



# Bennelong Long Short Equity Fund

## Information Memorandum for Wholesale Investors

Bennelong Funds Management Ltd  
ABN 39 111 214 085, AFSL No. 296806

1 October 2019

# Disclaimers and Important Notices

This Information Memorandum ('IM'), dated 1 October 2019 relates to the offer to subscribe for Units in the Bennelong Long Short Equity Fund ('the Fund') and is issued by Bennelong Funds Management Ltd ('BFM' or 'Trustee') (Australian Financial Services Licence No. 296806), the Trustee of the Fund.

This IM is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment in the Units described, and is not to be reproduced or distributed to any other person (other than professional advisers of prospective investors).

None of BFM, Bangarra Group or Bennelong Long Short Equity Management Pty Ltd (the 'Investment Manager' or 'BLSEM') and their related bodies corporate, associates, officers or affiliates guarantees the performance of the Fund or repayment of capital from the Fund.

The Investment Manager, with the consent of the Trustee, may from time to time vary the investment strategy and process of the Fund to achieve the Fund's objectives, subject to appropriate risk management controls and guidelines. See page 11 for further information about the risks involved in making an investment in the Fund.

Unless otherwise stated, all amounts are in Australian dollars, and all fees are quoted exclusive of the effect of Goods and Services Tax ('GST') and any Reduced Input Tax Credits ('RITCs') available to the Fund.

The Fund is not, nor is it required to be, registered as a managed investment scheme under the Corporations Act, as no issue of Units will require the giving of a Product Disclosure Statement under the *Corporations Act 2001* ('Corporations Act'). The Trustee may apply for the Fund to be registered with ASIC at its discretion, or if the circumstances of the Fund change and it is required under the Corporations Act.

This IM is not a Product Disclosure Statement for the purposes of the Corporations 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.

This Offer to subscribe for Units is only made to certain investors who are Wholesale Clients under section 761G of the Corporations Act (see Section 6 for more information). By lodging an application form in respect of the offer of Units contained in this IM, an investor declares and warrants to the Trustee and Investment Manager that it is a Wholesale Client.

This IM should be read in conjunction with the Trust Deed of the Fund, which is available from BFM Client Services. This IM can only be used by investors receiving it (electronically or otherwise) in Australia. No action has been taken to register or qualify the Fund or otherwise to permit a public offering of the Units in any jurisdiction outside Australia. Accordingly, the distribution of this IM in jurisdictions outside Australia is limited and may be restricted by law. Persons wishing to invest who are not in Australia should familiarise themselves with and observe any such restrictions when deciding whether or not to invest in the Fund.

No person is authorised to give any information or make any representation in connection with the investment opportunities described in this IM, which is not contained in this IM. Any information or representation not so contained may not be relied upon as having been authorised in connection with this investment.

This IM is prepared for your general information only. You should consider it in deciding whether to apply for Units. It is not intended to be a recommendation by the Trustee or the Investment Manager, any associate of the Trustee or the Investment Manager or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor.

Prospective investors should rely upon their own enquiries and analysis as to the merits and risks in relation to the Offer and in deciding whether to invest in the Fund. The Trustee and the Investment Manager strongly recommend that potential investors 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 material contained in this IM.

The Trustee and Investment Manager do not give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM, nor do any of them, to the maximum extent permitted by law, accept any liability however caused to any person relating in any way to reliance on information contained in this IM or any other communication or the issue of Units.

The Trustee reserves the right to evaluate any offers and to reject any or all offers submitted, without giving reasons for rejection. The Trustee is not liable to compensate the recipient or any intending acquirer for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in making an offer or otherwise.

The information in this IM is up to date at the time of preparation. The Trustee may amend or withdraw this IM at any time and may issue a new or amended IM or provide updated information to investors from time to time. The Trustee is not obligated to issue a new IM or provide updated information to you unless required by the law. If you are unsure about anything contained in this IM or have any questions, please contact the Trustee.

## Further Information

If you have any further questions relating to the issue of Units in the Bennelong Long Short Equity Fund please contact Bennelong Funds Management.

### Contact details:

✉ m: Client Services  
Bennelong Funds Management Ltd  
Bennelong House  
Level 1, 9 Queen Street  
Melbourne Vic 3000

☎ t: 1800 895 388

✉ e: [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)

# Contents

---

Section	Page
1 Bennelong Long Short Equity Fund – In Brief	4
2 Issuer, Trustee, Investment Manager, Administrator, Prime Broker and Custodian	6
3 The Bennelong Long Short Equity Fund	9
4 Investment Risks	10
5 Trust Deed of the Fund	12
6 Operational Information – Applications, Redemptions, Pricing, Valuations, Distributions and Reports	12
7 Fees and Expenses	14
8 Anti-Money Laundering and Counter Terrorism Financing	16
9 Taxation Considerations	16
10 Complaints Resolution	18
11 Consents	18
12 Privacy Statement	19
13 Application Form	20
14 Glossary	46
15 Directory	48

FEATURE	SUMMARY	REFERENCE
<b>Name</b>	Bennelong Long Short Equity Fund ('the Fund')	
<b>Trustee/Issuer</b>	Bennelong Funds Management Ltd ABN 39 111 214 085 ('BFM' or 'the Trustee')	Section 2
<b>Investment Manager</b>	Bennelong Long Short Equity Management Pty Ltd ABN 63 118 724 173 ('BLSEM' or 'the Investment Manager')	Section 2
<b>Prime Broker</b>	UBS AG, Australia Branch ABN 47 088 129 613 ('UBS AG' or 'Prime Broker')	Section 2
<b>Custodian</b>	UBS Nominees Pty Ltd ABN 32 001 450 522 ('UBS Nominees' or 'Custodian')	Section 2
<b>Administrator</b>	Apex Fund Services (Sydney) Pty Limited ABN 32 131 370 931 ('Apex' or 'Administrator')	Section 2
<b>Investment Objective</b>	The Fund aims to achieve consistent absolute returns regardless of market conditions from a portfolio of both long and short large capitalisation Australian shares. The investment strategy seeks to limit the portfolio exposure to market risk in the construction of the portfolio by adopting a predominantly cash neutral position. This is done by constructing a long/short portfolio via a series of correlated long and short paired positions. Excess returns are generated by 'bottom up' fundamental company research.	Section 3
<b>Investment Guidelines/Policy</b>	The Fund's investment guidelines include a framework of portfolio construction rules, exposure limits and risk management procedures.	Section 3
<b>Style</b>	Equity market neutral.	Section 3
<b>Gearing</b>	A maximum of 5 times the Net Asset Value or the maximum permitted under the Fund's Prime Brokerage Agreement (whichever is lower). All gearing is arranged under the Fund's Prime Brokerage Agreement.	Section 3
<b>Volatility/ Risk Level/ Investment Risks</b>	<p>The Fund employs leverage and short selling of securities. As a consequence the Fund should be regarded as high risk with high volatility.</p> <p>Key investment risks associated with the Fund include:</p> <ul style="list-style-type: none"> <li>■ general investment risks such as market risk and investment strategy risk; and</li> <li>■ specific investment risks including currency risk, short selling risk, interest rate risk, derivative instrument risks, leverage and borrowing risk, unit liquidity risk, default risk, compensation fee structure risk and regulatory risk.</li> </ul>	Section 4
<b>Eligible Investors</b>	Wholesale Clients as defined by the Corporations Act.	Section 6
<b>Minimum Suggested Investment Timeframe</b>	Medium to longer term (five years plus). A six month minimum holding rule applies.	
<b>Investment Amounts</b>	<p>Initial Investment Minimum: \$500,000</p> <p>Additional Investment Minimum: \$500,000</p> <p>Redemption Minimum: \$500,000</p> <p>Minimum investment, additional investment and redemption amounts are subject to the Trustee's absolute discretion.</p> <p>The Trustee may, at its discretion, allow individual investors to invest less than the minimum investment or additional investment amount or reduce or waive the minimum redemption amount.</p>	Section 6

FEATURE	SUMMARY	REFERENCE
<b><i>Fees and Expense Recoveries</i></b>	<p>The Trustee is entitled to receive a Management Fee of 1.50% per annum (excluding GST net of RITC) of Net Asset Value calculated and paid monthly.</p> <p>In addition, the Trustee is entitled to receive a Performance Fee of 20.0% (excluding GST net of RITC) of the increase in the Net Asset Value per Unit after the Management Fee and expenses have been accrued. The Performance Fee is calculated on a Unit by Unit basis for the financial year calculation period, accrued monthly and paid annually.</p> <p>Fund expenses are recoverable from the Fund.</p>	<p>Section 7</p> <p>Section 7</p>
<b><i>Application and Redemption Cut-off Times</i></b>	<p>Applications need to be received by 4.00 p.m. (Melbourne time) on the relevant Dealing Day (the last business day of each calendar month) to receive the application price applicable for that Dealing Day.</p> <p>Redemptions need to be received a minimum of 28 Days prior to the relevant Dealing Day to receive the withdrawal price applicable for that Dealing Day. A six month minimum holding rule applies.</p>	<p>Section 6</p> <p>Section 6</p>
<b><i>Income Distribution</i></b>	Income distributions are paid annually, shortly after 30 June each year, into an investor's nominated Australian bank account or reinvested back into the Fund.	Section 6
<b><i>Valuation</i></b>	The investments of the Fund are generally valued as at close of business on the last Business Day of each calendar month and the respective Net Asset Value is established as per the Trust Deed.	Section 6



## The Trustee

BFM is the trustee of the Fund and the issuer of this IM and Units. BFM holds an Australian Financial Services Licence (No. 296806) which authorises it to offer and issue interests in unregistered managed investment schemes to Wholesale Clients.

BFM is wholly owned by Bennelong Funds Management Group Pty Ltd ('BFMG'). BFMG provides operational support to its fully owned subsidiary BFM.

As Trustee of the Fund, BFM is responsible for ensuring that the Fund is operated in accordance with the Trust Deed.

## The Investment Manager

BLSEM is the Investment Manager for the Fund and is a Corporate Authorised Representative of BFM (AFS Representative No. 000303432). BLSEM is responsible for making investment and divestment decisions in relation to the Fund and implementing the Fund's investment strategy.

The BLSEM business commenced in 2002 and is led by Sam Shepherd. BLSEM's current and former staff own a combined 60% of the business and the remaining 40% is owned by BFM (20%) and BFMG (20%).

BFMG provides services to BLSEM including distribution, marketing and administrative support under a services agreement ('Services Agreement'). BLSEM pays BFMG for the services it provides under the Services Agreement. All transactions between BFMG, BFM and BLSEM are on an arm's length basis.

Sam Shepherd joined the BLSEM team in May 2012, bringing with him 21 years of Australian equities experience. Most recently, he was Head of the Melbourne Institutional Equities desk for Credit Suisse Equities. In this role, he was responsible for research sales, account management and execution. Prior to Credit Suisse Equities, Sam was a sales trader and research salesman at JP Morgan Australia. His first seven years in the industry were spent at Norwich Investment Management, where he worked as a dealer, analyst and portfolio manager. Sam holds a Bachelor of Commerce and a Graduate Diploma in Applied Finance and Investment.

Sam and the team at BLSEM devote their time fully to the implementation of the Fund's investment strategy and the promotion of the Fund. There have been no relevant significant adverse regulatory findings against the Investment Manager or any other BLSEM staff.

## The Investment Management Agreement

The Trustee and BLSEM have entered into an investment management agreement ('Investment Management Agreement') covering the investment management services under which the Investment Manager agrees to act as investment manager, and among other things is entitled to fees (including Performance Fees) payable by the Trustee, and is generally entitled to be indemnified by the Trustee in respect of liabilities and costs reasonably incurred by the Investment Manager acting under the Investment

Management Agreement, except to the extent it has breached the Investment Management Agreement, or has acted with fraud, dishonesty or negligence in connection with the relevant liability or cost.

The Trustee must also pay for all costs and expenses incurred in connection with the investment and management of the Fund, excluding the Investment Manager's in-house administration costs.

The Investment Manager must indemnify the Trustee against any losses or liabilities incurred by the Trustee in connection with any breach of contract, negligence, fraud or dishonesty of the Investment Manager or its agents.

BFM is able to terminate the Investment Manager's appointment under the Investment Management Agreement at any time in circumstances, including but not limited to,

- fraud, wilful misconduct, dishonesty or gross negligence on the part of the Investment Manager;
- where the Investment Manager enters into receivership, liquidation, ceases to conduct business, sells the business or is legally unable to operate as an Investment Manager; or
- where the Investment Manager is in breach of any representations or warranties to the Trustee.

Termination in these circumstances is without payment of any penalty.

In addition to the grounds above, the Trustee or the Investment Manager may terminate the Investment Management Agreement by providing the other party not less than 30 days prior notice.

## The Administrator

The Trustee has appointed Apex as the Administrator of the Fund. Apex is an independently owned fund administration business providing fund managers with an integrated service solution.

The Trustee has entered into an Administration Agreement with Apex (the 'Administration Agreement'). Under the Administration Agreement, Apex will perform certain administrative, accounting and Unit registry services for the Fund.

Pursuant to the Administration Agreement, the Administrator is responsible, under the ultimate supervision of the Trustee, for matters pertaining to the administration of the Fund, namely:

- (i) calculating the Net Asset Value;
- (ii) maintaining financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Administrator on behalf of the Fund;
- (iii) providing Unit registry services in connection with the issuance, transfer and redemption of Units in the Fund as well as maintaining the Unit registry; and
- (iv) other services as agreed to by the parties.

The Administrator is responsible for the valuation of the Fund's assets. Generally, the value of a security will be determined at its market price or from another

independent source. Where the price of a security is not available from an independent source or the security is not traded on a properly regulated exchange, the Administrator will, acting in good faith, and in consultation with BFM and BLSEM, determine the value of the security based on acceptable industry standards.

Under the Administration Agreement, for the purpose of calculating the Net Asset Value of the Fund and the Units, the Administrator will rely on, and shall not be responsible for the accuracy of, financial data furnished to it by the Investment Manager, the Custodian and/or any independent third party pricing services. The Administrator will not be responsible or liable for the accuracy of information furnished by other persons in performing its services for the Fund. The Administrator in no way acts as guarantor or offeror of the Fund's Units or any underlying investment, nor is it responsible for the actions of the Fund's sales agents, the Custodian, any other brokers, the Investment Manager or the Trustee.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement.

Under the Administration Agreement:

- the Fund has agreed to indemnify and keep indemnified the Administrator, its affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates and sub-delegates (together 'Indemnified Parties') from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, claims, demands, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrator or any other Indemnified Party however arising (other than by reason of gross negligence, fraud or wilful misconduct) in connection with the provision of services under the Administration Agreement; and
- in the absence of gross negligence, fraud or wilful misconduct in the provision of the services under the Administration Agreement, or a material breach of the Administration Agreement by the Administrator, neither the Administrator nor any other Indemnified Party shall be liable to the Fund, the Investment Manager or any Unitholder of the Fund on account of anything done, omitted or suffered by the Administrator or any other Indemnified Party in good faith in the provision of the services pursuant to the Administration Agreement.

The Administrator is not responsible for any trading decisions of the Fund (all of which will be made by the Investment Manager).

The Administrator will not provide any investment advisory or management service to the Fund and therefore will not be in any way responsible for the Fund's performance. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

The Administration Agreement is for an indefinite term provided, however, that the Administration Agreement is subject to termination by the Administrator or Trustee upon ninety (90) days' written notice (or such shorter notice the parties may agree to accept), or immediately in certain other circumstances specified therein.

The Trustee may replace Apex as the Administrator of the Fund without prior notice to investors.

### The Prime Broker/Custodian

The Trustee has appointed UBS AG, Australia Branch (ABN 47 088 129 613 and AFSL number 231087) to be the Prime Broker and UBS Nominees Pty Ltd (ABN 32 001 450 522 and AFSL number 231088) as Custodian for the Fund (together, UBS). The appointments were made pursuant to the prime brokerage customer documents (the 'Customer Documents') entered into between the Fund and the Prime Broker and the Custodian.

The services of UBS AG, Australia Branch as prime broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. UBS AG, Australia Branch may also provide a cash account which is a ledger for recording the Fund's cash balances under the Customer Documents. UBS Nominees Pty Ltd as Custodian to the Fund will provide custody services for some or all of the Fund's investments.

The Custodian may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the Customer Documents. The assets of the Fund held by the Custodian will be subject to a security interest to secure the Fund's obligations to UBS and its related entities.

Subject to limitations, the Prime Broker may request that the Custodian pay or deliver assets to the Prime Broker. The Prime Broker is entitled to borrow, lend, charge, rehypothecate, dispose of or otherwise use such assets for its own purposes, subject to an obligation to return equivalent assets. In the event of the insolvency of the Prime Broker or the Custodian, the Fund will rank as an unsecured creditor to the value of those assets, and may not be able to recover the equivalent assets in full.

Under the terms of the Customer Documents, the Fund may seek to borrow securities from the Prime Broker with a borrowing request. If the Prime Broker accepts the Fund's borrowing request, the Prime Broker will deliver the securities borrowed to the Fund or as the Fund directs.

The Fund will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date, or otherwise the Prime Broker may call for the redelivery at any time by giving notice on the terms of the Customer Documents. Under the Customer Documents, the Prime Broker is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of the executing broker, noncompliance with any regulatory requirements to

report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction, amongst other things, (except to the extent that any loss arises directly as a result of the gross negligence, wilful default or fraud of UBS).

To the extent permitted by law, neither the Prime Broker, the Custodian nor any related entity will be liable for any loss suffered by the Fund under or in connection with the Customer Documents unless such loss results directly from the gross negligence, wilful default or fraud of the Prime Broker, Custodian or related entity as set out in the terms of the Customer Documents.

The Custodian is not liable to the Fund for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the Customer Documents (other than related entities), but the Custodian will make available to the Fund, when and to the extent reasonably so requested, any rights that the Custodian may have against such person.

Under the Customer Documents the Fund indemnifies UBS and its related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the Customer Documents other than as a result of the gross negligence, wilful default or fraud of UBS or the relevant related entity.

Neither the Prime Broker nor the Custodian will participate in the investment decision-making process for the Fund. Although UBS will provide reporting and information to the Fund about the assets held by UBS, UBS is not responsible for monitoring the Fund's positions for the purpose of determining their composition or performance.

The Fund may remove UBS AG, Australia Branch as the Prime Broker and UBS Nominees Pty Limited as the Custodian by giving written notice.



### Fund Objective

The Fund's objective is to achieve consistent absolute returns regardless of market conditions from a portfolio of both long and short large capitalisation Australian shares. The investment strategy seeks to limit the portfolio exposure to market risk in the construction of the portfolio by adopting a predominantly cash neutral position through the construction of a long/short portfolio via a series of correlated long and short paired positions. Excess returns are generated by 'bottom up' fundamental company research.

### Time Horizon

The Fund is managed with the intention of generating returns over the medium to longer term (five years plus). A six-month minimum holding period applies to any investment in the Fund.

### Fund Suitability

The Fund is suitable for investors who are seeking appreciation in unit prices from a portfolio of Australian investments and have a high tolerance to risk.

### Performance

Performance of the Fund may be volatile over the short term and in some periods may be negative.

### Investment Guidelines and Policy

In order to achieve the risk/return objectives of the Fund, the Investment Manager employs a variety of strategies in a portfolio of mainly Australian listed companies, predominantly via a series of correlated long and short positions (pairs).

The main investment guidelines of the Fund are as follows:

#### Stock Universe

Generally, the companies comprising the portfolio will be selected primarily from the S&P/ASX 100 Index and other large capitalisation ASX listed securities. The Fund will not invest in unlisted securities (unless they are pending listing). The Fund may invest in securities listed on other exchanges where such securities relate to ASX listed securities. Such positions may not constitute in excess of 10% of the total portfolio value.

#### Stock Exposure Limits

The Fund will not invest more than 10% of its Net Asset Value at the time of purchase in the securities of any one issuer.

The Fund will not hold more than 5% of the capital of any one issuer.

#### Risk Management

- Correlated (long/short) Pairs must comprise a minimum of 60% of the Gross Asset Value.
- The portfolio beta is targeted over time to be approximately at 1.0 (or less) on a gross basis and zero on a net basis.
- The standard deviation of returns is analysed and managed daily to ensure the Fund meets the Investment Manager's volatility tolerances.

### Leverage

- A maximum of five times Net Asset Value or the maximum permitted under the Prime Brokerage Agreement (whichever is lower). This means that compared with an unleveraged fund, assuming that the Fund reaches its maximum gross exposure of 5x of Net Asset Value, then a:
  - 1% increase in the return on assets will result in a 5% return to investors; and
  - 1% decrease in the return on assets of the Fund will result in a 5% decrease in returns to investors.

Please note that the above examples have been provided for reference purposes only. Any assumptions underlying these examples are hypothetical only.

The only short selling counter-party used is the Prime Broker. There is no leverage embedded in the other assets of the Fund (other than leverage embedded in holdings of listed securities).

### Derivatives

The Investment Manager may hold exchange traded Derivatives (including futures, swaps, options and forward contracts) if consistent with the above guidelines. There must be sufficient assets in the Fund to support the underlying liability of the Trustee under every Derivative contract.

### Investment Strategy and Portfolio Formation

The core investment strategy of the Fund seeks to limit market risk in the construction of the Portfolio by adopting a predominantly cash neutral position by constructing a long/short portfolio via a series of correlated long and short paired positions.

The strategy seeks to capture stock Alpha (see Glossary) whilst limiting portfolio exposure to market risk by adopting a predominantly cash neutral portfolio position.

Stock selection is based on fundamental analysis to derive a view of a pair of individual stocks. The Investment Manager is style neutral in determining the stock's positioning.

This primary 'pairs' strategy may be enhanced by other complementary strategies, including event driven, security and takeover arbitrage, thematic and momentum trading.

The paired stock positions comprise long and short correlated securities that are in most cases simultaneously opened. A portfolio of approximately 50-70 stocks will be selected and actively managed in 25-35 pairs to comprise the core minimum (60%) of the Fund Portfolio.

Up to a maximum of 40% of the portfolio's Gross Asset Value may be invested in uncorrelated securities and/or uncovered (long and/or short) positions. These 'satellite' positions are intended to enhance returns and to balance overall portfolio risk. In this regard, the Investment Manager recognises that it is not always possible to achieve a suitable paired profile within the S&P/ASX 100, and that a high conviction long or short stock idea might not always have a suitable pair.

Portfolio construction is structured to achieve a predominantly cash neutral portfolio position to limit the portfolio exposure to market related risk. The portfolio Beta (see Glossary) is targeted over time to be at or less than 1.0 on a gross basis and zero on a net basis. This is primarily achieved through the cash balancing of long and short correlated positions within the same or similar industry groupings.

## 4

## Investment Risks

**Risks**

Investments in the Fund carry risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of the Fund's investments will vary. The level of returns will vary and future returns may differ from past returns.

There are risks involved in investing in Units in the Fund including the risk that the Fund may not earn a distribution return and the risk that the capital invested could fall or be lost. No guarantee is provided on the performance of the Fund, that distributions will be made or that capital value of an investment in the Fund will increase or be maintained. We also do not guarantee the liquidity of the Fund's investments or that you will be able to redeem from the Fund within the timeframes specified in this IM.

This Fund is intended for sophisticated investors. The Fund is not a complete investment program. Prospective investors need to assess the risks and their own financial position in determining whether an investment in the Fund is suitable for them. Prospective investors should seek professional advice before investing. Prospective investors should rely upon their own enquiries and analysis as to the merits and risks in relation to the Offer and in deciding whether to invest in the Fund.

The following risks should be carefully evaluated before making an investment in the Fund. Consideration must be given to the speculative nature of the Fund's investments.

**General Risks**

The Investment Manager will be investing in securities and associated instruments. These investments carry risk.

**Market Risk**

Broad market risks include movements in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value.

**Liquidity**

The Fund's stock universe is primarily restricted to the large capitalisation securities (i.e. the S&P/ASX 100 Index). The index comprises highly liquid companies.

**Investment Strategy Risk**

In addition to the core strategy of the purchase of and short sale of securities, the Investment Manager will use a range of investment strategies which may include purchase of dual listed securities and the use of derivatives. These techniques and strategies entail specific stock, interest rate, counterparty and foreign exchange risk which may negatively impact returns.

Investment in a managed fund carries the risks that the Investment Manager's strategies might not be successful, that the Investment Manager does not have the competence to manage the strategies and investments, and that the Investment Manager may not always act in the best interests of the Fund.

Past performance is not a reliable indicator of future performance.

**Significant Risks of Investing in the Fund**

There are a number of significant risks you should consider prior to investing in the Fund. The following risks should be carefully evaluated before making an investment in the Fund. Consideration must also be given to the speculative nature of the Fund's investments. Please note that the following is not an exhaustive list of the risks of investing in the Fund.

**Currency Risk**

Returns on certain securities held by the Fund may be influenced by movements in currency and carry foreign exchange risk, either because the investments held may be denominated in another currency, investments denominated in another currency may not be hedged to Australian dollars or individual company earnings may be leveraged into another currency.

**Short Selling Risk**

Selling securities short involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate.

Additionally, there is a risk that the securities lender may request return of the securities. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

**Interest Rate Risk**

Interest rate movements may adversely affect the value of the Fund through their effect on the price of a security and the cost of borrowing.

**Derivative Instruments Risk**

The Fund may use various Derivative instruments, including futures, swaps, options and forward contracts, which may be volatile and speculative. Use of derivative instruments involves various risks such as tracking, liquidity and leverage.

**Leverage and Borrowing Risk**

The Fund will utilise Leverage/Gearing to finance the purchase of investments. Purchase or sale of securities and financial instruments on margin has the effect of leveraging or gearing the portfolio and carries the attendant risks of magnifying the impact of negative returns and increased Margin Calls. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

**Collateral Risk**

If the Fund enters into a derivatives arrangement that requires it to deliver collateral or other credit support to the Derivatives counterparty, the Fund will be exposed to the following additional risks in respect of that collateral. The Fund:

- may be required to post upfront margin/collateral with the Derivatives counterparty (whether cash or other securities). The Fund will need to have sufficient liquid assets to satisfy this obligation;
- may, from time to time if the value of the derivatives arrangements moves against it, be required to post additional margin/collateral with the Derivatives counterparty on an ongoing basis. The Fund will need to have sufficient liquid assets to satisfy such calls, and in the event it fails to do so, the Derivatives counterparty may have the right to terminate such Derivatives arrangements; and
- will be subject to credit risk on the counterparty. In the event the derivatives counterparty becomes insolvent at a time it holds margin/collateral posted with it by the Fund, the Fund will be an unsecured creditor of the Derivatives counterparty, and will rank behind other preferred creditors such as secured creditors and other creditors mandatorily preferred by law (for example, employees).

**Default Risk**

Investment in securities and financial instruments generally involves third parties as custodial and counter parties to contracts. Use of third parties carries risk of default and failure to secure custody which could adversely affect the value of the Fund.

The Trustee outsources key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Fund or provide services below standards which are expected by the Trustee, causing loss to the Fund.

**Compensation Fee Structure Risk**

The Investment Manager of the Fund may receive compensation based on the Fund's performance. Performance fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than might otherwise be the case.

**Regulatory Risk**

All investments carry the risk that their value may be affected by changes in laws especially taxation laws.

**Concentration Risk**

The Fund's typical portfolio holdings of 50 to 70 investments represents moderate investment concentration. The lower the number of investments, the higher the concentration and, in turn, the higher the potential volatility.

**Liquidity Risk**

All new investments in the Fund are subject to a six-month initial holding period. Units may not be redeemed during this initial holding period. Investors should consider their own personal circumstances before committing to invest for this length of time. There is risk that the value of the initial investment may decrease during the initial holding period due to market risk and other factors.

The Fund was established under a trust deed dated 21 November 2006 ('Trust Deed'). The Trust Deed sets out provisions providing for the establishment of the Fund as a trust, the appointment of and powers of the Trustee, the concept of Units and the rights of Unitholders, the application for and withdrawal of Units, the calculation of application and withdrawal prices, the entitlement to and calculation of distributions, the entitlement to fees and expenses, the custody and valuation of assets and other matters including liability, audit, meeting, complaints and a Unit register.

BFM's responsibilities and obligations as the Trustee of the Fund are governed by the Trust Deed for the Fund as well as general trust law.

Copies of the Trust Deed of the Fund are available, free of charge, on request from BFM.

The Trustee may amend the Trust Deed if it is permitted under the law to do so.

To the extent that any contract or obligation arises in connection with the acceptance by the Trustee of an application or reliance on this IM by a Unitholder, any amendment to the Trust Deed may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by the Trustee with the approval of a special resolution of Unitholders, or without that approval if the Trustee considers the variation or cancellation will not adversely affect Unitholders' rights.

### Applications

Investors must complete the Application Form attached to this IM to apply for Units in the Fund. The Trustee may accept or reject an application at their absolute discretion. Investors should note that the Trustee accepts no responsibility for any loss caused as a result of non-receipt or delay of any application or cleared funds. Where an application from an investor is rejected, interest on rejected application monies is not payable to that investor.

Any interest earned on application monies received by the Trustee will be retained in the application monies trust account, will be used to pay bank fees for that account and does not form part of the Fund's assets. However, the Trustee may pay some of this interest into the Fund at its discretion.

The Fund is open to investors who qualify as a Wholesale Client. An individual is currently regarded as a Wholesale Client, amongst other things, if a qualified accountant certifies that the person has either net assets of at least \$2.5 million or gross income for each of the last two financial years of at least \$250,000, or if the amount invested in the product is at least \$500,000.

Unless the Trustee decides otherwise, an application for Units must be for a minimum investment of \$500,000.

Units will be issued based on the application price applicable as at the close of business on a Dealing Day. Unless the Trustee determines otherwise, 'Dealing Day' is the last Business Day of each calendar month. Applications will be processed by the Administrator on behalf of the Trustee on the Dealing Day.

In some circumstances, Equalisation Credits may be issued together with Units in the Fund. The Equalisation Credit is issued to account for the fact that the Net Asset Value per Unit has been reduced to reflect an accrued Performance Fee to be borne by existing Unitholders. The purpose of the Equalisation Credit is to fairly allocate the Performance Fee between each investor in the Fund. See Section 7 for additional details.

Written applications for Units received by the Trustee by 4.00 p.m. Melbourne time ('Deadline') on the particular Dealing Day will be processed, and if accepted Units will be issued at the application price applicable as at the close of business on that Dealing Day, provided that sufficient cleared funds have also been received by the Administrator by the Deadline.

Investors can make additional investments by completing an Additional Investment Form which is available from Client Services. The minimum additional investment amount is \$500,000 unless the Trustee decides otherwise.

### How to Withdraw

Unitholders wishing to withdraw Units must give a written redemption request to the Trustee by 4.00 p.m. Melbourne time on a Business Day falling at least 28 days prior to the applicable Dealing Day. The Trustee is entitled to but is not obliged to accept the redemption request. A withdrawal request must specify the number of Units to be withdrawn or the value of the proceeds of withdrawals to be received. The minimum amount for each withdrawal is \$500,000 unless otherwise permitted by the Trustee.

A minimum six-month initial holding period applies to all Units calculated from the issue date applying to a particular Unit. Units may not be withdrawn during this initial holding period.

Units will be withdrawn after close of business on the relevant Dealing Day at the redemption price applicable as at the close of business on that Dealing Day. Unless the Trustee determines otherwise, 'Dealing Day' is the last Business Day of each calendar month. Withdrawal proceeds will be processed by the Administrator on behalf of the Trustee as soon as practicable after the Dealing Day, but no later than 21 days after the Dealing Day.

Withdrawal proceeds will be settled in Australian dollars and are remitted by telegraphic transfer to an account designated by the Unitholder, after receipt by the

Administrator of duly completed documents. All bank charges incurred for remittance by telegraphic transfer will be borne by the redeeming investor.

### Application and Withdrawal Prices

Units are issued and withdrawn at Net Asset Value (adjusted for accrued Performance Fees) divided by the number of Units on issue.

The Net Asset Value at any time means the Gross Asset Value less the liabilities of the Fund at that time.

The Gross Asset Value at any time means the aggregate gross value of all assets in the Trust.

The application price means the Unit price calculated on the Dealing Day based on the Net Asset Value per Unit adjusted for the value of any Equalisation Credit (if any).

The withdrawal price means the Unit price calculated on the Dealing Day based on the Net Asset Value per Unit. The Net Asset Value per Unit takes into account any accrued Performance Fees.

### Valuation of Fund

The Trustee has delegated the calculation and determination of the Net Asset Value of the Fund and the Net Asset Value per Unit to the Administrator.

The following valuation policies and procedures will be followed:

- any investment or security quoted, listed, traded or dealt in any securities market shall be valued by reference to the last traded price on the relevant Dealing Day. If there was no last traded price on the Dealing Day, the closing bid price for securities held long by the Fund and the closing offer price for securities held short by the Fund should be used. Where prices are available on more than one securities market, the prices on the market which constitutes the main market should be used. The Trustee and Investment Manager may, at their sole discretion, adjust the price;
- if the security is not traded, the value of the relevant security shall be determined by the Trustee and Investment Manager in good faith;
- the value of any security which is not listed or ordinarily dealt in any securities market shall be its probable realisation value as determined by the Trustee and Investment Manager in good faith;
- cash, deposits and similar investments shall be valued at their face value, together with accrued interest unless, in the opinion of the Trustee and Investment Manager, any adjustment should be made to reflect their value;
- the value of any investment (whether of a security or cash), other than in the currency of the Fund, shall be converted into the currency of the Fund at the rate (whether official or otherwise) which the Trustee or Investment Manager deem appropriate in the circumstances, having regard to any premium or discount which may be relevant and to costs of exchange; and

- the Trustee may, at its discretion, permit any other valuation to be used if such method better reflects the fair value of the investment and is in accordance with good accounting practice.

### Income Distributions

The Trustee will distribute the distributable income of the Fund for each financial year ending 30 June which will comprise dividends, interest and other income including realised gains from the disposal of assets.

The net income of the Fund will be distributed to Unitholders in proportion to their Unit holdings at the distribution date being 30 June and will be paid as soon as practicable, but not more than 90 days after 30 June of each year.

An automatic distribution reinvestment plan will apply to all distributions unless otherwise specified in the application.

### Capital Distributions

The Trustee may at its absolute discretion distribute the capital of the Fund to the Unitholders.

### Suspension of Issue or Withdrawal of Funds

The Trustee is entitled but not obliged to accept a withdrawal request.

The Trustee may suspend the determination of the Net Asset Value of the Fund and/or extend the period for paying withdrawal proceeds during a period.

### Termination of the Fund

The Fund terminates on the earliest occurrence of either the date the Fund is terminated by law or the date on which the Trustee shall determine that the Fund shall terminate.

### Reports and Statements

Unitholders will be provided with the following reports:

- Application and Withdrawal Confirmation Statements;
- Unitholder Statements, monthly;
- Investment Manager Fund Report, monthly;
- Audited Accounts, annually; and
- Income Distribution and Tax Statements, annually.



### General

The Trust Deed sets out the fees and expenses payable by the Fund.

The Trustee is entitled to receive a Management Fee and a Performance Fee. No establishment, contribution or redemption fees or charges are made or applied under this IM. Some fund expenses are recoverable from the Fund. All fees listed below are exclusive of the effect of GST and any reduced input tax credit.

### Management Fee

The Trustee is entitled to receive a Management Fee equal to 1.50% per annum of the Net Asset Value, calculated and accrued monthly on the Net Asset Value as at the last day of the month and payable within 21 days of the end of the month. For the purpose of determining the Net Asset Value, Performance Fees accrued by the Trustee will be disregarded. The Trust Deed allows for a Management Fee to be based on an amount not exceeding 2% per annum of the Net Asset Value, although the Trustee does not currently intend for the maximum charge to be applied. The Trustee will give investors prior written notice of any fee changes.

Under the Investment Management Agreement under which the Investment Manager is appointed the Investment Manager is entitled to a Management Fee as calculated above equal to 1.50% per annum of the Net Asset Value. The Trustee intends to pay the Investment Manager's management fee out of the Management Fee paid to the Trustee.

### Performance Fee

The Trustee will also be entitled to receive a Performance Fee from the Fund calculated on a Unit-by-Unit basis so that each Unit is charged a Performance Fee which equates precisely with that Unit's performance. This method of calculation ensures that:

- (i) any Performance Fee paid to the Trustee is charged only to those Units which have appreciated in value;
- (ii) all Unitholders have the same amount of capital per Unit at risk in the Fund; and
- (iii) all Units have the same Net Asset Value per Unit.

The Performance Fee will be calculated in respect of each period of 12 months ending on 30 June in each year (a 'Calculation Period'). The Performance Fee will be deemed to accrue on a monthly basis as at each Dealing Day.

For each Calculation Period, the Performance Fee in respect of each Unit will be equal to 20.0% of the appreciation in the Net Asset Value per Unit (adding back any distributions made) during that Calculation Period above the Base Net Asset Value of that Unit. The Base Net Asset Value of a Unit is the greater of the Net Asset Value per Unit at the time of issue of that Unit, and the highest Net Asset Value per Unit achieved as of the end of any previous Calculation Period (if any) during which such Unit was in issue. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before making any deduction for accrued Performance Fees.

The Performance Fee is normally payable to the Trustee in arrears within 14 days of the end of each Calculation Period. However, in the case of Units redeemed during a Calculation Period, the accrued Performance Fee in respect of those Units is payable within 14 days after the date of redemption. The accrued Performance Fee is reflected in the redemption price of the Units redeemed.

Under the Investment Management Agreement, the Investment Manager is entitled to a performance fee equal to the Performance Fee received by the Trustee. The Trustee intends to pay the Investment Manager's performance fee out of its Performance Fee.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

### Adjustments

If an investor subscribes for Units at a time when the Net Asset Value per Unit is other than the Peak Net Asset Value per Unit (as defined below), certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Trustee. The Peak Net Asset Value per Unit ('Peak Net Asset Value per Unit') is the greater of:

- (i) \$1 (being the price of which Units were issued at the close of the Initial Offering Period); and
- (ii) the highest Net Asset Value per Unit in effect immediately after the end of any Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged.

If Units are subscribed for at a time when the Net Asset Value per Unit is less than the Peak Net Asset Value per Unit, the investor will be required to pay an amount equal to 20% of any subsequent appreciation in the value of those Units from the Net Asset Value per Unit at the date of subscription, up to the Peak Net Asset Value per Unit ('Performance Fee Redemption'). The Performance Fee Redemption will be paid at the end of each Calculation Period by the Trustee redeeming such number of the investor's Units as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the Performance Fee Redemption. The aggregate Net Asset Value of the Units so redeemed will be paid to the Trustee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Unit. As regards the investor's remaining Units, any appreciation in the Net Asset Value per Unit of those Units above the Peak Net Asset Value per Unit will be charged a Performance Fee in the normal manner described above. In the event that an investor redeems Units mid-way through a Calculation Period and an adjustment is required to such Units, such adjustment shall be deducted from the redemption proceeds and will be paid to the Trustee.

If Units are subscribed for at a time when the Net Asset Value per Unit is greater than the Peak Net Asset Value per Unit, the investor will be required to pay an amount equal to 20% of the difference between the then current Net

Asset Value per Unit (before accrual for the Performance Fee) and the Peak Net Asset Value per Unit (an 'Equalisation Credit'). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Unit accrued with respect to the other Units ('Maximum Equalisation Credit'). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Unit has been reduced to reflect an accrued Performance Fee to be borne by existing Unitholders and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Unitholder making the subscription because, as to such Units, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Units have the same amount of capital at risk per Unit.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Fund subsequent to the issue of the relevant Units, but will never exceed the Maximum Equalisation Credit. The Equalisation Credit increases in line with the Fund. In the event of a decline as at any Dealing Day in the Net Asset Value per Unit, the Equalisation Credit will also be reduced by an amount equal to 20.0% of the difference between the Net Asset Value per Unit (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Unit will result in the recapture of any reduction in the Equalisation Credit, but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Unit (before accrual for the Performance Fee) exceeds the Peak Net Asset Value per Unit, that portion of the Equalisation Credit equal to 20.0% of the excess, multiplied by the number of Units subscribed by the Unitholder, will be applied to subscribe for additional Units for the Unitholder. Additional Units will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Units was made, has been fully applied. If the Unitholder redeems his Units before the Equalisation Credit has been fully applied, the Unitholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Units being redeemed and the denominator of which is the number of Units held by the Unitholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

### Note

The Management Fees and Performance Fees are based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses may never be realised. On termination of the Investment Management Agreement, the Investment Manager shall be entitled to receive all fees and other monies accrued but not yet paid up to the date of such termination as provided in the Investment Management Agreement and shall repay any fees and other monies paid to it in

respect of any period after the date of such termination. Where termination of the agreement is not effected when the Management Fee or Performance Fee would otherwise be calculated, fees for the period since the last calculation date will be payable and calculated for that period as at the termination date utilising the fee mechanisms in the Investment Management Agreement. In addition, the Fund shall also pay to the Investment Manager expenses referred to in the Investment Management Agreement to the extent to which the Investment Manager is obliged to continue to make such payments for and on behalf of the Fund, beyond the date of termination of the Investment Management Agreement.

### Differential Fees

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Unitholders or their agents or to intermediaries, part or all of the management fee and/or performance fee it receives from the Fund. Any such rebates may be applied in paying up additional Units to be issued to the Unitholder. The size of the investment and other relevant factors may be taken into account.

The Trustee may from time to time and at its sole discretion also waive all or part of the Management Fee and/or Performance Fee for certain Unitholders. This may be effected by the issue of separate classes of Units, or otherwise. The size of the investment and other relevant factors may be taken into account.

### Transfer and Redemption Fee

The Trustee is entitled to a transfer and redemption fee of 0.3% of the value of Units being transferred or redeemed. The Trustee does not currently intend for that charge to be applied but reserves the right to levy this charge.

### Expenses

All expenses reasonably and properly incurred by the Trustee in connection with the Fund (including the establishment of the Fund) or in performing the Trustee's obligations under the Trust Deed, are payable or can be reimbursed out of the Fund. These expenses include administration, custodial, prime broking, transaction, accounting, audit, legal, government charges, taxation, adviser, filing, postage, courier, fax, photocopy, telephone, printing and establishment expenses. All operational expenses are estimated on a yearly basis and charged to the Fund as they are incurred. The amount of expense recoveries payable from the Fund's assets is not capped.

### Goods and Services Tax ('GST')

All fees and expenses referred to in this section 7 are quoted on a GST exclusive basis. The benefits of any tax deductions are not passed on to Unitholders.

For further information on tax, see section 9.

As part of anti-money laundering responsibilities required by legislation, the Trustee, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Trustee may not be able to accept an application for Units, may refuse to accept an application for Units or may suspend payment of withdrawal proceeds payable to a Unitholder. If an

application for Units is not accepted for this reason, the Trustee may hold application monies in an applications bank account until we receive the required information. Application monies are held for a maximum period of 1 month commencing on the day the Trustee receives the application monies and will be returned (without payment of interest) to the source of payment after this period.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.

## Taxation Considerations

### General

The following taxation information is of a general nature and should not be relied upon by investors.

### Taxation Considerations

As taxation consequences can only be determined by reference to an investor's particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The information provided is based on applicable Australian tax laws as at the date of this IM.

This summary provides an outline of the principal Australian tax consequences relating to the acquisition, holding and disposal of units for an Australian tax resident investor who holds their investment in the Fund on capital account.

The summary does not address the tax implications for investors that:

- hold their units on revenue account or as trading stock;
- make an election under the Taxation of Financial Arrangements provisions that affects the recognition of income in respect of units;
- are exempt from Australian tax;
- are non-residents; or
- are temporary residents of Australia.

The taxation treatment of the Fund and of Australian resident investors may be affected by the Attribution Managed Investment Trust ('AMIT') regime. However, as the Trustee considers that the Fund does not meet the eligibility requirements to enter the AMIT regime, the application of the regime to the Fund is not considered below.

### Tax Position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine its income annually at 30 June.

Generally, no Australian income tax will be payable by the Fund, as it is the Trustee's intention that the income of the Fund will be distributed in full each year to investors who will be taken to have a present entitlement to that income.

In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to investors. It may be available for recoupment by the Fund against its net income in future years subject to the Fund meeting the relevant tax loss carry forward rules.

The Fund will generally hold its investments on revenue account. Accordingly, realised gains (or losses) will generally be recognised as ordinary income (or deductions) rather than capital gains.

### Tax Position of Australian Resident Investors

#### Distributions

After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement arises even if payment of the distribution occurs in a subsequent year.

Dividends distributed to Australian investors should be assessable in the hands of the investors with potential tax offsets available where any franking credits are attached.

The eligibility of investors to utilise franking credits on dividends received and distributed by the Fund is subject to certain conditions such as the holding period rule. Generally speaking, an investor must hold the relevant equities 'at risk' for at least 45 days (90 days for preference shares) to be entitled to franking credits. If there is an entitlement to franking credits, the franking credits are also included in assessable income of the investor.

The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund.

If the investor has no cost base, the distribution of these amounts may trigger a taxable capital gain.

#### **Foreign Income**

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, you may be entitled to receive a foreign income tax offset ('FITO'). You will usually include the foreign income and the FITO in your assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax report provided to you.

#### **Disposal of Units**

A taxable gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

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

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise carried on by you, you may quote an ABN instead of a TFN.

If you fail to quote an ABN or TFN or claim an exemption, the Trustee may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to you.

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

The Trustee believes that the Fund will be required to comply with the Foreign Account Tax Compliance Act ('FATCA'), a US tax law which was enacted for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the United States Internal Revenue Service ('IRS'). Australian laws have been enacted that give effect to certain obligations under FATCA for Australian financial institutions, which includes the Fund.

In order to comply with FATCA requirements, the Trustee:

- may require investors to provide certain information regarding their identification and will undertake certain due diligence procedures with respect to investors to determine their status for FATCA reporting purposes. This information may be required at the time an application is made for the issue of units or at any time after the units have been issued; and

- will report annually to the Australian Taxation Office ('ATO'), in relation to relevant investors' financial information required by the ATO (if any) in respect of any investment in the Fund. The ATO may pass on that information to the IRS.

Accordingly, by making an application to invest in the Fund, prospective investors agree to provide the Trustee with certain identification and related information in order to enable it to comply with its obligations in connection with FATCA.

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

The Common Reporting Standard ('CRS') is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australia has signed the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Account Information. This agreement enables CRS information to be exchanged between jurisdictions' tax authorities where relevant legislation has been adopted.

The Trustee is required to collect certain information about foreign tax residents (including New Zealand tax residents) to provide it to the ATO. The ATO may pass this information onto tax authorities in other jurisdictions who have adopted the CRS. The requirements are similar to those which exist under FATCA, however, there are a greater number of countries in respect of which the ATO may provide information to the respective tax authorities.

#### **Goods and Services Tax ('GST')**

The GST information provided in this section is of a general nature only.

GST will apply to the investment Management Fees and Performance Fees. Fees and expenses included in Section 7 are quoted on a GST exclusive basis and any reduced input tax credits available to the Fund. GST will also apply to most other Fund expenses.

Generally, the Fund cannot claim full input tax credits for GST incurred on expenses, but the Fund may be entitled to reduced input tax credits for any GST paid in respect of these expenses.

# 10 Complaints Resolution

---

If you have any complaints please address it in writing to:

**Complaints Officer**

**Bennelong Funds Management Ltd**

Trustee for the Bennelong Long Short Equity Fund

Bennelong House

Level 1, 9 Queen Street

Melbourne Vic 3000

Email:

complaints.officer@bennelongfunds.com

# 11 Consents

---

BLSEM has given and, at the date of this IM, has not withdrawn its written consent:

- to be named in this IM as the Investment Manager of the Fund; and
- to the inclusion of the statements made about it and the Fund, which are attributed to it in Sections 2, 3 and 4.

UBS consents to being named in the IM and any electronic version of the IM in the form and context in which we are named in the IM. UBS is not responsible for the preparation of, and has not authorised or caused the issue of, the IM, and has not made or purported to make any statement included in or any statement on which a statement in the IM is based.

To the maximum extent permitted by law, UBS expressly disclaims and takes no responsibility for any statements in, or omissions from, the IM other than the statements made with its consent.

UBS is not responsible for the activities of the Fund, will not participate in the Fund's investment decision-making process and makes no representation in respect of the Fund or the Fund's investments.

UBS AG, Australia Branch (ABN 47 088 129 613 and AFSL number 231087) is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959 (Cth) and is supervised by the Australian Prudential Regulation Authority. Note that provisions in the Banking Act 1959 for the protection of depositors do not apply to Foreign ADIs, including UBS AG, Australia Branch.

BLSEM, UBS AG, Australia Branch, UBS Nominees Pty Ltd and Apex Fund Services (Sydney) Pty Limited are service providers to the Fund and except as otherwise stated in this section have not been involved in the preparation of this IM and do not accept any responsibility or liability for any information contained in this IM.

In addition they are not involved in the investment decision-making process for the Fund.



# 12 Privacy Statement

---

The Application Form attached to this IM requires you to provide personal information to the Trustee. The Trustee collects this personal information so that it can process and administer any application for investment in the Fund you make. Additionally, the Trustee collects this information in order to administer, manage and generally service your investment in the Fund. The Trustee will normally collect personal information directly from you. However, in certain circumstances, the Trustee may collect personal information about you from third parties, such as your financial adviser, the Administrator or third party service providers of the Trustee.

If you do not provide the personal information requested by the Trustee or provide incomplete or inaccurate information, the Trustee may not be able to accept or process your application for an investment in the Fund or may be limited in the services or assistance the Trustee can provide with respect to the administration of any investment you subsequently make in the Fund.

The Trustee may disclose your personal information to organisations such as the Administrator, any third party service provider we may engage to provide custody, administration, technology, auditing, mailing, printing or other services and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement. The disclosure by the Trustee of personal information to such third parties may involve the transfer of your personal information to recipients located outside of Australia. These countries may include Canada, Luxembourg and Malaysia and may include further countries. Where this is the case the Trustee will take reasonable steps to satisfy itself that the third party that the Trustee discloses the information to is compliant with the Australian Privacy Principles or a similar regime. In providing us with your personal information, you consent to the possibility that your personal information may be transferred outside of Australia for processing or the other purposes detailed above.

The Trustee may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the Trustee may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the AML/CTF Act. For certain investors, the Trustee may also be required to collect and disclose certain personal information to the Australian Taxation Office in order to comply with the *Foreign Account Tax Compliance Act*.

If you notify the Trustee that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the Trustee disclosing to that financial adviser details of your investment in the Fund or other related personal information.

We take reasonable steps to ensure that the personal information about an investor or other relevant person that we collect, use or disclose is accurate, complete and up to date.

The investor or other relevant person can request access to their personal information or a copy of the Trustee's Privacy Policy by telephone or writing to the Privacy Officer at:

**Privacy Officer, Bennelong Funds Management Ltd**  
Bennelong House  
Level 1, 9 Queen Street  
Melbourne Vic 3000

**Email:** [privacy.officer@bennelongfunds.com](mailto:privacy.officer@bennelongfunds.com)

**Telephone:** 1800 895 388

The Trustee's Privacy Policy is also available on BFM's website ([bennelongfunds.com](http://bennelongfunds.com)).

The Trustee's Privacy Policy sets out details of how the Trustee will collect, store, manage, use and disclose personal information it collects from you.

The Trustee's Privacy Policy also contains information about how you can access and seek correction of the personal information held by the Trustee, how you can complain to the Trustee about a breach of the *Privacy Act 1988* (Cth) or any registered code under the Privacy Act that binds the Trustee and how the Trustee will respond to and deal with such a complaint.

# 13 Application Form

## Bennelong Long Short Equity Fund

Please print using blue or black pen when completing this form. Mark the box with an X to indicate your investor type and complete all referenced sections. For your convenience, we have used coloured tabs throughout the form to help you identify the relevant sections. Please return all pages, including this page.

### What do I need to fill in?

Investor Type	Section reference	Sections to be completed	Page
<input type="checkbox"/> Individual/ Joint Investor/ Sole Trader	<b>A</b>	1. Applicant Details 2. General Details 3A. Tax Information 4. Declaration & Signatures	22-24 33-36 37-38 42-43
<input type="checkbox"/> Company/Corporate Trustee	<b>B</b>	1. Applicant Details 2. General Details 3B. Tax Information 4. Declaration & Signatures	25-29 33-36 38-39 42-43
<input type="checkbox"/> Regulated Trust/ Superannuation Fund  – with Individual Trustee	<b>A</b> and <b>C</b>	1A. Applicant Details – Individual Trustee 1C. Applicant Details – Trust/Superannuation Fund 2. General Details 3A. Tax Information – Individual Trustee 3C. Tax Information – Trust/Superannuation Fund 4. Declaration & Signatures	22-24 30-31 33-36 37-38 39 42-43
– with Corporate Trustee	<b>B</b> and <b>C</b>	1B. Applicant Details – Company/Corporate Trustee 1C. Applicant Details – Trust/Superannuation Fund 2. General Details 3B. Tax Information – Company/Corporate Trustee 3C. Tax Information – Trust/Superannuation Fund 4. Declaration & Signatures	25-29 30-31 33-36 38-39 39 42-43
<input type="checkbox"/> Unregulated Trust – with Individual Trustee	<b>A</b> and <b>C</b>	1A. Applicant Details – Individual Trustee 1C. Applicant Details – Trust/Superannuation Fund 2. General Details 3D. Tax Information – Unregulated Trust 4. Declaration & Signatures	22-24 30-31 33-36 40-41 42-43
– with Corporate Trustee	<b>B</b> and <b>C</b>	1B. Applicant Details – Company/Corporate Trustee 1C. Applicant Details – Trust/Superannuation Fund 2. General Details 3D. Tax Information – Unregulated Trust 4. Declaration & Signatures	25-29 30-31 33-36 40-41 42-43
<input type="checkbox"/> Agent of Investors*	<b>D</b> plus <b>A</b> or <b>B</b> or <b>C</b>	1. Applicant Details – plus relevant investor type's applicant details: 1A. Individual/Joint Investor/Sole Trader; or 1B. Company/Corporate Trustee; or 1C. Trust/Superannuation Fund; or 2. General Details 3. Tax Information (as per relevant investor type): 3A. Individual/Joint Investor/Sole Trader/Individual Trustee; or 3B. Company/Corporate Trustee; or 3C. Trust/Superannuation Fund; or 3D. Unregulated Trust; or 4. Declaration & Signatures	32 22-24 25-29 30-31 33-36 37-38 38-39 39 40-41 42-43

\* If you are:

1. an investor appointing an agent to act on your behalf in relation to your investment in the Fund, you must complete the relevant sections applicable to you based on your investor type and also the sections for 'Agent of Investors'; or
2. an agent of an investor making an initial investment on behalf of that investor and also acting on behalf of that investor in relation to their investment in the Fund, please complete the relevant sections applicable to the investor based on their investor type and also the sections for 'Agent of Investors'.

If you are an Association, Partnership, Government Body or a Registered Cooperative, please contact Client Experience on 1800 895 388 or email [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com) for further information.

**Note:** All information provided is in accordance with the Privacy Act 1988 and its amendments. BFM's Privacy Policy is available on our website ([bennelongfunds.com](http://bennelongfunds.com)) or by contacting Client Experience at 1800 895 388.

Trustee: Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806)

Effective date: 1 July 2020

## What identification documents are required?

Investor Type	Section reference	Sections to be completed	Page
<input type="checkbox"/> Individual/Joint Investor/ Sole Trader	<b>A</b>	Identification Documents Required	24
<input type="checkbox"/> Company/Corporate Trustee	<b>A</b> and <b>B</b>	Identification Documents Required	24 and 29
<input type="checkbox"/> Trust/Superannuation Fund – with Individual Trustee	<b>A</b> and <b>C</b>	Identification Documents Required	24 and 31
– with Corporate Trustee	<b>B</b> and <b>C</b>	Identification Documents Required	29 and 31
<input type="checkbox"/> Agent of Investors	<b>A</b> and <b>D</b>	Identification Documents Required	24 and 32

## Why are these identification documents required?

We are required by law to collect information about and verify an investor's identity prior to issuing them with Units in the Fund. In order to fulfil these legal and regulatory requirements we must collect certain information and documentation.

## Anti-Money Laundering and Counter-Terrorism Financing Act ('AML/CTF Act')

The AML/CTF Act obliges us to collect identification document(s) and other supporting information from our investors to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund or any other purpose pursuant to the AML/CTF Act. Identification documents provided by you or your agent must be certified (see Section 5 of this Application Form for requirements). Non-English documents must be accompanied by an English translation prepared by an accredited translator.

## Tax Information

This application form contains specific questions about investors' tax status for FATCA and OECD Common Reporting Standards (CRS) purposes (see **Section 3**).

Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the US, tax residency can be a result of citizenship or residency.

BFM is not able to provide advice to individual investors and cannot determine the impact or compliance obligations of FATCA and/or CRS for the investor's business activities. BFM strongly encourages investors to seek the advice of an accountant or tax specialist to determine what actions they may need to take. Further information is available on the ATO website (ato.gov.au).

## How can I obtain certified copies of my identification documents?

Investor Type	Section reference	Section to be reviewed	Page
Relevant to all investors	<b>A</b> <b>B</b> <b>C</b> <b>D</b>	5. Obtaining a Certified Copy of an Original Document	45

## Where do I send the application form?

The completed application form should be sent to Apex Fund Services (Sydney) Pty Limited – see page 44.

## How do I transfer the funds?

Funds can be transferred electronically or via cheque – see page 34.

# 1. Applicant Details – Individual/Joint Investors/Sole Trader/ Individual Trustee

Complete this section if you are investing in your own name(s) (including as a Sole Trader or Joint Investor), or as Individual Trustee(s).

## Investor A/Individual Trustee

Full name

Title

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Tax File Number or Exemption Code

It is not compulsory to provide your Tax File Number (TFN), however, without your TFN or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Tax residence (non-Australian residents)

Full business name (if sole trader)

ABN

Residential address (not a PO Box)

Suburb

State

Postcode

Country

Principal place of business (if sole trader)

Suburb

State

Postcode

Country

Main source(s) of funds for investment:

☐ Employment

☐ Superannuation savings

☐ Financial investments

☐ Inheritance/Gift

☐ Other (please provide brief description)

Occupation

## Investor B (if applicable)

Full name

Title

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

TFN or Exemption Code

It is not compulsory to provide your TFN, however, without your TFN or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare Levy).

Tax residence (non-Australian residents)

Full business name

ABN

Residential address (not a PO Box)

Suburb

State

Postcode

Country

Principal place of business (if sole trader)

Suburb

State

Postcode

Country

Main source(s) of funds for investment:

☐ Employment

☐ Superannuation savings

☐ Financial investments

☐ Inheritance/Gift

☐ Other (please provide brief description)

Occupation

## Signing Authority (for joint applications)

Please tick to indicate signing requirements for withdrawal requests or to change account details:

☐ Any **one** investor to sign

☐ **Both** investors to sign

If no selection is made, 'both investors to sign' will be assumed.



## Identification Documentation Required

Identification documents provided must be certified (see Section 5 of this Application Form for requirements). Non-English documents must be accompanied by an English translation prepared by an accredited translator.

Please provide us with a certified copy of a document from Part I, or if you do not have a document from Part I, certified copies of documents from Part II.

If you do not have the documents as set out in Part I or Part II, please contact Client Experience on 1800 895 388 or email [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com) for further information.

### Part I

Provide **ONE** document from this section:

- ☐ Australian Government issued driver's licence containing your photograph and date of birth or address (must not be expired)
- ☐ Government issued passport containing your photograph and date of birth (Australian passports may have expired within the past two years but must not have been cancelled. All other passports must be current)
- ☐ Current card issued by an Australian State or Territory for the purpose of proving your age containing your photograph and date of birth

### Part II (should only be provided if you do not own a document from Part I)

Provide **ONE** document from this section:

- ☐ Government issued birth certificate/extract
- ☐ Government citizenship certificate
- ☐ A concession card issued by an Australian Government Agency such as a Pension Card or Healthcare Card (must not be expired)

AND **ONE** document from this section:

- ☐ A document showing your name and residential address, issued by the Commonwealth or a State or Territory within the past 12 months that records the provision of financial benefits to you
- ☐ A document showing your name and residential address, issued by the ATO within the past 12 months that records a debt payable by/owed to you
- ☐ A document showing your name and residential address, issued by a local government body or utilities provider (e.g. rates notice or electricity bill) within the past 3 months which records the provision of services to you or that address
- ☐ If you are under age 18, a notice showing your name and your residential address, issued by a school principal within the past 3 months which records the period of time that you attended at that school
- ☐ Foreign driver's licence containing your photograph and date of birth (not hand written)

Please proceed to **Section 2** on page 33 if the application is not on behalf of a Trust/Super Fund. Otherwise, please continue with the relevant sections as described on page 20.

# 1. Applicant Details – Company/Corporate Trustee

Complete this section if you are investing for, or on behalf of, a Company or as a Trust/Superannuation Fund with a Corporate Trustee.

## Company/Corporate Trustee

Full company name

Country of formation, incorporation or registration (if non-Australian)

ACN or ARBN (if any)

TFN, ABN or Exemption Code (if any)

It is not compulsory to provide the company's TFN or ABN, however, without a TFN, ABN or exemption information, withholding tax will be deducted from the company's distributions at the highest marginal rate (plus Medicare Levy).

Tax residence (non-Australian)

Name of regulator (if licensed by an Australian Commonwealth, State or Territory statutory regulator)

Licence details

Registered business address in Australia or country of formation (not a PO Box)

Suburb

State

Postcode

Country

Principal place of business

Suburb

State

Postcode

Country

Main source(s) of funds for investment:

- ☐ Business activity
- ☐ Superannuation savings
- ☐ Financial investments
- ☐ Inheritance/Gift
- ☐ Other (please provide brief description)

Industry/Nature of Business

If an Australian company, please tick registration status with ASIC

☐ Proprietary company

☐ Public company

If a foreign company, please tick registration status with the relevant foreign registration body

☐ Private/Proprietary company

☐ Public company

☐ Other (please specify)

Name of the relevant foreign registration body

Foreign company identification number

Name of local agent (if a local agent is used)

## Director Information

Australian proprietary companies and non-Australian private companies, please provide the full name of each director of the Company

Director 1

Director 2

Director 3

Director 4

If there are more than four directors, please write their full names on a separate page and attach to this Application Form.

## Beneficial Ownership

Are there any individuals who ultimately own 25% or more of the company's issued share capital (through direct or indirect shareholdings) or are entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto?

☐ Yes

☐ No

For each of those individuals provide the following information. If there are no such individuals, please proceed to Other Beneficial Owners.

### Shareholder Beneficial Owner 1

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

**Shareholder Beneficial Owner 2**

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

**Shareholder Beneficial Owner 3**

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

**Shareholder Beneficial Owner 4**

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

Other Beneficial Owners

If there are no individuals who own 25% or more of the company's issued share capital please provide the names of the individual who hold the position of senior managing officials (or equivalent), for example Managing Director or Directors.

Other Beneficial Owner 1

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

Role (for example Managing Director)

Other Beneficial Owner 2

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

Role (for example Managing Director)

Other Beneficial Owner 3

Full name

Date of birth

Citizenship

☐ Australia

☐ Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

Role (for example Managing Director)



#### Other Beneficial Owner 4

Full name

Date of birth

Citizenship

☐

Australia

☐

Other (please state)

Residential address (not PO Box)

Suburb

State

Postcode

Country

Role (for example Managing Director)

If there are more beneficial owners/shareholders, please write their full names, dates of birth, citizenship and residential addresses on a separate page and attach to this Application Form.

#### Identification Documentation Required

Identification documents provided by you or your agent must be certified (see Section 5 of this Application Form for requirements). Non-English documents must be accompanied by an English translation prepared by an accredited translator.

☐

For each individual beneficial owner the identification documentation as set out in Section 1A on page 24 titled 'Identification Documentation Required'.

Please proceed to **Section 2** on page 33 if the application is not on behalf of a Trust/Super Fund. Otherwise, please continue with the relevant sections as described on page 20.

B

# 1. Applicant Details – Trust/Superannuation Fund

Complete this section if you are investing for, or on behalf of, a Trust/Superannuation Fund.

Full trust/superannuation fund name

Full business name of Trustee (if any)

Country in which Trust was established

TFN or Exemption Code

It is not compulsory to provide the trust/fund's TFN, however, without a TFN or exemption information, withholding tax will be deducted from the trust/fund's distributions at the highest marginal rate (plus Medicare Levy).

Tax residence (non-Australian)

## Type of Trust

Please check **ONE** box and provide the specified information

☐ Registered managed investment scheme

Provide ARSN

☐ Unregistered managed investment scheme

☐ Foreign Superannuation Fund

☐ Regulated trust (e.g. self-managed superannuation fund)

Name of regulator (e.g. ASIC, APRA, ATO)

ABN/Registration/licensing details

☐ Government Superannuation Fund

Name of the legislation establishing the Fund

☐ Other trust type

Trust description (e.g. family, unit, charitable, testamentary)

Full name of settlor of the trust

## Beneficiary Details

Please complete only if the Trust falls under the category '**Foreign Superannuation Fund**' or '**Other trust type**'.

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

☐ Yes – please provide details of membership class(es) (e.g. Unitholders, family members of named person, charitable purposes)

☐ No – please provide full names of all company and individual beneficiaries below

Beneficiary 1

Beneficiary 2

Beneficiary 3

Beneficiary 4

If there are more beneficiaries, please write their full names on a separate page and attach to this Application Form.

## Beneficial Ownership

Individual trustee(s) and/or the beneficial owners of any corporate trustee previously provided will be considered to be the beneficial owners of the trust.

## Identification Documentation Required

Identification documents provided must be certified (see Section 5 of this Application Form for requirements). Non-English documents must be accompanied by an English translation prepared by an accredited translator.

The identification documents you must provide depend on the type of Trust and type of Trustee.

### Regulated trusts (Registered Management Investment Fund/Government Superannuation Fund, SMSF)

If you are a regulated trust or foreign Superannuation Fund, please provide one of the following based on the type of Trustee for the Trust:

- ☐ **Individual Trustee – each** Individual Trustee must provide the identification documentation as set out in Section 1A on page 24 titled 'Identification Documentation Required'.
- ☐ **Corporate Trustee** – for each beneficial owner, provide the identification documentation as set out in Section 1A on page 24 titled 'Identification Documentation Required'.

### Unregulated trusts (Foreign Superannuation Fund/Other trust type)

If you are an unregulated trust, provide the following documents from this section

- ☐ A certified copy or certified extract of the Trust Deed. If providing an extract it must show the date the deed was executed, include the execution page and identify the name of the trust, the name(s) of the trustee(s), the name of the settlor and the identity of the beneficiaries.  
(Verification of settlor's name using the trust deed is not required if at the time the trust was established, the settlor's contribution to the trust was less than \$10,000, or if the settlor is deceased. If the settlor falls within this category, an ATO certificate verifying the name of the trust would be sufficient.)

AND one of the following based on the type of Trustee for the Trust:

- ☐ **Individual Trustee – each** Individual Trustee must provide the identification documentation as set out in Section 1A on page 24 titled 'Identification Documentation Required'.
- ☐ **Corporate Trustee** – for each beneficial owner, provide the identification documentation as set out in Section 1A on page 24 titled 'Identification Documentation Required'.

Please proceed to **Section 2** on page 33.

# 1. Applicant Details – Agent of Investors

Complete this section if you are an:

- **investor appointing an agent** to act on your behalf in relation to your investment in the Fund; or
- **agent making an initial investment on behalf of an investor** and acting on their behalf in relation to their investment in the Fund. You will also be required to complete the relevant sections applicable to the investor on whose behalf you are investing.

## Agent appointed by individual and non-individual investors

Agent's full name

Agent's company name (if any)

Licence Number or Authorised Representative Number (if any)

Agent's phone

Agent's facsimile

Agent's email

Agent's postal address (not a PO Box)

Suburb

State

Postcode

Country

If there are two or more agents, you may provide these details on a separate page and attach to this Application Form. Please specify whether these agents can act individually or jointly. If you do not indicate, then two will be required.

## Identification Documentation Required

An Agent appointed by an individual or non-individual investor must provide (please tick):

- ☐ Evidence of the agent's authority to act on behalf of the investor (e.g. signed letter, certified copy of a power of attorney)

AND

- ☐ Identification documentation for the Agent as set out in Section 1A on page 24 titled 'Identification Documentation Required'.

Please proceed to **Section 2** on page 33.

## 2. General Details

### Section 2A – Investor Contact Details

Please provide the details you'd like us to use for all communications to you. Adviser details are not accepted. Joint applicants will be assumed to be joint tenants unless otherwise specified.

Full name

Postal address (c/- if applicable)

Suburb

State

Postcode

Country

Phone (H)

Phone (W)

Mobile

Facsimile

Email

If there are queries about my application form, please contact

☐

Me/Us

☐

My/Our Adviser (details must be included in Section 2F)



## Section 2B – Investment Details

Please note the minimum investment amount is \$500,000 and additional investments are required to be in multiples of \$500,000.

Application amount \$

I/We wish to apply the above amount to Units in the Bennelong Long Short Equity Fund at the prevailing application price.

**How will this investment be made?** (Please mark the box with an X and ensure you make your investment payable to the fund in which you wish to invest.)

☐

**Cheque**

**Please make cheques payable to:**

Bennelong Long Short Equity Fund Application Account

*Please include investor name and address on the back of the cheque.*

*Please note that Bennelong does not accept third party cheques.*

☐

**Direct  
Credit**

**Payments by direct credit transfer to the Custodian's bank account:**

Bank: St. George Bank

BSB no: 332027

Account no: 554437714

Account name: Bennelong Long Short Equity Fund

Deposit reference: Please include investor name

**Please send this form\* to Bennelong Funds Management Ltd care of our Administrator:**

Fax: Apex Fund Services (Sydney) Pty Limited  
02 9475 1417

Post: Apex Fund Services (Sydney) Pty Limited  
Attention: Unit Registry  
PO Box A517  
Sydney South NSW 1235

**\*Please note:** investment instructions received before 4.00 p.m. Melbourne time will be processed as at close of business on a Dealing Day (generally the last Business Day of each calendar month).

## Section 2C – Distribution Election

Please indicate how you wish distributions to be processed. If no election is made, income distributions will be reinvested.

- ☐ Reinvest my distributions
- ☐ Pay my distributions into the bank account detailed below

## Section 2D – Bank Account Details

Please provide us with the bank account details into which you would like withdrawal and distribution payments made. The account must be held in the same name as the account holder supplied in Section 1. The bank account must be domiciled in Australia and denominated in Australian dollars.

Bank/Institution

Address

Suburb

State

Postcode

Country

Account name

BSB Number

Account Number

## Section 2E – Delivery of Communications

We are required to send you various communications about your investment including your monthly Unitholder statements, transaction confirmations and half-yearly and annual statements. Please indicate below how you prefer to receive these communications.

- ☐ Hard Copy  
Postal address supplied on the Application Form will be used.

OR

- ☐ Email  
Please provide current email address. Multiple recipients can be accommodated if required.

Contact name

Email

Contact name

Email

- ☐ Please also send copies to my financial adviser  
You must complete the 'Adviser Details' section on page 36.

In receiving or remaining silent in confirming receipt, you are not bound or consenting to any further materials or obligations and may unsubscribe to such further materials at any time.

### Financial Reports

Half-yearly and Annual Financial Reports for the Funds can be obtained from the Bennelong website ([bennelongfunds.com](http://bennelongfunds.com)), by calling Client Experience on 1800 895 388, or emailing us ([client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)).

**Note:** All information provided is in accordance with the Privacy Act 1988 and its amendments. BFM's Privacy Policy is available on our website ([bennelongfunds.com](http://bennelongfunds.com)) or by contacting Client Experience.

# Section 2F – Adviser Details

Please complete your adviser details (if applicable)

Adviser name

Business name

Address

Suburb

State

Postcode

Country

Phone number

Email address

By signing this section I declare that the attached document(s) are true copies of the document(s) used to satisfy the identity verification requirements and I have complied with my obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the FSC/FPA Industry Guidance Note No. 24 and any other applicable guidelines and laws.

Adviser signature

Adviser number

Dealer group stamp

Date

### 3. Tax Information

Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the US, tax residency can be a result of citizenship or residency.

Please complete the section below that corresponds to your 'investor type' as indicated on page 20 of this Application Form, e.g. individual investor, company, trust/superannuation fund, etc.

#### Section 3A – Applicant Details – Individual/Joint Investors/Sole Trader/Individual Trustee

##### Investor A

Please answer **both** tax residency questions:

Are you a tax resident of Australia?

☐ Yes

☐ No

Are you a tax resident of another Country?

☐ Yes

☐ No

If you are a tax resident of a country other than Australia, please provide your tax identification number (TIN) or equivalent below. If you are a tax resident of more than one other country, please list all relevant countries below.

A TIN is the number assigned by each country for the purposes of administering tax laws. This is the equivalent of a Tax File Number in Australia or a Social Security Number in the US. If a TIN is not provided, please list the reason for not providing a TIN in the boxes below, choosing a reason of the following: A) The country of tax residency does not issue TINs to tax residents; B) The individual has not been issued with a TIN; or C) The country of tax residency does not require the TIN to be disclosed.

Please note that if Australia is your country of residence, it is not required to indicate the TFN in this section.

Country

TIN

Country

TIN

Country

TIN

If there are more countries, provide details on a separate sheet and tick this box. ☐

##### Investor B (if applicable)

Please answer **both** tax residency questions:

Are you a tax resident of Australia?

☐ Yes

☐ No

Are you a tax resident of another Country?

☐ Yes

☐ No

If you are a tax resident of a country other than Australia, please provide your tax identification number (TIN) or equivalent below. If you are a tax resident of more than one other country, please list all relevant countries below.

A TIN is the number assigned by each country for the purposes of administering tax laws. This is the equivalent of a Tax File Number in Australia or a Social Security Number in the US. If a TIN is not provided, please list the reason for not providing a TIN in the boxes below, choosing a reason of the following: A) The country of tax residency does not issue TINs to tax residents; B) The individual has not been issued with a TIN; or C) The country of tax residency does not require the TIN to be disclosed.

Country

TIN

Country

TIN

Country

TIN

If there are more countries, provide details on a separate sheet and tick this box. ☐

Please proceed to **Section 4** on page 42 if you are not investing on behalf of a Trust. If you are investing on behalf of a Trust, please proceed to **Section 3C**.

## Section 3B – Applicant Details – Company/Corporate Trustee

Collection of tax status in accordance with the United States Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).

### 1. Tax Status

Tick one of the Tax Status boxes below (if the company is a Financial Institution, please provide all the requested information below):

- ☐ **A Financial Institution** (a custodial or depository institution, an investment entity or a specified insurance company for FATCA/CRS purposes)

Provide the company's Global Intermediary Identification Number (GIIN), if applicable. If the Company is a Financial Institution but does not have a GIIN, provide its FATCA status

- ☐ **Non-Financial Australian Public Listed Company** (public listed companies that are not Financial Institutions as described above)

- ☐ **Non-Financial Australian Proprietary Company** or an unlisted public company (that are not Financial Institutions as described above)

- ☐ **Australian Public Listed Company, Majority Owned Subsidiary of an Australian Public Listed company or Australian Registered Charity**

If the company type is listed above, please proceed to **Section 4** on page 42 to complete the form.

- ☐ **An Active Non-Financial Entity (NFE)** (active NFEs include entities where, during the previous reporting period, less than 50% of their gross income was passive income (e.g. dividends, interests and royalties) and less than 50% of assets held produced passive income. For other types of Active NFEs, refer to Section VIII in the Annexure of the OECD 'Standard for Automatic Exchange of Financial Account Information' at [www.oecd.org](http://www.oecd.org).)

If the company is an Active NFE, please proceed to **Section 3B.3** (Country of Tax Residency) on page 39.

- ☐ **Other** (Entities that are not previously listed – Passive Non-Financial Entities)

Please proceed to **Section 3B.2** (Foreign Beneficial Owners) below.

### 2. Foreign Beneficial Owners (Individuals)

Are any of the company's Beneficial Owners tax residents of countries other than Australia?

- ☐ Yes  
☐ No

Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the US, tax residency can be a result of citizenship or residency.

If yes, please provide the details of these individuals below and complete a separate Individual Identification Form for each Beneficial Owner (unless already provided in Section 1).

Full given name(s)

Surname

Role (such as Director or Senior Managing Official)

Full given name(s)

Surname

Role (such as Director or Senior Managing Official)

Full given name(s)	Surname	Role (such as Director or Senior Managing Official)

If there are more Beneficial Owners, provide details on a separate sheet and tick this box. ☐

Please proceed to **Section 3B.3** (Country of Tax Residency) below.

### 3. Country of Tax Residency

Is the company a tax resident of a country other than Australia?

☐ Yes

☐ No

If yes, please provide the company's country of tax residence and tax identification number (TIN) or equivalent below. If the company is a tax resident of more than one country, please list all relevant countries below.

If no, please proceed to **Section 4** on page 42 to complete the form.

A TIN is the number assigned by each country for the purposes of administering tax laws. This is the equivalent of a Tax File Number in Australia or a Social Security Number in the US. If a TIN is not provided, please list the reason for not providing a TIN in the boxes below, choosing a reason of the following: A) The country of tax residency does not issue TINs to tax residents; B) The individual has not been issued with a TIN; or C) The country of tax residency does not require the TIN to be disclosed.

Country	TIN
Country	TIN
Country	TIN

If there are more countries, provide details on a separate sheet and tick this box. ☐

Please proceed to **Section 4** on page 42.

## Section 3C – Applicant Details – Regulated Trust/Superannuation Fund

Collection of tax status in accordance with the United States Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).

Tick one of the Tax Status boxes below.

☐ Regulated super funds (Self-Managed Superannuation Funds, APRA regulated super funds, government super funds or pooled superannuation trusts) are not required to complete this section and can proceed to **Section 4** on page 42.

☐ **A Financial Institution** (a custodial or depository institution, an investment entity or a specified insurance company for FATCA/CRS purposes)

Provide the company's Global Intermediary Identification Number (GIIN), if applicable. If the Company is a Financial Institution but does not have a GIIN, provide its FATCA status

Please proceed to **Section 4** on page 42.



## Section 3D – Applicant Details – Unregulated Australian Trusts and Foreign Trusts

Collection of tax status in accordance with the United States Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).

### 1. Tax Status

Tick one of the Tax Status boxes below (if the Trust is a Financial Institution, please provide all the requested information below):

- ☐ **A Financial Institution** (a custodial or depository institution, an investment entity or a specified insurance company for FATCA/CRS purposes)

Provide the company's Global Intermediary Identification Number (GIIN), if applicable. If the Company is a Financial Institution but does not have a GIIN, provide its FATCA status

Please answer the question below for **all** financial institutions.

Is the Financial Institution an Investment Entity located in a Non-Participating CRS Jurisdiction and managed by another Financial Institution?

- ☐ Yes  
☐ No

If yes, proceed to **Section 3D.2** (Foreign Controlling Persons) below. If no, please go to **Section 4** on page 42 to complete the form.

CRS Participating Jurisdictions are on the OECD website at <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction>.

- ☐ **Australian Registered Charity or Deceased Estate**

If the Trust is an Australian Registered Charity or Deceased Estate, please proceed to **Section 4** on page 42 to complete the form.

- ☐ **A Foreign Charity or an Active Non-Financial Entity (NFE)** (active NFEs include entities where, during the previous reporting period, less than 50% of their gross income was passive income (e.g. dividends, interests and royalties) and less than 50% of assets held produced passive income. For other types of Active NFEs, refer to Section VIII in the Annexure of the OECD 'Standard for Automatic Exchange of Financial Account Information' at [www.oecd.org](http://www.oecd.org).)

If the Trust is a Foreign (non-Australian) Charity or an Active NFE, please proceed to **Section 3D.3** (Country of Tax Residency).

- ☐ **Other** (Trusts that are not previously listed – Passive Non-Financial Entities)

Please proceed to **Section 3D.2** (Foreign Controlling Persons).

### 2. Foreign Controlling Persons (Individuals)

Are any of the Trust's Controlling Persons tax residents of countries other than Australia?

- ☐ Yes  
☐ No

If the Trustee is a company, are any of this company's Controlling Persons tax residents of countries other than Australia?

- ☐ Yes  
☐ No

A Controlling Person is any individual who directly or indirectly exercises control over the Trust. For a Trust, this includes all Trustees, Settlers, Protectors or Beneficiaries. For a Trustee company this includes any Beneficial Owners controlling more than 25% of the shares in the company or Senior Managing Officials.

Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the US, tax residency can be a result of citizenship or residency.

If you answered yes to either of the two questions above, please provide the details of these individuals below and complete a separate Individual Identification Form for each Controlling Person (unless already provided as a Beneficial Owner).

Full given name(s)	Surname	Role (such as Trustee or Beneficiary, etc.)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Full given name(s)	Surname	Role (such as Trustee or Beneficiary, etc.)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Full given name(s)	Surname	Role (such as Trustee or Beneficiary, etc.)
<input type="text"/>	<input type="text"/>	<input type="text"/>

If there are more Controlling Persons, provide details on a separate sheet and tick this box. ☐

Please proceed to **Section 3D.3** (Country of Tax Residency).

### 3. Country of Tax Residency

Is the Trust a tax resident of a country other than Australia?

☐ Yes

☐ No

If yes, please provide the Trust's country of tax residence and tax identification number (TIN) or equivalent below. If the Trust is a tax resident of more than one country, please list all relevant countries below.

If no, please proceed to **Section 4** on page 42 to complete the form.

A TIN is the number assigned by each country for the purposes of administering tax laws. This is the equivalent of a Tax File Number in Australia or a Social Security Number in the US. If a TIN is not provided, please list the reason for not providing a TIN in the boxes below, choosing a reason of the following: A) The country of tax residency does not issue TINs to tax residents; B) The individual has not been issued with a TIN; or C) The country of tax residency does not require the TIN to be disclosed.

Country	TIN
<input type="text"/>	<input type="text"/>
Country	TIN
<input type="text"/>	<input type="text"/>
Country	TIN
<input type="text"/>	<input type="text"/>

If there are more countries, provide details on a separate sheet and tick this box. ☐

Please proceed to **Section 4** on page 42.

## 4. Declaration and Signatures

I/We acknowledge and declare that:

1. I/We agree to be bound by the Trust Deed for the Fund (as amended from time to time).
2. I/We have read the IM and understand the conditions of investing in the Fund as set out in the IM.
3. I/We have received and accepted this offer in Australia.
4. All the information provided in this Application Form is true and correct.
5. I am an/We are individual/s over 18 years of age, or a duly registered company, and have the legal power to invest in accordance with this application. If this application is signed under Power of Attorney, the attorney has not received notice of any revocation or limitation of that power. Sole signatories signing on behalf of a company are signing as a sole director and sole secretary of the company.
6. I/We am/are a wholesale client as classified for the purposes of the Corporations Act 2001 as amended, including for future applications unless I/we notify the Trustee otherwise.
7. Bennelong Funds Management Ltd (BFM) can provide information on the status of my/our investment to my/our nominated financial adviser/broker. BFM may also store, disclose and use my personal information in accordance with its Privacy Policy which can be found at [bennelongfunds.com/privacy](http://bennelongfunds.com/privacy).
8. Should I/we fail to provide, or delay in providing, BFM any information or documentation requested of me/us:
  - my/our application for Units may be delayed or refused;
  - any Units I/we hold may be compulsorily redeemed; and
  - any disposal request by me/us may be delayed or refused.BFM will not be liable for any loss arising from any of the above actions.
9. I/We understand the risks associated with an investment in the Fund including those outlined in the IM.
10. BFM reserves the right to reject any application or to allocate to any applicant a lesser number of Units than that applied for.
11. I/We understand that the value of interests in the Fund may rise and fall, from time to time.
12. Investments in the Fund are not deposits with, or other liabilities of, BFM and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither BFM, the Investment Manager nor the Administrator makes any representation as to the performance or success of the Fund or guarantees the performance of the Fund or its underlying investments, the repayment of capital from the Fund or any particular rate of return.
13. The Fund may disclose to any service provider or any regulatory body any information concerning me/us as detailed in the Privacy Policy.
14. By providing personal information in this application form, I/we understand and consent to the possibility that BFM's administrators may transfer this personal information outside of Australia for processing or other purposes as detailed in the Privacy Policy.
15. I/We have read the policy on privacy and personal information contained in the IM and consent to my/our personal information being used and disclosed as set out in the IM.
16. Interest on application monies will be handled as detailed in Section 6 of the Information Memorandum.
17. Withdrawal proceeds, where payable, will only be paid after a request signed by me/us is received and those proceeds will only be paid to my/our nominated bank account. If I/we have not nominated a bank account in this Application Form or wish to change my/our nominated bank account, I/we understand I/we will be required to provide an original signed instruction nominating the new bank account.

### AML/CTF Terms and Conditions

18. Each of BFM, the Investment Manager and Administrator are required to comply with the AML/CTF Laws and I/we undertake to provide them with such additional information or documentation as may be requested of me/us, from time to time, to ensure its compliance with such requirements.
19. By making this application and holding Units in the Fund:
  - I/We will not knowingly do anything to put BFM, the Investment Manager or Administrator in breach of AML/CTF Laws, and agree to promptly notify each of them if I/we am/are aware of anything that would put them in breach of AML/CTF Laws.
  - I/We acknowledge that I/we am/are not aware and have no reason to suspect that:
    - the money used to fund my/our investments in the Fund is derived from or related to money laundering, terrorism financing or similar activities (Illegal Activities); and
    - proceeds of my/our investments in the Fund will fund Illegal Activities.
20. I/We consent to BFM, the Investment Manager or Administrator disclosing, in connection with AML/CTF Laws, any of my/our Personal Information (as defined in the Privacy Act 1988 (Commonwealth) and its amendments) that they may have.
21. I/We acknowledge that in certain circumstances my/our Units may be frozen or blocked where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the monitoring that is required by AML/CTF Laws. If this occurs, neither BFM, the Investment Manager nor the Administrator is liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify them if they are found liable to a third party in connection with the freezing or blocking of my/our Units.

## Tax Information

22. I/We will provide BFM or its nominee any information that BFM reasonably requires in order to enable BFM to meet all of its compliance, reporting and other obligations under the United States of America *Foreign Account Tax Compliance Act* ('FATCA') and *OECD Common Reporting Standards* ('CRS') and all associated rules and regulations from time to time.
23. I/We understand that where I/we have provided BFM or its nominee with information about my status or designation under or for the purposes of FATCA, CRS and all associated rules and regulations, BFM will treat that information as true and correct without any additional validation or confirmation being undertaken by BFM except where it is under a legal obligation to do so.

Signature of Investor 1

Full name

Date

Capacity

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Individual     | <input type="checkbox"/> Partner       | <input type="checkbox"/> Director               |
| <input type="checkbox"/> Joint Investor | <input type="checkbox"/> Trustee       | <input type="checkbox"/> Agent for the Investor |
| <input type="checkbox"/> Sole Trader    | <input type="checkbox"/> Sole Director |   |

Signature of Investor 2

Full name

Date

Capacity

- |   |                                   |   |
|---|-----------------------------------|---|
| <input type="checkbox"/> Joint Investor | <input type="checkbox"/> Trustee  | <input type="checkbox"/> Company Secretary      |
| <input type="checkbox"/> Partner        | <input type="checkbox"/> Director | <input type="checkbox"/> Agent for the Investor |

Company seal (if applicable)

## What's next?

---

Thank you for completing the application form.

**Please send this form\* to Bennelong Funds Management Ltd care of our Administrator:**

Fax: Apex Fund Services (Sydney) Pty Limited  
02 9475 1417

Post: Apex Fund Services (Sydney) Pty Limited  
Attention: Unit Registry  
PO Box A517  
Sydney South NSW 1235

**\*Please note:** investment instructions received before 4.00 p.m. Melbourne time will be processed as at close of business on a Dealing Day (generally the last Business Day of each calendar month).

**Trustee: Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806)**

## 5. Obtaining a Certified Copy of an Original Document

**Certified copy** means a document that has been certified as a true copy of an original document.

**Certified extract** means an extract that has been certified as a true copy of some of the information contained in a complete original document.

People who can certify documents or extracts in Australia are:

- a chiropractor;
- a dentist;
- a medical practitioner;
- a nurse;
- an optometrist;
- a pharmacist;
- a physiotherapist;
- a psychologist;
- a veterinary surgeon;
- a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a judge of a court;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court;
- a Justice of the Peace;
- a notary public (for the purposes of the *Statutory Declarations Regulations 2018*);
- a police officer;
- an agent of the Australian Postal Corporation who is in charge of supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with two or more years continuous service who is employed in an office supplying postal service to the public;
- an Australian Consular Officer or an Australian Diplomatic Officer (within the meaning of the *Consular Fees Act 1955*);
- an officer of a bank, building society, credit union or finance company with two or more continuous years of service;
- a member of the Institute of Chartered Accountants in Australia, Australian Society of Certified Practising Accountants or the National Institute of Accounts;
- a teacher employed on a full time basis at a school or tertiary education institution;
- any other person who, under a law in force in a State or Territory, is currently licensed or registered to practise in an occupation listed in Part 1 of Schedule 2 of the *Statutory Declarations Regulations 2018* or a person outlined in Part 2 of Schedule 2 of the *Statutory Declarations Regulations 2018*.

Please note if documents are being certified outside of Australia, only a subset of these people are permitted to certify documents. Please contact Client Experience on 1800 895 388 or email [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com) for further information.



**Administration Agreement** means the administration agreement between the Trustee and Apex.

**Administrator** means the administrator of the Fund, being Apex Fund Services (Sydney) Pty Limited ABN 32 131 370 931.

**Alpha** means a numerical value indicating an investment manager's risk adjusted excess rate of return relative to a benchmark. Alpha measures an investment manager's 'value-added' in selecting individual securities, independent of the effect of overall market movements.

**Apex** means Apex Fund Services (Sydney) Pty Limited ABN 32 131 370 931.

**ASIC** means the Australian Securities and Investments Commission.

**Bangarra Group** means the parent company of BFMG and its subsidiaries.

**Beta** means a measurement of risk for securities and other investments relative to the market. The market has a Beta of 1 so investments with a Beta of less than 1 are less volatile than the market while an investment with a Beta of more than 1 is more volatile than the market.

**BFM** means Bennelong Funds Management Ltd ABN 39 111 214 085 AFSL No. 296806.

**BFMG** means Bennelong Funds Management Group Pty Ltd ABN 95 144 676 344.

**BLSEM** means Bennelong Long Short Equity Management Pty Ltd ABN 63 118 724 173 AFS Representative No. 000303432.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business generally in New South Wales.

**Calculation Period** means the 12 month period ending on 30 June each year.

**Collateral** means such securities or financial instruments or cash which the Fund delivers or is required to deliver to the Prime Broker for the purpose of meeting any margin requirement in accordance with the Prime Brokerage Agreement, and includes any certificate or other documents of title and transfer in respect of such securities, financial instruments or cash.

**Corporations Act** means the Corporations Act 2001 (Commonwealth) and any amendments.

**Correlated Pairs** means usually two (or sometimes more than two) securities that have a relevant statistical correlation or a 'common sense' relationship. In most instances the pairs will coincide with S&P/ASX GICS.

**Currency** means Australian dollars.

**Custodian** means the custodian of the Fund, being UBS Nominees Pty Ltd ABN 32 001 450 522.

**Customer Documents** means the prime brokerage customer documents (the 'Customer Documents') entered into between BFM, the Prime Broker and the Custodian.

**Deadline** means 4:00 p.m. Melbourne time on each Dealing Day that the Trustee has determined to value the Fund.

**Dealing Day** means the last Business Day of each calendar month unless the Trustee determines otherwise.

**Derivatives** means an investment, such as an option or futures contract whose value depends on the performance of an underlying asset.

**Equalisation Credit** is described in section 7 on page 17.

**Fund** means the Bennelong Long Short Equity Fund, an Australian unregistered unit trust established under the laws of Victoria, Australia.

**Gearing** means the result of dividing the aggregate absolute mark-to-market value of all trading positions constituting assets (whether long or short and regardless of whether they are pairs trades) by the Net Asset Value.

**Gross Asset Value** means the aggregate gross value of all assets in the Fund.

**GST** means Goods and Services Tax and has the same meaning as contained in A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth).

**IM** means Information Memorandum.

**Indemnified Party** means the Administrator's affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates and sub-delegates under the Administration Agreement.

**Investment Management Agreement** means the investment management agreement between BLSEM and BFM.

**Investment Manager** means the investment manager of the Fund, being BLSEM.

**Leverage/Gearing** means borrowing funds either in cash or shares (scrip) or through the use of financial instruments on margin to increase the amount of capital available for investment. Leverage/Gearing can effectively increase the potential for higher returns, but can also increase the risk for greater losses.

**Liquidity** means the ability of an investment to be easily and quickly converted into cash with little loss of capital.

**Management Fee** means the management fees payable in respect of the Fund as set out in section 7.

**Margin Call** means a call from a clearing house to a clearing member, or from a brokerage firm to a customer, to bring margin deposits up to a required minimum level.

**Net Asset Value** at any time means the Gross Asset Value less the liabilities and provisions reasonably determined by the Trustee at that time.

**Net Asset Value Per Unit** at any time means the amount calculated by dividing the Net Asset Value of the Fund less accrued Performance Fees by the number of Units on issue in the Fund.

**Offer** means the offer to subscribe for Units under this IM.

**Performance Fee** means the performance fee for the Fund as set out in section 7.

**Portfolio** means a collection of investment holdings. Gross Portfolio means the exposures relating to the collection of all holdings. Net Portfolio refers to the exposures relating to the excess of assets over liabilities

**Prime Broker** means UBS AG.

**Prime Brokerage Agreement** means the agreement between the Trustee and the Prime Broker.

**RITC** means Reduced Input Tax Credits.

**Short Position** means borrowing an asset (stock) and then immediately selling it in the expectation that the value of the asset (stock) will depreciate. The short position is covered by buying back the asset, theoretically at a lower price thereby locking in a profit. The borrowed asset (stock) is then returned.

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

**Trustee** means Bennelong Funds Management Ltd ABN 39 111 214 085.

**UBS AG** means UBS AG, Australia branch ABN 47 088 129 613 AFSL No. 231087.

**UBS Group** means the group of companies including UBS AG and UBS Nominees.

**UBS Nominees** means UBS Nominees Pty Ltd ABN 32 001 450 522 AFSL No. 231088.

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

**Unitholder** means the holder of a Unit in the Fund.

**Valuation Time** means any time the Net Asset Value is determined.

**Volatility** means the extent of fluctuation such as share prices, exchange rates and interest rates. The greater the volatility, the less certain an investor is of return, and hence volatility is one measure of risk.

**Wholesale Client** means a wholesale client within the meaning of section 761G and section 761GA of the Corporations Act.

## **Client Services**

### **Bennelong Funds Management Ltd**

Bennelong House  
Level 1, 9 Queen Street  
Melbourne Vic 3000  
Telephone: 1800 895 388  
Email: [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)

## **Trustee**

### **Bennelong Funds Management Ltd ABN 39 111 214 085**

AFS Licence Number 296806  
Bennelong House  
Level 1, 9 Queen Street  
Melbourne Vic 3000  
Telephone: +61 3 8611 6513

## **Investment Manager**

### **Bennelong Long Short Equity Management Pty Ltd ACN 118 724 173**

Bennelong House  
Level 1, 9 Queen Street  
Melbourne Vic 3000

## **Prime Broker**

### **UBS AG, Australia Branch ABN 47 088 129 613**

Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

## **Custodian**

### **UBS Nominees Pty Ltd ABN 32 001 450 522**

Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

## **Administrator**

### **Apex Fund Services (Sydney) Pty Limited ABN 32 131 370 931**

Level 18, 201 Elizabeth Street  
Sydney NSW 2000

