

# DACM

## Global Digital Asset Fund

### Information Memorandum

#### **Trustee**

Quay Wholesale Fund Services Pty Ltd

ABN 55 647 044 602

AFSL No 528526

#### **Investment Manager**

DACM Australia Pty Ltd

ACN 624 214 777

Corporate Authorised Representative (Registration No. 001293214) of  
Quay Wholesale Fund Services Pty Ltd (AFSL No. 528526)

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# 1. Notice to Potential Investors

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Thank you for expressing interest to invest in the DACM Global Digital Asset Fund (**Fund**), an unregistered and unlisted unit trust in Australia. Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No 528526) (**Trustee**) is the trustee of the Fund and the issuer of this Information Memorandum (**IM** or **Memorandum**). The terms of your investment in the Units of the Fund (**Units**) are set out in the following key documents:

- The trust deed of the Fund dated 15 October 2021 as amended from time to time (**Trust Deed**);
- This IM; and
- The application form accompanying this IM that is of the same date (**Application Form**).

The key documents outlined above (together, the **Transaction Documents**) must be read carefully before making a decision to invest in the Units of the Fund. Copies of the Transaction Documents will be provided to you upon request.

The Transaction Documents:

- Constitute your agreement with the Trustee to invest the amount specified in the Application Form;
- Describe the features, the associated risks and the costs of the Fund's investment strategy; and
- Set out some of the key terms of investing in the Fund and contains certain representations and warranties from you as an investor in the Fund.

Upon acceptance of your executed Application Form (including receipt of your cleared funds paid to our nominated account), monies will be held on deposit within the Fund in an account with an Australian Authorised Deposit-Taking Institution (**ADI**).

This IM is not a disclosure document under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has been prepared for use by professional investors only. This document is not required to be and has not been lodged with the Australian Securities and Investments Commission (**ASIC**), and neither ASIC nor any of its officers has taken any responsibility for the contents of the IM.

## Your Decision to Invest

This IM is an important document which you should read before making a decision to acquire the Units. A document of this kind cannot however take into account your investment objectives, financial situation or particular needs, and nothing in this IM should be regarded as a recommendation by the Trustee or by any other person concerning an investment in the Fund. Having considered the information in the IM, you should obtain independent financial and taxation advice as to the suitability of an investment in the Units for you, having regard to your investment objectives, financial situation and particular needs.

## Applications

This IM is available in paper form and in electronic form. If you wish to invest, you must complete the Application Form accompanying the IM and submit it as set out in accordance with the instructions set out in the Application Form.

## **Restrictions on Distribution of this IM**

The offer to which this IM relates is only available to persons:

- receiving the IM in Australia; and
- who qualify as wholesale investors under s 761G and s 761GA of the Corporations Act.

The IM does not constitute an offer of the Fund in any place in which, or to any person to whom, it should not be lawful to make an offer of the Fund. The distribution of the IM in jurisdictions outside Australia may be restricted by law, and any person who resides outside Australia and who comes into possession of the IM should seek advice about it and observe any restrictions.

## **Updated Information**

Updated information relating to this IM will be made available promptly. Alternatively, you can request a paper copy of this information free by contacting the Trustee on 1300 114 980. The information that will be made available by way of updates is information which is subject to change from time to time and is not materially adverse to you. If a change in information is materially adverse to you, the Trustee will replace this IM or issue a supplementary IM.

## **Electronic IM**

Investors who receive this IM in electronic form are entitled to obtain a paper copy of the IM, including the Application Form, without charge. Please contact the Trustee on 1300 114 980.

## **Definitions**

Some expressions used in this IM are defined in the Glossary in section 10. Unless the context requires otherwise, words used in the IM have the meaning given in the Glossary.

## 2. Key Features and Dates

### Key Features

Feature	Overview	Refer to Section
<b>Fund</b>	DACM Global Digital Asset Fund	4
<b>Fund Type</b>	The Fund is an unlisted, unregistered Australian wholesale managed investment scheme	4.1
<b>Trustee</b>	Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No 528526)	3
<b>Investment Manager</b>	DACM Australia Pty Ltd ( <b>DACM AUSTRALIA</b> ) (ACN 624 214 777), the Corporate Authorised Representative (Registration No. 001293214) of Quay Wholesale Fund Services Pty Ltd (AFSL No. 528526)	3
<b>Underlying Fund</b>	DACM Global Master Fund Inc. ( <b>BVI Master Fund</b> ), a Professional Fund (pursuant to the Securities and Investment Business Act) incorporated in the British Virgin Islands under the BVI Business Companies Act with registration number 2078704	4.1
<b>Investment Objective</b>	The investment objective of the Trust is to maximise risk-adjusted capital returns for investors via long exposure to the digital asset sector through investment in the Underlying Fund	4.2
<b>Investment Strategy</b>	The Fund will hold interests in one share class in the Underlying Fund which will invest in a portfolio of digital assets that trade on specialist electronic digital exchanges but potentially also in cash or cash equivalents	4.3
<b>Eligible Investors</b>	Wholesale clients as defined in the Corporations Act	5.1
<b>Minimum initial investment and balance</b>	A\$50,000	5.4
<b>Unit Price</b>	In the Initial Offering Period, the Unit price for Units is \$1.00 per Unit, thereafter at the Unit Price as described in Section 5.2	5.2
<b>Class of Units</b>	Ordinary Units	5.2
<b>Investment Timeframe</b>	Suggested minimum investment timeframe is at least 5 years. The Trustee and the Investment Manager recommend that you consider, with your financial adviser, the suggested investment period for the Fund for your own investment timeframe. You should review this regularly to ensure that the Fund continues to meet your investment needs	5.3

<p><b>How to invest in the Fund</b></p>	<p>Investors should complete the online Application Form which can be accessed <a href="#">here</a> or complete the Application Form accompanying this Memorandum and send the completed Application Form, together with any supporting documents to the Administrator or complete the online Application Form which can be accessed here by no later than 12:00pm (AEST/ADST) on the Business Day which is an applicable Subscription Day</p> <p>The Trustee has the right to reject any application or to accept only part of an application. Once lodged, an application may be cancelled only with the Trustee's approval</p> <p>No cooling off period applies to wholesale clients as defined in the Corporations Act</p>	<p>5.5</p>
<p><b>Redemptions</b></p>	<p>Units may be redeemed at the option of the Unitholder on any Redemption Day by completing the online Redemption Form which can be accessed <a href="#">here</a> or sending a completed Redemption Request to the Administrator at DACMTA@ascentgfs.com, and then immediately via post/courier</p>	<p>5.6</p>
<p><b>Distributions</b></p>	<p>Income distributions are generally made annually as at 30 June or otherwise determined by the Trustee. The Trustee may permit or require the Unitholders to reinvest some or all of any money payable by the Trustee to Unitholders for the issue of further Units</p>	<p>5.7</p>
<p><b>Risks</b></p>	<p>The Fund invests in cryptocurrency and digital assets and there are significant risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns and there is a material risk that investors will lose some or all of their investment. For information about the specific risks associated with the Fund, see section 6</p>	<p>0</p>
<p><b>Fees and Costs</b></p>	<p>The Investment Manager is entitled to a Management Fee ("Management Fee") of 0.5% per annum of the Net Asset Value ("NAV") of the Fund.</p> <p>The Investment Manager will pay all the costs of the Fund's operation and management, including the organisational expenses, the fees and expenses payable to service providers and all expenses related to its investment program. These fees will be recovered from the Fund by the Investment Manager and capped at 0.25% per annum plus GST</p>	<p>7</p>

### 3. Fund Management

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#### **Trustee**

The Trustee of the Fund is Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No 528526) (**Quay**). Quay has been established as an independent provider of trustee and administration services to wholesale funds. This leaves the investment decisions to an expert that can focus on deciding what investments are made on behalf of the Fund, whilst Quay takes care of the operational aspects of the Fund.

Quay's responsibilities and obligations as the Fund's trustee are governed by the Trust Deed, the Corporations Act and general trust law. As trustee of the Fund, Quay is solely responsible for the management of the Fund.

Quay has delegated the investment management functions to DACM AUSTRALIA under an Investment Management Agreement (**IMA**). Quay reviews the Investment Manager on an ongoing basis to ensure that it is managing the investments of the Fund within the terms of the IMA.

Under the IMA, DACM AUSTRALIA may notify the Trustee that it wishes to terminate the IMA. The termination will take effect 3 months after the notice or immediately if the Trustee ceases to be the trustee of the Fund or certain other events occur.

#### **Investment Manager**

DACM AUSTRALIA is the Investment Manager of the Fund.

DACM AUSTRALIA is a 100% owned subsidiary of Digital Asset Capital Management Inc. (DACM). DACM was incorporated on 11 July 2017 in the British Virgin Islands under the BVI Business Companies Act with registration number 1950706. DACM is a specialist investment manager focused on the digital asset market investing almost exclusively in digital assets that trade, or will be traded, on specialist digital asset exchanges. It operates three existing funds that focus on digital asset investing in a venture capital style (DAF Liquid Venture Fund Inc.), a long-only strategy (Digital Asset Fund Inc.) and a market neutral/income producing strategy (DAF Greeks Fund Inc.). DACM has a team of 11 professionals working across portfolio management, research and operational functions.

#### *Directors of DACM*

##### *Richard Galvin (Co-founder and CEO)*

Richard has been a Co-Founder and the Chief Executive Officer of DACM since July 2017. Prior to that he had over 20 years of financial market and investment banking experience at Goldman Sachs JB Were and J.P. Morgan. Richard had a number of senior roles through his investment banking career including Co-Head of Telecommunications, Media and Technology Investment Banking in Australia for Goldman Sachs JB Were and as J.P. Morgan's Head of Equity Capital and Derivatives Markets for Australia & New Zealand. Richard has a Bachelor of Commerce (Hons) from Monash University and a Graduate Diploma in Applied Finance and Investment.

*Sean Abed (Executive Director)*

Sean has extensive experience in growing and managing regulated businesses. He has held senior, including C-Suite level, management positions across a number of sectors including retail, property and gaming. Sean's most recent role was as the Chief Operating Officer of one of the largest gaming businesses in the Caribbean. Sean has a Bachelor of Commerce from York University and two Graduate Diplomas in Management and Marketing.

*Alexander Sabga (Non-Executive Director)*

Alex has extensive experience in business operations and management. He has held senior management and director roles within the Automotive sector. He is an Attorney at Law admitted to practice in Trinidad & Tobago. Has a Bachelor of Laws from the University of Kent and have completed the legal practitioners course at the College of Law in London.

*Gabriel Abed (Co-Founder and Non-Executive Director)*

Gabriel is the Founder of Bitt Inc, a FinTech purpose-driven company focused on the digital cash issuance, remittance, and payment gateways within the Caribbean basin. Bitt obtained the capital to pursue its mission when Gabriel originated the raising of a multimillion dollar investment from Overstock.com, a \$2 billion revenue e-commerce company, publicly listed in the United States. Gabriel is the Caribbean's leading and globally recognized authority on digital assets and is a frequent speaker on the subject of block-chain technology in the US, Europe, Asia and the Caribbean. Gabriel has Bachelor of Information Technology (Hons) majoring in Network Security from The University of Ontario

## 4. The Fund

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### 4.1 Fund Structure

The DACM Global Digital Asset Fund (**Fund**) is an Australian unit trust and structured as an unregistered, unlisted management investment scheme under the Corporations Act. The Fund invests in the BVI Master Fund which is a Professional Fund (pursuant to the Securities and Investment Business Act) incorporated in the British Virgin Islands under the BVI Business Companies Act with registration number 2078704, with a British Virgin Island's Investment Manager called Digital Asset Capital Management Inc.

The Fund was primarily set-up in order to simplify the process for Australian residents to obtain exposure to the performance of the BVI Master Fund. Investments are accepted by the Fund in Australian dollars and then currency left unhedged, into US dollars. The conversions as well as AML and KYC obligations are completed in Australia under the protection of Australian regulations.

### 4.2 Investment Objective

The Fund is a 'feeder fund' which indirectly gains exposure to the underlying assets by investing all or substantially all of its assets in the Underlying Fund. The Fund may retain a certain amount of cash from the investment in the Fund for the purpose of payment of costs, fees and expenses.

The investment objective of the Fund is to maximise risk-adjusted capital returns for investors via long exposure to the digital asset sector through the acquisition of concentrated positions in what the Investment Manager believes are leaders, and potential future leaders, in the digital asset sector. The digital assets, often referred to as "coins" or "tokens" acquired by the BVI Master Fund trade on specialist, electronic digital asset exchanges.

There can be no assurance that the investment objective of the Fund will be achieved.

### 4.3 Investment Strategy

The Fund will seek to achieve the investment objective by investing in the Underlying Fund which will invest primarily in a portfolio of digital assets but potentially also in cash or cash equivalents.

The proprietary selection methodology assesses digital assets based on the Investment Manager's judgment with regard to five key factors:

1. **Robust history and attractive inflation outlook:** the technical design of the network or application and its code as well as the supply/inflation outlook and dynamics of the digital asset associated with it;
2. **Productive value and total addressable market:** Assessing both application and settlement layer assets with respect to the size and scope of their total addressable market and potential productive value, with particular focus on current or potential coin or token value accrual and user base;
3. **Strength of the development team, technology and governance:** Focus, reputation and size of the development team committed to the asset, the technology developed and the governance model in place;

4. **Relative and absolute valuation and capital growth potential:** Valuation relative to key digital asset peers, in absolute terms based on cashflow or other metrics and performance benchmarks and the potential of the end-user market; and
5. **Liquidity:** the spread of exchange listings and daily liquidity of the asset.

Given the historic volatility and rapidly evolving nature of the digital asset sector the Fund will be actively managed with the portfolio's assets expected to be the subject of relatively high turnover. It should not be assumed that the Fund's holdings of digital assets will be held in proportions relative to their market capitalisations.

The Investment Manager believes its selection methodology and experience in the digital asset sector allows it to identify leading digital assets that will generate investment returns. The Fund provides long exposure to the sector and expects to ordinarily be at least 90% invested in digital assets at any point in time with the remainder allocated to cash or cash equivalents but this asset allocation strategy may vary significantly based upon prevailing market conditions and the judgement of the Investment Manager. The Fund has the ability to apply leverage to the portfolio but does not expect this to be a material part of its strategy. This Memorandum will be updated and Members will be notified prior to any material change to the Fund's investment strategy.

The Investment Manager is not limited by the above discussion of the investment program. Further, the investment program is a strategy as of the date of this IM only. The Investment Manager has wide latitude to invest or trade the Fund's assets, to pursue any particular strategy or tactic, or to change the emphasis without obtaining the approval of the Members. The investment program imposes no significant limits on the types of instruments in which the Investment Manager may take positions, the type of positions it may take, its ability to borrow money, or the concentration of investments. The foregoing description is general and is not intended to be exhaustive. Prospective investors must recognize that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality, and subjectivity of such processes. In addition, the description of virtually every trading strategy must be qualified by the fact that trading approaches are continually changing, as are the markets invested in by the Investment Manager.

#### **4.4 Investment Restrictions**

The Fund has not imposed any particular investment restrictions in regard to the investment of the assets of the Fund.

## 5. Investing in the Fund

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### 5.1 **Eligible Investors**

The Fund is only available to wholesale clients, as defined in s 761G and s 761GA of the Corporations Act.

### 5.2 **Unit Prices**

As of the date of issuance of the IM, there is only one unit class, being Ordinary Units. During the Initial Offering Period, the price of the Units in the class is \$1.00 per Unit. The Unit price after the Initial Offering Period will be calculated by dividing the Net Asset Value of the Fund's assets by the number of participating Units.

Ordinary Units confer interests in the Fund as a whole and will be invested as a whole into the designated class of shares in the Underlying Fund denominated in US Dollar. The Ordinary Unit class is unhedged and is exposed to fluctuations in the USD/AUD FX rate.

The Trustee in their absolute discretion may issue new classes of units with different terms attached.

### 5.3 **Investment Timeframe**

Suggested minimum investment timeframe is at least 5 years. The Trustee and the Investment Manager recommend that you consider, with your financial adviser, the suggested investment period for the Fund for your own investment timeframe. You should review this regularly to ensure that the Fund continues to meet your investment needs.

### 5.4 **Minimum Initial Investment and Balance**

The minimum initial investment amount is A\$50,000. Following the initial investment, if investors want to invest additional funds under A\$50,000, it will be at the Trustee's discretion.

Investors must maintain a minimum balance of A\$50,000.

### 5.5 **How to Invest in the Fund**

Investors should complete the Application Form accompanying this Memorandum and send the completed Application Form, together with any supporting documents to the Administrator or complete the online Application Form which can be accessed [here](#) by no later than 12:00pm (AEST/ADST) on the Business Day which is a Subscription Day. Investors will subscribe at a price that equals the Net Asset Value per Unit of that Subscription Day less the Transaction Costs per Unit if any. Unless the Trustee agrees otherwise, any subscription received after this time will be held over and dealt with on the next relevant Subscription Day.

If you need any help in considering whether the Fund is appropriate for you, or in completing the Application Form, please consult with professional financial advisors for your benefit.

To invest, simply forward your completed Application Form, together with your Investment Amount, to:  
Ascent Fund Services (Australia) Pty Ltd  
PO Box Q273  
Queen Victoria Building NSW 1230  
Australia  
Email: [DACMTA@ascentgfs.com](mailto:DACMTA@ascentgfs.com)

Payment methods and details are available with the Application Form.

Alternatively an online application form can be completed at: <https://www.olivia123.com/dacm-australia-pty-ltd/dacm-global-digital-asset-fund.php>

Application money will be paid into an interest bearing account upon receipt. Any interest earned on this account may be retained by the Fund.

If we are unable to process an application because it is invalid (e.g. the Application Form is not signed), the transaction will not be processed and the application money will remain in the account until the correct documentation is received.

If correct documentation is not received within one month, the application money will be returned by cheque with no interest payable.

The Trustee has the right to reject any application or to accept only part of an application. Once lodged, an application may be cancelled only with the Trustee's approval.

No cooling off period applies to wholesale clients as defined in the Corporations Act.

## **5.6 Redemptions**

Units may be redeemed at the option of the Unitholder on any Redemption Day. Units will be redeemed at the relevant Redemption Price. The Redemption Price of a Unit equals the Net Asset Value per Unit as at the Redemption Day less the Transaction Costs per Unit if any.

A Unit holder wishing to redeem their Units should send a completed Redemption Request to the Administrator (first by email to [DACMTA@ascentgfs.com](mailto:DACMTA@ascentgfs.com), and then immediately via post/courier). The completed Redemption Request must be received by no later than 12:00pm (AEST/ADST) on a Business Day which is a Redemption Day. Unless the Trustee agrees otherwise, any Redemption Request received after this time will be held over and dealt with on the next relevant Redemption Day.

A Redemption Request may be sent by email but none of the Trustee, the Fund or the Administrator will accept any responsibility for any loss arising from non-receipt or illegibility of any Redemption Request sent by email, or for any loss caused by or as a result of any action taken in connection with email instructions believed in good faith to have originated from properly authorised persons.

Upon receipt of the Redemption Request and such other information and documentation as may be required, the Trustee will make a corresponding redemption request to the administrator of the

Underlying Fund. A Redemption Request will not be paid until the Fund receives corresponding redemption proceeds from the Underlying Fund. A Redemption Request will normally be paid within 5 Business Days once the Fund's corresponding redemption request is paid by the Underlying Fund. Payment of redemption proceeds by the Underlying Fund will normally be made within 10 Business Days (or as soon as practicable) of the later of: (1) receipt of the approved NAV of the Underlying Fund; and (2) the date on which the administrator of the Underlying Fund has received the redemption request made by the Trustee and such other information and documentation as may be required.

No redemption fee will apply. No interest will be paid by the Fund in respect of redemption proceeds. Any cost of transfer or conversion will be deducted from the redemption proceeds.

A Redemption Request with an aggregate Net Asset Value of less than the Australian Dollar equivalence of AUD\$5,000 (or such lesser amount as the Directors may determine, either generally or in any particular case) will be refused. Once a Redemption Request has been received by the Administrator it may not be revoked by the Unitholder unless redemptions have been suspended.

## **5.7 Distributions**

Income distributions are generally made annually as at 30 June or otherwise determined by the Trustee. The Trustee may permit or require the Unitholders to reinvest some or all of any money payable by the Trustee to Unitholders for the issue of further Units. The Fund is likely to only make a distribution when the Underlying Fund makes a distribution which can be unlikely to occur.

## **5.8 Leverage**

While the Trust Deed of the Fund allows borrowing, it is intended that no borrowing arrangements will be entered into by the Fund.

The Fund through its investment in the Underlying Fund may, however, obtain leverage. When deemed appropriate, the Underlying Fund may employ leverage including, without limitation, through borrowing cash, securities and other instruments and entering into derivative transactions and repurchase agreements. The Underlying Fund may pledge assets as security for borrowings. The use of leverage by the Underlying Fund will indirectly increase the risk of an investment in the Fund. The total leverage in the Underlying Fund will not normally exceed six times the latest net asset value of the Underlying Fund.

The Fund may borrow for the purposes of satisfying Redemption Requests or paying expenses, if required.

## 6. Risks

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An investment in the Fund entails risk, stemming from the underlying risk profile of the BVI Master Fund. The nature of the investments in the Underlying Fund involves certain risks including, but not limited to, those listed below and the Investment Manager of the Underlying Fund may utilise investment techniques which carry additional risks. Potential investors should carefully consider the following factors, among others, in determining whether an investment in the Fund is suitable for them. Unless otherwise stated, references to the Fund in this context refers to risks of the both the Fund and the Underlying Fund where the risks apply to the Fund.

The following list of risk factors does not purport to be a complete enumeration or explanation of all the risks involved in an investment in the Fund. Prospective investors are urged to consult their advisors before deciding to invest in the Fund.

There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisers before investing in the Fund. Because risks are inherent in all the investments in which the Fund engages, no assurances can be given that the Fund's investment objectives will be realized. Members may lose their entire investment. The digital asset sector in particular has displayed high volatility historically and an investment in the Fund should be considered as high-risk. A summary of some of the key risks is provided below:

### 6.1 General Risks

**Limited Operating History:** The Fund has limited operating history and therefore may not be able to operate its business, implement its investment strategy or generate sufficient revenue to make or sustain distributions to investors. Failure to procure adequate funding and capital could adversely affect the Fund ability to grow and/or expand its business, which can negatively impact its performance. In addition, the past investment performance of the Fund or other entities or accounts managed by the Investment Manager or any of its respective employees or affiliates may not be indicative of the future performance of the Fund.

**Business and Regulatory Risks of Hedge Funds:** Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The United States Securities and Exchange Commission (the "SEC"), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

**Enhanced Scrutiny and Potential Regulation of Private Investment Funds:** There has been enhanced governmental scrutiny and/or increased regulation of the private investment fund and financial services

industries in general. The United States of America Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) requires registration with the SEC of advisors to private investment funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes new reporting and recordkeeping obligations with respect to the private investment funds they advise.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private investment fund industry generally and/or on the Fund, specifically. In addition, regulatory agencies in the U.S., Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private investment fund industry, or other changes that could adversely affect private investment firms and the funds they sponsor, including the Fund. Additional governmental scrutiny may increase the Fund’s and the Investment Manager’s exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight, enhanced regulation and the adoption of new statutes, rules or regulations with respect to the investment activities of the Fund may also reduce the amount and availability of the investment opportunities of the Fund. The reduction of such investment opportunities could have a material and adverse effect on the investment performance of the Fund. Such increased regulatory oversight and regulation may also impose additional administrative burdens on the Investment Manager and such regulatory proposals, or any future proposals, if adopted could adversely affect the Fund, including the business, financial condition and prospects of the Fund.

***Future Regulatory Change is Impossible to Predict:*** The securities and derivatives markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the SEC, the United States Commodity Futures Trading Commission (“CFTC”), and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of securities and derivatives both inside and outside the United States is a rapidly changing area of law and is subject to modification by government and judicial action.

The Fund invests primarily in digital assets, which currently are either not regulated, or are in early the stages of regulation by U.S. federal and state governments, or self-regulatory organizations. As digital assets have grown in popularity, certain U.S. agencies, such as the Financial Crimes Enforcement Network (“FinCEN”) and the CFTC, have begun to examine digital assets and the operations of digital assets in depth. Currently, the SEC has not formally asserted regulatory authority over digital assets. The SEC has issued a release stating that, depending on the specific facts and circumstances of the digital assets in question, the digital asset may fall under securities regulation. The CFTC has declared that digital assets are commodities, but currently, only certain kinds of digital assets may be subject to CFTC jurisdiction. To the extent that any type of digital asset is determined to be a security, commodity, future or other regulated asset, or to the extent that a U.S. or foreign government or quasi-governmental agency exerts additional regulatory authority over the digital assets, the Fund may be adversely affected.

Digital assets currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets networks and their users, particularly digital assets exchanges and service providers that fall within such jurisdictions’ regulatory scope. Such laws, regulations or directives may conflict with those of the United States and

may negatively impact the acceptance of digital assets by users, merchants and service providers outside of the United States and may therefore impede the growth of the digital asset economy.

The effect of any future regulatory change on the Fund is impossible to predict, but such change could be substantial and adverse.

**No FDIC or SIPC Protection:** Digital currencies held by the Fund are not subject to Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) protections. The Fund is not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by the Fund are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. While private insurance may be available at times, the undivided interest in the Fund’s digital currencies represented by Interests in the Fund are not insured.

**Legality of Digital Currencies and Assets and Primary Capital Raising Structures:** It may be illegal, now or in the future, to own, hold, sell or use digital currencies in one or more countries, including the United States and it is currently illegal for residents in some jurisdictions to participate in some forms of primary capital raising structures for blockchain technology. Although currently digital currencies are not regulated or are lightly regulated in most countries, including the United States, one or more countries may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use digital currencies or to exchange digital currencies for fiat currency. Such an action may restrict the Fund’s ability to hold or trade digital currencies or realise returns from investments, and could result in termination and liquidation of the Fund at a time that is disadvantageous to Members, or may adversely affect an investment in the Fund.

**Future CFTC or SEC Regulation:** Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may impact the manner in which digital currencies are treated for classification and clearing purposes and the legislation and restrictions applied to primary capital raising structures. In particular, digital currencies may not be excluded from the definition of “commodity future” or “security” by such future CFTC and SEC rulemaking, respectively. As of the date of this Memorandum, the Investment Manager is not aware of any rules that have been proposed to regulate digital currencies as commodity futures or securities. The SEC has issued a release stating that, depending on the specific facts and circumstances of the digital asset in question, some digital currencies or digital assets may fall under securities regulation. Additionally, although the CFTC has declared that digital currencies and digital assets are commodities, currently, only certain kinds of digital currencies and/or digital assets, including digital currency and/or digital asset transactions that are entered into or offered, on a leveraged or margined basis or financed by the offeror, may be subject to CFTC jurisdiction. The Investment Manager cannot be certain as to how future regulatory developments will impact the treatment of digital currencies and digital assets under the law.

To the extent that digital currencies are deemed to fall within the definition of a commodity future pursuant to subsequent rulemaking by the CFTC, the Fund and the Investment Manager may be required to register and comply with additional regulation under the Commodity Exchange Act of 1936, as amended. Moreover, the Investment Manager may be required to register as a commodity pool operator and to register the Fund as a commodity pool with the CFTC through the National Futures Association. Such additional registrations may result in extraordinary, non-recurring expenses of the Fund. If the Investment Manager determines not to comply with such additional regulatory and registration requirements, the Fund will terminate and liquidate at a time that may be disadvantageous to investors.

To the extent that digital currencies are deemed to fall within the definition of a security pursuant to subsequent rulemaking by the SEC, the Fund and the Investment Manager may be required to register and comply with additional regulation under the Investment Company Act or similar state investment advisory statutes. Moreover, the Investment Manager may be required to register as an investment adviser under the United States Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”) or similar state investment advisory statutes. Such additional registrations may result in extraordinary, non-recurring expenses of the Fund. If the Investment Manager determines not to comply with such additional regulatory and registration requirements, the Fund will terminate and liquidate at a time that may be disadvantageous to investors.

**Effect of Redemptions:** A significant redemption of Shares from the Fund may cause a temporary imbalance in the Fund’s portfolio, which may adversely affect the Fund.

## **6.2 Risks Related to the Investment Manager**

References to the Investment Manager in this context refers to both DACM and DACM Australia as investment managers for the Underlying Fund and the Fund.

**The Manager’s Investment Strategy:** The Investment Manager intends to rely primarily upon its investment experience and contacts, research, analysis and judgment in implementing a strategy that it believes will be able to deliver superior performance relative to the degree of risk assumed. While such a strategy may be expected, if successful, to produce a higher than average return on capital, conversely, if unsuccessful, the risk of investment loss might be expected to be greater than those associated with managers who followed a more orthodox or risk averse approach to investment.

**Reliance on the Investment Manager:** The success of the Fund depends on the ability of the Investment Manager and, more specifically on Richard Galvin to develop and implement investment strategies and source access to appropriate investments to achieve the Fund’s investment objectives. Although the Investment Manager may impose limits on the types of positions the Fund may take, the Memorandum and Articles impose no such limits. The Fund’s investment performance could be materially adversely affected if any members of the investment team were to die, become ill or disabled, or otherwise cease to be involved in the active management of the business of the Fund’s portfolio.

**Investment Manager Expertise:** The Investment Manager has only limited experience of managing a digital asset fund. There is a risk that the skills of the Investment Manager are not sufficient to meet the Fund’s objectives and the Fund suffers material losses.

**Performance Allocation to the Investment Manager:** The Investment Manager is entitled to receive a Performance Allocation, based upon the net capital appreciation, if any, determined as part of the net asset value of the Fund. The Performance Allocation may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the Performance Allocation is calculated on a basis which includes unrealized appreciation of the Fund’s assets, it may be greater than if such compensation were based solely on realized gains.

**Past Performance:** Market conditions and trading approaches are continually changing and the fact that the Investment Manager was successful in the past is not a guide to future performance.

### 6.3 Risks Related to Potential Conflicts of Interest

**Investment Manager Conflicts of Interest:** The Investment Manager will use its best efforts in connection with the purposes and objectives of the Fund and will devote as much of its time and effort to the affairs of the Fund as it deems necessary and appropriate to accomplish the purposes of the Fund. The Investment Manager and its directors, members, partners, shareholders, officers, employees, agents and affiliates (hereinafter referred to as the “Affiliated Parties”), may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Fund. The Investment Manager may from time to time manage other investment funds with similar investment strategies and/or objectives to the Fund.

Without limiting the generality of the foregoing, the Affiliated Parties may act as investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, including themselves, and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar or different to those of the Fund. In addition, the Affiliated Parties may, through other investments, including other investment funds, have interests in investments in which the Fund invests as well as interests in investments in which the Fund does not invest. As a result of the foregoing, the Affiliated Parties may have conflicts of interest in allocating their time and activity between the Fund and other entities, in allocating investments among the Fund and other entities and in effecting transactions for the Fund and other entities, including ones in which the Affiliated Parties may have a greater financial interest.

**Investment Opportunities:** Neither the Investment Manager nor the Affiliated Parties is obligated to make any particular investment opportunity available to the Fund and may take advantage of any opportunity, either for other accounts the Investment Manager manages or for themselves.

**Allocations:** The Affiliated Parties may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the Fund. To the extent a particular investment is suitable for both the Fund and other clients of the Affiliated Parties, such investments may be allocated between the Fund and the other clients in some manner that the Affiliated Parties determine is fair and equitable under the circumstances to all clients, including the Fund. When it is determined that it would be appropriate for the Fund and one or more other investment accounts managed by the Investment Manager or its affiliates to participate in an investment opportunity, the Investment Manager will seek to execute orders for all of the participating investment accounts, including the Fund, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the investment programs and portfolio positions of the Fund and the affiliated entities for which participation is appropriate. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which the Investment Manager or its affiliates consider equitable.

**Cross-Transactions:** Situations may arise where certain assets held by one or more funds and investment accounts managed by the Investment Manager may be transferred to other funds and investment accounts managed by the Investment Manager, including for the purpose of rebalancing the portfolios of such funds and investment accounts. Such transactions will be conducted in accordance with, and subject to, the Investment Manager’s fiduciary obligations to the Fund. The Investment Manager is

authorized to select, subject to approval by the Board of Directors, one or more persons, not affiliated with the Investment Manager, to serve on a committee, the purpose of which will be to consider and, on behalf of the Members, approve or disapprove, to the extent required by applicable law, principal transactions and certain other related party transactions.

#### **6.4 Risks Related to Fund Structure**

**Risks Associated With Performance Allocation:** The Performance Allocation could encourage the Investment Manager to make investments on behalf of the Fund that are riskier or more speculative than it would if it was receiving only a flat fee. Further, the Investment Manager will receive Performance Allocations as to unrealized gains that may never be realized and will not return a Performance Allocation paid for a period in which there is a net profit, even if in a subsequent period the Fund does not earn a net profit or suffers a net loss. As a result, the Performance Allocation may be greater than it would be if it were based solely on realized gains.

**Limited Redemption Rights:** An investment in the Fund is suitable only for certain sophisticated investors who have no need for liquidity in the investment. Further, distribution of proceeds upon a Member's redemption may be limited where, in the view of the Investment Manager, the disposal of all or part of the Fund's assets, or the determination of the value of the Share, among other reasons, would not be reasonable or practicable or would be prejudicial to the non-redeeming Members.

**Dividends and Distributions:** The Fund does not presently intend to pay dividends or other distributions.

**Effects of Substantial Redemptions:** Substantial redemptions in the Fund and Underlying Fund within a short period of time could require or result in the liquidation of investment positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

#### **6.5 General Risks Related to Investment and Trading**

**General Investment and Trading Risks:** An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program may utilize investment techniques including, but not limited to option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

**Asset Valuation:** The Investment Manager has substantial discretion in determining the value of the Fund's assets and liabilities, whether or not a public market exists for securities of the same class or type. While some marketable securities are valued based on prices reported in the public markets, other investments may be more thinly-traded or subject to irregular trading activity. Determinations on the value of certain investments, and how to value assets and liabilities as to which limited prices or quotations are available, are based on the Investment Manager's recommendations or instructions to the Administrator. The Investment Manager may face a conflict of interest in making any of these valuation decisions or recommendations. In managing this potential conflict of interest, to the extent that there was a disagreement in relation to the valuation of one or more particular Fund assets, it is proposed that

the person responsible for making such determination in the Investment Manager would be functionally independent from the person responsible for the day to day management of such asset. If the Investment Manager's valuation of any such securities is inaccurate, the Investment Manager might receive a Performance Allocation and/or a Management Fee, that are greater than the allocation and fee to which it would otherwise be entitled. The Investment Manager may not be able to effectively manage the Fund's investment portfolio, diversification and other internal guidelines and risks if the Fund's portfolio is inaccurately valued. Any such inaccuracy could affect the Members adversely. Additionally, any reduction in the value of any assets or increase in the value of any liabilities held by the Fund would reduce the amount of Performance Allocation to which the Investment Manager is entitled.

**Achievement of the Fund's Investment Objective:** No assurance can be given that the Fund will achieve its overall investment objective of preserving capital in the face of uncertain times and achieving significant returns by exploiting the diversity of opportunity available, while minimising volatility.

**Use of Leverage:** Subject to market conditions and applicable regulations, the Fund may use leverage in connection with its investments. Leverage is the use of borrowed funds to pay for a portion of the purchase price of an investment. Using leverage will maximise the initial amount of securities that the Fund will be able to purchase and potentially enhance the Fund's performance. The use of leverage, however, will add to the risk of the Fund's investments, as declines in the price of a security could result in a substantial loss of the Fund's investment in the security if the Fund is forced to sell the security as the result of a demand to repay any amounts borrowed. As with any leveraged investment, the Fund's use of leverage may result in losses in excess of the amount of the amount invested. Utilisation of leverage will also increase the Fund's expenses due to the interest charges on the borrowed funds, thus potentially affecting the Fund's performance.

**Terrorist Action:** There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

## **6.6 Risks Related to Digital Assets**

**Valuation Risks:** Primary capital raisings may offer the Fund the ability to purchase digital assets at what it assesses are discounted prices. Digital assets purchased by the Fund will generally be valued at cost until active trading in such digital assets develops. Accordingly, while Members who invest in the Fund prior to the emergence of such active trading will receive the benefit of purchasing such digital assets at discounted prices, any redemption proceeds paid to Members who withdraw from the Fund prior to the emergence of such active trading may reflect the lower, discounted prices and not the expected trading price of such digital assets on any active exchange or other market.

**Fraudulent Activity:** Some capital raisings in which the Fund participates are unregulated and may turn out to be fraudulent. There is no guarantee that funds lost due to such fraudulent actions will be recovered by the Fund.

**Digital Assets:** Digital assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank, and prices can be extremely volatile. Digital asset exchanges have been closed due to fraud, failure or security breaches. Any of the Fund's funds that reside on an exchange that shuts down may be lost.

Several factors may affect the price of digital assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital currencies or the use of digital currencies as a form of payment. There is no assurance that digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital asset payments by mainstream retail merchants and commercial businesses will grow.

Digital assets are created, issued, transmitted, and stored according to protocols run by computers in the digital asset network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by the Fund. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by the Fund. Some assets held by the Fund may be created, issued, or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by the fund. The Fund makes no guarantees about the reliability of the cryptography used to create, issue, or transmit assets held by the Fund.

**Digital Asset Exchanges:** The digital asset exchanges on which digital assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, digital asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase digital assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of digital assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring digital assets from a personal account to a third-party's account. The Fund will take credit risk of an exchange every time it transacts.

Digital asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of digital assets for fiat currency difficult or impossible. Additionally, digital asset prices and valuations on digital asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of digital assets remain subject to any volatility experienced by digital asset exchanges, and any such volatility can adversely affect an investment in the Fund.

Digital asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various digital asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft (e.g., Mt. Gox voluntarily shutting down because it was unable to account for over 850,000 Bitcoin), government or regulatory involvement, failure or security breaches (e.g., the voluntary temporary suspensions by Mt. Gox of cash withdrawals due to distributed denial of service attacks by malware and/or hackers), or banking issues (e.g., the loss of Tradehill's banking privileges at Internet Archive Federal Credit Union).

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Fund to recover money or digital assets being held by the exchange, or to pay investors upon redemption. Further, the Fund may be unable to recover digital assets awaiting transmission into or out

of the Fund, all of which could adversely affect an investment in the Fund. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favourable prices of digital assets, or may adversely affect the Fund, its operations and investments, or the Members.

**Limited Exchanges on Which to Trade:** The Fund may trade on a limited number of exchanges (and potentially only a single exchange) either because of actual or perceived counterparty or other risks related to a particular exchange. Trading on a single exchange may result in less favourable prices and decreased liquidity for the Fund and therefore could have an adverse effect on the Fund and the Members.

**Exchanges Operating Outside of the U.S.:** Digital asset exchanges generally operate outside of the United States. The Fund may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by the Fund in another country. In general, certain less developed countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. These legal and regulatory risks may adversely affect the Fund and its operations and investments.

**Risks of Buying or Selling Digital Assets:** The Fund may transact with private buyers or sellers or virtual currency exchanges. The Fund will take on credit risk every time it purchases or sells digital assets, and its contractual rights with respect to such transactions may be limited. Although the Fund's transfers of digital assets or cash will be made to or from a counterparty which the Investment Manager believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Fund's digital assets or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Fund's digital assets or cash (through error or theft), the Fund will be unable to recover incorrectly transferred digital assets or cash, and such losses will negatively impact the Fund.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Fund from selling out of these illiquid investments at an advantageous price.

**Limited Diversification:** There is no limit on the amount of the Fund's capital that may be committed to any single investment, industry or sector. At any given time, it is therefore possible that the Investment Manager may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Custody of Fund Assets:** The Investment Manager maintains custody of several of the Fund's digital currencies on or within the currency exchanges and cold-storage wallets utilized by the Fund. Several of the Fund's exchanges may be unable to provide for "cold wallet" storage. Such exchanges and wallets have developed security systems to maintain confidential access to the private keys that have been generated and which control movement of the currencies. The Investment Manager may not be able to obtain control of the private keys generated by the exchanges utilized by the Fund, because each exchange may use different methodologies and security systems. However, the Investment Manager may utilize offline "cold wallet" storage when, in its sole discretion, such storage is possible and practicable. The Investment Manager employs a comprehensive due diligence process to select exchanges and wallets that it determines have developed sophisticated security systems, and will continue to re-

evaluate the due diligence process and the security systems of the various exchanges and wallets. However, the systems and methodologies of the exchanges and wallets utilized by the Fund may be subject to exposure from hacking, malware and general security threats. The Investment Manager is not liable to the Fund or to Members for the failure or penetration of the security system absent gross negligence, fraud or criminal behaviour.

**Third Party Wallet Providers:** The Fund may use third party wallet providers to hold a portion of the Fund's digital assets. The Fund may have a high concentration of its digital assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Fund is not required to maintain a minimum number of wallet providers to hold the Fund's digital assets. The Fund may not do detailed information technology diligence on such third party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third party wallet providers may not indemnify the Fund against any losses of digital assets. Digital assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such digital assets. The Fund may also incur costs related to third party storage. Any security breach, incurred cost or loss of digital assets associated with the use of a third party wallet provider, may adversely affect an investment in the Fund.

**Digital Asset Trading is Volatile and Speculative:** Digital assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital currencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for digital assets is generated by speculators and investors seeking to profit from the short or long-term holding of digital assets. The relative lack of acceptance of digital assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital assets. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility.

**Risk of Loss of Private Key:** Digital assets are controllable only by the possessor of unique private keys relating to the addresses in which the digital assets are held. The theft, loss or destructions of a private key required to access a digital asset is irreversible, and such private keys would not be capable of being restored by the Fund. Any loss of private keys relating to digital wallets used to store the Fund's digital assets could result in the loss of the digital currencies and could have a material adverse effect on our business and a Member could incur substantial, or even total, loss of capital.

**Stolen or Incorrectly Transferred Digital Assets May be Irrecoverable:** Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets or a theft of digital assets generally will not be reversible and the Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, the Fund's digital assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Fund's digital assets through error or theft, the Fund will be unable to revert or otherwise recover incorrectly transferred digital assets. To the extent that the Fund is unable to seek redress for such error or theft, such loss could adversely affect an investment in the Fund. The Fund does not intend to hold insurance to cover the loss or theft of any of its digital assets.

**Risk of Loss Due to Incapacitation of Key Personnel:** In relation to the Fund's assets not held by the Custodian, those assets are held via private keys under the control of key personnel of the Investment Manager. Whilst the Investment Manager maintains back-up processes to ensure the safety of these private keys in the event of the incapacity of the key personnel of the Investment Manager with control these private keys or a loss of data, in the event that these back-up processes fail, there is a risk of the loss of the digital currencies and digital assets held by the Fund. In such an event, a Member could incur substantial, or even total, loss of capital.

**Technology and Security:** The Fund must adapt to technological change in order to secure and safeguard client accounts. While the Investment Manager believes it has developed a proprietary security system reasonably designed to safeguard the Fund's digital assets from theft, loss, destruction or other issues relating to hackers and technological attack, such assessment is based upon known technology and threats. As technological change occurs, the security threats to the Fund's digital assets will likely adapt and previously unknown threats may emerge. Furthermore, the Investment Manager believes that the Fund may become a more appealing target of security threats as the size of the Fund's assets grows. To the extent that the Fund is unable to identify and mitigate or stop new security threats, the Fund's digital assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Fund or result in loss of the Fund's assets.

**Security Breaches:** Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of the Fund's operations, the suspension of redemptions or a loss of Fund assets. While the Investment Manager believes it has developed a proprietary security system, it is not impenetrable and may not be free from defect, and any loss due to a security breach or software defect will be borne by the Fund, absent gross negligence, wilful misconduct or fraud on the part of the Investment Manager.

**Trading on Digital Asset Networks:** The Fund will convert U.S. dollar contributions made by Members to Bitcoins and other alternative digital assets over the Bitcoin Network or specific networks, as applicable. Many digital asset networks are online end-user-to-end-user networks that host a public transaction ledger, known as the blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many digital asset transactions, the recipient of the digital asset must provide its public key, which serves as an address for a digital wallet, to the party initiating the transfer. In the data packets distributed from digital asset software programs to confirm transaction activity, each digital asset user must "sign" transactions with a data code derived from entering the private key into a "hashing algorithm," which signature serves as validation that the transaction has been authorized by the owner of such digital asset. This process is vulnerable to hacking and malware, and could lead to theft of the Fund's digital wallets and the loss of the Fund's digital assets. Many digital asset exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such digital asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital asset exchange.

**Amendments to the Bitcoin Network's Protocols and Software Could Adversely Affect the Fund's Investment and Trading Activities:** The Bitcoin Network is based on a math-based protocol that governs the peer-to-peer interactions between computers connected to the Bitcoin Network. The code that sets forth the protocol is informally managed by a development team known as the core developers that was initially appointed informally by the Bitcoin Network's purported creator, Satoshi Nakamoto. The core

developers can propose amendments to the Bitcoin Network's source code through one or more software upgrades that alter the protocols and software that govern the Bitcoin Network and the properties of bitcoins, including the irreversibility of transactions and limitations on the mining of new bitcoins. To the extent that a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network would be subject to new protocols and software that may adversely affect the Fund's investment and trading activities. If less than a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network could "fork."

Bitcoin is an open source project and, although there is an influential group of leaders in the Bitcoin Network community including the core developers, there is no official developer or group of developers that formally controls the Bitcoin Network. Any individual can download the Bitcoin Network software and make any desired modifications, which are proposed to users and miners on the Bitcoin Network through software downloads and upgrades. However, miners and users must consent to those software modifications by downloading the altered software or upgrade that implements the changes; otherwise, the changes do not become a part of the Bitcoin Network. Since the Bitcoin Network's inception, changes to the Bitcoin Network have been accepted by the vast majority of users and miners, ensuring that the Bitcoin Network remains a coherent economic system. However, a developer or group of developers could potentially propose a modification to the Bitcoin Network that is not accepted by a vast majority of miners and users, but that is nonetheless accepted by a substantial population of participants in the Bitcoin Network. In such a case, a "fork" in the blockchain could develop and two separate Bitcoin Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second "Bitcoin" network). Such a fork in the blockchain typically would be addressed by community-led efforts to merge the forked blockchains, and several prior forks have been so merged. This kind of split in the Bitcoin Network could materially and adversely affect the value of Fund investments and, in the worst case scenario, harm the sustainability of the Bitcoin economy. The aforementioned risks and disclosures are generally applicable to other digital asset networks and Altcoins in which the Fund may invest.

**Risk to Digital Asset Networks from Malicious Actors:** If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on certain digital asset networks, it may be able to alter the blockchain on which the digital asset transaction relies by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the digital asset network can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new bitcoins or transactions using such control. Using alternate blocks, the malicious actor could double spend its own bitcoins and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power on various digital asset networks or the digital asset community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in the Fund or the ability of the Fund to transact.

**Digital Assets Miners May Cease to Solve Blocks:** If the award of new digital assets, including Bitcoin or other Altcoins, as applicable, for solving blocks declines and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce the collective processing power on such digital asset network,

as applicable, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the Bitcoin Network more vulnerable to a malicious actor or botnet obtaining control in excess of fifty percent (50%) of the processing power on such network. Any reduction in confidence in the confirmation process or processing power of such network may adversely impact an investment in the Fund.

**Intellectual Property Rights Claims May Adversely Affect the Operation of Digital Asset Networks:** Third parties may assert intellectual property claims relating to the operation of digital assets and their source code relating to the holding and transfer of such assets. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the digital asset's long-term viability or the ability of end-users to hold and transfer digital assets may adversely affect an investment in the Fund. Additionally, a meritorious intellectual property claim could prevent the Fund and other end-users from accessing such digital asset network or holding or transferring their digital assets, which could force the Fund to terminate and liquidate the Fund's digital assets (if such liquidation of the Fund's digital assets is possible). As a result, an intellectual property claim against the Fund could adversely affect an investment in the Fund.

**Counterparty Risk:** Some of the markets in which the Fund may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

**Unidentified Investments; Competitive Market for Investments:** The Investment Manager may be very selective when seeking investments. The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future), and involves a high degree of uncertainty. There can be no assurance that the Investment Manager will be able to locate and complete attractive investments or that it will be able to adhere to the investment strategy outlined herein. Furthermore, there can be no assurance that the Investment Manager will be able to invest the entire amount of the Fund's assets or that suitable investment opportunities will otherwise be identified. If the Investment Manager is unable to identify adequate investments at any given time, a significant portion of the Fund's assets may be held in cash or equivalents, which produce low rates of return.

*This list of risk factors does not purport to be complete. Nor does it purport to be an entire explanation of the risks involved in an investment in the Fund. A potential investor should read this Memorandum in its entirety as well as consult with its own legal, tax and financial advisers before deciding to invest in the Fund.*

## 7. Fees and Expenses

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### 7.1 Fees payable to the Investment Manager

The Investment Manager is entitled to a Management Fee ("Management Fee") of 0.5% per annum of the Net Asset Value ("NAV") of the Fund. The Management Fee is calculated and accrued daily and paid quarterly in arrears.

The Underlying Fund will generally be subject to the following fees and allocations:

- (i) a Management Fee of 1.5% per annum of the NAV of the Underlying Fund. The Management Fee of the Underlying Fund is calculated and accrued daily and paid quarterly in arrears; and
- (ii) an annual performance allocation equal to 20% of the amount, if any, by which net asset value as of the end of such period (prior to the accrual of the performance allocation but after accrual of all other expenses) exceeds the highest net asset value per Share at any prior financial year end (the "Performance Allocation") (or if the Performance Allocation has never been calculated with respect to such Shares, the net asset value of the original issuance), with proportionate adjustment for any subsequent distributions.

The Performance Allocation will be applied on a "high water mark" basis, such that in the event that any Shares suffers a net loss per share in a particular period, no performance allocation will be payable until such net loss is first recovered (taking into account interim distributions).

### 7.2 Fees payable to the Trustee

Trustee will receive an annual fee based on the NAV of the Fund subject to a minimum charge paid for by the Investment Manager. The Trustee is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Trustee of the Fund.

### 7.3 Fees payable to the Administrator

Under the terms of the Administration Agreement, the Administrator shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Administrator of the Fund.

### 7.4 Expenses

The Investment Manager will pay the costs and expenses of, and incidental to, the offering of Units in the Fund (including expenses relating to establishment of the Fund negotiation and preparation of the contracts to which it is a party, costs of printing this Memorandum and the fees and expenses of its professional advisers) and the expenses incurred in connection with the operations of the Fund including but not limited to:

- (i) fees and expenses of advisers and consultants;
- (ii) the Service Fee and Performance Fee;

- (iii) indemnification expenses and the cost of insurance against potential indemnification liabilities;
- (iv) legal, administrative, accounting, tax, audit and insurance expenses;
- (v) all taxes and corporate fees payable to governments or agencies;
- (vi) communication expenses with respect to investor services;
- (vii) Trustee's fees and expenses;
- (viii) litigation or other extraordinary expenses; and
- (ix) costs of periodically updating the Memorandum.

The Investment Manager will recover the costs and expenses paid on behalf of the Fund at a cap of 0.25% per annum of the Net Asset Value of the Fund.

## 8. Taxation Information

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Investors are strongly advised to seek professional tax advice prior to investing into the Fund. Investors must take sole responsibility for their investments in regards to any tax implications that may arise during the course of their investment.

The following information summarises some of the taxation and stamp duty issues you should consider before making an investment. The information is intended for use by Investors who hold Units in the Fund on capital account and who are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. It should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. The taxation of a unit trust investment such as Units in the Fund can be complex and may change over time. The comments below are current as at the date of preparation of this IM. Investors should be aware that the ultimate interpretation of taxation and stamp duty law rests with the Courts and that the law, and the way that the Federal Commissioner of Taxation or a Commission of State Revenue administers the law, may change at any time. Please consult your tax adviser about the specific implications relevant to your situation before making any investment decision.

This summary only deals with the Australian and New Zealand tax and stamp duty considerations of potential investors and does not deal with tax consequences in relation to other jurisdictions.

### 8.1 Tax position of the Fund

#### General

The Fund is an Australian resident trust for Australian tax purposes. Although the Fund holds authorised investments, it is intended that the Trustee will limit its activities to undertaking or controlling entities that undertake 'eligible investment businesses' as described in section 102M

of the Australian Income Tax Assessment Act 1936, as amended. On this basis, the Fund should not be a 'trading trust', and so should not be taxed as a company.

Generally, no Australian income tax will be payable by the Trustee on behalf of the Fund on the basis that the Investors in the Fund are presently entitled to all of the distributable income of the Fund for each income year or where the Fund is an Attribution Managed Investment Trust ('AMIT') (refer to "AMIT Regime" on page 35), Investors are attributed with all net taxable income each year (as relevant). In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Investors in the Fund. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such losses against assessable income of the Fund in subsequent income years.

### **Deemed Capital Gains Tax ('CGT') election**

Eligible managed investment trusts ('MITs') may make an irrevocable election to apply a deemed capital account treatment to gains and losses on the disposal of eligible investments (including equities and units in other trusts, but generally not derivatives and foreign exchange contracts). The election must be made in respect of the first year a trust qualifies as a MIT, otherwise if a trust qualifies as a MIT and no election is made, deemed revenue account treatment applies. If the Fund makes the election for deemed capital account treatment, where the eligible investments of the Fund have been realised, the Fund income should generally be capital gains (unless the tax law provides otherwise). Capital losses must be offset against the 'grossed up' amount of discount capital gain.

### **Tax reform**

Reforms to the taxation of trusts are generally ongoing. The Trustee will continue to monitor the progress of such developments and the impact on the Fund. However, given these developments may impact on the tax positions of the Fund and its Investors, it is strongly recommended that investors seek their own professional advice in relation to the potential impact of any reforms on their tax position.

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

It is not compulsory for an Investor to quote their TFN or ABN to the Trustee when acquiring units. If an Investor is making this investment in the course of a business or enterprise, the Investor may quote an ABN instead of a TFN. Failure by an Investor to quote an ABN or TFN or claim an exemption may cause the Trustee to withhold tax at the top marginal rate, which is currently 47% on distributions of income to the Investor. The Investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

## **8.2 Tax position of Australian resident Investors**

Investors should include in their assessable income their share of the Fund's net taxable income, calculated by reference to the portion of the Fund's trust income to which they are presently entitled to it. Alternatively, where the Fund is an AMIT you include the net taxable income attributed to you for a particular year in your tax return.

An Investor receives an entitlement to the Fund's distributable income for a financial year if they hold Units at the end of a distribution period, or if they redeem any Units during the financial year in which case their withdrawal proceeds may include a component of distributable income.

### **Distributions**

Investors in the Fund will be provided with an annual distribution and taxation statement (generally in September each year) indicating the components of their distribution (or reinvestment), and any taxes withheld or deducted. Where the Fund is an AMIT, Investors will be provided with an AMIT Member Annual Statement ('AMMA Statement') indicating the components attributed.

Distributions, reinvestments (or attributed amounts) from the Fund may include various components, the taxation treatment of which may differ. For example, in addition to investment income such as foreign income, distributions from the Fund may include dividends, a tax deferred component, a CGT concession component, as well as net capital gains (of which some part may be discount capital gains).

Given the investment objectives of the Fund, it is anticipated that the majority of the Fund's income will be foreign income. You may be entitled to a foreign income tax offset for foreign tax already paid by the Fund in respect of this income. Both the foreign income and any related foreign income tax offsets should be included in your tax return.

Any capital gains distributed (or attributed) by the Fund should be included in the calculation of your net capital gain or loss. In performing this calculation, any discounted capital gains distributed (or attributed) by the Fund should be 'grossed up' for the CGT concession component (i.e. the amount of discounted capital gains should be doubled). You may apply against the capital gain any current or prior year capital losses. You should then determine whether you are eligible to apply a CGT discount in respect of the remaining net capital gain (refer below under "Withdrawal and disposal of units").

Tax deferred distributions are generally distributions in excess of net taxable income (other than any CGT concession component). For CGT purposes, amounts of tax deferred distributions received from the Fund reduce the cost base of your Units in the Fund and therefore increases your capital gain or reduces your capital loss on disposal of those Units. Tax deferred

distributions are generally not assessable to you unless the total tax deferred amount received from the Fund exceeds the cost base of your Units, at which point the excess is treated as a capital gain.

The Government has passed legislation to apply from the 2017 – 2018 income year providing that where discount capital gains are offset by capital losses of a trust, a distribution of a CGT concession component can result in a reduction in the cost base of Units held by Investors. The distribution of tax deferred amount or a CGT concession component may be treated differently under AMIT (refer to “AMIT Regime” on page 33).

### **Withdrawals and disposal of units**

If you withdraw or transfer Units in the Fund, this may constitute a disposal for tax purposes. Investors should include any realised capital gain or loss on disposal of their Units in the Fund (together with any capital gains distributed or attributed by the Fund) in the calculation of their net capital gain or loss. A net capital gain will be included in assessable income. A net capital loss may only be offset against capital gains. If Investors do not have any capital gains, the capital loss may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income. Any gain made on the redemption of eligible investments in the Underlying Fund by the Fund in order to satisfy a withdrawal request may be a revenue (not capital) gain. Therefore it is likely that proceeds on redemption may include a component of distributable income of the Fund arising from the redemption of the investments in the Underlying Fund.

In calculating the taxable amount of a capital gain, a discount of one half for individuals and trusts or one third for complying superannuation entities may be allowed where Units in the Fund have been held for 12 months or more.

The calculation of an Investor’s capital gain or loss may also be affected by any tax deferred distributions made by the Fund (refer above). In addition, where the Fund is an Attribution Managed Investment Trust, the Investor’s cost base of units can also be increased in certain circumstances for the purposes of calculating a capital gain or loss (refer to “AMIT Regime” on page 33).

Where Units are held as part of a business of investing or for the purpose of profit making by sale, gains realised may constitute ordinary income and losses realised may constitute allowable deductions.

### **Controlled Foreign Company (“CFC”) Provisions**

The net income of the Fund may also include an amount of income that is calculated under the controlled foreign company (CFC) rules. From an Australian tax perspective, very broadly a

foreign company that has an Australian shareholder with at least 40% of the shares, voting rights or right to capital or profits of the foreign company, has a majority of its shares, voting rights or rights to capital or profits owned by Australians, or that is controlled by Australians, is regarded as a CFC. For example, where Fund holds an interest of at least 40% in the Underlying Fund, the CFC rules will apply because the Underlying Fund will be a CFC of the Fund for Australian income tax purposes. The CFC rules require the Fund to include in its net income for an income year, certain income and gains derived by the Underlying fund (“attributable income”) even if such income or gains are not distributed by the Underlying Fund in that year.

### **8.3 Tax position of non-resident Investors**

Appropriate deductions of Australian withholding tax will be made from distributions (or amounts attributed) of certain Australian sourced income and gains to non-resident Investors. Non-resident investors may also be subject to tax on distributions in their country of residence (for tax purposes) and may be entitled to foreign tax credits under the tax laws of the relevant country.

It is expected that non-residents should generally not be subject to Australian income tax on any capital gains made on the disposal of Units in the Fund.

Broadly, a non-resident Investor in the Fund will be subject to income tax on any capital gains made on the disposal or withdrawal of Units if they, together with any associates, hold or had an option or right to hold 10% or more of the Units in the Fund at the time of disposal/withdrawal or throughout a period of 12 months during the two years prior to disposal/withdrawal, and the majority of the Fund’s assets comprise taxable Australian real property.

In this regard, it is not expected that the Fund will hold taxable Australian real property.

A non-resident may also be subject to income tax on any capital gains made where the Units in the Fund have been held as part of the carrying on of a business through a permanent establishment in Australia.

However, if the non-resident holds their Units as part of a business of investing or for the purpose of profit making by sale, gains may be subject to Australian tax as ordinary income, subject to any treaty relief.

We recommend that non-resident investors consult their tax adviser regarding their tax implications, including the tax implications in the country in which they are resident for tax purposes.

#### **8.4 Taxation of Financial Arrangements**

The taxation of financial arrangements ("**TOFA**") regime broadly contains rules that cover tax timing treatments for financial arrangements. There are a number of exclusions from TOFA. Investors should seek their own advice as to the possible application of the TOFA regime to their investment in the Fund.

#### **8.5 AMIT Regime**

The Government introduced into taxation law the new Attribution Managed Investment Trust ("**AMIT**") regime effective for income year starting on or after 1 July 2016 (unless an election has been made to apply the regime earlier). An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or Trustee of the MIT has made an irrevocable election to apply the regime.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features of the new tax system will include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

#### **New Zealand Investors**

New Zealand Investors, who hold units in the Fund, will generally be deemed to hold an interest in a Foreign Investment Fund ("**FIF**") unless the interest falls within the very limited FIF exemption for certain Australian unit trusts. This exemption will not apply to the Fund.

New Zealand Investors will need to calculate their FIF income each year under one of five calculation methods, being:

- fair dividend rate method ("**FDR**");
- comparative value method ("**CV**");
- attributable FIF income method;
- deemed rate of return method; or
- cost method.

The default method is the FDR method. Under this method, most New Zealand Investors will be taxable each year on 5% of the opening market value of their investment in the Fund. Special calculation rules apply to unit trusts or other investors who value their units on a regular basis.

Under the FDR method, dividends or any gain on the sale or withdrawal of Units in the Fund are not separately taxed in New Zealand. However, quick sale rules will apply to Units bought and sold during the income year which result in the Investor being taxable generally on the lesser of any gain on the quick sale and 5% of the cost of the Units (determined on an average cost basis). No deduction is available for any losses under the FDR method.

Individuals and eligible family trusts have a “safety net” option, which allows these investors to calculate FIF income under the CV method based on their actual economic return where this is less than the amount calculated under FDR. Where the choice of FDR or CV methods is available, investors may choose the method that produces the lower taxable income each income year, but the method must be applied consistently to all FIF interests for that income year.

A de minimis concession from the FIF rules applies to individual investors who hold offshore shares (excluding certain Australian listed shares) with an aggregate cost of up to NZ\$50,000. Individual Investors may choose whether to apply the NZ\$50,000 de minimis threshold or apply the FIF rules. Individual Investors who apply the de minimis exemption will be taxed on distributions from the Fund. They can also be taxable on an exit from the Fund in certain circumstances.

NZ Investors are generally not entitled to claim a tax credit in NZ for overseas withholding tax deducted with respect to the Fund’s underlying investments.

While the above reflects our understanding of New Zealand tax treatment in respect of investments in the Fund as at the date of preparation of this PDS, New Zealand tax treatment of investments in FIFs is subject to change and may differ in individual circumstances. We recommend New Zealand investors seek their own professional tax advice regarding their tax implications.

#### **8.6 Goods and Services Tax**

Goods and Services Tax (“GST”) should not be payable on your investment(s) in the Fund. GST will apply to the fees and costs charged to the Fund. However, in respect of some of these fees, the Fund will usually be entitled to reduce input tax credits. The costs and fees payable in relation to your investment(s) in any of the Fund as stated in this PDS are inclusive of GST. GST will not be applicable to the buy sell spread payable (if applicable) in relation to the Fund.

#### **8.7 Stamp Duty**

Stamp duty should not be payable on your investment(s) in the Fund.

## 9. Additional Information

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### 9.1 **Updated Information**

Information in this IM may be subject to change from time to time. We may, at our discretion, inform you of changes. However, we do not undertake to keep you informed of any changes or additional information that may arise after you receive this IM.

You may request a paper copy of any updated information at any time, free of charge.

If you subscribe for Units in the Fund, updated information that arises after the commencement of the Fund (such as changes in the Classes and performance information) will be provided to you from time to time.

### 9.2 **Reporting**

Reports to investors will be provided on an annual basis. We will provide you with:

- Confirmation of all transactions in Units (including applications and Redemptions); and
- An annual statement providing your account balance, transaction summary and net earnings.

We may also provide you with an annual tax statement if the Fund has paid a distribution during the financial year.

### 9.3 **Privacy**

We use personal information about you to administer your investment. If you do not give the Trustee such information we may reject your application. We will not tell anyone information that the Fund has about you unless:

- The law requires; or
- We consider that your financial adviser needs the information.

If you think our records are wrong or out of date (particularly address, e-mail or financial adviser) it is important that you contact us to ensure prompt correction.

Contact the Trustee in order to access the personal information we hold about you.

### 9.4 **Anti-Money Laundering**

In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AMLCTFA**), we are required to identify and verify the identity of new Investors (and in certain circumstances, existing Investors).

In order to do this, and as required by the AMLCTFA, we must collect certain information from you and verify this information by citing certain verifying documentation. If any information is required from you above that requested via the Application Form, we will contact you.

If you do not provide us with all information requested, we will not be able to process your application or issue Units to you.

We are obliged under the AMLCTFA to take and maintain copies of any information collected from you and, in certain circumstances, may be required to disclose your information to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) or other government bodies and we may not be permitted to inform you of any such disclosure.

The AMLCTFA also required us to submit certain reports to AUSTRAC. Your information may be required under the AMLCTFA to be included in such reports. In addition to this disclosure, the AMLCTFA permits us to provide your information to related entities and persons. Aside from disclosures permitted or required under the AMLCTFA, we will ensure that your information is kept confidential in accordance with any relevant legislation.

By applying for Units, you are acknowledging that we may, in our absolute discretion, not issue Units to you, cancel any Units previously issued to you, delay, block or freeze any transactions or redeem any Units issued to you if we believe it necessary in order to comply with our obligations under the AMLCTFA. In the above circumstances, we will not be liable to you for any resulting loss.

## 10. Glossary

Defined Term or other terms used in the PDS	Definition
<b>\$ or AUD</b>	Refers to the Australian currency.
<b>AFCA</b>	Australian Financial Complaints Authority.
<b>AFSL</b>	Australian Financial Services License.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Business Day</b>	A day that is not a Saturday, Sunday, a public holiday or bank holiday in Sydney.
<b>Companies Law</b>	The BVI Business Companies Act, 2004 of the British Virgin Islands.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Fund</b>	DACM Global Digital Asset Fund.
<b>Administrator</b>	Ascent Fund Services (Australia) Pty Ltd.
<b>GST</b>	Goods and Services Tax.
<b>IM or Memorandum</b>	This Information Memorandum issued by Quay Wholesale Fund Services Pty Ltd dated 11 January 2022.
<b>Initial Offering Period</b>	The initial offering period for Units contained in this IM as determined by the Trustee.
<b>Investment Manager</b>	DACM Australia Pty Ltd ( <b>DACM Australia</b> ) (ACN 624 214 777).
<b>NAV</b>	Net Asset Value.
<b>Redemption Day</b>	Redemptions will be processed daily on any Business Day and/or such other day or days as the Trustee may determine, either generally or in any particular case.
<b>Redemption Price</b>	The redemption price of a Unit calculated in accordance with the Trust Deed.
<b>Redemption Request</b>	A request for the redemption of Units which shall be in such form as the Trustee may determine from time to time.
<b>Shareholder</b>	A person or entity that holds shares in the BVI Master Fund.
<b>Subscription Day</b>	Subscriptions will be processed daily on any Business Day and/or such other day or days as the Directors may determine, either generally or in any particular case.
<b>Transaction Costs</b>	When calculating the Application Price of a Unit, the Trustee's reasonable estimate of the average amount necessary to avoid an adverse impact on other Unitholders because of the acquisition of Units; and When calculating the Redemption Price of a Unit, the Trustee's reasonable estimate of the average amount necessary to avoid an adverse impact on other Unitholders because of the redemption of Units, provided that the Trustee may in connection with any particular application or request for redemption of Units deem these costs to be a lesser sum or zero.
<b>Trust Deed</b>	The trust deed of the Fund dated 15 October 2021 as amended from time to time.
<b>Trustee</b>	Quay Wholesale Funds Services Pty Ltd (ABN 55 647 044 602)
<b>Underlying Fund</b>	DACM Global Master Fund Inc. ( <b>BVI Master Fund</b> ), a Professional Fund (pursuant to the Securities and Investment Business Act) incorporated in the British Virgin Islands under the BVI Business Companies Act with registration number 2078704.

<b>Unit or Units</b>	The securities on offer through this IM.
<b>Unitholder</b>	A person registered as a holder of Units on the unit register maintained by the Unit Registry.
<b>Unit Registry</b>	Ascent Fund Services (Australia) Pty Ltd.

## 11. Directory

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### Trustee

Quay Wholesale Fund Services Pty Ltd  
Suite 3701, Level 37, 1 Macquarie Place  
Sydney NSW 2000  
Phone: 1300 114 980  
Web: <https://www.quayfund.com.au/>

### Investment Manager

DACM Australia Pty Ltd  
Suite 804, Level 8,  
25 Bligh Street  
Sydney, NSW  
Australia 2000  
Email: [investorrelations@dacm.io](mailto:investorrelations@dacm.io)  
Web: [www.dacm.io](http://www.dacm.io)

### Administrator and Registrar

Ascent Fund Services (Australia) Pty Ltd  
Level 24, 52 Martin Place, Sydney NSW 2000  
Email: [DACMTA@ascentgfs.com](mailto:DACMTA@ascentgfs.com)  
Web: <https://ascentfundservices.com/>

### Lawyers

Baker McKenzie  
Level 46, Tower One - International Towers Sydney  
100 Barangaroo Avenue  
Sydney NSW 2000  
Web: <https://www.bakermckenzie.com/en>

# 12. Application Form

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## DACM Global Digital Asset Fund (“Fund”)

For all applications, please complete the Investor and Investment Details section (being these first 2 pages) and Section 1: Application Details of the Anti-Money Laundering Supplement (**AML Supplement**) in this Subscription Agreement. Please forward the completed sections and the required certified identification evidence from Section 3: Identification Documents of the AML Supplement to:

Ascent Fund Services Australia Pty Ltd  
**PO Box Q274**  
**Queen Victoria Building NSW 1230**  
**Australia**  
Email: [DACMTA@ascentgfs.com](mailto:DACMTA@ascentgfs.com)

Alternatively, you can complete the online application form which can be accessed [here](#).

Payments of subscription money should be made to:

Bank Name: Westpac  
Account Name: Quay Wholesale Fund Services Pty Ltd ATF DACM Global Digital Asset Fund  
BSB Number: 032135  
Account Number: 732547  
Reference: Investor name

**The Administrator reserves the right to collect more Anti-Money Laundering/Know Your Customer (AML/KYC) documents should they require it.**

This Subscription Agreement forms part of the Information Memorandum for the Fund. You must read the Information Memorandum before completing this Subscription Agreement. All terms not defined in this Subscription Agreement but defined in the Information Memorandum will have the meaning in the Information Memorandum.

### Investor and Investment Details

Funds Transfer via: EFT/TT (circle)

AUD Unhedged Class  
Application Amount

\$
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Investor Contact Details:

**Contact Person:**

First Name:	<input type="text"/>	Last Name:	<input type="text"/>
Phone Number:	<input type="text"/>		
Email:	<input type="text"/>		
Postal Address	<input type="text"/>		

**Communication:**

*Mailing Address* (if different to the contact person's address above)

Address	<input type="text"/>
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Please list below the bank account from which the electronic transfer of funds will be made. The bank account must be in the name of the investor. Distribution payments will be paid into this bank account.

**Distributions**

I/we elect to receive distributions by:

- Distribution reinvestment
- Pay to bank account (below)

If no election is made, distributions will be automatically reinvested in additional units in the same series. If you wish to change your election, you must notify the Administrator in writing.

**Bank account details (for distributions and redemptions):**

BSB:		Account Number:	
Account Name:			
Name of Bank:			
Branch Address:			

Banking Information: Please note that in cases where the name of the bank account is not in the same name as the investor as indicated above, the funds will be returned to the remitting party.

Additionally, as part of our compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the Regulations and Applicable Rules (**AML Law**), we require detailed verification of the investor's identity and the source of the payment of the application money. If your bank is unable to wire the funds as per the specifications mentioned, we will request your bank to confirm to us in writing that the funds were wired from a bank account held with them in the name of the investor. We reserve the right to request such information as is necessary to verify the identity of any investor.

**Purpose of Investment and Source of Funds**

Please outline the purpose of investment (e.g. superannuation, portfolio investment, etc)

Please outline the source/s of initial funding and anticipated ongoing funding (e.g. salary, savings, business activity, financial investments, real estate, inheritance, gift, etc and expected level of funding activity or transactions)

**Declaration**

I/we request you to issue the units applied for and authorise you to register the applicant as the holder(s) of the units.

I/we declare that the execution of this Subscription Agreement by me/us constitutes a representation by each applicant that:

- I/we have read and understood the Information Memorandum for the Fund dated 11 January 2022;
- this Subscription Agreement was detached from the Information Memorandum for the Fund;
- Upon allotment of units in the Fund, I/we agree to be bound by the terms of the Information Memorandum and the Constitution of the Fund, as amended from time to time;
- I/we understand that neither the repayment of capital nor the performance of the Fund is guaranteed by any person, including the Investment Manager;
- I am/we are a Wholesale Client;
- the details given in this Subscription Agreement and in the AML Supplement are true and correct and that I/we have the legal power to invest in accordance with this application;
- I/we authorise Trustee and Administrator to apply the TFN or ABN provided in this Subscription Agreement and authorise it to be applied to all future applications and redemptions for units in the Fund, including reinvestments, unless I/we advise Administrator otherwise;
- I/we have read the section of the Information Memorandum titled "Privacy" and agree that Trustee and Administrator may collect, use disclose and handle personal information in the manner set out in that section;
- I/we agree to indemnify the Trustee of the Fund, Administrator and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any of these declarations proving to be untrue or incorrect;
- in the case of joint applications, the joint applicants agree that unless otherwise expressly indicated on this Subscription Agreement, the units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions, including additional deposits and redemptions; and
- I/We agree to give further information or personal details to Trustee if required to meet its obligations under AML Laws or taxation legislation.

**Signature by individual or joint applicant(s)**

Signature	<input type="text" value="X"/>	Signature	<input type="text" value="X"/>
Print Name	<input type="text"/>	Print Name	<input type="text"/>
Date	<input type="text"/>	Date	<input type="text"/>

**Signature of corporate applicants or corporate trustee applicants**

**Executed by:**

Company Name

As Trustee For

(if applicable)

**By its directors / secretary:**

Signature	<input type="text" value="X"/>	Signature	<input type="text" value="X"/>
Position	<input type="text" value="Director"/>	Position	<input type="text" value="Director/Secretary"/>
Print Name	<input type="text"/>	Print Name	<input type="text"/>
Date	<input type="text"/>	Date	<input type="text"/>

## Anti-Money Laundering Supplement

### Section 1: Application Details

Please indicate who is making the investment.

Investor Type	Go to
<input type="checkbox"/> Individual/Joint Investors/Sole Trader/Individual Trustee	Section 1A
<input type="checkbox"/> Company/Corporate Trustee	Section 1B
<input type="checkbox"/> Trust/Superannuation fund	Section 1C
<input type="checkbox"/> Partnership	Section 1D
<input type="checkbox"/> Agent of Customer	Section 1E

If you do not fall into any of the above categories or would require any further information, please contact the Administrator on +61 3 9020 3000.

#### SECTION 1A - INDIVIDUAL / JOINT INVESTORS / SOLE TRADER / INDIVIDUAL TRUSTEE

##### INVESTOR A / INDIVIDUAL TRUSTEE

Full Name		
Title (Mr/Mrs/Miss/Ms)	Date of Birth	/ /
TFN or Exemption Code (not required for individual trustee or partner)		
Country of residence for tax purposes (not required for individual trustee or partner)		
Full business name (if sole trader)	ABN	
<b>Residential address (not PO box)</b>		
Suburb	State	
Postcode	Country	
Principal place of business (if sole trader)		
Suburb	State	
Postcode	Country	

##### INVESTOR B

Full Name		
Title (Mr/Mrs/Miss/Ms)	Date of Birth	/ /
TFN or Exemption Code (not required for individual trustee or partner)		
Country of residence for tax purposes (not required for individual trustee or partner)		
Full business name (if sole trader)	ABN	
<b>Residential address (not PO box)</b>		
Suburb	State	
Postcode	Country	

Principal place of business (if sole trader)			
Suburb		State	
Postcode		Country	

**Please proceed to Section 2.**

**SECTION 1B - COMPANY / CORPORATE TRUSTEE**

Full Company Name			
ACN/ARBN (if any)			
TFN, ABN or exemption code (if any)			
Country of residence for tax purposes			
Country of formation, incorporation or registration			
Name of regulator (if licensed by an Australian commonwealth, state or territory statutory regulator)			
Licence details			

**If the company is registered as a proprietary company by ASIC or a private company by a foreign registration body, please provide the name of two directors of the company:**

**Director 1**

Full Name	
-----------	--

**Director 2**

Full Name	
-----------	--

**Registered office address in Australia**

Suburb		State	
Postcode		Country	

**Principal place of business**

--

Suburb		State	
Postcode		Country	

**If an Australian company, registration status with ASIC:**

<input type="checkbox"/> Proprietary company	<input type="checkbox"/> Public company
--	---

**If a foreign company, registration status with the relevant foreign registration body:**

<input type="checkbox"/> Private/proprietary company	<input type="checkbox"/> Public company
<input type="checkbox"/> Other (please specify) _____	

Name of the relevant foreign registration body	
Foreign company identification number	

**Is the company listed?**

<input type="checkbox"/> Yes	Name of the market/exchange		<input type="checkbox"/> No
------------------------------	-----------------------------	--	-----------------------------

**Is the company a majority-owned subsidiary of an Australian listed company?**

<input type="checkbox"/> Yes	Name of Australian listed company		<input type="checkbox"/> No
------------------------------	-----------------------------------	--	-----------------------------

Name of the market/exchange	
-----------------------------	--

**If the company is an Australian proprietary company or a foreign private company which is not regulated, please provide the details below for each individual who owns through one or more shareholdings more than 25% of the company's issued capital:**  
**Shareholder 1**

Full Name			
Address (not PO box)			
Suburb		State	
Postcode		Country	

**Shareholder 2**

Full Name			
Address (not PO box)			
Suburb		State	
Postcode		Country	

**Shareholder 3**

Full Name			
-----------	--	--	--

Address (not PO box)

Suburb	State	
Postcode	Country	

If there are more shareholders, please provide the above details on a separate page and attach to this AML Supplement.

**Please proceed to Section 2.**

**SECTION 1C - TRUST / SUPERANNUATION FUND**

**Trust Details**

Full Name of Trust/Superannuation Fund

Full business name of trustee (if any)

TFN, ABN or Exemption Code

Country of residence for tax purposes  
Country in which the trust/superannuation fund was established

**Type of Trust**

<input type="checkbox"/> Category A: Registered managed investment scheme	ARSN	<input type="text"/>
---	------	----------------------

<input type="checkbox"/> Category B: Regulated Trust (e.g. self-managed superannuation fund)
--

Name of regulator (e.g. ASIC, APRA, ATO)	<input type="text"/>
--	----------------------

ABN of Trust	<input type="text"/>
--------------	----------------------

Registration/licensing details	<input type="text"/>
--------------------------------	----------------------

<input type="checkbox"/> Category C: Government superannuation fund
---

Name of the legislation establishing the fund	<input type="text"/>
---	----------------------

<input type="checkbox"/> Category D: Other trust type
---

Trust description (e.g. family, unit, charitable)	<input type="text"/>
---	----------------------

**Complete if the trust falls under Category D**

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

<input type="checkbox"/> Yes - Please provide details of membership class(es) (e.g. unitholders, family members of named person, charitable purposes)	<input type="text"/>
---	----------------------

<input type="checkbox"/> No – Please provide full names of all company and individual beneficiaries below
---

**Beneficiary Details**

**Beneficiary 1**

Full name	<input type="text"/>
-----------	----------------------

**Beneficiary 2**

Full name	<input type="text"/>
-----------	----------------------

**Beneficiary 3**

Full name	<input type="text"/>
-----------	----------------------

If there are more beneficiaries, please provide the above details on a separate page and attach to this AML Supplement.

**Trustee details (all investors)**

If individual trustees, please complete Section 1A in respect of one of the individual trustees.

If corporate trustees, please complete Section 1B in respect of one of the corporate trustees.

**Please proceed to Section 2.**

**SECTION 1D - PARTNERSHIP**

**Partnership Details**

Full Name of partnership

--

Registered business name of partnership (if any)

--

TFN, ABN or Exemption Code

--

Country of residence for tax purposes  
Country in which the Partnership was established

--

**Type of Partnership**

Is the partnership regulated by a professional association?

Yes - Name of association

--

Membership details

--

No - please provide details below with respect to all the partners

--

Number of partners

--

**Partner 1**

Full Name

--

Title (Mr/Mrs/Miss/Ms)

--

**Residential address (not PO Box)**

--

Suburb

--

State

--

Postcode

--

Country

--

**Partner 2**

Full Name

--

Title (Mr/Mrs/Miss/Ms)

--

**Residential address (not PO Box)**

--

Suburb

--

State

--

Postcode

--

Country

--

**Partner 3**

Full Name

--

Title (Mr/Mrs/Miss/Ms)

--

Residential address (not PO Box)

Suburb

Postcode

	State	
	Country	

If there are more partners, please provide their details on a separate page and attach to this AML Supplement.

**Partner Details (All Investors)**

Please complete Section 1A in respect of one of the partners who is an individual.

**Please proceed to Section 2.**

**SECTION 1E - AGENT OF CUSTOMER**

Please complete Part I if investment is made through an individual authorised agent (i.e. if investment instructions are made by the individual authorised agent on behalf of the investor).

For a non-individual investor, please complete Part II if a verifying officer has been appointed to liaise with the authorised agent in relation to this application.

**Part I - Individual Authorised Agent appointed**

I/We have appointed the person(s) named below as my/our authorised representatives. I/We confirm that the authorised representatives are required to authorise instructions.

Full name of agent

Agent's company name (if any)

Licence Number or Authorised Representative Number (if any)


**Contact Details of Agent:**

Phone

Facsimile

Email

Postal Address (not PO Box)

Suburb

Postcode

	Facsimile	
	State	
	Country	

If there are two or more authorised representatives, you may attach a schedule of representatives. Please specify whether an authorised representative can act **individually** or **jointly** (circle). If you do not indicate, then two will be required.

**Part II - Verifying Officer appointed**

It is the agent's responsibility to notify the investor that the verifying officer has specific obligations under the AML/CTF Law. In completing and signing this application as authorised agent for the investor, you agree to notify the investor that the verifying officer is required to:

- a) Collect the following: full name of the agent; position title or role held by the agent in relation to the investor; a copy of the agent's signature; and evidence that the agent is authorised to act for the investor;
- (b) Make a record of the above information; and
- (c) Provide the full name of the agent and a copy of the agent's signature if requested to do so.

You also agree to inform the Investor that they must retain the records made by the verifying officer.

Full name of verifying officer

Title (Mr/Mrs/Miss/Ms)

Residential address (not PO Box)

Suburb

Postcode

	Date of Birth	/ /
	State	
	Country	

**Section 2 – Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standard (CRS) Self-Certification Form - Australia All Investors MUST complete**

We are obliged under the Foreign Account Tax Compliance Act (FATCA), related intergovernmental agreements (“IGAs”) and regulations based on the OECD Common Reporting Standard (“CRS”) to collect certain information about each investor’s tax arrangements. Please complete the sections below as directed and provide any additional information that is requested. Please note that in certain circumstances we may be legally obliged to share this information, and other financial information with respect to an investor’s interests in the Fund with relevant tax authorities. This form is intended to request information only where such request is not prohibited by local law.

For further information on FATCA or CRS please refer to the US Department of the Treasury’s website at <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA> or the following link to the OECD CRS Information Portal at: <http://www.oecd.org/tax/automatic-exchange/> in the case of CRS only.

If you have any questions about this form or defining the investor’s tax residency status, please refer to the OECD CRS Portal or speak to a tax adviser.

If any of the information below about the investor’s tax residence or FATCA/CRS classification changes in the future, please ensure that we are advised of these changes promptly.

**2.1 Individuals**

Please fill this Section 1 only if you are an individual. If you are an entity, please fill Section 2.2.

1. Are you a US citizen or resident of the US for tax purposes?

- NO – Continue to question 2
- YES – Provide your Taxpayer Identification Number (TIN) below. Continue to question 2

Investor	Tax Identification Number (TIN)	

2. Are you a tax resident of any other country outside of Australia?

- NO – Skip to question 7(Declaration)
- YES – Provide the details below and skip to question 7. If resident in more than one jurisdiction please include details for all jurisdictions

Investor	Country of Residence	TIN	Reason Code if no TIN provided (see below)

If Reason B has been selected above, explain why you are not required to obtain a TIN

--

If TIN or equivalent is not provided, please provide reason from the following options:

**Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents

**Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)

**Reason C:** No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

## 2.2 Entities

Please fill this Section II only if you are an entity. If you are an individual, please fill Section I.

1. Are you an Australian Retirement Fund? You will be classified as *Certified Deemed Compliant Foreign Financial Institution* (including a deemed compliant Financial Institution under Annex II)

- YES – Skip to question 7
- NO – Continue to Part A – FATCA, Part B – CRS and Part C – Controlling Persons

### A. FATCA

2. Is the Entity is a Specified U.S. Person?

- YES – Provide your Taxpayer Identification Number (TIN) below and skip to question 4

TIN

- NO – (please also complete question 3,4 and 5)

**3. Entity's FATCA Classification\* (the information provided in this section is for FATCA, please note your classification may differ from your CRS classification in Section 5):**

#### 3.1 Financial Institutions under FATCA:

If the Entity is a Financial Institution, please tick one of the below categories

- i. Partner Jurisdiction Financial Institution – provide the Entity's GIIN at 3.2 or complete 3.3
- ii. Registered Deemed Compliant Foreign Financial Institution - provide the Entity's GIIN at 3.2 or complete 3.3
- iii. Participating Foreign Financial Institution - provide the Entity's GIIN at 3.2 or complete 3.3

**3.2** Please provide the Entity's Global Intermediary Identification number (GIIN) \_\_\_\_\_

**3.3** If the Entity is a *Financial Institution* but unable to provide a *GIIN*, please tick one of the below reasons:

- i. The Entity has not yet obtained a GIIN but is sponsored by another entity which does have a GIIN. Please provide the sponsor's name and sponsor's *GIIN* and Continue to question 4

Sponsor's Name: \_\_\_\_\_ Sponsor's GIIN: \_\_\_\_\_

- ii. Exempt Beneficial Owner – Continue to question 4
- iii. *Certified Deemed Compliant Foreign Financial Institution* (including a deemed compliant Financial Institution under Annex II of the Agreement)– Continue to question 4
- iv. Non-Participating Foreign Financial *Institution* – Continue to question 4
- v. *Excepted Foreign Financial Institution* – Continue to question 4

**B. CRS**

4. CRS Declaration of Tax Residency (please note that you may choose more than one country)\*

Please indicate the Entity’s country of tax residence for CRS purposes, (if resident in more than one country please detail all countries of tax residence and associated Tax Identification Numbers (“TIN”).

If the Entity is not tax resident in any jurisdiction (e.g., because it is fiscally transparent), please indicate that below and provide its place of effective management or country in which its principal office is located.

Country of Residence	Tax Identification Number (TIN)	Reason Code if no TIN provided (see below)

If Reason B has been selected above, explain why you are not required to obtain a TIN


If TIN or equivalent is not provided, please provide reason from the following options:

**Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents

**Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)

**Reason C:** No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

5. Entity’s CRS Classification\* - Please tick one option that applies in section 5.1 or 5.2 below (The information provided in this section is for CRS. Please note an Entity's CRS classification may differ from its FATCA classification in question 3):

For more information please see the CRS Standard and associated commentary.

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/common-reporting-standard-and-related-commentaries/%20-%20d.en.345314>

**5.1 Financial Institutions under CRS:**

If the Entity is a Financial Institution, please tick one of the below categories

- i. Financial Institution under CRS (other than (ii) below) – Skip to question 7
- ii. An Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution - Continue to question 6

**5.2 Non Financial Institutions under CRS:**

If the Entity is a Non Financial Institution, please tick one of the below categories

- i. Active Non-Financial Entity – a corporation the stock of which is regularly traded on an established securities market or a corporation which is a related entity of such a corporation – Skip to question 7
- ii. Active Non-Financial Entity – a Government Entity or Central Bank – Skip to question 7
- iii. Active Non-Financial Entity – an International Organisation – Skip to question 7
- iv. Active Non-Financial Entity – other than (i)-(iii) (for example a start-up NFE or a non-profit NFE) – Skip to question 7
- v. Passive Non-Financial Entity – Continue to question 6

**C. CONTROLLING PERSONS**

6. Passive Non-Financial Entities – please complete details of Controlling Persons, including:

- any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital)?
- If you are a trust, any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust?

*Note: If there are more than 3 controlling persons, please list them on a separate piece of paper*

**Controlling Individual 1:**

Full Name			
Residential Address (not PO box)			
Date of Birth			
Place of Birth (City, Country)			
Country(ies) of Tax Residence			
TIN			
Reason Code if no TIN provided			

**Controlling Individual 2:**

Full Name			
Residential Address (not PO box)			
Date of Birth			
Place of Birth (City, Country)			
Country(ies) of Tax Residence			
TIN			
Reason Code if no TIN provided			

**Controlling Individual 3:**

Full Name			
Residential Address (not PO box)			
Date of Birth			
Place of Birth (City, Country)			
Country(ies) of Tax Residence			
TIN			
Reason Code if no TIN provided			

<b><i>Please Confirm what type of Controlling Person applicable under CRS that applies to you/the investor by ticking the</i></b>	<b>Please Tick</b>	<b>Entity Name</b>
Controlling Person of a legal person – control by ownership		
Controlling Person of a legal person – control by other means		
Controlling Person of a legal person – senior managing official		
Controlling Person of a trust - settlor		
Controlling Person of a trust – trustee		
Controlling Person of a trust – protector		
Controlling Person of a trust – beneficiary		
Controlling Person of a trust – other		
Controlling Person of a legal arrangement (non-trust) – settlor-		
Controlling Person of a legal arrangement (non-trust) – trustee-		
Controlling Person of a legal arrangement (non-trust) – protector-		
Controlling Person of a legal arrangement (non-trust) – beneficiary-		
Controlling Person of a legal arrangement (non-trust) – other-equivalent		

**D. DECLARATION**

11012022

7. Signature

I/We declare (as an authorised signatory of the Entity) that the information provided in this form is, to the best of my/our knowledge and belief, accurate and complete.

I acknowledge that the information contained in this form and information regarding the Account Holder may be reported to the tax authorities of the country in which this account(s) is/are maintained and exchanged with tax authorities of another country or countries in which the Account Holder may be tax resident where those countries (or tax authorities in those countries) have entered into Agreements to exchange financial account information.

I/We undertake to advise the recipient promptly and provide an updated Self-Certification where any change in circumstance occurs which causes any of the information contained in this form to be incorrect.

**Authorised Signature(s)\*:**

\_\_\_\_\_

**Print Name(s)\*:**

\_\_\_\_\_

**Capacity in which declaration is made\*:**

\_\_\_\_\_

**Date: (dd/mm/yyyy):\*** \_\_\_\_\_

### Section 3 - Identification Documents - ALL INVESTORS

To comply with our obligations under AML Law, we must collect certain information, supported by original or certified copies<sup>1</sup> of relevant documents<sup>2</sup>, about each investor. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

In order to verify the signature(s) on the Subscription Agreement, as well as the authority for all future requests, please provide a list of authorised signatories (including sample signatures), or for individual investors, a certified copy of the passport or driver's licence.

Investor Type	Go to
<input type="checkbox"/> Individual/Joint Investors/Sole Trader/Individual Trustee	Section 3A
<input type="checkbox"/> Company/Corporate Trustee	Section 3B
<input type="checkbox"/> Trust/Superannuation Fund	Section 3C
<input type="checkbox"/> Partnership	Section 3D
<input type="checkbox"/> Agent of Customer	Section 3E

### SECTION 3A - INDIVIDUAL / JOINT INVESTORS / SOLE TRADER / INDIVIDUAL TRUSTEE\* / PARTNERS\* / AGENTS OF CUSTOMERS

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

*\*You only need to provide the relevant documents set out in this Section 3A if you are required to complete Section 1A.*

#### PART I

Tick	Provide ONE document from this section
	Current Australian driver's licence containing your photograph and date of birth
	Current Australian passport
	Foreign passport or similar travel document containing your photograph and signature
	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 - Australian investor (should only be provided if you do not own a document from Part I)

Tick	Provide ONE document from this section
	Australian birth certificate
	Australian citizenship certificate
	Pension card issued by Centrelink
	Health card issued by Centrelink
Tick	AND ONE document from this section
	An original or certified copy of a notice, 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
	An original or certified copy of a notice, showing your name and residential address, issued by the Australian Taxation Office within the past 12 months that records a debt payable by you
	An original or certified copy of a notice, 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
	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

#### PART III - Foreign investor (Should only be provided if you do not own a document from Part 1)

Tick	Provide BOTH documents from this section
	Foreign driver's licence containing your photograph and date of birth
	National ID card issued by a foreign government containing your photograph and signature

### SECTION 3B - COMPANY / CORPORATE TRUSTEE\*

Please provide us with an original or certified copy of a document from the following:

<sup>1</sup> Refer to Section 3 for details about obtaining certified copies.

<sup>2</sup> Original or certified documents will not be returned.

<b>Tick</b>	<b>Provide the documents from this section</b>
	Certificate of registration or incorporation issued by ASIC
	Certificate of registration or incorporation issued by the relevant foreign registration body
	Current company search from ASIC database/relevant foreign registration body
<b>Tick</b>	<b>AND (if applicable) documents from this section</b>
	<b>If a listed company:</b> a search of the relevant financial market
	<b>If a regulated company:</b> a search of the licence or other records of the relevant Commonwealth, State or Territory statutory regulator

*\*You only need to provide the relevant documents set out in this Section 3B if you are required to complete Section 1B.*

### SECTION 3C - TRUST / SUPERANNUATION FUND

#### Registered management investment scheme/self-managed superannuation fund/regulated trust/government superannuation fund

<b>Tick</b>	<b>Provide the documents from this section</b>
	Screen print from the relevant regulator's website showing the full name of the Trust, and that the Trust is a registered scheme, self-managed superannuation fund, regulated trust or government superannuation fund

#### Other Trusts

<b>Tick</b>	<b>Provide ONE document from this section</b>
	An original or certified copy or certified extract of the trust deed
	A notice issued to the Trust by the Australian Taxation Office within the past 12 months
	Letter from a solicitor or qualified accountant verifying the name of the trust
<b>Tick</b>	<b>AND BOTH documents from this section</b>
	Full name and residential/registered office address of all individual and corporate trustees
	The relevant documents set out in section 3A or 3B for the individual or corporate trustee who has completed section 1A or 1B respectively

### SECTION 3D – PARTNERSHIP

<b>Tick</b>	<b>Provide ONE document from this section</b>
	An original or certified copy or certified extract of the partnership agreement
	A certified copy or certified extract of minutes of a partnership meeting
	An original current membership certificate (or equivalent) of a professional association
	Membership details independently sourced from the relevant professional association
	A notice issued to the Partnership by the Australian Taxation Office within the past 12 months
	An original or certified copy of a certificate of registration of business name issued by a government or government agency in Australia
<b>Tick</b>	<b>AND the documents from this section</b>
	The relevant documents set out in section 3A for the individual partner who has completed section 1A
<b>Tick</b>	<b>AND (if regulated by a professional membership) ONE document from this section</b>
	An original current membership certificate (or equivalent) of a professional association
	Membership details independently sourced from the relevant professional association

### SECTION 3E - AGENT OF CUSTOMER

<b>Tick</b>	<b>Provide BOTH documents from this section</b>
	Evidence of the agent's authority to act on behalf of the Investor (e.g. signed letter, power of attorney)
	The relevant documents set out in section 3A in respect of the Agent (if individual agent appointed) or in respect of the verifying officer (if verifying officer appointed)
<b>Tick</b>	<b>AND document from this section if verifying officer appointed</b>
	Written evidence of the Investor's authorisation of the verifying officer to act as a verifying officer

## Section 4 - 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 by one of the persons described in the sub-paragraphs below.

The certifier should sign the copy (printing his/her name underneath) and clearly indicate his/her position or capacity and include a contact address and phone number. The certifier must indicate that the document is a true copy of the original document.

People who can certify documents or extracts are:

- A person who, under a law in force in a State or Territory, is currently licensed or registered to practice the following occupations:
  - Chiropractor;
  - Dentist;
  - Legal practitioner;
  - Medical practitioner;
  - Nurse;
  - Optometrist;
  - Patent/Trademarks attorney;
  - Pharmacist;
  - Physiotherapist;
  - Psychologist; and
  - Veterinary surgeon.
- a **lawyer** - 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 **person** listed in Part 2 of Schedule 2 of the *Statutory Declarations Regulations 1993*, which includes but is not limited to:
  - 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 Declaration Regulations 1993);
  - a **police officer**;
  - a **postal agent** - an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
  - the **post office** - a **permanent employee** of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
  - an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
  - an **officer** at a bank, building society, credit union or finance company with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
  - a **member** of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants; and
  - a **teacher** employed on a full-time basis at a school or tertiary education institution.
- an **officer or authorised representative** of a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees.

*[On Accountants letterhead]*

**CERTIFICATE BY QUALIFIED ACCOUNTANT  
(for the purposes of Section 761G(7))**

[date]

DACM Global Digital Asset Fund  
Ascent Fund Services (Australia) Pty Ltd  
PO Box Q273  
Queen Victoria Building NSW 1230

Attention: Unit Registry DACMTA@ascentgfs.com

Dear Sir/Madam

**Re: [Name of Fund] investment by *[insert applicants name as per application form]***

I confirm that I am a qualified accountant as defined by section 9 of the Corporations Act 2001 (Cth), and certify that:

***[insert applicants name as per application form]***

- (i) has net assets of at least A\$2.5 million; or
- (ii) has had a gross income for each of the last two (2) financial years of at least A\$250,000 a year.
- (iii) is a professional investor for the purposes of Section 761G(7)

Yours faithfully

*[Insert – Accountant's name]*

*[Insert – Accountant's name and phone number if not on firm letterhead]*