

# Endeavor

## ASSET MANAGEMENT

### INFORMATION MEMORANDUM

#### Endeavor Absolute Return Fund

JULY 2022

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#### **Trustee:**

**WACC Pty Ltd**

ACN: 626 888 944

AFSL: 509 628

as trustee for Endeavor Absolute Return Fund

ABN: 45 415 227 152

#### **Investment Manager:**

**Endeavor Managers Pty Ltd**

ACN: 605 665 192

CAR: 1261933

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# LETTER FROM THE MANAGER

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Dear Investor,

We are pleased to invite you to invest in the Endeavor Absolute Return Fund (**Fund**).

Endeavor has been managing funds on behalf of clients for over a decade now. Over this time, we have built up a successful track-record of investing in the ASX that has delivered attractive returns for our clients. We have done so employing an investment process that has involved identifying, researching, and investing in companies with strong investment prospects.

Our ethos at Endeavor has always been and will always be about helping our clients to protect and grow their wealth. Our success as a firm has been built on this ethos. With this Fund, we seek to deliver strong absolute returns by applying tools that allow us to enhance the upside, but importantly, that allow us to better manage downside risks.

In managing this Fund, we will continue to make use of the same investment process that has underpinned our decade-plus track-record of attractive returns. In addition, we will make use of the ability to short stocks and to otherwise manage the Fund's exposure to the stock market. While no-one can guarantee returns, we believe we have designed the Fund in a way that will achieve superior risk-adjusted returns for investors over time.

One notable feature of our long-term track-record has been that the funds we manage have generally outperformed in difficult markets. This has benefited our clients by avoiding losses or limiting the downside. In this Fund, we will be better equipped to avoid or limit the downside in difficult markets, specifically by shorting stocks, optimising cash levels, and otherwise managing the overall net exposure of the Fund to the stock market.

Our long-term track-record has also benefited from our ability to identify companies that have delivered outsized returns. The same research efforts that have led us to invest in these companies have also led us to identify companies we believed to have had poor investment prospects. In this Fund, we will be able to short stocks with poor investment prospects which allows us to leverage our research in a way in which the Fund benefits from their relative poor performance.

Despite our best efforts to manage risk in this Fund, prospective investors should be aware that there remains the prospect that returns will still be volatile. This recommends taking a long-term view of investing in the Fund. We urge investors to read the attached Information Memorandum in full to understand the Fund, including key risks, and to seek appropriate professional advice before making an investment.

We look forward to welcoming you as investors in the Fund.

Regards,

**Hayden Beamish & Richard Hamersley**

# IMPORTANT NOTICE

## THIS INFORMATION MEMORANDUM

This Information Memorandum (**Information Memorandum** or **IM**) is dated 13 July 2022.

Endeavor Managers Pty Ltd (formerly known as Fiftyone Capital Pty Ltd) (ACN 605 665 192) (**Manager** or **Endeavor**) is the investment manager for the Endeavor Absolute Return Fund (formerly known as Progressive Global Fund) (**Fund**) and is pleased to provide you with this confidential IM. The Manager has prepared and is the issuer of this IM.

The Manager is the corporate authorised representative (CAR 1261933) of WACC Pty Ltd (ACN 626 888 944; AFSL 509 628).

WACC Pty Ltd (ACN 626 888 944; AFSL 509 628) is the trustee of the Fund (ABN 45 415 227 152) (**Trustee**). This is an important document, and you are encouraged to read it carefully and in full. This IM does not consider your personal circumstances and it does not constitute tax, legal or investment advice. The Fund is for experienced investors, with an awareness and understanding of the risk factors set out in this IM. You should seek professional advice before investing. This Information Memorandum is not a recommendation by the Manager, the Trustee or any of their respective associates, related parties, directors, officers, employees, advisers or representatives to invest in the Fund.

Neither the Manager, the Trustee nor their respective associates, related parties, directors, officers, employees, advisers or representatives is obliged to notify a recipient of this IM of any change to or error in any of the information contained in this IM.

Information in this document is subject to change from time to time and, provided the changes are not materially adverse to investors, may be updated by the Manager publishing such information at [www.endeavoram.com.au](http://www.endeavoram.com.au). If the Manager issues a new Information Memorandum, a copy will be made available to you. You should read it carefully. Copies are also available by contacting the Manager.

This Information Memorandum supersedes all previous representations and communications (including any investor presentations or communications) in respect of the Fund. Any representations not contained in this Information Memorandum may not be relied upon as having been authorised by the Manager or Trustee or their respective associates, related parties, directors, officers, employees, advisers or representatives and should be disregarded.

The Information Memorandum (as updated, supplemented or replaced from time to time) together with the trust deed for the Fund governs your investment in the Fund.

An investment in the Fund is subject to risks, including the loss of all of the capital you invest. Neither the Trustee, the Manager nor any of their directors, officers, associates, employees, advisers or representatives guarantee the rate of return or performance of the Fund. Nor do they guarantee the Fund will meet its objectives or the repayment of your investment.

An investment in the Fund is illiquid and may not provide regular income or capital returns.

Past performance, or past track records of a trustee or manager, do not guarantee that future performance will be the same or similar.

Unless otherwise stated, all dollar values set out in this document are in Australian dollars and exclude the impact of GST including any reduced input tax credits.

Defined words and terms used in this IM are set out, together with their meaning, in the Glossary.

## STRUCTURE

The Fund is structured as an Australian unit trust and is a managed investment scheme for the purposes of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Fund is not currently registered with the Australian Securities and Investments Commission (**ASIC**) but may be in the future. By investing in the Fund, you consent to the Fund being registered in the future should the Trustee (in consultation with the Manager) consider it appropriate. You also consent to registration taking place without the Trustee holding a meeting of unit holders to amend the trust deed to make it suitable to be registered and to approve the application for registration.

## NOT A REGULATED DISCLOSURE DOCUMENT

The Manager has authorised the use of this Information Memorandum as disclosure to those persons who qualify as "wholesale clients" only (as the Corporations Act defines this term). It is provided to you as a person to whom an offer of units in the Fund would not require a disclosure document under Part 7.9 of the Corporations Act because you are a wholesale client. This document is not a disclosure document or product disclosure statement for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. ASIC takes no responsibility for the contents of this Information Memorandum. This Information Memorandum has not been prepared to the same level of disclosure required for a product disclosure statement or prospectus. If you are not a Wholesale Client or a retail client who has received a personal offer from the Trustee and read the Financial Services Guide provided to you, then please do not read this Information Memorandum and return it immediately to the Manager.

## CONFIDENTIALITY AND RESTRICTIONS ON DISTRIBUTION

This Information Memorandum is confidential and is provided to prospective Investors for the sole purpose of considering investing in the Fund. You must not copy or circulate it, in whole or in part, and its contents must not be disclosed to any other person without the Trustee's prior written consent except to an adviser where it is necessary for the permitted purpose.

This Information Memorandum (including any copy of it) may not be distributed, directly or indirectly, outside Australia or any other jurisdiction specifically approved by the Trustee.

In particular, units in the Fund have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

#### **INDIRECT INVESTORS**

The Manager has authorised the use of this Information Memorandum as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of any investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (each an **IDPS**) who may make the Fund available through the IDPS from time to time. When the Fund is available for investment through an IDPS, this Information Memorandum may be used by persons applying for units through an IDPS (**Indirect Investors**). Indirect Investors do not acquire the rights of a unit holder in the Fund. Rather, an Indirect Investor directs the IDPS operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard. Indirect Investors should seek advice from their IDPS operator as to whether cooling off rights apply to an investment in the Fund by the IDPS and details of other fees and costs payable in connection with your investment.

#### **NO LIABILITY**

The Manager has prepared this Information Memorandum based on information available to it at the time of preparation and from sources believed to be reliable. This IM is comprised of statements of intent and opinion, which may not be realized or be

accurate. While the Manager believes that the information in this IM, including statements of intent and opinions are based on reasonable assumptions, neither the Manager nor the Trustee nor any of their respective associates, related parties, directors, officers, employees, advisers or representatives makes any representation or warranty that it has verified the information set out in this IM or the fairness, accuracy, reliability or completeness of the information, opinions or conclusions contained in this IM or any other information the Manager otherwise provides to you.

To the maximum extent permitted by law, neither the Manager, the Trustee nor any of their respective associates, related parties, officers, employees or advisors are liable for any direct, indirect, or consequential loss or damage suffered by any person as a result of relying on this IM or otherwise in connection with it.

This IM does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the trust deed for the Fund, a copy of which is available (free of charge) by contacting the Manager. To the extent there are any inconsistencies between the trust deed for the Fund and this IM, the trust deed will prevail.

If you have any questions, please do not hesitate to contact the Manager. The Manager's contact details are at the end of this Information Memorandum.

#### **TRUSTEE LIMITATION OF LIABILITY**

Except in certain circumstances (including fraud, wilful default, negligence or breach of trust by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

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# SECTION 1

## KEY FEATURES

### KEY FEATURE TABLE

This section provides an overview of the main features of the Fund, it is not intended to be exhaustive. Prospective investors should read the full IM to make an informed decision about whether to invest in the Fund.

<b>IM DATE</b>	13 July 2022
<b>FUND</b>	A unit trust established by the Trust Deed and named Endeavor Absolute Return Fund
<b>TRUSTEE</b>	WACC Pty Ltd (ACN 626 888 944; AFSL 509628) as trustee for Endeavor Absolute Return Fund (ABN 45 415 227 152)
<b>MANAGER</b>	Endeavor Managers Pty Ltd (ACN 605 665 192)
<b>INVESTMENT STRATEGY</b>	To achieve the Fund's investment objective by holding a diversified portfolio of long equity positions, short equity positions and other permitted instruments.
<b>INVESTMENT OBJECTIVE</b>	To deliver positive absolute returns over time.
<b>INVESTMENT TIMEFRAME</b>	Recommended as 7 years or more. The Fund is open-ended and as such does not have a fixed investment period or set term. The above statement is simply a suggested minimum timeframe.
<b>UNIT PRICING</b>	Monthly
<b>APPLICATION/REDEMPTIONS</b>	Monthly
<b>ADMINISTRATOR</b>	Apex Fund Services (Australia) Pty Ltd
<b>MIDDLE OFFICE</b>	Attentus Fund Solutions Pty Ltd
<b>ELIGIBLE INVESTORS</b>	An investment in the Fund is restricted to Wholesale Clients. Subject to this, the Fund is available to all types of investors, including individuals, super funds, and family trusts/companies, as well as professional investors and family offices.
<b>CLASSES OF UNITS</b>	<p>The Trustee has created the following Classes within the Fund:</p> <p>Main Class, within which there are the following Series which are open to new investors:</p> <ul style="list-style-type: none"> <li>Main Class Series (various) – into which direct investments are made in the Fund. Each of these Series adopt a series accounting methodology.</li> <li>Platform Class Series – open for Indirect Investors into the Fund. This Series adopts a whole of fund accounting methodology.</li> </ul> <p>B Class – this Class is now closed for the issue of new Units. C Class – this Class is now closed for the issue of new Units. D Class – this Class is now closed for the issue of new Units.</p>
<b>MINIMUM INITIAL INVESTMENT AMOUNT</b>	\$100,000 (a lesser investment amount may be allowed if approved by the Trustee).
<b>MINIMUM ADDITIONAL INVESTMENT AMOUNT</b>	\$10,000, or such other amount as determined by the Trustee.
<b>MINIMUM REDEMPTION AMOUNT</b>	\$10,000. If an Investor requests a partial redemption that would cause its investment to fall below \$100,000, the Trustee may, at its discretion, either permit the partial redemption or redeem the total holdings of that Investor.
<b>MANAGEMENT FEE</b>	Management fees of 1.50% (excluding GST) per annum of Net Asset Value for the applicable Class or Series, calculated and accrued monthly and paid in arrears.
<b>PERFORMANCE FEE</b>	Performance fees of 20.00% (excluding GST) of the amount, if any, of the increase in the Net Asset Value for the applicable Class or Series above the High-Water Mark for that Class or Series, accrued monthly and payable quarterly.
<b>BUY/SELL SPREAD</b>	+/- 0.25%
<b>KEY RISKS</b>	Due to the investment strategy of the Fund, it is generally higher risk in nature. Investors assume the risks and benefits normally associated with investment in equities as well as in long/short strategies, the economy and markets in general. Please refer to the risks section for further important information.
<b>INCOME DISTRIBUTIONS</b>	The Trustee intends to make distributions, if any, annually. All distributions are automatically reinvested into the Fund, unless a Unitholder stipulates that they shall be received in cash or the Unitholder is a retail client (as that term is defined in the Corporations Act).

## SECTION 2

# THE INVESTMENT APPROACH

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### THE FUND'S EXPOSURE

The Fund will invest predominantly in ASX-listed securities. This may include securities of large, mid, small and micro-cap companies.

In addition, the Fund may also use derivatives, including futures and options, to achieve the desired exposure to individual equities, sectors of the market, and market indices. Derivatives acquired for the Fund may or may not be exchange traded, including on offshore exchanges. The Fund may also use exchange traded funds to achieve its desired exposures.

In general, the Fund will buy securities (mostly for long positions) and borrow securities to sell (mostly for short positions) in order to benefit from both rising and falling share prices, as well as to manage portfolio risk. To this end, the Fund generally aims to profit from the Manager's ability to identify and buy securities that it believes will do relatively well and to identify and sell securities that it believes will do relatively poorly.

We may use leverage for the Fund and will maintain flexibility as to the cash levels of the Fund.

### UNDERSTANDING LONG AND SHORT POSITIONS

The Manager will use both long and short positions in managing the Fund with the aim of enhancing potential returns for the Fund and managing portfolio-wide risks.

A "long position", "going long" or "to be long in a security", is where an investor owns a security with an expectation that it will benefit if the price of the security goes up. This is the more conventional practice of investing and is contrasted with "going short" or "short selling".

Short selling occurs when an investor borrows securities with the promise to return equivalent securities at an agreed time in the future. The investor sells the borrowed securities on the open market and must purchase equivalent securities on or before the date it is obligated to return equivalent securities to the lender. If the security falls in value so that the investor can purchase the equivalent securities at a lower price, the investor will generate a profit. However, if the securities increase in value, so that the investor purchases the equivalent securities at a higher price, the investor will suffer a loss.

To hold a "long" position securities are bought with existing capital of the Fund – no stock borrowing takes place. Short selling increases the gross exposure of the Fund to the movement of the securities held within the Fund. This will magnify any positive performance of the portfolio, but it will also magnify any losses in the portfolio.

### OUR INVESTMENT PHILOSOPHY, PROCESS & STRATEGY

Endeavor believes that corporate fundamentals ultimately drive corporate value, and in turn, the returns generated from owning shares in a company. Some of the fundamentals we consider to be most important in driving value and returns include a company's competition positioning, its prospects for earnings growth and the strength of its management.

We believe the share market is often inefficient and there will be times when its pricing of stocks does not reflect their fundamentals.

Endeavor believes that understanding a stock's fundamentals provides an opportunity for investors to identify and take advantage of any mispricing. To this end, we believe it is possible to gain an understanding of a stock's fundamentals through appropriate research and analysis.

To this end, Endeavor employs a fundamental "bottom-up" approach to stock selection.

We typically seek to invest long in companies which, in our opinion, have the following fundamentals:

- a strong competitive advantage;
- a rational and value-enhancing corporate strategy;
- a supportive industry structure;
- high quality and relatively predictable earnings;
- strong earnings growth;
- a strong balance sheet;
- strong cash flow generation;
- strong management team;
- alignment of management's interests with those of shareholders; and
- its shares are undervalued relative to future earnings and cash flows.

Our investment process relies on extensive research and analysis for the purposes of gaining sufficient understanding of the fundamentals of any individual stock. This research and analysis includes in-the-field due diligence such as visiting assets and operations as well as contact with the company itself and its competitors, customers, suppliers, regulators and other industry participants.

The decision to invest depends on our understanding of what those fundamentals indicate for the downside risks and upside return potential for that stock. Through this Fund, we aim to hold a portfolio of stocks in which we believe the fundamentals are attractive. Against this, we will seek to sell, where possible, stocks in which we believe the fundamentals are poor.

The Fund will be managed using an index unaware approach. All investments will depend on their intrinsic merits rather than their size, weight or other characteristic as related to any index.

Stock ideas are generated from a very wide range of sources, including through our in-house proprietary quantitative screen, intelligence gained from company meetings and other industry contact, our network of research firms, and new initial public offerings and other corporate action.

#### **PORTFOLIO CONSTRUCTION**

We construct the portfolio based on our view of the best publicly traded long and short ideas. Typically, the Fund will hold a range of 10-40 long positions and 5-10 short positions at any one time.

The Fund may hold positions in derivative securities (including offshore derivative securities) that increase or reduce the Fund's exposure directly or indirectly to the overall market, certain segments of the market, or a specific company's shares.

The Fund will typically maintain a net market exposure (total long positions minus total short positions) of between -20% and 100%. Gross market exposure (total long positions plus total short positions) will generally be below 200%.



## SECTION 3

# ABOUT THE MANAGER, TRUSTEE & KEY SERVICE PROVIDERS

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### THE INVESTMENT MANAGER

The Trustee has appointed Endeavor as the investment manager of the Fund.

Endeavor is a boutique fund manager that has been in operation since 2010. It invests client funds predominantly into stocks listed on the ASX. It has built up a successful track-record that has delivered attractive returns for its clients. Its investing is underpinned by a research-intensive, bottom-up investment approach that focuses on corporate fundamental factors such as business quality, earnings growth, and managerial strength.

Endeavor is majority owned by its investment team, who also have a significant investment in the funds it manages.

### THE INVESTMENT TEAM

The following are those responsible for the day-to-day portfolio management of the Fund. They are supported by other team members as well as an Investment Committee that includes experienced and independent investment professionals.

#### Richard Hamersley

*Portfolio Manager*

Richard has over 16 years' experience in portfolio management and researching small capitalisation stocks. Richard has a successful track record of portfolio management at Endeavor since joining in 2015.

Prior to joining Endeavor, Richard was an equities research analyst for small capitalisation stocks at Euroz Securities Ltd for 10 years from 2005 – 2015. Before joining Euroz, Richard was a Senior Advisor in KPMG's Transaction Services division (2005), a market risk analyst at Barclays Capital in London (2004 – 2005), and a Senior Accountant at Andersen/Ernst & Young in the auditing division (2000 – 2003).

Richard holds a Bachelor of Commerce from The University of Western Australia (majors Accounting and Finance). Richard is a member of the Institute of Chartered Accountants in Australia (ICAA) and has a Diploma in Applied Finance and Investment from FINSIA.

#### Hayden Beamish

*Portfolio Manager*

Hayden has over 11 years' experience in corporate finance, equities research and equities investing.

Hayden joined Endeavor in September 2015 and prior to joining Endeavor, he was an Equities Analyst at Westoz Funds Management which runs two listed investment companies, Westoz Investment Company and Ozgrowth Limited. Before Westoz, Hayden worked in the equities research division at Euroz Securities focusing on modelling and valuation of the research coverage list. Hayden also has M&A experience from Ernst & Young and forensic accounting experience gained at PPB Advisory.

Hayden's career started at Patersons Securities while completing a Bachelor of Commerce (Majors: Finance, Investment Finance and Money and Banking) along with a Bachelor of Economics (Majors: International Business Economics and Economics) from The University of Western Australia.

### TRUSTEE

WACC Pty Ltd (ACN 626 888 944) is the trustee for the Fund. It holds Australian Financial Services Licence number 509628 issued by ASIC, which authorises it to provide financial services including establishing and operating the Fund.

### KEY SERVICE PROVIDERS

The Trustee has appointed Apex Fund Services (Australia) Pty Ltd (ABN 86 149 408 702) as Administrator of the Fund.

The Manager has appointed Attentus Fund Solutions Pty Ltd (ABN 35 615 300 153) to provide middle office services to the Fund such as trade reconciliations, shadow NAV, post trade reporting and compliance.

The service providers who assist the Trustee and/or the Manager to operate the Fund may be changed and added to at any time and without notice to you.

## SECTION 4

# KEY RISKS

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All investments carry risk. Different investments carry different levels of risk, depending on the strategy and the underlying investments. Generally, the higher the potential return of an investment, the greater the risk (including the potential for loss and Unit Price variability over the short term).

Significant risks of investing in the Fund are described below, but there could be other risks that adversely affect the Fund. You should seek your own professional advice on the appropriateness of this investment for your circumstances and financial objectives.

### MARKET RISKS

The performance of the Fund will be affected by the performance of Australian and international markets generally. The value of investments may go up or down, in line or out of line, with market movements. This in turn affects the value of the units in the Fund. This risk is generally outside the Manager's control, and includes movements in the general price level, supply, and demand in the market in which the investments are made. Markets will be affected by a range of factors including investor sentiment, political events, inflation, prevailing interest rates, economic and regulatory conditions, and broader events like changes in technology and environmental events. Prices will fluctuate.

### MANAGER RISK

There is no guarantee that the Fund will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers. The Manager may change its investment strategies and internal trading guidelines over time, and there is no guarantee that such changes would produce favourable outcomes. There is a risk that the key investment personnel of the Manager may no longer be able to perform the required duties effectively and as such the Trustee may terminate the Manager.

In addition, the Manager has been appointed as a corporate authorised representative of WACC Pty Ltd. If the Manager's authorised representative appointment terminates, then there is a risk that it will no longer be able to manage the Fund's assets. This could result in the Fund suffering losses.

### FUND RISK

Risks related to the Fund include the risk that the trustee of the Fund may change, there may be a change in investment professionals or other service providers or the Trustee may become unable to operate because of a regulatory impediment such as the Trustee ceasing to hold an Australian Financial Services Licence or ceasing to exist.

Other risks include the termination of the Fund or a change in the fees or costs and expenses of the

Fund. The Trustee has the discretion to compulsorily redeem Units. Investing in the Fund could give different results than investing in the underlying investments of the Fund directly because of income or capital gains accrued in the Fund and the impact of other Investors making investment into or withdrawing from the Fund.

### SECURITIES SPECIFIC RISK

The Fund may have exposure to a range of assets and the value of these assets may fall, for example due to market volatility, interest rate movements, perceptions of credit quality, supply and demand pressures, market sentiment, or issuer default. These risks may be greater for some assets than others.

Illiquid and/or unlisted assets have greater risks than for liquid and/or listed assets. This is mainly due to the illiquid nature of unlisted assets, which could result in it being difficult to sell those assets cheaply in times when lowering risk is prudent. Also, as illiquid assets do not trade frequently, their most recently traded price may not be indicative of their true value.

### LIQUIDITY RISK

There will be no public market for Units. The primary mechanism for disposal of Units is redemption, in accordance with the Trust Deed and any redemption policies adopted by the Fund.

Fund investments may be difficult or impossible to sell, either due to factors specific to that security, or to prevailing market conditions. Liquidity risk may mean that an asset is unable to be sold or the Fund's exposure is unable to be rebalanced within a timely period and at a fair price. This could potentially result in delays in processing the redemption of Units, or even the suspension of redemptions.

If the Manager is required to process a large redemption or application, the exposure of the Fund to particular assets may be altered significantly due to the security sales or purchases required. Any decline in the Net Asset Value during the period from the date of notice of redemption until the redemption date will be borne by Investors.

### OPERATIONAL RISK

The Trustee, Manager and all other service providers must perform their obligations to the Fund by maintaining systems, processes, and practices to ensure the investment and administration operations run smoothly and accurately. Failures in this area can lead to losses due to such things as incorrect trade settlements, incorrect payment instructions or poorly defined documentation.

### COUNTERPARTY AND CREDIT RISK

Counterparty risk is the risk that a counterparty to a contract will fail to perform contractual

obligations (e.g., default in either whole or part) under the contract. This is also sometimes referred to as 'credit risk'. The Fund may be affected by the default of a counterparty. The institutions (such as our prime broker and trading firms and banks) with which the Fund does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of the Fund or create unanticipated trading risks.

#### **INTEREST RATE RISK**

The value of the Fund's investments may be sensitive to changes in market interest rates.

#### **VALUATION RISK**

The carrying value of the Fund's investments used to generate the Fund's Unit Price may not reflect their liquidation value. This may be due to a range of factors, including buy/sell spreads, liquidity pressures, market sentiment at the time of liquidation and the volume of securities being liquidated. Some of these valuation risks are greater for illiquid and/or unlisted assets than for liquid and/or listed assets. This may mean that the Unit Price does not reflect the value that will be achieved when processing a redemption.

#### **REGULATORY AND LEGAL RISK**

Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund or the assets of the Fund. Such initiatives impact either a specific transaction type or market and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. Similarly, laws affecting managed investment schemes (including taxation, corporate and regulatory laws) may change in the future, affecting investors' rights and investment returns.

#### **TAXATION RISK**

Changes in taxation rates, tax rules or tax law interpretation may impact your investment returns. The taxation assumptions used in this Information Memorandum are based on existing Australian tax legislation. Any changes to such legislation may materially impact the returns of the Fund. It is recommended that you seek advice from a tax adviser before making an investment into the Fund.

#### **CYBER RISK**

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to an investor's personal information because of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Trustee, the Manager or their service providers.

#### **SHORT SELLING RISK**

Short selling involves selling a security that is borrowed from another party. The short sale of a security can involve much greater risk than buying

a security and can also involve borrowing and other costs which may reduce profits or create a loss for particular positions. The losses on purchased securities are generally restricted at most to the amount invested, whereas losses on a short position can be much greater than the value of the security when it is borrowed (and in theory can be unlimited). Additionally, there can be no guarantee that the securities necessary to cover a short position will be available for purchase at the required time. Short selling will also incur interest and other costs on the securities borrowed by the Fund for sale. For a short sale to be profitable the return from the strategy must exceed these costs and, where losses are incurred on the strategy, these costs will increase the losses.

#### **DERIVATIVE RISK**

A derivative is a financial instrument with characteristics and value dependent upon the characteristics and value of an underlying security (typically a commodity, bond, equity, or currency). Derivative risk is the risk that the value of the underlying security will underperform or that the derivative may behave differently to the underlying security. Derivative risk also includes the risk that the relevant counterparty will fail to perform its obligations under the derivative.

#### **LEVERAGE RISK**

We use leverage for the Fund where we believe it may achieve a higher rate of return for the Fund. Accordingly, the Fund may pledge securities in order to borrow additional funds for investment purposes. The number of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their Units.

#### **PORTFOLIO CONSTRUCTION RISK**

While seeking to optimise the portfolio to maximise returns, there is no guarantee the Fund's portfolio will be always be optimised. The Fund's gross exposure (long plus short exposure) and net exposure (long minus short exposure) can vary.

#### **OTHER RISKS AND POTENTIAL CONSEQUENCES**

It is not possible to predict what future events may or may not occur and so the risks in this section should not be considered exhaustive. There may be additional risks which arise.

Generally speaking, if one or more of the risks outlined above comes to pass, then it could result in one or more of the following outcomes:

- distributions to Investors may not be made or may be reduced; and/or
- the capital value of the Fund's assets may decline which may result in a loss of capital to Investors.

# SECTION 5

## INVESTING IN THE FUND

### GETTING STARTED

The Fund is an Australian resident open-ended unit trust and is not required to be, nor is it, registered under the Corporations Act. You must be a Wholesale Client to invest in the Fund.

The minimum investment is \$100,000 unless otherwise agreed by the Trustee.

You may complete your application online by going to the Fund's website at [www.endeavoram.com.au](http://www.endeavoram.com.au) or [www.olivial23.com](http://www.olivial23.com).

By completing an online application, you agree to all of the subscription terms and conditions set out in that online application form.

For questions about completing application forms please contact the Manager on: [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au).

### DO YOU QUALIFY AS A WHOLESALE CLIENT?

If you are applying for \$500,000 or more, we will assume you are a Wholesale Client.

If you are investing less than \$500,000, you will need to provide supporting information to confirm that you are a Wholesale Client. This may be:

- a certificate from an accountant that is less than 24 months old certifying that:
  - the prospective investor has the Required Net Assets or the Required Gross Income; or
  - the prospective investor together with any trusts or companies the investor controls, have the Required Net Assets or the Required Gross Income; or
  - the prospective investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.
- a certificate from an adviser or accountant that confirms the prospective investors is a "sophisticated investor" (within the meaning of that term in the Corporations Act);
- confirmation that the prospective investor holds an Australian Financial Services Licence; or
- a statutory declaration (or other satisfactory evidence) that the prospective investor meets any of the other categories of Wholesale Client.

Please contact the Manager if you need assistance in providing the appropriate documentation to certify that you are a Wholesale Client.

### HOW TO PAY

You can pay for your investment in the Fund by electronic funds transfer (EFT) to the Trustee's financial institution account (**Application Account**) as follows:

<b>Account Name:</b>	<b>App - WACC Pty Ltd</b>
<b>BSB:</b>	<b>013 006</b>
<b>Account Number:</b>	<b>837 510 694</b>

All EFT payments must be accompanied by a notification email to [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au) to ensure that the investor account is properly credited.

### PROCESSING OF APPLICATIONS

Applications are generally processed monthly, however, the Trustee reserves the right to process applications more frequently at its discretion. The Trustee may accept or not accept investment applications and need not provide reasons.

Application monies should be deposited at least 5 Business Days before the end of the month by electronic funds transfer to the Application Account to be held to the Investor's order, pending acceptance of the application and issue of Units.

Applications received less than 5 Business Days before the end of the calendar month will be processed and issued no later than 15 Business Days following the end of the following calendar month and will receive the unit price applicable to that following calendar month.

Neither the Manager, Trustee nor the Administrator accepts any responsibility or liability for any loss caused as a result of any communication (including non-receipt of a communication) including any loss caused in respect of any action taken as a consequence of an instruction believed in good faith to have been correct and given by a properly authorised person.

Applications monies do not earn interest to an applicant investor.

### UNIT CLASSES AND SERIES

If an application is accepted, you will be issued Units in a Series of the Main Class.

While the Fund has 4 Classes (Main Class (also known as A Class), B Class, C Class and D Class), the B Class, C Class and D Class are closed for the issue of new Units.

For the Main Class (other than the Platform Class Series), the Administrator adopts "series accounting" and the Trustee will create a new Series for new investments depending on when the investment in the Fund is made.

The Platform Class is a Series of the Main Class which uses whole of fund accounting, meaning that each new application is allocated to the existing Platform Class Series.

### SERIES ACCOUNTING

The Fund has adopted the "Series Accounting and consolidation method" to equalise performance fees for all Classes (excluding Platform Class Series).

This method enables performance fees to be allocated equitably among Investors and ensures that each Investor is charged a fair performance fee from the time they invest in the Fund. Under this method, Investors participate in the profits of the Fund from the subscription date for their investment. Until a performance fee is paid in respect to a particular Series, that Series will retain its identity as a separate and distinct Series. Once a Series has reached (or exceeded) its High-Water Mark on a performance fee payment date, the Series is rolled up into the main Series of the relevant Class and the Investor's original Series units are cancelled. The Investor's capital balance does not change but the number of units and their unit price does.

As of each date on which new Units are to be issued, the Trustee will generally create a new Series of Units at a Unit price of \$1.00, plus the buy spread of 0.25%.

#### **PLATFORM CLASS SERIES**

The application price for Units in the Platform Class Series is based on the Net Asset Value of that Series divided by the number of units on issue in that Series plus the buy spread of 0.25%.

#### **APPLICATION CONFIRMATION**

If your application is accepted, you will be sent an Subscription confirmation. You should check the details on that confirmation carefully and contact the Manager if you have any questions.

#### **ADDITIONAL INVESTMENT**

The minimum amount for additional investments into the Fund is \$10,000 (unless otherwise agreed with the Trustee).

Use the Additional Application Form available from the Administrator or Manager. Please email this form to [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au)

Lodged applications cannot generally be withdrawn once they are received by the Administrator.

Payment of additional investment monies can be by EFT from your financial institution account. All EFT payments must be accompanied by a notification email to [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au) to ensure that the investor account is properly credited.

You will receive confirmation when your application for additional Units is accepted.

#### **COOLING OFF**

There is no cooling off rights as this is a wholesale fund. Lodged applications cannot be withdrawn unless agreed by the Trustee.

#### **REDEEMING**

To withdraw part or all your investment in the Fund, complete a Redemption Request Form available from the Manager or the Administrator and submit the form to the Manager. Investors wishing to withdraw their investment in part or in whole, should ensure their redemption requests are received by the Administrator at least 5 Business Days before the end of the month.

The minimum redemption amount is \$10,000 (unless otherwise agreed by the Trustee). If an Investor does not have a minimum investment of \$100,000 in the Fund, the Trustee may redeem the Investor's entire investment. The Trustee may waive these requirements generally, or on a case-by-case basis. A redemption request may be accepted or rejected by the Trustee in its discretion.

Send your completed redemption request form to the Manager via email: [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au).

Once lodged, redemption requests cannot be withdrawn except in certain circumstances or with the approval of the Trustee.

The redemption Unit Price will be the Unit Price on following valuation date, unless the redemption request is received less than 5 Business Days, or such other date determined by the Trustee in its sole discretion, before the redemption date, less the sell spread of 0.25%. Redemptions will crystallise any performance fees accrued relating to the series or class and be paid to the manager.

Your redemption proceeds will be paid by electronic funds transfer to your nominated account, normally within 15 Business Days of the Unit Price being calculated for the relevant redemption processing day (which is generally the last Business Day of each month). There can be delays in certain circumstances, as set out below.

#### **DEDUCTIONS**

The Trustee may deduct from any money payable to an investor (including on winding up) or otherwise recover from an Investor:

- any moneys due to the Trustee by the Investor; and
- any money the Trustee (as trustee of the Fund or in any other capacity) owes someone else relating to the Investor (for example, to the Manager or to the Australian Taxation Office).

#### **DELAYING ACCESS TO YOUR INVESTMENT**

Access to your money may be delayed in limited circumstances, including where:

- there is a circumstance outside the Trustee's reasonable control which the Trustee considers impacts on its ability to calculate a Unit Price properly, accurately or fairly; or
- the Trustee has received redemption requests in relation to a particular valuation time, and the total redemption monies which would be payable in respect of this time represent more than 5% of the Net Asset Value of the Fund, and in this case, the Trustee can redeem the Units at such future time, or at times over such period, as the Trustee determines.

Unit prices are generally calculated at the time the delay ends. The Trust Deed sets out a number of circumstances in which the Trustee can delay withdrawal of your money. A copy of the Trust Deed is available on request from the Manager.

## **COMPULSORY REDEMPTIONS**

The Trustee may redeem units without an Investor asking in limited circumstances as set out in the Trust Deed. A copy of the trust deed is available on request from the Manager.

## **DISTRIBUTIONS**

Subject to the Fund's financial position, it is intended that distributions will be paid annually as at 30 June from the realised income of the Trust. The Trust Deed does allow for more frequent distributions to be paid; however, it is the current intention of the Trust to pay annual distributions.

Investors should note that the distributions they receive from the Fund may vary each year. Distributions are based on the number of Units an Investor holds in each Class of the Fund in proportion to the number of Units held by all Investors in the Class.

Distributions are expected to be made to Investors within 60 days of the end of the financial year (30 June) or any other interim distribution date determined by the Trustee in its sole discretion. All distributions will be made via electronic funds transfer.

The Trustee may also elect to distribute shares in the form of units in a different class within the Fund. These units may correspond to specific shares or positions held within the unit trust that only holders of that specific class of units will receive.

Should new units be created under the Fund as a distribution for investors, any sales or redemptions of those units will automatically convert back into units within the main series unless otherwise elected by the unitholder to receive cash.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

## **DISTRIBUTION REINVESTMENT**

The Fund automatically reinvests investors' distributions, unless otherwise stipulated by the investor. This alternative election can be made by investors on the Application Form where indicated. Investors can choose to change their election at any time provided at least one month's notice is given in writing before the end of the financial year or distribution period.

For the Main Series Class, distributions are either reinvested in a new Series of the same Class and for the Platform Class, distributions are reinvested in the existing Class of Units.

The Unit Price applied to the reinvestment will be the Unit Price for the particular Series calculated following payment of the distribution. No buy spread will be applied to the reinvestment of distributions

## SECTION 6

# FEES & OTHER COSTS

### FEES AND COSTS TABLE

This table summarises the fees and other costs that will be charged to the Fund. These fees and costs may be deducted from Fund assets. Information about taxes is set out elsewhere in this IM.

All fees and costs shown below are exclusive of GST. Where GST is payable this charge will be in addition to the fees detailed below.

You should read all the information about fees and costs, as it is important to understand how they impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Management Fee</b>	1.50% per annum of the Net Asset Value of the Class or Series (as applicable).	This fee is calculated for each Class and Series. It is calculated and accrued monthly and paid in arrears. This fee is included in the calculation of the Unit Price.
<b>Performance Fee</b>	20.00% of the increase in the Net Asset Value of the Class or Series above the High-Water Mark for that Class or Series.	This fee is payable only when the Net Asset Value has increased above the applicable High-Water Mark. When the Net Asset Value does not exceed the previous High-Water Mark, no performance fee is payable. The performance fee will be payable quarterly (if hurdles are met) out of the Fund assets. This fee is calculated and accrued monthly and payable quarterly as at 31st March, 30th June, 30th September and 31st December.
<b>Other Expenses</b>	Other properly incurred costs and expenses, such as brokerage incurred on transactions.	Included in the calculation of the Net Asset Value and payable out of the Fund's assets when incurred.
<b>Early Exit Fee</b>	N/A	N/A

### ADDITIONAL EXPLANATION OF FEES AND COSTS

#### MANAGEMENT FEE

The Manager is entitled to an ongoing management fee, calculated for each Class and Series, equal to 1.50% per annum of the Net Asset Value of that Class or Series, (for example, an investment of \$100,000 would incur an annual cost of \$1,500 for the management fee). This payment is for managing the Fund and its underlying investments. These costs and expenses include but are not limited to rent; AFSL licensing fees; insurance; wages; data subscriptions; research; IT costs; marketing; accounting; and legal expenses.

#### PERFORMANCE FEE

This is the fee payable in consideration for the past and successful investment management of the Fund. The fee is only payable to the extent the returns generated by the Fund exceed the applicable High-Water Mark. If payable, the fee is 20.00% of the outperformance over the applicable High-Water Mark.

For the Platform Class Series, the performance fee is referable to the performance of that Series as a whole without regard to the different times investors invest.

For Main Class Units, other than the Platform Class Series Units, the performance fee is referable to the performance of the Series in which you are invested. All Units across all Series (other than the Platform Class Series) which have had a performance fee payable in the prior period will normally be consolidated into a single Series. The High Water Mark for the consolidated Series will be the Net Asset Value per Unit of that consolidated Series as at the last valuation day after payment of the performance fee.

The High-Water Mark for a Class or Series is the previous highest Net Asset Value of Units in that Class or Series at the end of the most recent period in respect of which a Performance Fee was paid (or where no such fee has been paid, the initial issue price of the Units).

The High-Water Mark ensures that the Manager must exceed the highest previous Unit valuation (with respect to each separate and distinct Class or Series of Units) before receiving any Performance Fee. This is so that the Manager does not receive a benefit more than once for the same performance.

The Performance Fee will be calculated and accrued monthly and payable quarterly on the performance review dates being 31 March, 30 June, 30 September and 31 December.



## OTHER EXPENSES

Other costs and expenses that relate directly to the administration and operation of the Fund are payable out of the assets of the Fund, including:

- Administration services for the Fund. The estimated administration fee will be 0.10% - 0.30% per annum on the gross asset value of the Fund (for example, on a \$100,000 investment an estimated \$100 - \$300 would be paid to the administrator of the Fund). Details of the administrator services are described elsewhere in this IM.
- Other costs and expenses that relate directly to the Fund and benefit all Unitholders, such as legal costs to establish the Trust Deed and ongoing accounting and audit costs relating directly to the Fund.
- Transaction costs such as brokerage or other charges relating to the prime broker or costs charged for custodial services
- Costs and expenses relating to specific investments that require legal or expert review or advice.

## REFERRAL FEES

These fees will be payable by the Manager out of the management fee and will not impact returns from Investors. The Manager may pay referral fees to third parties such as financial planners, accountants, or other professional advisers. These fees will be negotiated between the Manager and the third-party adviser.

## BUY / SELL SPREAD

	AMOUNT	WHEN PAID
<b>Buy Spread</b>	A Buy Spread of 0.25% will be added in calculating the Unit Price for applications	Paid on Application for Units
<b>Sell Spread</b>	A Sell Spread of 0.25% will be deducted in calculating the Unit Price for redemptions	Paid on Redemptions of Units

Buy/sell spreads are retained by the Fund to cover the cost of such things as brokerage and other

associated costs incurred in the buying and selling of securities in the Fund. This ensures that new or exiting Investors don't disadvantage other Investors. Buy/sell costs are an additional cost to investors who buy/sell Units. Buy/sell spreads are retained by the Fund and not paid to the Manager.

## GOODS AND SERVICES TAX (GST)

Unless otherwise indicated, all fees stated in this IM are exclusive of GST. Where GST is payable in relation to a fee or expense and an input tax credit is available from the tax office, then the Fund will be credited with the amount of the input tax credit. A full input tax credit may not be available on some fees or expenses, in which case, a reduced input tax credit of 75.00% of the GST charged to the Fund will be available.

## SOFT COMMISSIONS

The Manager may execute transactions or arrange for the execution of transactions through brokers and other counterparties to the Fund with whom they have "soft commission" or "introductory arrangements". The benefits provided under such arrangements will generally assist the Manager in the provision of investment services to the Fund.

Specifically, the Manager may receive a benefit based on certain metrics such as the number of trades executed, or leverage obtained through the respective broker or counterparty. Benefits received by the Manager may take the form of, among other things, research services, quotation services, news wire services, portfolio risk and trade analysis software systems, special execution, middle office services and clearance capabilities, which may be used by the Manager to pay for services in connection with activities associated with the management of the Fund.

## INDIRECT INVESTORS

For indirect investors, the fees listed in the 'Fees & other costs' section of this Information Memorandum are in addition to any other fees and charges charged by your IDPS Operator.



# SECTION 7

## TAX INFORMATION

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### GENERAL

This section provides a summary of the Australian income tax considerations for the Fund and Investors. The information is both general in nature and a brief guide only as the tax implications will depend on the taxation status of the Fund and each Investors' circumstances. This information only relates to Investors who are Australian tax residents. The tax status of the Fund could also change over time. The Trustee will inform Investors if the taxation status of the Fund changes. Investors are advised to seek their own tax advice in relation to an investment in the Fund.

### GENERAL ADVICE WARNING

The Investor is responsible for administering their own tax affairs. This may include capital gains and/or income tax. Each time the Investor invests, they must satisfy themselves prior to making any commitment that they understand and accept the tax consequences to them. We do not provide tax advice and Investors should seek this independently before investing if they are unsure of their position. It is the Investors responsibility to ensure that their tax return is correct and is filed by the deadline and any tax owing is paid on time. If an Investor is unsure how this investment will affect their tax status, they must seek professional advice before they invest. Tax treatment is dependent on the individual circumstances of each Investor and may be subject to change in the future.

### TAXATION STATUS

The Fund is a managed unit trust. Therefore, as a unit trust, investors in the Fund will collectively be presently entitled to the entire amount of the taxable income of a Fund for each relevant financial year, and the Fund itself should not be liable to Australian income tax under present income tax legislation. All income (such as dividends and interest), Net taxable capital gains (sale of Fund's investments) and tax credits (franking credits or tax paid on foreign income) will be distributed to the Unitholders shortly after the end of the financial year. This income and capital gains, if any, requires the individual Unitholder to pay tax at their marginal tax rate.

### DISTRIBUTIONS

As stated above, it is currently expected that the Fund will generally not pay tax on income or capital gains made by it, provided Unitholders are presently entitled to all the Fund's taxable income. The distributions can form part of your assessable income and be subject to tax for the tax year in which the Fund generated the income and capital gains, even if your distributions are reinvested into the Fund.

### DISPOSAL OF UNITS IN THE TRUST

Australian investors are generally subject to capital gains tax when they withdraw any money from the Fund. Depending on your status as a taxpayer and how long you have held the units, you may be entitled to a capital gains concession (which reduces the liability by up to 50.00%). The capital gains tax protection for a superannuation fund is different. Applying for and withdrawing units in the Fund, and receiving distributions, will not incur GST in Australia. However, GST may be payable on our fees and certain reimbursement of expenses. Where the Fund is able to, it will claim input tax credits on the GST incurred.

### FRANKED DIVIDENDS

The Fund will seek to distribute franking credits to investors received from the Fund's investments in Australian companies. Any franking credits attached to distributions will be shown in investors' annual tax statements. As stated above, to the extent franking credit entitlements exceed tax payable by an investor, any excess may be refundable to individuals and complying superannuation funds.

### TAX FILE NUMBER

The Application Form requests that Investors supply their TFN. If a TFN is not supplied, or appropriate TFN exemption information is not provided, income tax is required to be deducted from Fund distributions at the highest marginal rate plus the Medicare levy. If you are not an Australian investor you must indicate your country of residence for tax purposes.

### FOREIGN ACCOUNT TAX COMPLIANCE ACT

The Foreign Account Tax Compliance Act (**FATCA**) relates to US taxpayers and the Common Reporting Standard (**CRS**) is a broader framework for the exchange of financial account information between jurisdictions relating to all non-Australian taxpayers. We are required to collect information about your tax status in order to comply with Australian laws to implement Australia's obligations under FATCA and CRS, which are regimes for the exchange of financial account information by Australia with foreign jurisdictions. To comply with FATCA and CRS, as a financial institution, we must collect information about your tax status before opening your account and we are required to identify foreign accounts and provide information relating to foreign accounts and foreign controlling persons to the Australian Taxation Office ("ATO").

The ATO may then pass this information to other revenue authorities under exchange of information agreements that Australia has entered into with other jurisdictions. We cannot provide tax advice about the impact or compliance obligations of FATCA and CRS on you or your business activities.

## SECTION 8

# ADDITIONAL INFORMATION

### KEEPING YOU INFORMED

The Manager will:

- Confirm every transaction an Investor makes in or out of the Fund;
- Within three months of each financial year end, send each Investor a statement to help with their tax return;
- Notify Investors of any changes to this IM which may have a materially adverse impact on Investors and any other significant event; and
- Provide regular Fund performance updates and investment commentary.

The Manager has been appointed by the Trustee to manage the Trust. The Trustee is responsible for the operation of the Trust, and it will closely monitor the Manager and other service providers, such as the Administrator, in relation to all other Fund management functions.

Unitholder approval is required where changes to the Trust Deed may adversely affect Unitholders.

### RELATED PARTY TRANSACTIONS

The Manager is related to the Trustee as they share common directors and shareholders.

The Trustee may also engage other related parties to provide services to the Fund in the future. Any engagement with such related parties will specify what the related party must deliver under the agreement and payment for the services provided will be in accordance with prevailing market rates.

The Trustee and the Manager have adopted policies to deal with conflicts of interest which will apply to their management of this Fund. The Manager and any other related party or service provider, their directors and staff can and are encouraged to invest in the Fund.

The Manager may elect to have its management and performance fees paid directly to a nominated bank account or have them reinvested as Units.

### PRIVACY

Both the Trustee and the Manager have adopted privacy policies which regulate how they treat Investors' information. In applying for Units, you will be required to supply personal information to the Manager and the Trustee and certain of the service providers they have engaged.

Personal information provided will be used to process applications and to administer and report on Investors' Unit holdings and the operation of the Fund. Where necessary and permitted by law, an Investors' personal information will also be provided to third parties to enable the Manager and/or Trustee to provide services to Investors, or to persons an Investor authorises to receive their

personal information (such as an adviser). The Manager or the Trustee may, in certain circumstances, be required to also disclose Investors' personal information as required by law.

Personal information may also be used to offer Investors products and services of the Trustee and/or the Manager and their related entities.

A copy of the privacy policy for the Trustee is available from [www.fiftyonecapital.com](http://www.fiftyonecapital.com).

A copy of the privacy policy for the Manager is available from [www.endeavoram.com.au](http://www.endeavoram.com.au).

### ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

The Federal Government has enacted laws in relation to money laundering and terrorism financing. The Manager and/or the Trustee may require further information from anyone who submits an Application Form or may request evidence to verify the identity of applicants or entities involved with applicants. The Trustee will only request this information where it reasonably considers the information to be necessary or desirable to satisfy its obligations under the laws of Australia or any other country.

Information may need to be disclosed to government or law enforcement agencies and independent contractors retained by the Trustee to advise on and implement procedures to satisfy anti-money laundering obligations. The Trustee may also disclose this information to other entities involved in the Fund, to the extent that this information is required to fulfil that entity's anti-money laundering obligations. The Trustee will only disclose information about Investors where it reasonably considers that it is required to do so by the laws of Australia or the relevant country.

Information obtained by the Trustee will be maintained in a secure manner for the period of time required by the laws of Australia.

### MATERIAL AGREEMENTS

#### TRUST DEED

The Fund is governed by a Trust Deed. You can inspect a copy of the Trust Deed at the Manager's offices, or the Manager will provide you with a copy. The Manager may ask you to sign a Non-Disclosure Agreement before providing you with a copy of the Trust Deed.

The Trust Deed and the Corporations Act govern the rights and obligations of Unit Holders and the Trustee. The Trust Deed sets out the conditions under which the Fund will operate.

The Trust Deed is the primary document that regulates the Unitholders rights and responsibilities.

Pursuant to the terms of the Trust Deed, the Trustee may determine to create and issue Units of different classes or series with the rights,

obligations and restrictions specified in their terms of issue. Each Unit gives the Unit holder an equal and undivided interest in all the assets held by the Trust or, where there are different Classes which hold separate assets, the assets held for the particular Class. However, a Unit does not give an interest in any particular asset of the Trust and does not entitle Unitholders to have any asset of the Trust transferred to them. Subject to the Trust Deed, Unitholders have the following rights:

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

The Trust Deed also:

- governs the relationship between different classes of Unitholder (if different classes exist);
- outlines the rights and obligations of Unitholders;
- outlines the appointment, powers and removal of the Trustee;
- sets out how the Trust will be administered;
- set out the process for the issue and transfer of Units; and
- sets out procedures to wind up the Trust.

By making an application for Units, you will be bound by the terms and conditions of the Trust Deed and any specific terms and conditions of the issue of the applicable Units. The Manager recommends you seek independent professional advice to understand the implications to you as an Investor.

#### **MANAGEMENT AGREEMENT**

The Management Agreement (**IMA**) is the primary document that appoints the Manager as the exclusive investment manager of the Fund for the term on the terms and conditions set out in that agreement. It outlines the powers of the Manager and its obligations to the Fund and Trustee.

The IMA outlines the duties of the Manager in managing the portfolio and in keeping proper records and its reporting requirements to the Trustee.

In terms of the portfolio management, the IMA sets out the investment guidelines and the role of the Investment Committee.

The terms of the Manager's appointment, including the fees payable and timing of payment to the Manager are also outlined in this document.

#### **AUTHORISED REPRESENTATIVE AGREEMENT**

The Trustee holds Australian Financial Services Licence number 509 628 under Part 7 of the Corporations Act.

The Trustee has authorised the Manager to act on behalf of the Trustee under its AFS Licence on the

terms and conditions set out in an Authorised Representative Agreement.

The Manager is appointed as Corporate Authorised Representatives of the Trustee to provide certain authorised services in relation to its role as Manager on the terms and conditions set out in the Authorised Representative Agreement. The authorised services include all of the financial services which the Trustee is authorised to provide pursuant to its AFS Licence.

#### **FUND ADMINISTRATION AGREEMENT**

The Trustee has entered into an Administration Agreement with Apex Fund Services (Australia) Pty Ltd (ABN 86 149 408 702).

The Administrator provides a range of services to the Fund including:

- Investment administration, including unit pricing, BAS, statutory accounts and distributions;
- Fund accounting;
- Maintenance of the unit register;
- Investor services and reporting.

#### **MIDDLE OFFICE AGREEMENT**

The Manager has appointed Attentus Fund Solutions Pty Ltd (ABN 35 615 300 153) to provide middle office services to the Fund such as trade reconciliations, shadow NAV, post trade reporting and compliance.

Launched in 2016, Attentus Fund Solutions assists Australian based Investment Managers with all operational aspects of running a Fund, allowing Fund Managers to focus on their area of expertise – investing funds.

Attentus Fund Solutions offer a personalised service delivered by experienced staff. Their services and software are tailored to suit a range of different investment strategies and asset classes.

#### **LIMITED RETAIL INVESTORS**

Under its AFSL, the Trustee can offer a limited financial service offering to retail investors and therefore some Investors may be considered retail investors.

The Financial Services Guide for the Fund (**FSG**) will be distributed to Investors that are considered as retail. A retail investor may only invest if it has received a personal offer from the Trustee and read the FSG.

Any advice or information provided is general in nature and is not to be taken as personal advice. A separate Series will be created for retail investors to clearly delineate retail investors. The fee structure for this Series will be the same as the relevant Class. Retail investors are not permitted to reinvest their distributions from the Fund into more Units.

## SECTION 9

# GLOSSARY

The following terms and abbreviations used in this IM have the following meaning:

Term	Meaning
<b>\$</b>	Australian dollars
<b>absolute return</b>	An investment strategy that aims to deliver returns in both rising and falling markets
<b>Administrator</b>	The administrator of the Fund from time to time which at the date of this IM is Apex Fund Services Ltd. Certain functions will be delegated by Apex Fund Services Ltd to Apex Fund Services (Australia) Pty Ltd as a Sub-Administrator and unless specified otherwise all references in this IM to Administrator include the Sub-Administrator.
<b>AFS Licence</b>	Australian Financial Services Licence
<b>Application</b>	A valid application for Units made pursuant to this IM
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Business Day</b>	Any day that is not a Saturday, Sunday or gazetted public holiday in Perth, Western Australia or Melbourne, Victoria
<b>Class</b>	A class of Units created by the Trustee which may have specific rights, obligations or restrictions which attach to the Units in that class
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth) (including the Corporations Regulations 2001) as amended from time to time
<b>Fund</b>	The unit trust established by the Trust Deed and known as Endeavor Absolute Return Fund
<b>GST</b>	Tax levied under <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth), as amended
<b>High-Water Mark (HWM)</b>	A level of return that needs to be met before performance fees are payable which may be different for different Classes or Series of Units
<b>IM or Information Memorandum</b>	This document
<b>Investor or Unitholder</b>	A holder of Units in the Fund which may be Units in any Class or Series within a Class
<b>Long</b>	A position where securities are purchased on the belief they will increase in value
<b>Manager</b>	Endeavor Managers Pty Ltd (ACN 605 665 192)
<b>Net Asset Value (NAV)</b>	The value of the assets less any liabilities for the Fund, the Class or the Series (as applicable)
<b>Offer</b>	The offer to acquire Units in the Fund, as set out in this IM
<b>Series</b>	A series of Units created by the Trustee within a Class which may have specific rights, obligations or restrictions which attach to the Units in that series
<b>Short or Short Selling</b>	A position where securities are borrowed (with an obligation to return equivalent securities at a later date) on the belief that they are overvalued and can be sold, and then equivalent securities purchased at a lower price to be returned to the lender of the securities
<b>Trust Deed</b>	The trust deed of the Fund dated 6 March 2018 as amended from time to time
<b>Trustee</b>	WACC Pty Ltd (ACN 626 888 944; AFSL 509628) as trustee for Endeavor Absolute Return Fund (ABN 45 415 227 15)
<b>Unit</b>	A fully paid unit in the Trust
<b>Unit Price</b>	For Units in a Class or Series is the NAV for that Class or Series divided by the number of Units in that Class or Series to 4 decimal places
<b>Wholesale Client</b>	A person who qualifies as a “wholesale client” under Section 761G(7) and 761GA of the Corporations Act
<b>Required Net Assets</b>	Net assets of at least \$2,500,000
<b>Required Gross Income</b>	For each of the last two financial years, at least \$250,000 a year

# SECTION 10

## CORPORATE DIRECTORY

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### INVESTMENT MANAGER

#### **Endeavor Managers Pty Ltd**

ABN: 11 605 665 192

CAR: 1261933

Unit 4, 105 Forrest Street  
Cottesloe WA 6011

Phone: +61 8 6500 1250

Email: [clients@endeavoram.com.au](mailto:clients@endeavoram.com.au)

[www.endeavoram.com.au](http://www.endeavoram.com.au)

### TRUSTEE

#### **WACC Pty Ltd**

ACN: 626 888 944

AFSL: 509 628

as trustee for Endeavor Absolute Return Fund  
ABN: 45 415 227 152

Unit 4, 105 Forrest Street  
Cottesloe WA 6011

Phone: +61 8 6118 2777

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### ADMINISTRATOR

#### **Apex Fund Services (Australia) Pty Ltd**

ABN: 86 149 408 702

Level 13, 459 Little Collins Street  
Melbourne VIC 3000

Phone: +61 3 9020 3000

[www.apexgroup.com](http://www.apexgroup.com)

### MIDDLE OFFICE

#### **Attentus Fund Solutions Pty Ltd**

ABN: 35 615 300 153

Level 3, 3 Spring Street  
Sydney NSW 2000

Phone: + 61 2 8278 7507

Email: [coverage@attentusfs.com.au](mailto:coverage@attentusfs.com.au)

[www.attentusfs.com](http://www.attentusfs.com)

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### AUDITOR

#### **BDO Audit (WA) Pty Ltd**

ABN: 79 112 284 787

38 Station Street  
Subiaco WA 6008

Phone: + 61 8 6382 4600

[www.bdo.com.au](http://www.bdo.com.au)

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