



MaxAlpha

Max Alpha Opportunities Fund

Information Memorandum

24 October 2022

Max Alpha Asset Management Pty Ltd
ACN 143 550 538
AFSL 362 215

Max Alpha Fund Management Pty Ltd
ACN 640 045 405
Authorized Representative Number: 001286191

Important Information

Issuer

This Information Memorandum dated 24 October 2022 has been prepared and issued by Max Alpha Asset Management Pty Ltd (ACN 143 550 538) the holder of Australian Financial Services Licence number 362 215 (the **Trustee**) to provide background information for persons considering applying for interests in the Max Alpha Opportunities Fund (the **Fund**). The Trustee has appointed Max Alpha Fund Management Pty Ltd ACN 640 045 405 (the **Manager** or **Max Alpha**) an authorised representative (number 001286191) of the Trustee to provide investment management services in respect of the Fund.

Terms of receipt of this document

This Information Memorandum is supplied personally to the recipient on the conditions set out below. The recipient's acceptance of these conditions is evidenced by its retention of this document. If these conditions are not acceptable, the recipient must return the Information Memorandum immediately.

This Information Memorandum is for distribution only to Wholesale Clients as defined in section 761G and Sophisticated Investors as defined in section 761GA of the Corporations Act. It is not intended for, and should not be distributed to, any other person and it must not be distributed to any person who is a retail client for the purpose of the Corporations Act.

Not an offer of securities

The provision of this Information Memorandum to any person does not constitute, and may not be used for the purposes of, an offer of securities or interests of any kind to that person or an invitation to any person to apply for the issue of securities or interests of any kind. Any such offer or invitation will only be extended to a person if the person has first satisfied the Manager that such person is a Wholesale Investor (as defined in the Glossary) (or equivalent under applicable foreign laws) and would not contravene any applicable law.

Confidentiality and distribution of this document

This Information Memorandum and any other information provided in connection with this Information Memorandum are confidential to the Fund. It is

provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Manager's prior written consent.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Information Memorandum must seek advice on, and comply with, any such restrictions.

Any person who receives a copy of this Information Memorandum in circumstances where receipt of this Information Memorandum is unlawful or unauthorised or requires the Manager to take any additional steps, including registration, must not accept the copy of the Information Memorandum and must immediately return it to the Manager. Any failure to comply with restrictions on receipt or distribution of this Information Memorandum may constitute a violation of applicable securities law.

Independent advice required

In preparing this Information Memorandum, the Manager has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in, top up or redeem from the Fund, prospective investors and Investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum.

Important Information

Information given in this document or otherwise

The Manager, the Trustee and each of their respective affiliates, related bodies corporate, officers, employees, advisers, agents or associates (**Relevant Persons**) do not exclude any condition, warranty or right, the exclusion of which would contravene the Australian Competition and Consumer Act 2010 (Cth) or any other applicable law. Subject to the foregoing, the Relevant Persons:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information);
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information);
- do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information).

Past performance of the Relevant Persons is not necessarily indicative of future results. In addition, certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Fund, any prior fund or any portfolio company, represent the Manager's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Fund, any prior fund or any portfolio company will be achieved.

Certain of the information contained in this Information Memorandum has been obtained from published sources prepared by other parties and no responsibility

is assumed for the accuracy or completeness of such information. In addition, all industry and market data has been sourced from research of the Manager, unless otherwise indicated.

Risk

An investment in the Fund should be regarded as speculative and will involve significant risks, due to the nature of the investments the Fund intends to make.

The Fund is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows. Investors should have the financial ability and willingness to accept the risks and lack of liquidity which are characteristic of the investments described in this Information Memorandum, for the entire term of the Fund.

In particular, the attention of prospective investors is drawn to the risk factors set out in section 6 of this Information Memorandum and the risk factors specific to a Class set out in the Class Terms.

Constituent documents

This Information Memorandum contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the constituent documents for the Fund, including the Trust Deed for the Fund and each Application Form, which contain the details of the rights and obligations of investors in the Fund. To the extent there is any inconsistency between this Information Memorandum and the constituent documents for the Fund, the latter prevail.

Supplementary information

The Manager may in its absolute discretion update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

Currency

All dollar amounts in this Information Memorandum are quoted in Australian dollars, unless otherwise stated.

Glossary

Certain expressions used in this Information Memorandum have defined meanings which are explained in section 10 (**Glossary**).

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Section 1. Key Features of the Max Alpha Opportunities Fund

The Manager has established the Fund to create a platform which gives investors the opportunity to gain exposure to multiple investment strategies by subscribing for one or more classes of interests in the Fund. The investment products offered by the Manager under this Information Memorandum aim to cater for the various risk and return profiles of investors by offering the flexibility to gain exposure to multiple investment opportunities whilst retaining the convenience of investing via a single Fund.

In deploying and managing the assets of each Class in the Fund, the Manager will implement both a “top-down” and “bottom-up” approach to analysing and managing investment opportunities which involves:

- in depth analysis of industry trends, market conditions and macro-economic variables; and
- robust due diligence processes for identifying, screening and selecting what the Manager considers to be unique investment opportunities,

which aims to balance risk, return and portfolio liquidity.

Key Terms

Below is a summary and description of certain general key features of the Fund.

The Class Terms at the term sheet (if attached) contain a summary and description of key terms specific to the relevant Class offered for subscription under this Information Memorandum. Any information provided in this Information Memorandum and in any other document or communication is subject to the terms of the Constituent Documents which will prevail to the extent of any inconsistency.

Fund	<p>The Fund will be an Australian domiciled unregistered unit trust. The Trustee may elect to have the Fund qualify as a MIT/AMIT.</p> <p>The Trustee may from time to time create and issue one or more different Classes:</p> <ul style="list-style-type: none"> ▪ with interests and rights differing from each other Class; ▪ where investments of a Class will form a different pool of Fund property (Class Pool); and ▪ where Investors of a Class only have a beneficial interest in the Class Pool to which their Units relate.
Trustee	Max Alpha Asset Management Pty Ltd (ACN 143 550 538; AFS Licence number 362 215).
Manager	Max Alpha Fund Management Pty Ltd (ACN 640 045 405) who will manage the day-to-day investments of the Fund. The Manager is an authorised representative (number 001286191) of Max Alpha Asset Management Pty Ltd (ACN 143 550 538), the holder of AFS Licence number 362 215.
Investors	<p>The Fund is only open to investors who are wholesale clients (as defined in the <i>Corporations Act 2001</i> (Cth)).</p> <p>Each Investor will need to complete and sign a Application Form. The Manager may accept or reject any application form in whole or in part in its sole discretion.</p>
Minimum investment	As set out in the Class Terms.
Investment Objective and Strategy	The investment objective and strategy referable to the relevant Class is set out in the Class Terms.

Management Fees and Performance Fees	As set out in the Class Terms.
Applications and Redemptions	As set out in the Class Terms.
Term	Open-ended. The Manager may determine a different term applicable to different Classes at its discretion and as set out in the Class Terms.
Risk Factors	A summary of the specific risk factors referable to a Class are set out in the Class Terms. General risks of investing in the Fund are outlined in Section 6 of this IM.
Establishment Costs	The Manager will be entitled to be reimbursed for all costs properly incurred in the establishment of the Fund.
Reimbursement of Expenses	The Trustee and Manager (or their appointees, to the extent permitted under the constituent documents) are entitled to be reimbursed out of the assets of the Fund for all out-of-pocket expenses properly incurred in connection with the management of the affairs of the Fund.
Investment Committee	All proposed investments must receive unanimous approval of the Investment Committee.
Consequences of Default	If an Investor fails to pay a capital contribution when required, the rights and entitlements attaching to the interests of that Investor will be suspended and may be forfeited or compulsorily sold by the Manager. The Investor remains liable for its unpaid capital commitment, the costs and expenses of the forfeiture, including the sale of the interest, and any unpaid calls. Any proceeds recovered from a sale by the Manager, net of unpaid capital calls, losses arising from a failure to pay a call and any costs and expenses associated with the failure to pay a call, will be returned to the Investor.
Removal of Trustee and Manager	The Manager and Trustee may be removed by Investors holding 75% of the capital commitments for cause (including insolvency, material breach of the trust deed of the Fund or loss of Australian Financial Services Licence or appropriate authorisation).
Compulsory Withdrawals	<p>Investors' interests may be forfeited such as where:</p> <ul style="list-style-type: none"> ▪ interests are held in breach of prohibitions contained in the trust deed of the Fund; ▪ interests are held in circumstances which might result in a violation of an applicable law (including by the Fund, Trustee or Manager), or subject the Fund or Manager to taxation or otherwise adversely affect them in any material respect; ▪ the Investor made a misrepresentation in acquiring its interests; or ▪ the Investor fails to pay a call amount within the time specified in the trust deed of the Fund. <p>The Trustee may charge an Investor any legal, accounting, administrative or other amounts associated with a compulsory withdrawal.</p>
Reporting	<p>The Manager will provide the reports in respect of a Class set out in the Class Terms for that Class (if any).</p> <p>Within 90 days after the end of each financial year, the Manager must provide Investor with all final accounts for the Fund and the relevant Class.</p>

Section 2. About Max Alpha

The Trustee has engaged Max Alpha Fund Management Pty Ltd (ACN 640 045 405), an authorised representative (authorised representative number 001286191) of the Trustee, to provide investment management services in respect of the Fund in accordance with the terms of the Management Deed set out in section 4.2.

Max Alpha aims to create an asset allocation, optimization, and management platform for investors with different risk and return appetites and through the Fund offer investors access to multi-asset class investment opportunities.

In respect of the investment management services it provides to the Fund, Max Alpha aims to implement a combination of “top-down” and “bottom up” approaches to analysing and managing investments of a Class involving in-depth market condition and industry trend analysis and robust due diligence processes for screening and selecting investment opportunities, with the objective of achieving a balance of risk, return and liquidity.

Max Alpha will utilise the skills and expertise of its dedicated investment professionals led by its core investment team.

All investment decisions require unanimous approval of the Investment Committee.

Section 3. Investment Strategy and Approach

The Fund aims to provide investors with compelling risk-adjusted returns by giving investors the opportunity to gain exposure to multiple investment strategies by subscribing for one or more Classes. A new Class may be established from time to time to give investors the ability to gain exposure to one or more asset classes which the manager believes fits the investment objectives of the Fund including:

- fixed income assets;
- mortgage-backed securities;
- venture capital;
- equities; and
- other opportunities.

Further information relating to the investment objective and strategy referable to the relevant Class available for subscription is set out in term sheet (if attached).

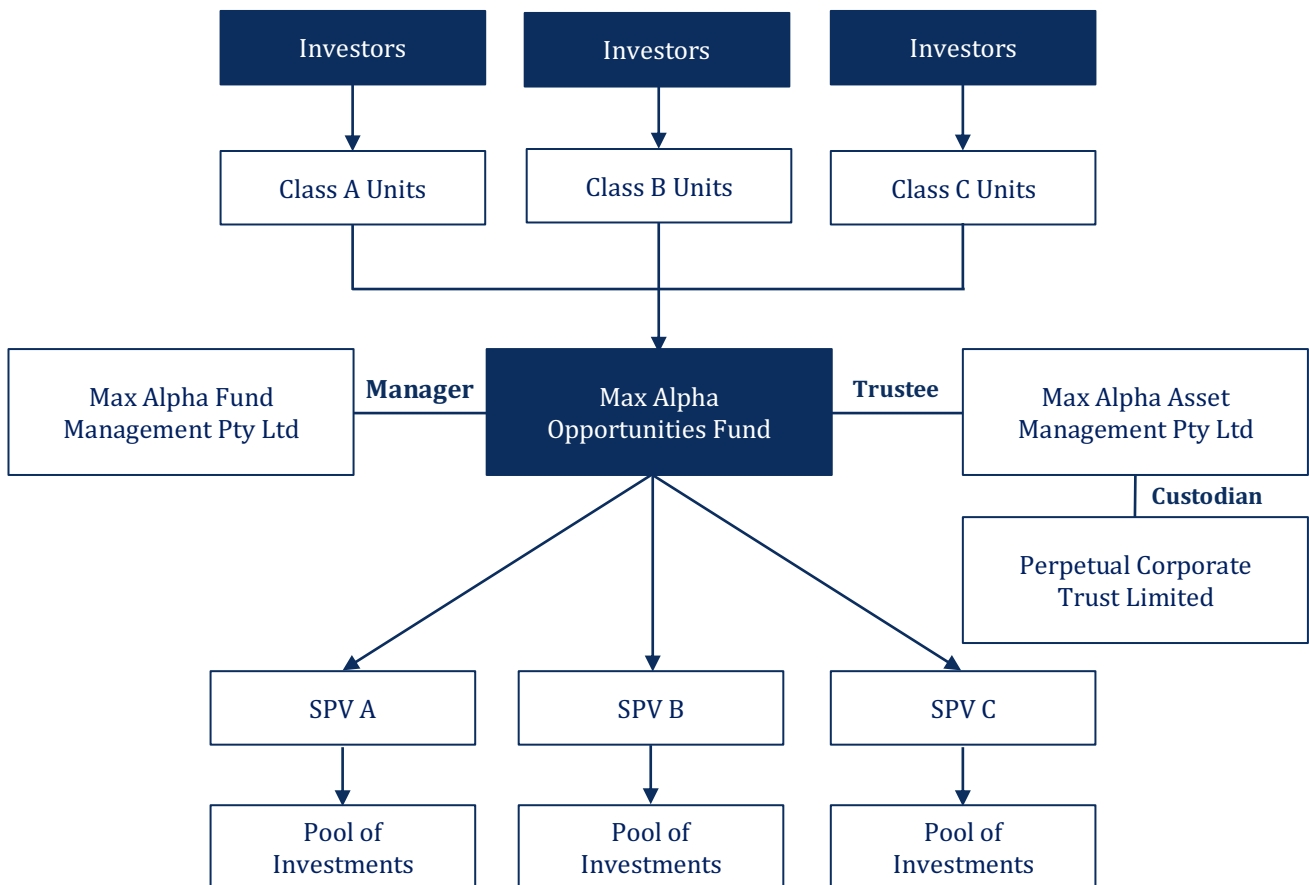
Section 4. Structure of the Fund

The Fund will be structured as an open-ended Australian domiciled unregistered multi-class unit trust. The Fund is to be known as the ‘Max Alpha Opportunities Fund’.

From time to time the Fund intends to issue a different class of Units (**Class**) with interests and rights differing from each other Class. Each Class may be exposed to different investment strategies, liquidity and maturity profiles either via investing directly in the relevant asset class or indirectly via special purpose vehicle sub-trusts or companies.

The investments of each Class will form a different pool of Fund assets. For the avoidance of doubt, no Class will constitute a separate trust and each Unit represents an undivided beneficial interest in the property of the Fund as a whole as set out in the Trust Deed.

Investors gain exposure to the investment strategies of each Class by subscribing for Units in the Class referable to the relevant investment strategy. Further details of the underlying structures and investment strategies referable to a Class are set out in the Class Terms forming attachment to this Information Memorandum.



4.1 Trustee

The trustee of the Fund is Max Alpha Asset Management Pty Ltd (ACN 143 550 538) the holder of AFS Licence number 362 215 (**Trustee**).

The management and operation of the Fund is the responsibility of the Trustee in accordance with its obligations at law and under the Trust Deed. These responsibilities include:

- the management of Fund assets;
- asset valuation; and

- managing and administering the issue, transfer and redemption of Units.

The Trustee may delegate certain responsibilities under the Trust Deed, including by appointing service providers to perform aspects of its role including fund administration, custody and investment management.

4.2 Manager

The Trustee has engaged Max Alpha Fund Management Pty Ltd (ACN 640 045 405), an authorised representative (representative number 001286191) of the Trustee to provide investment management services to the Fund in accordance with the terms of the Management Deed. The duties of the Manager under the Management Deed include:

- invest and manage assets of the Fund or a Class consistent with the investment strategy and objectives of the Fund or a Class;
- advise as to divestment opportunities and other appropriate actions by the Fund with respect to an investment; and
- procure the valuation of investments; and
- direct the Trustee regarding all matters relating to an investment.

4.3 Custodian

The Trustee has engaged Perpetual Corporate Trust Limited (ACN 000 341 533; AFS Licence number 392 673) as custodian of the Fund to hold Fund assets in accordance with the Custody Agreement.

The Custodian's role is limited to holding assets of the Fund and it has no supervisory role in relation to the Fund and is not responsible for protecting the interests of Investors. The Custodian has no liability or responsibility to an Investor for any act done or omission made in accordance with the Custody Agreement.

The Custodian was not involved in preparing, nor takes any responsibility for this document and makes no guarantee of the success of the Fund nor the repayment of any capital or any particular rate of capital or income return.

4.4 Fund Administrator

The Trustee has engaged Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702) as the administrator of the Fund. Under the Fund Administration Agreement, the Fund Administrator will provide fund accounting, unit pricing and financial reporting services to the Fund.

Section 5. Applications and Redemptions

5.1 Applications

An offer to invest in the Fund or a Class is only made to Wholesale Clients (as defined in section 761G of the Corporations Act).

Applications for Units are irrevocable and may be accepted or rejected (in whole or in part) at the discretion of the Trustee without providing reason and may close a Class or the Fund to further investment where it believes the relevant Class or the Fund has reached capacity. An application may not be withdrawn without the consent of the Trustee.

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

Subscription

To invest in the Fund, the Investor must complete the Fund's Application Form which is available on request from the Manager by calling 1300 707 758 or emailing funds@maxalpha.com.au. The completed application form, together with the application monies and supporting documentation, must be received by the Manager in the manner set out in the Application Form prior to 5:00pm (Sydney time) five Business Days before the end of a month, unless otherwise agreed by the Manager in its absolute discretion or set out in the Class Terms. Applications received after the cut-off time will generally be processed the following month. The Manager may from time to time allow additional times for accepting applications.

Minimum investments

The Manager may set investment minimums and minimum holdings in respect of the Fund or each Class as set out in the Class Terms for that Class. The Manager may in its absolute discretion waive or vary these minimum requirements.

Issue price

The issue price of Units will be the Net Unit Value as at the last Business Day of the relevant month plus any Transaction Costs.

5.2 Redemptions

The Trustee may offer Investors in a Class the ability to apply to have their Units redeemed on the terms set out in the Class Terms. Where a redemption facility in relation to a Class is offered by the Trustee, it will be subject to the Fund having sufficient available cash in respect of the Class to satisfy the redemption request, law and the Trustee believing the redemption is in the best interests of Investors as a whole.

The Trustee may accept or reject a redemption request in its absolute discretion.

Investors may make a request to redeem their Units by giving written notice to the Manager. Redemption requests must be received by the Manager prior to 5pm (Sydney time) 60 days (or such lesser period as the Manager may determine) before the last Business Day of each calendar quarter (or such other date determined by the Manager) (**Redemption Date**). The Manager may from time to time allow additional times for accepting redemptions.

Minimum redemption amount

The Trustee may determine a minimum redemption amount which applies to a Class as set out in the Class Terms. Redemption requests may be refused or an Investor's Units may be redeemed in their entirety if the processing of a redemption request would result in the Investor holding less than the minimum unitholding applicable to that Class.

Redemption price

The redemption price at which Units in a particular Class may be redeemed is the Net Unit Value less Transaction Costs, of the Unit as at the date the Unit is redeemed.

Restrictions on redemptions

The Trustee may in its discretion determine to apply a lock-up period in respect of a Class prior to the issue of that Class and as disclosed to Investors in the Class Terms. In absence of such determination, no lock-up will apply. During the lock-up period, Units are unable to be redeemed unless otherwise determined by the Trustee. Please see the Class Terms for further details.

Investors may not transfer their Units without the prior consent of the Trustee (which may be withheld in its absolute discretion) and satisfying the conditions under the Trust Deed.

The Trustee may at any time suspend the redemption or issue of Units for up to 120 days if:

- it is impracticable or not possible for the Trustee to calculate the Net Trust Value, for example because of closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs, or on declaration of a moratorium in a country where the Trust invests (or the Trust has exposure to through any derivative in which the Trust invests) or under the Corporations Act;
- the Trustee reasonably estimates that it must sell 2.5% or more (by value) of all Fund property to meet current unmet redemption requests;
- there have been or the Trustee anticipates that there will be, redemption requests that involve realising a significant amount of the Fund property and the Trustee considers that if those redemption requests are all met immediately, Investors who continue to hold Units may bear a disproportionate burden of tax or other amounts,
- the Trustee determines that meeting those redemption requests would be to the existing Investors' disadvantage including a material diminution in the value of the Fund property;
- the Trustee reasonably considers that it is in the interests of Investors; or
- it is otherwise legally permitted.

Section 6. Risk factors

An investment in the Fund entails a high degree of risk and is suitable only for sophisticated investors who understand fully and are capable of assessing the risks of a Fund of this nature.

Prospective investors should consider carefully the following factors (amongst others) in making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund and are general in nature only. For risks specific to a Class, please see the Class Terms attached at Term Sheet (as applicable). Prospective investors must read the entire Information Memorandum including all attachments and must consult their own professional advisors, before deciding to invest in the Fund.

6.1 Past performance

The performance of previous funds in which the Manager or its principals have been involved cannot be relied upon in assessing the merits of the Fund.

6.2 Reliance on the Manager and its investment team

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund. They must rely on the ability of the Manager in identifying, structuring, developing and realising potential investments consistent with the Fund's investment objectives and policies.

While it is the intention for the Manager to create and maintain a stable investment team, certain members could leave or become incapacitated which may result in a loss of capital for investors.

6.3 Liquidity

Investing in the Fund requires a long-term commitment from Investors, with no certainty of any investment return, nor the return of capital invested. Some of the Fund's investments will be highly illiquid. Consequently, realisation of those investments may require a lengthy time period. There is a risk that market conditions might change before realisation of those investments can take place.

There are also restrictions on transfer of interests in the Fund, which makes an investment in the Fund illiquid. There is a risk that Investors will not be able to exit the Fund at the time of their choosing.

6.4 Inability to source investment opportunities

The success of the Fund will depend on the identification and availability of suitable investment opportunities. There is a risk that there may be a lack of suitable investment opportunities for the Fund to invest in, given the Fund's investment philosophy and strategy. This risk is affected by a number of factors including the size of the Fund and the availability of opportunities for investment, within the Fund's intended investment markets.

6.5 Derivatives

The Fund or a Class may have exposure to have direct or indirect exposure to assets denominated in foreign currencies. The value of these investments may be subject to currency fluctuations between the Australian dollar and the currency in which the investment is denominated, which may cause the value of the Fund or a Class to fall.

The Manager will evaluate the foreign exchange exposure of the Fund and may undertake hedging transactions that aim to minimise the impact of any substantial movements in exchange rates on the value of the Fund or a Class' assets. However, there is no assurance that the hedging strategy will be successful or that currency risks will be mitigated. It may not be possible or practicable to hedge successfully against currency exposure in all circumstances. The cost of hedging is an expense that is borne by the Fund or the relevant Class.

6.6 Due diligence

Some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Fund associated with those investments.

6.7 Investee failure

One or several investees in the Fund could suffer financial hardship and/or fail. This may lead to a loss of capital for Investors.

6.8 Investment values rise and fall

Interests in the Fund are valued according to the market value of the underlying assets to which they correspond. The value of these assets will rise and fall over time. Ultimately though an Investor's return from the Fund will be determined by distributions from the Fund's investments. For Investors, the return on investment will depend on the success of the Fund's investments, and there can be no assurances that they will generate target returns. Neither the Manager nor any other entity guarantees any particular rate of return being earned by the Fund or the return of capital.

6.9 Variable distributions

The payment of distributions by the Fund is contingent on the income it receives from investments. No guarantee can be given concerning the future earnings of the Fund, the earnings or capital appreciation of the Fund's portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Fund's return being inadequate to pay distributions to unitholders.

6.10 Economic and political risk

In the course of investing, the Fund will be exposed to the direct and indirect consequences of political, economic or social changes in the investment region that could affect adversely its investments. The investments could be affected adversely by changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or interest rate movements. While the Manager intends to manage or delegate management of the Fund's assets in a manner that will minimise its exposure to such risks, there can be no assurance that adverse political or economic changes will not cause the Fund to suffer losses.

6.11 Credit cycle risk

Credit cycles expand and contract in line with macroeconomic variables and are influenced by fiscal and monetary policy. The serviceability and liquidity of debt can deteriorate during contractions and cause a decrease in the value of debt investments to which the Fund is exposed.

6.12 Legal, tax and regulatory risks

Legal, tax and regulatory changes in the Australian investment environment or otherwise, may occur during the term of the Fund which could have an adverse effect on the Fund. The Fund may not be in a position to take legal or management control of its investments. The Fund may have limited legal recourse in the event of a dispute, the costs of which may be borne by the Fund, and remedies may have to be pursued in the courts.

6.13 Country and currency

Certain investments of the Fund may be in countries outside of Australia. Foreign investments are subject to additional risks not involved in domestic investments. The value of foreign investments made by the Fund could be materially affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, changes in government policies, more volatile and less liquid capital markets, different business environments, natural disasters, armed conflicts, political or social instability and other developments affecting such countries.

Final returns calculated in Australian dollars will be impacted by currency fluctuations where the Fund invests in businesses with company revenues and costs denominated in currencies other than Australian dollars.

6.14 Liability

The Constituent Documents contain provisions that are designed expressly to limit the liability of Investors, in their capacity as investors in the Fund, to the amount of their respective capital commitments. There can be no absolute assurance that the liability of Investors will be limited as intended by those provisions as the ultimate liability of Investors rests with the courts. Each Investor must satisfy itself as to the risks of the limitation and to its liability as an Investor in the Fund.

6.15 Indemnity

The Fund will provide an indemnity to the Indemnified Persons in respect of any claims, losses, liabilities, costs or expenses incurred in connection with the Fund (to the extent that it is not the result of negligence, wilful misconduct or fraud by the Indemnified Person), which may result in a loss of capital for investors.

6.16 Implication of failing to meet calls of the Fund

Pursuant to the Constituent Documents of the Fund, a failure of any Investor in meeting calls by the Manager can result in a forfeiture of that Investor's interest in the Fund and therefore a loss of any paid up capital from that Investor.

6.17 Investor change of status

The Manager has certain rights to require an Investor to dispose of its interests in the Fund if continuing participation by the Investor in the Fund becomes unlawful.

6.18 Leverage

The Fund or Class may use or be exposed to leverage to increase investment exposure or invest in financial products such as swaps which provide the net effect of leverage. Investment losses may be magnified by the use of leverage, resulting in greater losses to investors of the Fund or the relevant Class. The Fund or a Class may also be exposed to borrowing costs which may reduce returns. Margin calls by lenders may result in losses through the forced sale of investments.

6.19 Multi class risk

Risks may arise due to the Fund being managed on the basis that each Class corresponds to a different pool of Fund property separate to other pools of property in the Fund. Due to the open-ended nature of the Fund, it is possible that not all the general risks applicable to the Fund and specific risks referable to a Class are identifiable at the date of this Information Memorandum. Additionally, where there are multiple Classes in the Fund, creditors of a Class may seek to claim reimbursement from the assets of other Classes in the case of a shortfall of assets in the Class against which they are claiming.

Section 7. Conflicts of interest

The Manager may have interests conflicting with the Fund arising in the ordinary course of its business. The Manager has documented procedures for the identification, clearance and management of any conflicts of interest.

The information set out below identifies some areas where potential conflicts may arise:

7.1 Co-investment by the Fund

The Fund may participate as a co-investor in transactions that otherwise meet the investment criteria but require funding greater than the prudential limits set for the Fund. Such co-investments may involve other clients and may occur on terms which are different to the Fund. In addition, the Manager may give advice and take action in the performance of its duties to co-investors which differs from advice given and action taken in relation to the Fund.

7.2 Co-investment by Investors

The Manager may, but will be under no obligation to, provide an Investor with the opportunity to co-invest in any investment considered by the Fund. The Manager may offer all or part of such co-investment to a party who is not an Investor. Key individuals or management teams that have been instrumental in securing and supporting a transaction may also have a co-investment right. The Manager will not be required to account to the relevant Fund for any co-investment fees earned by it or any associate.

7.3 Manager investment

The Manager may separately invest in transactions where:

- (a) the investment is outside the investment objectives of the Fund;
- (b) the investment is a strategic investment of the Manager's business; or
- (c) the investment is related to an existing investment of the Manager or an investment currently managed by the Manager.

7.4 Other clients of the Manager

The Manager or Trustee may act as the trustee, responsible entity, manager or general partner for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Investors.

Other clients may co-invest with the Fund, on terms which may be different to those offered to the Fund having regard to the various matters including the size and nature of the investment and differing investment objectives and strategies.

The Manager may give advice and take action in the performance of its duties for other clients which differ from advice given and action taken in relation to the Fund or its assets.

Section 8. Taxation

8.1 Introduction

The information contained in the following summary is intended to be of a general nature only. It does not constitute tax advice and cannot be relied on as such.

8.2 Investors should seek own professional tax advice

All potential resident and non-Australian resident investors in the Fund should seek their own personal advice specific to their own circumstances but the following general comments are provided to give some overview of the tax treatment of managed investment trusts.

Investors may be either an Australian resident or non-Australian resident for tax purposes depending on a number of factors including the amount of time resided in Australia during a financial year. The standards the Australian Tax Office (**ATO**) uses to determine tax residency are not the same as those used by the Department of Immigration and Border Protection. All Investors should seek independent professional advice on the tax consequences of their subscription for Units based on their particular circumstances.

The Fund comprises an unregistered Australian unit trust which intends to qualify as a managed investment trust (**MIT**) under Division 275 of the Income Tax Assessment Act 1997 (Cth) (**ITAA97**).

The Trustee will use all endeavours to ensure that the Fund qualifies as a MIT.

We have set out below the general tax implications arising for the Fund.

8.3 Taxation of the Fund

The proposed unregistered trust expected to be a unit trust which is an Australian tax resident. The Fund will have an Australian tax resident corporate trustee appointed.

Where the Fund is not a public trading trust and the beneficiaries of the trust are presently entitled to all of the income of the trust in a given income year, the Fund will be treated as a "flow through entity" for Australian income tax purposes. Accordingly, the taxable income of the Fund will be taxed at the hands of the Investors and not taxed at the Fund level.

MIT election

Where the Fund qualifies as a MIT, the Trustee is expected to make a capital account election. The effect of the election is that any gains and losses on disposal of certain assets (including shares in a company) by the Fund will be subject to the CGT provisions. Accordingly, where a deemed capital account election has been made, any capital gains distributed by the Fund to an Investor will be taxed under CGT provisions when determining the taxable income of the Investor.

8.4 Taxation of Australian tax resident Investors

Income

An Australian resident Investor will include their share of the taxable income of the Fund referable to the relevant Class in which the Investor has been presently entitled in a given income year in their calculation of the taxable income. The income distributed by the Fund should retain its character when received by the Investors.

Capital gains

An Investor may be entitled to the CGT discount (i.e.: 50% for individuals and 33.33% for superannuation funds) for capital gains made on the disposal of an investment held by the MIT for more than 12 months.

8.5 Taxation of foreign tax resident Investors

Interest income

Distributions of interest income to foreign resident Investors should be subject to the Australian interest withholding tax at a rate of 10%, subject to any tax treaty relief available under the relevant tax treaty.

Dividend

Distributions of unfranked dividends to foreign resident Investors should be subject to the Australian dividend withholding tax at a rate of 30%, subject to any tax treaty relief available under the relevant tax treaty. Fully franked dividends distributed to foreign resident unitholders should not be subject to Australian dividend withholding tax.

Fund Payments

Where the Fund qualifies as a withholding MIT, the Trustee will, with respect to distributions of fund payments (income other than dividends and interest income) to foreign resident Investors, be required to withhold an amount. The relevant rate will depend on the residence of the Investor. In summary:

- a) if the Unitholder is resident in a country with which Australia has an information exchange agreement, 15%; and
- b) otherwise 30%.

In circumstances where the MIT is not a withholding MIT, then the Trustee will be taxed in the place of the non-resident Investors on Australian sourced income and capital gains. The Investor will generally be entitled to a credit against their tax liability for the tax paid by the Trustee, when filing an Australian income tax return.

8.6 Other Taxes that may be imposed on the Fund Entities

It should be noted the Fund may also be subject to ancillary transaction taxes such as goods and services tax (**GST**) and stamp duty incurred when making its investments.

8.7 Attribution Managed Investment Trust

One or more of the Fund entities may elect to become an Attribution Managed Investment Trust (AMIT). An AMIT allows greater flexibility in allocating components of its income to investors, for the purposes of the tax legislation.

The Manager will procure the Trustee to use reasonable endeavours (which will include seeking advice from Australian tax and legal professionals) to consider whether the Fund qualifies as an **AMIT** for Australian tax purposes and will, prior to making any election, advise Investors of the decision to elect into the AMIT regime. However, based on the current proposals, we do not foresee that these changes are likely to have an adverse impact on the MITs or their investors.

Also, if considered appropriate, the Trustee may elect to make the AMIT Multi Class election to ensure that any taxable income or loss attributable to a particular Class would only be allocated to the Investors of that relevant Class.

Where the Fund is an AMIT, the AMIT regime requires that all income attributed to an Investor is summarised on an 'AMIT Member Annual Statement', also known as an AMMA Statement. The Trustee will procure the provision of an AMMA Statement to each Investor for each financial year while the Fund is an AMIT as soon as reasonably practicable following the end of that financial year.

8.8 Possible Tax Reform in Australia

Tax law is complex and is subject to change periodically (including retrospectively), as is the interpretation of the law by the courts and revenue authorities. Recent Australian Government, ATO and litigation activity indicates that the taxation of collective investment vehicles remains subject to law change and administrative practice. The Manager intends to monitor any pertinent developments.

8.9 Investments in Non-Australian Businesses

There may, depending on the quality of the investment opportunities, be an allocation to non-Australian investments (e.g. New Zealand). To the extent that the income is derived from non-Australian sources, withholding tax or income tax may be imposed by the jurisdiction in which the foreign investment is located.

8.10 Tax Statement

An annual tax statement will be sent to each Australian resident Investor to assist in completing tax returns.

Section 9. Additional information

9.1 Anti-Money Laundering

In accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**), the Manager and/or the Trustee are required to identify and verify the identity of prospective investors and Investors. In order to do this, the Manager and/or the Trustee must collect certain information (and documentation) from each investor in relation to their identity, source of funding and purpose when they invest in the Fund. If a prospective investor or Investor does not provide this information to the Manager and/or the Trustee, the investor's application will not be processed and in these circumstances, the Manager and/or the Trustee will not be liable to the investor for any resulting loss (including consequential loss) as a result of the Manager and/or the Trustee's compliance with the AML/CTF Act. The Manager and/or the Trustee may be required to collect further information from Investors in accordance with ongoing customer due diligence obligations under the AML/CTF Act.

The Manager and/or the Trustee are obliged under the AML/CTF Act to take and maintain copies of any information/documentation collected from an investor and, in certain circumstances, may be required to disclose said information to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) or other government bodies. The Manager and/or the Trustee may be prohibited from informing an investor of such disclosure. Aside from disclosures permitted or required under the AML/CTF Act, the Manager and/or the Trustee will keep investors' information confidential in accordance with relevant legislation.

By applying for Units, investors are acknowledging that the Manager and/or the Trustee may, in their absolute discretion, not issue Units to investors, cancel any Units previously issued to investors, delay, block or freeze any transaction or redeem any Units issued to investors if the Manager and/or the Trustee believes it necessary in order to comply with out AML/CTF legislative obligations. In these circumstances, neither the Trustee, Manager or their affiliates will not be liable to for any resulting loss.

9.2 Privacy

The Application Form for the Fund requires Investors to provide personal information. The Manager, the Trustee and their affiliates may collect, hold and use personal information in order to assess an investor's application, service its needs as its client or investor, provide facilities and services to the Investor, the Manager or the Fund and for other purposes permitted under the Privacy Act 1988 (Cth) (**Privacy Act**).

By applying to invest in the Fund, the prospective Investor consents to personal information being used and disclosed by the Trustee and the Manager for the purposes permitted under the Privacy Act, unless you the prospective Investor has instructed the Manager in writing to do otherwise.

Taxation and company law may also require some of the information to be collected in connection with the Application Form. Access to information may also be provided to our associates, related bodies corporate, agents and service providers on the basis that they deal with such information in accordance with the Privacy Act. If an Investor does not provide the information requested, its application may not be processed. If an Investor is admitted, its information may also be used or disclosed from time to time to notify it about products or services that the Manager thinks may be of interest to the Investor unless the Investor informs the Manager that it does not want its personal information to be used for this purpose.

Your information may also be disclosed to members of each of the Trustee's, the Manager's or the Fund Administrator's group of companies and to their agents and service providers on the basis that they deal with such information in accordance with the Trustee's, the Manager's or the Fund Administrator's (as applicable) privacy policy. The Trustee and the Manager do not currently transfer your personal information overseas. If your personal information is transferred overseas in the future you will be notified through an amendment to the privacy policy.

The Trustee, Manager or Fund Administrator may need to disclose information about you to government entities and regulators as required by law.

Under the Privacy Act, an Investor may request a copy of the personal information held by or on behalf of the Fund by contacting the Trustee or the Manager. Prospective Investors and Investors should contact the Manager if they have concerns about the completeness or accuracy of the information the Trustee or Manager have about it or would like to access or amend its personal information held by the Trustee or Manager (or the relevant service provider).

9.3 Foreign Account Tax Compliance Act (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (**ATO**), which may then pass the information on to the US Internal Revenue Service (**IRS**). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the Trustee or Manager will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information as required by the ATO (if any) in respect of any investment in the Fund.

9.4 Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (**CRS**) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For the Fund to comply with their obligations, the Trustee will request that you provide certain information and certifications to us. The Trustee will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS regime.

9.5 Jurisdictional Considerations

Australia

This Information Memorandum is not a Disclosure Document or Product Disclosure Statement (nor any similar disclosure document under any applicable law). It is not required to, and does not, contain all the information which would be required in a Disclosure Document or Product Disclosure Statement, or all the information that a prospective investor may desire or should obtain in order to make an informed investment decision. The Fund is not registered as a Managed Investment Scheme under the Corporations Act.

New Zealand

Offers of the interests in the Fund in New Zealand are only being made to investors such that the offer does not require a prospectus under the New Zealand Securities Act 1978. If you receive this Information Memorandum in New Zealand, you represent and warrant that:

- a) you are a person whose principal business is the investment of money or who, in the course of and for the purposes of your business, habitually invests money, within the meaning of section 3(2)(ii) of the New Zealand Securities Act 1978;
- b) if you are acquiring the Fund interests for the account of another person, that person falls within the criteria set out in the previous paragraph; and
- c) neither you, nor any person on whose account you are acquiring the Fund interests, is or are acquiring those Fund interests for the purposes of resale, other than to a person who fulfils the above criteria. This representation is understood to be a statement of your present intention only and not an undertaking not to sell, particularly where your investment objectives or market conditions change.

Section 10. Glossary

The following terms as used in this Information Memorandum should be taken to have the following particular meanings.

AML/CTF Act	means Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
Business Day	means a day on which banks are open for general banking business in Sydney, Australia.
Class	means a class of Units in the Fund.
Class Terms	Terms means the terms referable to a Class attached at the Term Sheet to this Information Memorandum.
Constituent Documents	means the constituent documents of the Fund, including the Trust Deed and each Application Form, which contain the details of the rights and obligations of Investors.
Corporations Act	means the Corporations Act 2001 (Cth) as amended and associated regulations.
Custodian	means Perpetual Corporate Trust Limited (ACN 000 341 533; AFSL 392 673).
Custody Agreement	means the agreement so named between the Trustee and Custodian, as amended from time to time.
Disclosure Document	has the meaning given in the Corporations Act.
Fund	means the Max Alpha Opportunities Fund, and any other co-investment vehicle established to facilitate investment in the Fund by a particular person or persons.
Fund Administration Agreement	means the agreement between the Fund Administrator and the Trustee as trustee for the Fund under which the Fund Administrator agrees to provide certain administrative and registry services in respect of the Fund.
Fund Administrator	means Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702).
GST	means the Goods and Services Tax.
Indemnified Person	means each current and former: <ul style="list-style-type: none"> a) Trustee; b) Manager; c) appointees pursuant to the Constituent Documents; and d) the affiliates, associates, officers, employees, advisers and agents of each of the persons named in (a) and (b).
Information Memorandum	means this Information Memorandum dated 24 October 2022.
Investment Committee	means the Investment Committee of the Fund. All proposed investments must receive unanimous approval of the Investment Committee.
Investor	a person recorded on the register of the Fund as the holder of a Unit.

Management Deed	means the agreement between the Trustee as trustee for the Fund and Manager pursuant to which the Manager provides certain investment management services in respect of the Fund.
Manager or Max Alpha	means Max Alpha Fund Management Pty Ltd (ACN 640 045 405).
Managed Investment Scheme	has the meaning given in the Corporations Act.
Net Trust Value	means the value of Fund property less Fund liabilities.
Net Unit Value	means, in respect of a Unit in a Class, the value of Fund property less any liabilities of the Fund, divided by the number of Units, each referable to that Class.
Product Disclosure Statement	has the meaning given in the Corporations Act.
Application Form	means an application document in a form approved by the Manager under which a person subscribes for Units.
Transaction Costs	<p>means in respect of an application or redemption of Units:</p> <ul style="list-style-type: none"> a) any amounts returned to Investors by the Trustee that should be allocated as such in the Trustee's absolute discretion, in order to be fair to all Investors considered together; b) an estimate by the Trustee of the aggregate of establishment costs plus the total transaction costs the Trust would incur to acquire or dispose of (as applicable) the Trust property including the incurrence of taxes and losses or impairments; c) if appropriate having regard to the actual cost which would be incurred because of the issue or redemption of the Units, the Trustee's estimate of a portion of the costs including the incurrence of taxes, which may be zero; or d) if the Trustee does not make and estimate, zero, <p>divided by the Units in the applicable Class (prior to the redemption or after the Application). The above amounts may be estimates and not actually be incurred by the Fund or Trustee.</p>
Trustee	means Max Alpha Asset Management Pty Ltd (ACN 143 550 538).
Trust Deed	means the deed which constitutes that Fund (as amended from time to time).
Unit	means a beneficial interest in the Trust.
Wholesale Investor	means a 'Wholesale Client' as defined in section 761G of the Corporations Act or a 'Sophisticated Investor' as defined in section 761GA of the Corporations Act.

Section 11. Contact Details

<p>Manager</p>	<p>Max Alpha Fund Management Pty Ltd</p> <p>Address Level 28, One International Towers, Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000, Sydney, Australia</p> <p>Phone 1300 707 758 (within Australia) (+61) 1300 707 758 (outside Australia)</p> <p>Email: funds@maxalpha.com.au</p> <p>Website: https://www.maxalpha.com.au/</p>
<p>Trustee</p>	<p>Max Alpha Asset Management Pty Ltd</p> <p>Address Level 28, One International Towers, Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000, Sydney, Australia</p> <p>Phone 1300 707 758 (within Australia) (+61) 1300 707 758 (outside Australia)</p> <p>Email: funds@maxalpha.com.au</p> <p>Website: https://www.maxalpha.com.au/</p>
<p>Custodian</p>	<p>Perpetual Corporate Trust Limited</p> <p>Address Angel Place, Level 18/123 Pitt Street, Sydney NSW 2000</p> <p>Phone (02) 9229 9000</p> <p>Email: CCSCustody@perpetual.com.au</p> <p>Website: https://www.perpetual.com.au</p>
<p>Fund Administrator</p>	<p>Apex Fund Services (Australia) Pty Ltd</p> <p>Address Level 13, 459 Little Collins Street, Melbourne, VIC 3000</p> <p>Phone (03) 9020 3000</p> <p>Email: maxalpha@apexfunds.com.au</p> <p>Website: https://www.theapexgroup.com/</p>
<p>Tax Advisor</p>	<p>ShineWing Australia Pty Ltd</p> <p>Address Level 8, 167 Macquarie Street, Sydney, NSW 2000</p> <p>Phone (02) 8059 6800</p> <p>Website: https://www.sw-au.com/</p>