary custodian for the Fund. Sandhurst is an experienced provider of custodian services to Australian fund managers. It has provided Trustee services to Australian businesses since 1888. In 1992 The Bendigo and Adelaide Bank (then the Bendigo Building Society) merged with Sandhurst. Sandhurst is now managed as a division of the Bendigo and Adelaide Bank.

4.3.2 Fund Administration

CSAM has engaged Apex Fund Service (Australia) Pty Ltd as the administrator for the Fund. Apex Fund Service (Australia) Pty Ltd will provide all investment administration services to the Fund including trade matching, broker liaison, portfolio reconciliation, processing of corporation actions and dividends, portfolio valuations, tax records, post-trade compliance, investment performance and attribution and calculation of management fees.

4.3.3 Unit Pricing and Fund Accounting

Apex Fund Services Ltd undertakes all unit pricing functions including net asset value and unit price calculations. Apex Fund Services Ltd also prepares and lodges Business and Instalment Activity Statements, calculate distributions, communicate these to investors, prepares half yearly and full year financial statements and liaises with the Fund's auditors.

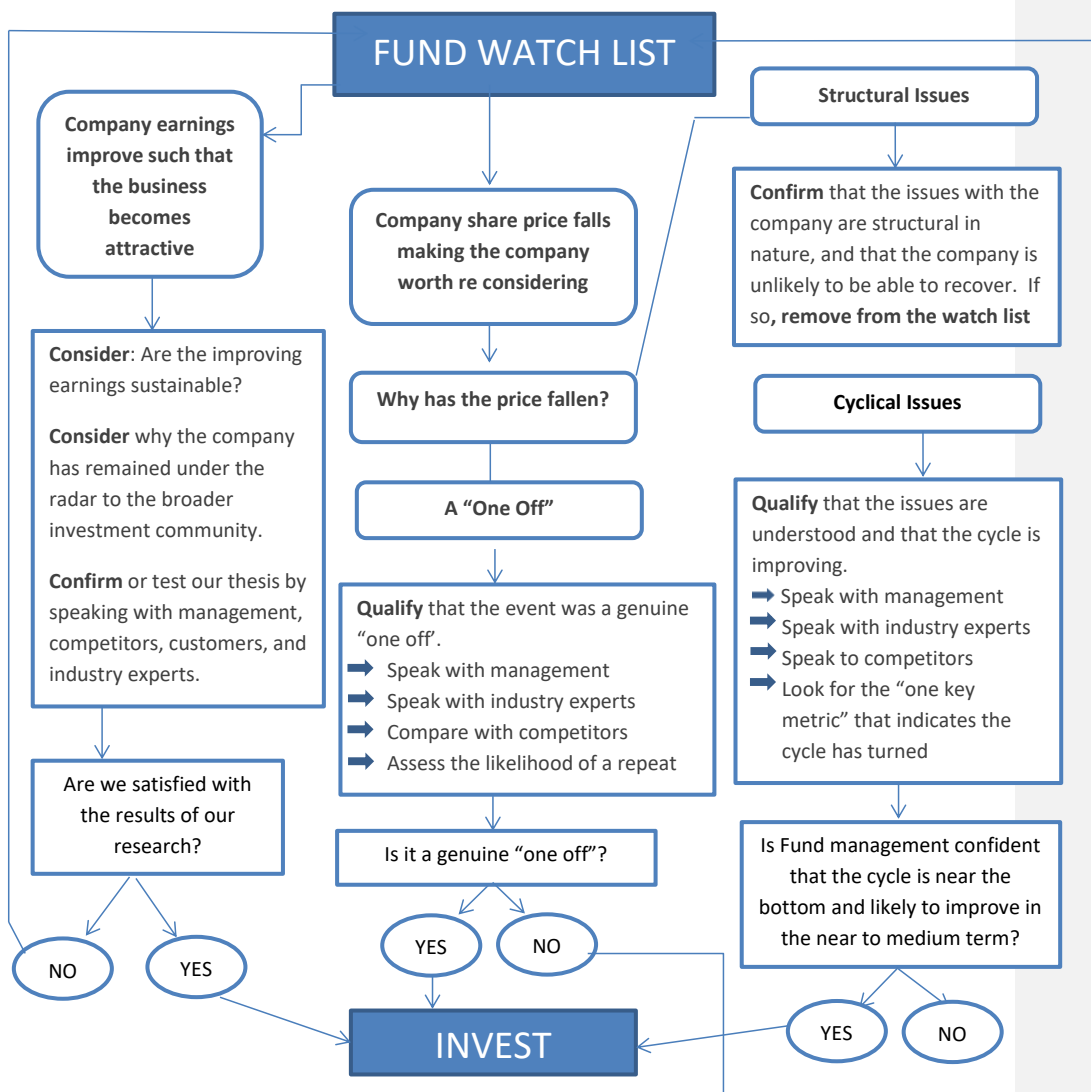
4.3.4 Unit Registry

Apex Fund Services Ltd provides the Fund with the full range of registry services including processing of applications, redemptions, transfers and Unitholder reporting. This includes conducting identification checks in line with Australian law, processing distributions, preparation of annual tax and distribution statements, preparation of various compliance related periodic statements and various reports to the Australian Taxation Office.

5. Investment Process

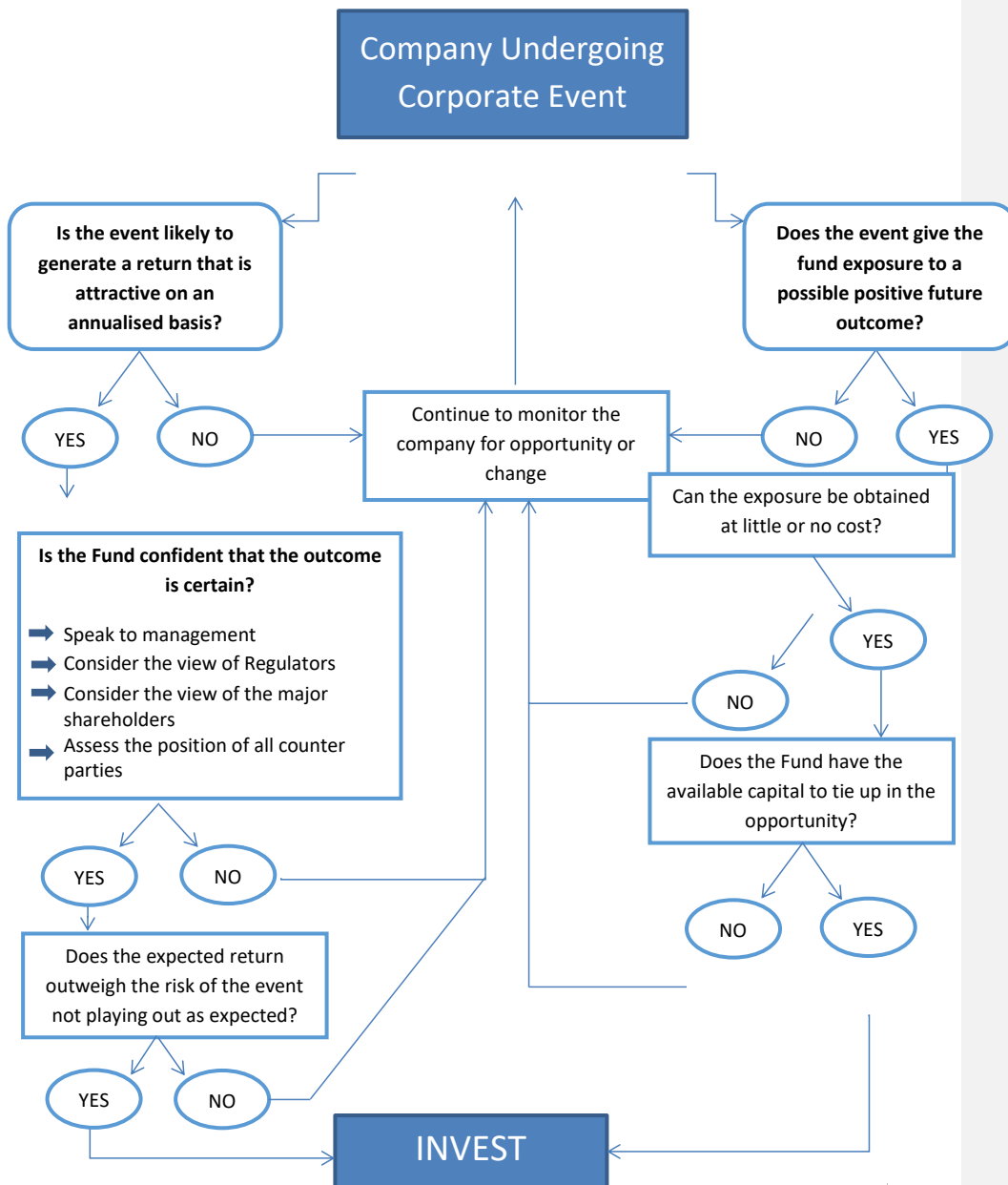
The Fund seeks to invest in businesses that the managers consider to be trading at a discount to their assessment of underlying value. To achieve this goal, the managers have an ever evolving watch list of companies that they consider interesting but overvalued investment grade businesses.

Using the above mentioned watch list as a basis for analysis the managers keep a close watch to determine when those businesses also become, in their view, strong investment prospects.



From time to time the managers may identify special situations that provide the Fund with short term investment opportunities . These types of situations generally arise out of one off corporate events or restructurings and include special dividends, cash takeovers, buy backs, capital returns, convertible notes, pre-IPO placements or scrip bids.

Though the net returns on some of these opportunities may be small, the short term nature of these opportunities can make them attractive to the Fund.



6. Fees and Costs

6.1 Fees and Other Costs

This section outlines the fees and other costs that may be charged to the Fund. You should read all information about fees and costs as it is important to understand their impact on the Fund.

Type of fee or cost	Amount ¹	How and when paid
Fees when money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed by you	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil where you are invested in the Fund for 12 months or more. An exit less than 12 months after the initial investment is subject to a 2% exit fee.	Not applicable
Management costs		
The fees and costs for managing your investment	<p>There is no ongoing management fee.</p> <p>Ongoing administration costs such as (and not limited to) custody, registry, unit pricing, accounting, audit, brokerage and investor reporting expenses are payable by the Fund.</p> <p>A performance fee of 25% of outperformance of the Hurdle Rate is used to calculate the performance fee. A high water mark applies to the performance fee.</p> <p>Trustee removal fee equivalent to any stated fees that CSAM has deferred over the life of the Fund and an amount equivalent to the performance fee that would have been payable if all assets held by the Fund were sold on the date CSAM ceases</p>	<p>Payable when incurred.</p> <p>Payable monthly in arrears. The performance fee is calculated and payable monthly.</p> <p>Any deferred fees payable on removal. No other removal fee applies.</p>

to be trustee and/or manager of the Fund.

Fees paid by third parties

Where the Fund invests via a convertible note, any fees paid directly to the Trustee by the companies in which the Fund invests.	A transaction implementation fee in an amount to be negotiated upon the subscription for a convertible note.	Payable by the issuing company upon subscription for a convertible note. This fee is not paid by the Fund.
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One-off Fees

Buy / Sell Spread The fees to cover the costs of an application or redemption.	A 0.5% buy spread and a 0.5% sell spread applies.	This is not paid to the trustee. This cost is retained within the Fund to pay costs of entry into and exit from the Fund.
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¹ All fees set out in this section are exclusive of Goods and Services Tax.

6.2 Additional explanation of fees and costs

6.2.1 Ongoing fees and costs

These fees and costs are paid by the Fund and therefore indirectly by Unitholders in proportion to their investment in the Fund. If CSAM or a related party is liable to pay GST on any fees charged to the Fund, CSAM is entitled to be reimbursed by the Fund for the GST liability.

Ongoing administration costs

The Fund incurs administration costs such as audit fees, custodial costs, compliance costs, accounting, tax, legal advice, bank charges, printing and stationery costs, and postage and handling fees.

Performance fee

CSAM is entitled to be paid a performance fee in respect of each calendar month in which cumulative Fund performance exceeds the cumulative Hurdle Rate. The Hurdle Rate will be calculated cumulatively from 1 July 2023. For each subsequent 24 month period, the Hurdle rate is calculated cumulatively from the first 1 July of that period (**Reset Date**). For each such 24 month period, Fund performance is measured against the performance that would have been achieved had the assets of the Fund been invested at the Hurdle Rate on the Reset Date. On the Reset Date, the Hurdle Rate is adjusted to commence at the level of cumulative Fund performance as at the Reset Date. The performance fee is 25% of the amount that cumulative Fund performance (as calculated from the most recent Reset Date) exceeds the cumulative Hurdle Rate (as calculated from the most recent Reset Date). CSAM believes that this performance fee aligns the interests of investors with that of CSAM and is appropriate having regard to the Fund's mandate for capital preservation and growth.

To further benefit investors, a high water mark applies. A high water mark is the highest peak in value, net of fees, that the Units have reached at a point at which the performance fee is calculated. The high water mark ensures that CSAM only receives a performance fee for real outperformance by ensuring that any previous decline in the Fund's value is recouped before any further performance fee is paid. The high water mark does not reset on the Reset Date.

The performance fee is calculated and is payable monthly. The monthly performance fee calculation is undertaken by the Fund's external custody and accounting services providers.

Performance fee example

This example is provided for information only to illustrate the calculation of the performance fee. It does not take into account all fees. Actual results may vary significantly from this example. Further examples may be obtained from CSAM.

The Fund had a unit price of \$1.00 on the last day of the previous calendar month. There are 50,000,000 units on issue to investors. Therefore, the value of the Fund is \$50,000,000. On the last day of this calendar month the unit price is \$1.012. No new investments have been made in the Fund during the month and no investors have exited the Fund. Therefore, the number of units on issue remains at 50,000,000. As the unit price has increased to \$1.012, the value of the Fund is now \$50,600,000. There were no distributions paid to investors in that month. The Hurdle Rate is 4.80% per annum equating to 0.4% per month. Accordingly, had the \$50,000,000 in the Fund been invested in 10-year Australian Commonwealth Government Bonds it would have earned \$200,000 interest.

Therefore, of the \$600,000 performance, \$200,000 is not subject to a performance fee as it is below the Hurdle Rate. Of the remaining \$400,000, \$100,000 (excluding GST) is paid as a performance fee (25%) and the remaining \$300,000 (75%) stays in the Fund. Accordingly, (pre GST), the Fund retains \$500,000 of the \$600,000 earned in the month. The high water mark after this month is now \$50,500,000 less GST.

Termination / Removal fee

Should investors in the Fund vote to remove CSAM as trustee of the Fund, CSAM will require payment of any fees it has previously deferred and an amount equivalent to the performance fee that would normally have been payable if the assets of the Fund were sold on the date CSAM ceases to be trustee. No other removal or termination fee will be payable.

Abnormal expenses

CSAM is entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of Unitholder meetings, legal costs of any proceedings involving the Fund and terminating the Fund. Whilst it is not possible to estimate such expenses with certainty, CSAM anticipates that the events that give rise to such expenses will rarely occur.

Reimbursement of costs

Under the Fund's trust deed CSAM is entitled to be reimbursed for all expenses and liabilities (which may include the ongoing administration costs and abnormal expenses referred to above) which it may incur in the proper performance of its duties as trustee. These expenses include but are not limited to:

- costs, charges and expenses of establishing the Fund and the trust deed including the preparation, due diligence, registration, promotion and distribution of any disclosure document in respect of the Fund;
- costs, charges and expenses incurred in connection with the acquisition of any assets of the Fund (including any stamp duty payable in accordance with the law);
- costs, charges and expenses of maintaining or improving any assets of the Fund;
- fees and expenses charged by brokers or other participants in the equities market such as prime brokers or other brokers;
- fees and expenses of the auditors;

- fees and expenses of any consultant or other expert employed by the Fund;
- costs of convening and holding any meeting of investors;
- expenses incurred in connection with the keeping and maintaining of accounting and financial records and registers including the register of Unitholders;
- costs, charges and expenses and disbursements paid or payable to the custodian;
- any costs incurred in connection with the issue of Units.

6.3 Waiver or Deferral of Fees

CSAM may at its discretion:

- partially or fully waive any fees to which it is entitled: or
- defer its entitlement to fees to which it would otherwise be entitled and may claim these if it is removed as trustee of the Fund.

6.4 Other Payments

CSAM or its related entities may pay a fee to third parties who introduce new investors to the Fund. In instances where this occurs, there is no additional cost to investors. Any fee of this type will be paid from CSAM's own funds.

From time to time CSAM may receive an origination or facilitation fee from third parties in relation to convertible notes or placement investments made by the Fund.

6.5 Goods and Services Tax

All the fees in the above table are expressed as excluding GST.

6.6 Buy / Sell Spread

A buy / sell spread is an estimate of the transaction costs incurred when buying or selling assets in the Fund to facilitate an investment or withdrawal by an investor.

For the Fund a buy / sell spread of 0.50% either way applies. For example, at a time when the Unit price is \$2.00, investors will pay \$2.010 per Unit. Should they exit the Fund at that time, Units would be redeemed at \$1.990.

Where a distribution is made to the investor which arises resulting from or in relation to the exit then 0.5% of the amount available for distribution will be retained by the Trustee prior to the distribution being made.

7. Taxation Information

The following provides a summary of the general tax implications for an investment by an Australian resident individual Investor who holds their Units on capital account. Each Investor's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this IM. Investing in a Managed Investment Scheme (**MIS**) is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned.

Each Investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that Investors obtain their own professional and independent taxation advice before investing in the Fund.

6.1 Income Tax Provisions

(a) Applicable provisions

The income tax treatment of the Fund and its Investors will depend on whether the Trustee elects, and is eligible, to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MIT**) that provide for flow-through taxation to Investors. Where the AMIT provisions do not apply, the ordinary trust taxation provisions should apply to the Fund (subject to the public trading trust provisions).

The Trustee may make an irrevocable election to apply the new AMIT provisions if it believes it will continue to qualify for the regime. Accordingly, the section below outlines the income tax treatment where the AMIT provisions will apply to the Fund and its Investors. The Trustee will provide an update to the extent that the Fund does not qualify for the AMIT provisions.

(b) Capital account election for managed investment trusts

Where the Fund qualifies as a MIT for income tax purposes, the Trustee will seek to make an election to treat the disposal of covered assets (shares, units, and real property) on capital account. Where the Fund does not qualify as a MIT for income tax purposes, gains and losses with respect to its assets may be on revenue account, and will not give rise to capital gains, losses, or CGT concessionary treatment.

6.2 Income tax treatment of the Fund

(a) Flow through treatment of income

Where the AMIT provisions apply to the Fund, the Fund will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed

to Investors. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Fund provided the taxable income of the Fund is attributed to Investors and the Fund is not taxed as a company under the public trading trust provisions (see below).

(b) **Public trading trust provisions**

A unit trust that is a public unit trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities (**the public trading trust provisions**).

Eligible investment business activities include passive activities, such as investing in or trading in financial securities and arrangements.

While the Fund may satisfy the definition of being a public unit trust, the Trustee intends to limit the activities of the Fund to eligible investment business activities so that the public trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

6.3 **Income Tax treatment of Investors**

(a) **Attribution of income**

The AMIT provisions require the taxable income of the Fund to be attributed to Investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Trustee will seek to allocate taxable income having regard to the Units held by Investors, entitlements to income and capital, as well as cash distributions made to such Investors during the relevant period.

(b) **Tax deferred distributions**

Under the AMIT provisions, an Investor's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Investor in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Investors after year-end.

(c) **Accruals taxation**

It is possible that the Fund may derive assessable income prior to those amounts being received by the Fund or distributed to Investors. Accordingly, Investors may be required to include amounts in their taxable income prior to receiving a distribution of those amounts from the Fund.

(d) **Tax losses**

Where the Fund incurs a tax loss, these do not flow-through the Fund to Investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able

to carry forward those tax losses to offset them against assessable income derived in a future income year.

(e) **Foreign income**

Where the Fund derives foreign sourced income, Australian tax resident Investors may be able to claim a foreign income tax offset against their Australian income tax liability in respect of their share of any foreign tax paid on that income. Tax offsets that not utilised in the income year in which they are derived will be forfeited and cannot be carried forward to a later year.

(f) **Disposal of Units**

To the extent that an Investor disposes of their Units (e.g., by way of a transfer or withdrawal) a gain or loss may arise. An Investors that holds their Units on capital account will derive a capital gain or incur a capital loss. An Investor may be eligible for the discount capital gains tax concession if the Units are held for 12 months or more and the Investor is an individual, trustee or complying superannuation fund.

6.4 Non-Resident Investors

The taxation implications of Investors that are not Australian resident for income tax purposes (**Non-resident Investors**) are not considered as part of this IM. However, this section provides a general outline of the Australian income tax withholding requirements of the Fund and a general outline on the Australian income tax consequences of a non-resident investor disposing of units in the Fund.

It is recommended that non-resident Investors obtain their own professional and independent taxation advice before investing in the Fund.

(a) **Withholding tax**

Where an Investor is a non-resident Investor or provides details to the Fund that indicate that they are residing outside of Australia for tax purposes, withholding tax may be deducted from distributions at the applicable rate. The rates may vary according to whether the Fund qualifies as a Withholding MIT, the residency or address of the Investor and the components of the distribution. Non-resident Investor may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid). Where withholding tax paid by the Trustee in relation to an Investor and it is not a final tax, non-resident Investors may be required to lodge an Australian income tax return.

(b) **Interest withholding**

To the extent that the interest income is derived by the Fund from an Australian source (either directly or indirectly), the Trustee will generally be liable to withhold 10% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

(c) **Dividend withholding**

To the extent that franked dividend income is derived from an Australian source, or a foreign source dividend is received, by the Fund, the distribution will not be subject to Australian

withholding tax. To the extent that an unfranked dividend is derived from an Australian source, the Trustee will generally be liable to withhold 30% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

(d) Capital gains on non-taxable Australian property assets

Certain capital gains (e.g., capital gains related to non-taxable Australian property assets such as portfolio share interests) may not be subject to Australian withholding tax.

(e) MIT fund payment withholding

A MIT fund payment typically refers to Australian sourced income that is distributed by a MIT that is not otherwise subject to specific withholding rules (e.g., rental income, capital gains derived from taxable Australian real property or foreign currency gains).

Where the Fund distributes a MIT fund payment to Investors (being either income derived directly by the Fund or MIT fund payments it has received from other trusts), the Fund may qualify to apply a final reduced withholding tax rate. This reduced rate may be either 15% (for Investors in exchange of information (**EOI**) countries) or 30% (for non-EOI countries).

(f) Disposal of units

Capital gains realised upon the (direct or indirect) disposal or redemption of Units owned by non-resident Investors will be subject to Australian capital gains tax if the Units are taxable Australian property. This will generally be the case where the relevant non-resident Investor has a non-portfolio interest in the Fund (i.e., a greater than 10% interest) and more than 50% of the market value of the Fund's assets are attributable to Australian real property.

Based on the assets to be held by the Fund, the Trustee does not believe that the Units will constitute taxable Australian property.

8. Other Information

8.1 Investor Communication

CSAM reports to Unitholders on at least a quarterly basis. Our reporting comprises the following:

- An investment confirmation upon issuing Units.
- Half yearly and full year income distribution statements detailing your investment and distributions (if any) paid to you.
- Periodic performance update reports.
- An annual tax statement detailing information required for inclusion in your annual income taxation return.

8.2 Summary of Material Documents

Applicants should consider whether it is necessary for them to obtain advice on any of the documents.

(a) Trust Deed

The trust deed dated 22 January 2016 as amended from time to time establishes the Fund and sets out the rules. Together with this IM and the terms of issue of Units it governs the relationship between Unitholders and CSAM. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each. Each Unitholder shall be bound by the terms of the trust deed as if it was a party to the trust deed.

The trustee has very broad powers, including the power to invest the Fund assets as though it was the absolute owner of the assets acting in its personal capacity.

Subject to the trustee acting in good faith and without gross negligence, the trustee shall not be liable to Unitholders in contract, tort or otherwise for any loss suffered relating to the Fund. The trustee shall be entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund.

Under the trust deed, each Unit gives the Unitholder an equal and undivided interest in the Fund. However, a Unit does not give Unitholder an interest in any particular asset of the Fund. Subject to the trust deed, Unitholders have the following rights:

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

The trust deed contains provisions about convening and conducting meetings of Unitholders.

CSAM can amend the trust deed without Unitholders' approval provided CSAM reasonably considers the changes will not adversely affect Unitholders' rights as a whole. The trust deed can also be amended by special resolution passed by investors with a 75% approval by value of Units voted at the meeting.

Under the trust deed, CSAM is able to issue Units in different classes having preferential rights and may vary or cancel the rights and privileges attached to Units in different classes, including by converting or reclassifying Units from one class to another. CSAM may also, in its absolute discretion, cancel Units and issue replacement units of a different class.

The trustee may retire as the trustee of the Fund with 1 months' notice to investors. The trustee may be removed as trustee of the Fund by a resolution passed by at least 90% of votes of all Units.

A copy of the trust deed is available free of charge from CSAM's registered office.

(b) Unit terms

The Unit terms detail the fees payable in respect of Units. These terms will be provided to investors on request.

(c) Custody Agreement

This agreement sets out the terms of the relationship between CSAM and Sandhurst Trustees Limited. The general obligations of Sandhurst Trustees Limited within this agreement are to hold the assets of the Fund.

CSAM also has obligations under this document such as placing the Fund assets under the control of Sandhurst Trustees Limited and indemnifying Sandhurst Trustee Limited in respect of any liability Sandhurst Trustees Limited may incur by reason of acting in accordance with CSAM's directions or performing other duties under the agreement as our agent.

Sandhurst Trustees Limited must only carry out instructions in respect of the Fund that are given and authorised by CSAM.

(d) Administrative Services Agreement

This agreement sets out the terms under which Apex Fund Services Ltd, the registry service provider and Fund administrator appointed by CSAM will carry out its role.

In relation to registration services, the general obligations of Apex Fund Services Ltd within this agreement is to maintain a register of Unitholders interests and provide such services required to facilitate investor services including but not limited to personal details, unit holdings, distribution payments and remittance advice and other communications as deemed necessary by CSAM.

In relation to administration services, the general obligations of Apex Fund Services Ltd within this agreement includes but is not limited to, record investments, undertake cash reconciliation to CSAM, provision of daily valuations to CSAM, portfolio reconciliation, the tracking of various corporate actions and the preparation of the monthly unit price.

8.3 Unit Pricing

The trust deed has a Unit pricing mechanism which explains how CSAM may calculate the price of Units. Units are priced monthly. Monthly Unit prices are usually placed on CSAM's website at <www.csvf.com.au> 12 Business Days following the end of the previous calendar month together with the entry price and the exit price which take into account the buy and sell spread.

8.4 No Cooling Off Period

No cooling off period applies to application to invest.

8.5 Disclosure of Interests/Related Party Disclosure

CSAM is entitled to performance and other fees and to be reimbursed out of the Fund for costs and expenses in accordance with the Fund's trust deed.

CSAM and its directors, employees and agents may invest in units in the Fund and any underlying investments on the same terms as other Investors in the Fund.

CSAM may appoint any of their related entities to provide services and to perform functions in relation to the Fund, including acting as their delegate. These arrangements will be based on arm's length commercial terms.

CSAM may be paid a fee for work performed in connection with the Fund in its personal capacity and not in its capacity as the trustee of the Fund. CSAM may retain these fees for its own purposes and is not required to account for them to the Fund or to Investors.

CSAM and their related parties may engage in related party transactions.

8.6 AML/CTF

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) requires us to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. We will not issue you with Units unless satisfactory identification documents are provided.

In addition to the customer identification material and documents required to be sent with an Investor's Application Form, the Trustee may require further information or documentation from an Investor at any time in order to satisfy its obligations under anti-money laundering and counter terrorism financing legislation.

8.7 Privacy

When you make an application to invest in the Fund, we will collect information from you in the Application Form which is classified as 'personal information' under the *Privacy Act 1988* (Cth). We may also collect additional Personal Information from you by other means. Examples of how we may collect additional personal information include (but are not limited to) through our website or by telephone if you access our investor services, or through forms you submit to us. We generally collect your personal information directly from you but may also collect it from other sources such as from third parties who have hosted events or marketing promotions in which CSAM has been represented and you have expressed an interest in the Fund.

We may also be required by the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and corporate and taxation legislation to collect your personal information.

More information about how we collect your personal information is found in our Privacy Policy, available at www.csvf.com.au. If you have questions about the personal information we collect you should contact us using the contact information set out in our Privacy Policy.

We collect your personal information primarily so we can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information for the purposes of:

- processing your application and administering your investment;
- complying with our obligations under applicable laws and regulations;
- improving our products and services;
- protecting against fraud or any other activity which could result in harm to the products or services provided; and
- to run our business.

We may also use your personal information to gain an understanding of you, your needs and your interaction with us so we can identify and notify you (including by email) of other investment opportunities products and services, which may be of use to you. However, if you so request, no further material of that nature will be sent to you.

We will take reasonable steps to protect your personal information that we collect and ensure that the information is accurate and up-to-date. Unitholder information is held on secure servers or in storage locked in controlled environments. Our employees and services providers are required to maintain the confidentiality of any personal information held by us. We will not disclose your personal information out of Australia.

If you do not provide us with all the personal information we request, we may be unable to establish your investment in the Fund, process your application and administer your investment, or provide you with any, some, or all of the features of our products or services otherwise available to you.

The types of organisations to which we may disclose the personal information provided by you include:

- with your consent, your financial or legal adviser or accountant;
- any third party service provider we may engage to provide custody, registry, auditing, mailing, printing or other services;
- government authorities when, and to the extent required by law; and
- our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

You can request access to or seek correction of your personal information by notifying us in writing at any time (including by email) or by phone, subject to passing our security checks. Our Privacy Policy contains further details of how to access and seek correction of your personal information. It also provides information about how to submit a complaint if you are concerned that there may have been breach of the Australian Privacy Principles with regard to your information, and how we will deal with such complaints.

8.8 Foreign Account Tax Compliance Act

In compliance with the United States (US) income tax laws commonly referred to as the Foreign Account Tax Compliance Act (FATCA) and the Intergovernmental Agreement signed between the US

Commented [HW1]: We have inserted other general wording in this IM to deal with FATCA, CRS, consents, electronic instructions and queries/complaints.

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and Australian Governments in April 2014 in relation to FATCA, the Fund will be required to provide information to the Australian Taxation Office (**ATO**) in relation to Investors that are:

- US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

Where Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

8.9 Common Reporting Standards (CRS)

Common Reporting Standards (**CRS**) is the single global standard set by the Organisation for Economic Co-operation and Development (or 'OECD') for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain Investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

8.10 Electronic instructions

Investors can provide instructions on their account and investment to the Trustee by email, subject to the Trustee's discretion to require original documentation.

In respect of electronic instructions, the Trustee will not accept an instruction unless it is accompanied by the scanned signature(s) of the Investor(s).

The Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not be responsible for any loss or delay that results from a transmission not being received by the Trustee and will only process electronic instructions received in full and signed by authorised signatories of the Investor.

Only instructions received from an Investor or a person authorised by the Investor will be accepted by the Trustee. Investors must comply with any security or verification procedures required by the Trustee from time to time.

The Trustee and its related parties, officers, employees, consultants, advisers and agents will assume that any instruction received in respect of an Investor's investment has been authorised by the Investor, and the Trustee and its related parties, officers, employees, consultants, advisers and agents will not investigate or confirm that authority (unless the Trustee is actually aware that the instruction was not authorised).

The Trustee may refuse to act on any instruction until the validity of the instructions have been confirmed, and the Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not have any liability to the Investor or any other person for any consequences resulting from not acting on the instruction.

If an Investor chooses to provide electronic instructions, the Investor releases the Trustee and its related parties, officers, employees, consultants, advisers and agents from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any

payment or action those parties make based on instructions (even if not genuine) that any of those parties receive and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Investor also agrees that neither the Investor, nor anyone claiming through the Investor, has any claim against the Trustee and its related parties, officers, employees, consultants, advisers and agents in relation to acting on instructions received (authorised by the Investor or otherwise).

Investors should be aware that there is a risk that fraudulent requests can be made by someone who has access to an Investor's account information.

The Trustee may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.

8.11 Investor inquiries

All inquiries or complaints from Investors about the Fund should be directed to the Trustee.

The Trustee may be contacted in one of the following ways:

By mail: Write to Suite 903, Level 9 365 Little Collins Street, Melbourne VIC 3000

By telephone: Call CSAM on 03 9602 1230

By email: office@csvf.com.au

All complaints will be dealt with in a timely manner and in accordance with the Trustee's complaints resolution policy.

Commented [HW3]: Please insert relevant contact details

9. Glossary

Act	<i>Corporations Act 2001</i> (Cth)
ASIC	Australian Securities and Investments Commission
Business Day	A day that is not a Saturday, Sunday, or any other day which is public holiday or a bank holiday in New South Wales or Victoria.
CSAM	Collins St Asset Management Pty Ltd (ACN 601 897 974)
Fund	Collins St Value Fund (ABN 72 216 927 242)
Hurdle Rate	The Hurdle Rate means, in respect of a month, the “Capital Market Yields - Government Bonds - Monthly - F2.1” Commonwealth Government 10-year Bond Rate in respect of that month published by the Reserve Bank of Australia (RBA) or, if that rate ceases to be published by the RBA, the rate which CSAM determines reflects that rate
IM	This Information Memorandum dated 1 July 2023
Offer	The offer of Units pursuant to this IM
Sandhurst	Sandhurst Trustees Limited
securities	Includes corporate equity, options to purchase equity, corporate bonds and corporate hybrids.
Units	Means “Series 2” units in the Fund
Unitholder	A holder of Units

10. Corporate Directory

Trustee	Collins St Asset Management Pty Ltd ACN 601 897 974 AFSL 468935 Level 9, 365 Little Collins St Melbourne VIC 3000 Director: Michael Goldberg
Custodian	Sandhurst Trustees
Registry	Apex Fund Services Ltd
Auditor of the Fund	Pitcher Partners