



MaxAlpha

Max Alpha Opportunities Fund

Term Sheet - Class A
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Term Sheet – Class A Units

Key features

The following is a summary of certain key features of the Class A Units in the Max Alpha Opportunities Fund (Fund). Investors will subscribe for Class A Units in the Fund which will have the following features. Capitalised terms used but not defined in this term sheet have the meaning given to them in the IM relating to the Fund.

<p>Fund</p>	<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 <p>where Investors of a Class only have a beneficial interest in the Class Pool to which their Units relate.</p>
<p>Investment Structure</p>	<p>The investment structure of the Fund referable to Class A Units is included at Schedule 1 to these key terms.</p>
<p>Class A Objective</p>	<p>The Fund's objective in respect of Class A Units is to achieve a fixed 10% investment return (before fees and Fund expenses) per annum by investing in securities or Notes.</p>
<p>Note Issuer Strategy</p>	<p>In respect of Class A Units, the Fund will make investments in unsecured loan notes (Notes) issued to the Fund by Max One Wealth Pty Ltd (ACN 638 368 082) (Note Issuer).</p> <p>The Note Issuer will primarily invest the funds derived from the Notes, directly or indirectly, in a diversified portfolio of credit assets, including:</p> <ul style="list-style-type: none"> fixed income assets; loan notes; mortgage-backed securities; registered and unregistered managed investment schemes; and such other investments agreed by the Fund from time to time, <p>(Investments) to generate the return required to meet its coupon and principal repayment obligations in respect of the Notes.</p>
<p>Note Terms</p>	<p>A summary of the terms and conditions of the Notes are contained in Schedule 2.</p> <p>The Notes will carry a coupon return of 10% per annum of the face value of the Notes.</p> <p>The Note Issuer will retain any margin in respect of the Investments to which investors may be exposed. This margin is variable and will be equal to the aggregated return of the diversified portfolio investments less the coupon payable in respect of the Notes.</p>
<p>Target Size of Class A</p>	<p>Maximum: Open-ended, however the Manager may determine to stop taking applications in respect of Class A Units at its discretion.</p>
<p>Minimum Investment</p>	<p>AU\$50,000 minimum required initially and \$1,000 increments per investment.</p> <p>Investors must maintain a minimum balance of AU\$50,000 at any time. The Trustee reserves the right to permit a lower minimum investment and/or minimum balance at its discretion.</p>

Eligible Investor	Wholesale clients as defined in s761G of the Corporations Act.
Applications	<p>Monthly. Applications must be received 5 Business Days before the end of each calendar month and accepted or rejected (in part or in full) at the Trustee's discretion.</p> <p>Application amounts are payable on submission of an application. 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.</p>
Distributions	<p>Distributions from investments will be paid quarterly (15 Business Days after the March, June, September and December quarter end) and at any other time determined by the Trustee in its discretion where the Fund has distributable income.</p> <p>Investors can elect for distributions to be paid in cash or to be automatically reinvested into Class A.</p>
Lock-Up	Investors are unable to apply to redeem a Unit until following the three months anniversary of the date the Investor acquired the Unit.
Redemption	<p>Subject to Lock-Up, Investors may apply to withdraw/redeem from the Fund quarterly with 30 days prior notice to the last Business Day of the calendar quarter, or at such other times determined by the Trustee in its discretion. Redemption requests will be paid out where the Fund has sufficient spare cash, and the Trustee believes it is in the interests of Investors as a whole.</p> <p>The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion.</p>
Transfer	Investor will be able to transfer their units to a third party in accordance with the Trust Deed. Transfers will be effective until registered by the Trustee. The Trustee may refuse to register any transfer of units at its absolute discretion.
Management Fee	1.50% per annum (inclusive of GST) of the gross value of the Fund referable to Class A units payable quarterly in arrears.
Fee Rebate	The Trustee may negotiate rebates with Investors as part of the Management Fee when the investor deposits funds. Additionally, the Trustee may offer rebates to the investor in its absolute discretion from time to time.
Performance Fee	Nil.
Outside Fees	Nil.
Risk Factors	<p>The investment program in respect of Class A Units is speculative and entails substantial risks. The Fund and Class A Units may be exposed to certain markets that are subject to inefficiency, unpredictability and political instability, all of which could cause loss of capital. Risks specific to Class A Units include:</p> <p>Note Issuer Default: There is a risk that the Note Issuer does not make a coupon payment when due or is unable to repay the face value of the Notes upon redemption or maturity. The Note Issuer is reliant on its investment in the Investments paying income returns, and repaying the Note Issuer's investment capital, in accordance with their terms for the Note Issuer to meet its coupon payment and principal repayment obligations on the Notes. If the Note Issuer does not appropriately assess the ability of the Investments to deliver the returns expected and to repay the amount invested by the Note Issuer or fails to adequately monitor the performance of the Investments, it may result in the Note Issuer not receiving income returns and suffering a capital loss on the Investments into which it has invested.</p>

If the Note Issuer does not meet its obligations under the Notes, it may result in Investors receiving a return which is less than the target returns for Class A Units or not receiving a return, suffering a capital loss or both.

Inadequate Security: The Notes will be unsecured, and funds received by the Note Issuer from the issue of Notes will be invested in the Investments.

The assets of the Note Issuer will predominantly comprise the Investments. If the Investments fail to perform as expected by the Note Issuer and the Note Issuer suffers a capital loss on its investment in the Investments, it will likely result in the Note Issuer being unable to repay the face value of all Notes upon maturity or earlier redemption. If the Note Issuer is unable to repay the face value of any Note, it is unlikely the Fund will recover the shortfall from enforcing its contractual rights in respect of the Note Issuer.

Note Issuer Reliance: To achieve its investment objective, the Fund is reliant on the Note Issuer's assessment of the Investments and its ability to competently monitor, manage and realise its investments.

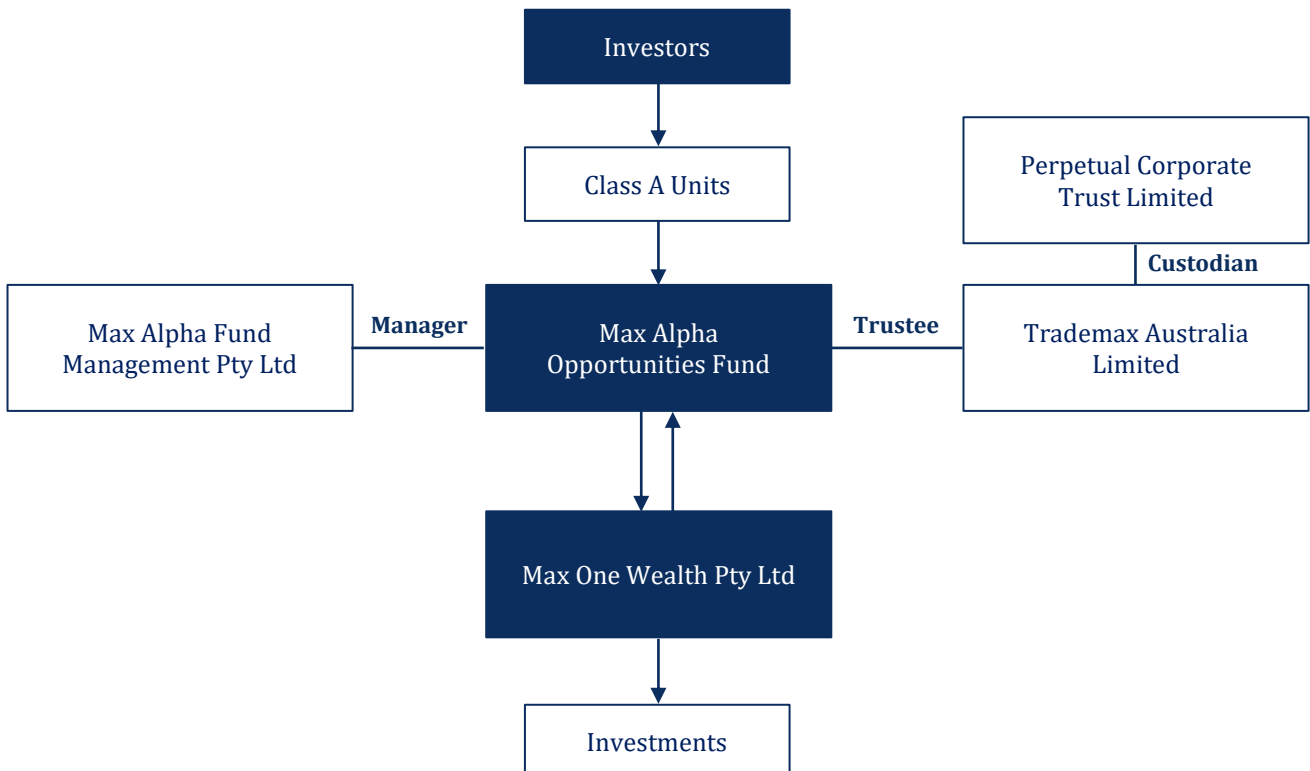
Diversification: An investment in Class A Units may not offer diversification as the Fund, in respect Class A Units, will primarily invest in Notes (and hold cash referable to Class A pending investment in Notes or distribution to Class A Investors). Additionally, the Note Issuer will primarily invest in the Investments to which Class A Investors will be indirectly exposed.

SPV Risk: If a counterparty fails to honour their obligations under signed agreements, then this could have a detrimental impact on the Fund. It could result in a reduction to the distributions available to you, or in extreme circumstances, a failure by the Fund to meet its obligations to financier(s) and Investors.

Economic and Market Risk: There is always a risk that any investment may fall as well as rise in value through the movement of investment markets as a whole. Unfavourable economic movements (globally or locally) may impact on the investments made by the Fund and its returns. These risks include global economic risks, currency fluctuations, interest rate changes, government policy, changes in debt or equity markets and other factors. To the extent that these factors reduce the Fund's performance, they may also reduce each investor's income returns and value of investment.

Related Party Transactions

The Note Issuer is a related party of the Manager. Any agreements between the Fund, the Note Issuer and any other related party of the Manager have entered on terms that the Manager considers would be similar to those negotiated with third parties and the Manager and Trustee will ensure that such agreements are in the best interests of Investors.



Note Terms

The key terms of the Notes to be issued by the Note Issuer to the Fund are set out below. The terms below are a high level and non-exhaustive summary only. The terms are not to be relied upon and are not legal advice. Refer to the constituent documents governing the Notes for full terms which will prevail to the extent of any inconsistency.

Classification of Note	Unsecured loan note issued by Max One Wealth Pty Ltd (ACN 638 368 082).
Use of Note proceeds	The Note Issuer may only use funds raised pursuant to the issue of Notes to invest in the Investments (including fixed income assets, loan notes, mortgage backed securities and registered and unregistered managed investment schemes).
Coupon rate	10% per annum
Coupon Schedule	Quarterly
Security	Unsecured
Termination Date	The date on which the Note Issuer determines (acting reasonably) that it will not receive any further amount under or in connection with the Investments. Where the Note Issuer makes such determination, it must repay the principal outstanding on the Notes subject to the terms of the loan note deed.
Liquidity	The Note Issuer may, in its sole discretion (and at any time on default by the Fund), redeem each Note by paying the Fund the principal amount owing on the relevant Note being redeemed and all accrued and otherwise unpaid interest in respect of the Note being redeemed.