AURAGROUP

Aura High Yield SME Fund

INFORMATION MEMORANDUM

1 November 2023

ISSUED BY:

AURA CAPITAL PTY LTD

ACN 143 700 887

Australian Financial Services Licence number: 366230

WHOLESALE INVESTORS ONLY

About this Information Memorandum

Disclaimer

You must read the following notices before reading or making any use of this document or any information contained in this document.

Purpose

This document comprises an Information Memorandum for the Aura High Yield SME Fund (the "Fund"), dated 1 November 2023 ("Information Memorandum"). Aura Funds Management Pty Limited ACN 607 158 814 is the trustee of the Fund ("Trustee"). The Trustee is an Authorised Representative (CAR 1233893) of Aura Capital Pty Ltd (ACN 143 700 887) ("Aura Capital") Australian Financial Services Licence ("AFSL") number 366230 whose AFSL covers the issue of the units in the Fund and makes the offers under this Information Memorandum for the issue of units in the Fund (the "Offer") and, if they are accepted by prospective investors, those units will be issued by the Trustee.

The Trustee has appointed Aura Credit Holdings Pty Ltd ACN 656 261 200 ("ACH", or "Manager") as the investment manager of the Fund under an Investment Management Agreement ("IMA"). ACH is an affiliate of Aura Capital and operates under Aura Capital's AFSL as an Authorised Representative (CAR 1297296).

Aura Capital, the Trustee and ACH are collectively referred to as ("Aura", "we", "our" or "us") throughout this document.

This document may be provided to you by Montgomery Investment Management Pty Ltd (ABN 73 139 161 701, AFSL No. 354 564) ("Montgomery") as the authorised distributor of the Fund. As authorised distributor of the Fund, Montgomery is entitled to earn distribution fees paid by the Manager and, subject to certain conditions being met, may hold and/or be issued further equity in ACH or entities associated with ACH.

Statements in this document are made only as of the date of this document unless otherwise stated and the information in this document remains subject to change without notice. This document does not purport to be all inclusive or to contain all information which recipients may require in connection with the Offer. The Trustee or Aura Capital may in their absolute discretion, but without being under any obligation to do so, update or supplement this document.

No Disclosure Document

This document is provided to you on the basis that you are, and you represent and warrant that you are, a person to whom an offer of securities may be made without a disclosure document (as defined in the Corporations Act 2001 (Cth) ("Corporations Act") on the basis that you are a wholesale client and are exempt from the disclosure requirements of Part 6D.2 and Part 7.9 of the Corporations Act. If you are not such a person, please do not read this document. Please return it immediately to the Trustee or the Manager and destroy or delete any copies.

Units in the Fund will only be issued to persons in Australia or internationally if it is lawful for the Trustee and Aura Capital to do so.

The Information Memorandum has not been nor will it be lodged with the Australian Securities and Investments Commission. It does not constitute a product disclosure statement, prospectus or other disclosure statement under the Corporations Act.

This Information Memorandum contains important information about the Offer. The provision of this document is not and should not be considered as financial product advice, investment advice or recommendation. Nothing in this document constitutes legal, financial, tax or other advice.

The information in this document is of a general nature only and does not take into account the particular investment objectives, financial situation or needs of any person. Before making a decision about investing or reinvesting in the Fund, you are encouraged to:

- read this Information Memorandum and associated documents such as the Fund's Trust Deed;
- conduct your own independent investigations and analysis of the Fund; and
- obtain appropriate and independent financial, legal and tax advice.

Confidentiality

This document is strictly confidential and is provided to recipients for their sole and exclusive use in assessing the Offer. You agree that you will hold the information contained in this document in accordance with the confidentiality agreement ("Confidentiality Agreement") you have entered into with the Aura or which has been provided to you in relation to the Offer.

Privacy

We respect your privacy. Any personal details you provide to us when you invest or at any other time in relation to your investment, will be used to administer and report on your investment with us, and for purposes related to that. For example, your details may be used to establish your initial investment, process ongoing transactions, respond to any queries you may have, provide you with transaction, distribution, tax and annual statements, and to provide you with information on the performance of your investment, change in product features, commentary on the Fund and other topical information. In certain circumstances, we may be required by law to collect certain personal information about you.

We may also use and disclose the personal information you provide us for the purposes of complying with our obligations under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) ("AML Act").

We aim to keep your personal details as up to date and accurate as possible. If any of your personal details are incorrect or have changed, please write to us.

You acknowledge that we may disclose to any other service provider appointed in respect of the Fund or to any regulatory body in any applicable jurisdiction copies of your Application Form and any information provided by you and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person bylaw or otherwise. If you wish to find out what personal details we hold with respect to you, please contact us by email to support.afm@aura.co. If you would like further information on our Privacy Policy please go to https://www.aura.co/privacy-policy

No Liability

To the maximum extent permitted by law, Aura, Montgomery and each of their respective related bodies corporate and any of their directors, employees, officers, representatives, agents, partners, consultants and advisers accept no responsibility or liability for the contents of this document. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this document. To the maximum extent permitted by law, none of Aura, Montgomery and each of their respective related bodies corporate and any of their directors, employees, officers, representatives, agents, partners, consultants and advisers accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of this document or its contents or otherwise arising in connection with it.

Forward-looking Statements

Certain statements, beliefs and opinions contained in this document, particularly those regarding the possible or assumed future financial or other performance of entities referred to in the document, are or may be forward-looking statements. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Aura's ability to control or predict which may cause the actual results or performance of the Fund to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward-looking statements may be based are reasonable. Forward-looking statements are made having regard to Aura's reasonable expectations as at the date of this document and the Issuer Parties disclaim any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document.

Potential investors are encouraged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to rely on the forward-looking statements. Unless as required by law, Aura does not intend to revise any forward-looking statements to reflect new information or future events or otherwise.

Custodian Disclaimer

One Managed Investment Funds Limited ACN 117 400 987 ("OMIFL") has not withdrawn its consent to be named in this Information Memorandum as custodian of the Fund in the form and context in which it is named.

The Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

OMIFL does not make, or purport to make, any statement that is included in this Information Memorandum and there is no statement in this Information Memorandum which is based on any statement by OMIFL to the maximum extent permitted by law, OMIFL expressly disclaims and takes no responsibility for any part of this Information Memorandum other than the references to its name. OMIFL does not guarantee the repayment of capital or any particular rate of capital or income return.

Application Of Units

To make an application to invest in the Fund, you must complete the online Application Form hosted by Olivia123. Further instructions on completing the Application Form can be found in Section 13 of this Information Memorandum. Investments, distributions and redemptions will be in Australian dollars. Amounts in this Information Memorandum are in Australian dollars.

Administrator Disclaimer

One Registry Services Pty Ltd ACN 141 757 360 or its agent (the "Registrar", or "ORS") and Unity Fund Services Pty Ltd ACN 146 747 122 ("Fund Accountant", or "Unity") have been appointed to provide registry, fund accounting and fund administration services (collectively referred to as "Administrator"). OMIFL, ORS and Unity are members of the One Investment Group Pty Ltd group of companies ("OIG").

The Administrator will acknowledge receipt of any application or redemption request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator within five (5) days of submitting the request, the applicant should assume that the application or redemption request has not been received and they should contact the Administrator's via email on info@oneregistryservices.com.au or telephone on +61 2 8188 1510 to confirm the status of their request.

None of Aura, the Administrator and/or the Administrator's agent accepts any responsibility for any loss arising from the non-receipt or illegibility of any application or additional application (as the case maybe) sent by email or for any loss caused in respect of any action taken as a consequence of such email believed in good faith to have originated from properly authorised persons.

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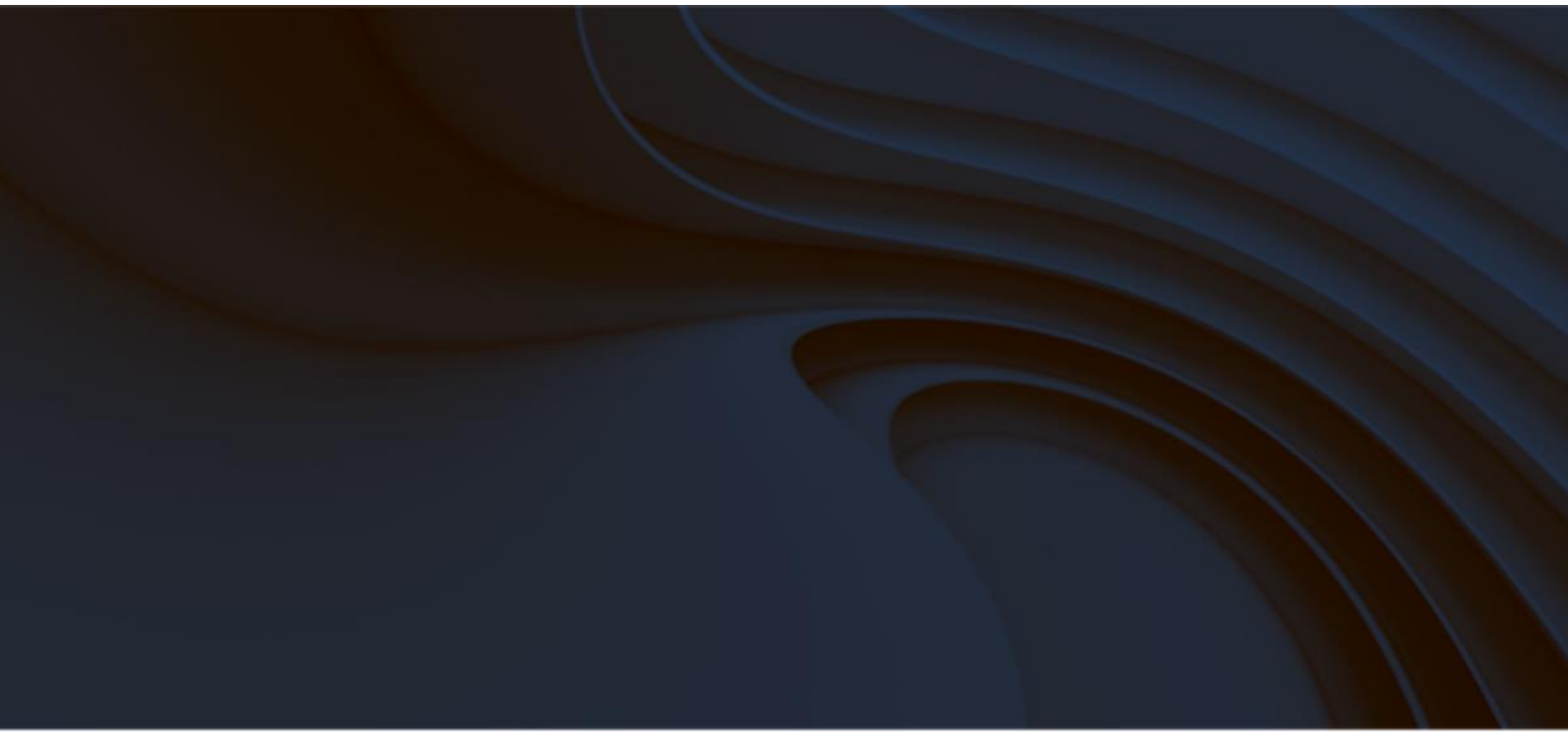


Section 1:

ABOUT AURA GROUP

Section 1: About Aura Group

Aura Group is a global financial services business providing tailored wealth, funds management and corporate advisory solutions to clients.

Founded in Australia in 2009, our head office is in Singapore with a significant footprint across the Asia Pacific. Aura Group partners with private clients, family offices, foundations, corporates and institutions.

We take a client centric approach to wealth management, providing innovative products and tailored solutions for our clients. Aura is privately owned by staff and several strategic investors across Asia Pacific.

The core divisions of Aura Group are organised as follows:

Wealth Management	Asset Management	Corporate Advisory
• Private Wealth	• Private Equity	• Equity Capital Markets
• Multi-Family Office	• Venture Capital	• Debt Capital Markets
• Accounting & Tax	• Credit	• Mergers & Acquisitions
	• Real Assets	• IPO and RTO
	• Principal Investments	

Aura Group's uncompromising integrity, entrepreneurial mindset and innovative solutions have enabled the Group to grow its regional investor base and global footprint across Australia, New Zealand, Southeast Asia, China, India and the United States.

Central to this growth has been the Group's ability to attract and retain exceptional talent and to always provide a best-in-class practice with regards to absolute client management.

The senior management team of Aura Group are successful founders and seasoned business owners that have been able to use their skills, experience and business acumen to add value to clients and portfolio companies.

Aura Group's access to distribution through its global footprint, network of investors and portfolio relationships with over 1000 finance brokers, 30+ financial advisors and 60 accounting related advisors is an important part of the Aura Group's ecosystem.

About the Manager

Aura Credit Holdings Pty Ltd ACN 656 261 200 is the investment manager for the Fund. It operates as an authorised representative (CAR 1297296) of Aura Capital Pty Ltd ACN 143 700 887 AFSL 366230.

The Manager is responsible for overseeing the investment of the Fund's assets, including to:

administer, invest and manage the Fund's investments,

keep the investments under review in view of the investment objectives and investment strategy including identifying, assessing and evaluating investments which may represent potential investments for the Fund;

assist and co-ordinate obtaining advice for the benefit of the Fund (e.g. legal, financial or regulatory), including identifying appropriate advisers; and

provide information and assistance to the Investment and Credit Committee.

The Manager has entered into a Distribution Partner Agreement ('Distribution Agreement') with Montgomery to distribute the Fund and other funds managed by the Manager, to its client base. Montgomery receives a share of the fees paid to the Manager as well as equity in the Manager.

Section 2:

ABOUT THE FUND

Section 2: About the Fund

Introduction

Aura Group, whilst still a boutique, has developed a strong brand name and reputation within Australia which has allowed it to build a strong pipeline through inbound enquiries. A conscious effort has been made in the last few years to grow Aura Group's global presence and the Group is now beginning to see strong deal flow and access to capital across a number of international regions.

The Fund is a unit trust incorporated in New South Wales, Australia. Aura Funds Management is the trustee and has appointed ACH as the investment manager of the Fund. The Manager has adopted an investment plan focused on investing in high quality debt exposures to small and medium enterprises ("SMEs"), that are originated by focused financial technology ("FinTech") alternative finance ("AltFi") lenders.

In particular, the investment plan focuses on investments into the debt originated by an AltFi lender that satisfy the following criteria:

- there is an underlying exposure to SMEs;
- the AltFi lender has processes for robust credit assessments of the underlying SME borrowers;
- the AltFi lender has a scalable business model with a robust medium-term outlook to ensure the debts will be serviced to a high standard to maturity; and
- the AltFi lender's management team has a proven track record.

The Fund will also invest into other forms of debt with underlying exposures to SMEs, including senior debt, asset backed securities such as notes, and bonds issued by securitisation trusts (including covered bonds) and loans made via a peer-to-peer lending platforms. For further information on the Fund's investment plan, please refer to Section 4: Investment Plan on page 12.

Aura has a track record of successful investment in both Australian and International early-stage companies, as well as a history of working with lending businesses. The Fund provides an opportunity for investors to benefit from that experience. The Fund's objective is to provide investors with exposure to an asset class that aims to provide a high cash yield throughout the economic cycle. The Fund has also been structured in a way to provide investors with the following favorable characteristics:

Gain Access To Debt Originated In A New Asset Class

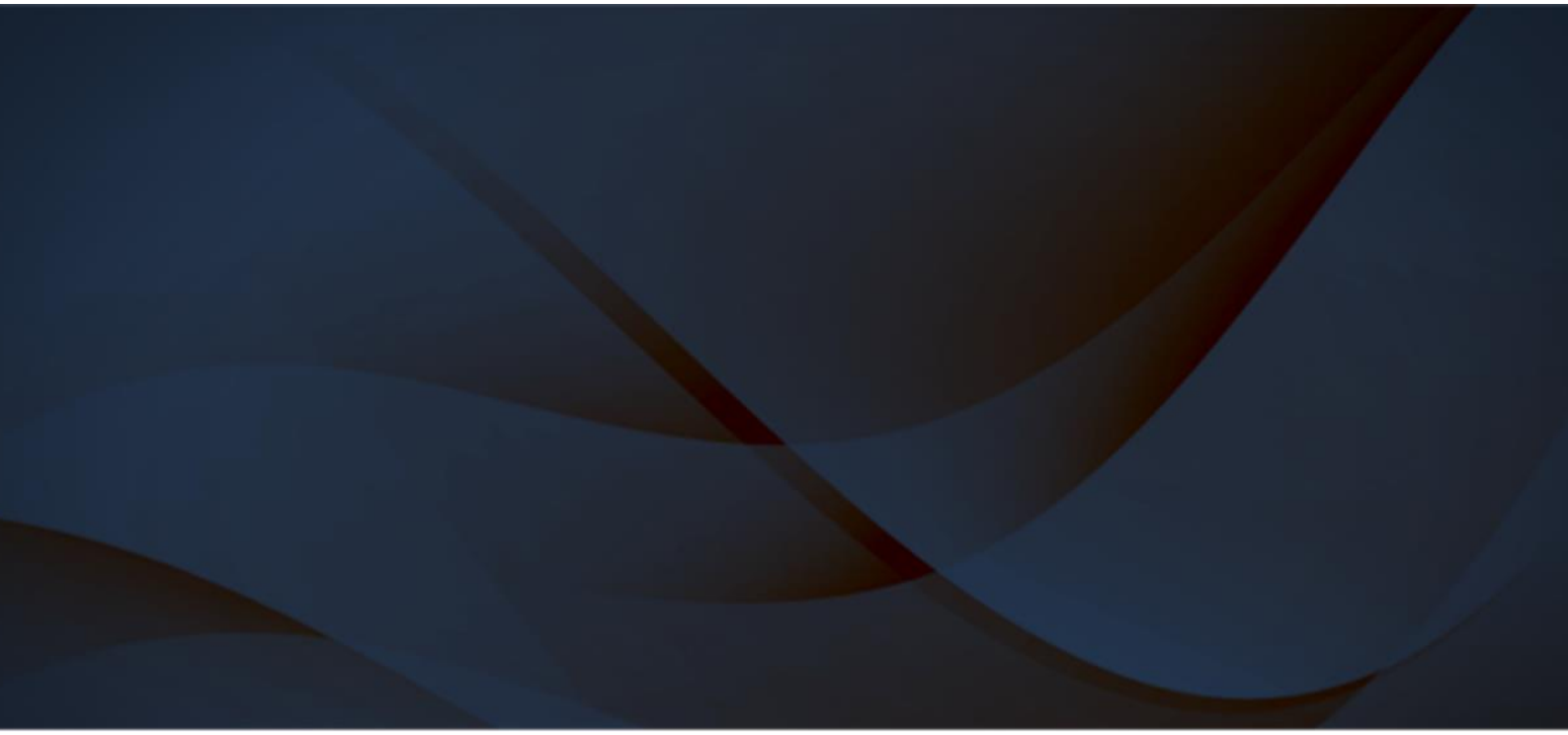
Through its primary focus on debt advanced by AltFi SME lenders, the Fund will provide investors with exposure to high growth businesses about to embark on an upward trajectory. The nascent nature of the asset class and perceived higher risk profile of the AltFi debt asset class is matched with the opportunity to realise favorable cash yields.

Achieve Portfolio Diversification

The Fund will invest in debt originated by FinTech SME AltFi lenders. For so long as the funds under management of the Fund is greater than $100 million the Manager will invest across at least six originators, ensuring diversification across lenders, loan types, geographies, and industries. The level of diversification could not be achieved through investing in the debt of an individual FinTech SME AltFi lender as the investment strategy requires scale and wholesale funding relationships. The Manager will invest in debt by targeting the purchase of loan exposures through the purchase of notes in securitisation structures and purchases on peer-to-peer platforms which will be in the form of units in managed investment schemes. We will also consider other investment methods as the market matures. The Fund will not hold more than a 5% proportionate interest of the Fund's assets to any one underlying loan.

Unique Strategy

The Fund will target a diversified set of exposures by purchasing debt assets from a number of loan originators that pass our screening process that lend to credit worthy borrowers. The originators operate across several niches in the SME AltFi space. The Manager will select the Originators through a process combining venture capital/private equity analysis on the Originator and credit analysis on the lending process and pool of loans.



Section 3:

INVESTMENT SUMMARY

Section 3: Investment Summary

Only the key characteristics of the Fund have been outlined below. For detailed information on the Offer, investors should read this Investment Memorandum, the Trust Deed and all other associated documents. You should also consider seeking independent financial, taxation and legal advice before investing into the Fund.

Item	Description
Fund Name	Aura High Yield SME Fund ("Fund")
Investment Type	A unit trust offering income returns and access to various credit assets with a focus on SME AltFi lender-based assets.
Structure	The Fund is an open-ended unit trust that is not currently registered with ASIC as a managed investment scheme.
Investment Objective	The Fund aims to provide stable monthly income returns from a diversified portfolio of debt securities including asset backed SME loans, director guaranteed SME loans, and senior loans to AltFi lenders secured against a loan portfolio that provide regular income and capital stability.
Investment Strategy	The Fund will work with marketplace and peer-to-peer lenders who lend to SMEs. The fund will look to purchase notes from SPVs, or units in managed investment schemes that hold the underlying loans originated by the originators. We will also consider other investment methods as the market matures. Accordingly, the Fund will invest in a pool of eligible assets, primarily focused on debt issued by SME AltFi lenders and other forms of debt including senior debt, asset backed securities and loans via peer-to-peer lending platforms. As loans are repaid and cash is realised, the Manager will determine what amount to make available for redemptions and otherwise will re-invest cash available in the Fund in accordance with the investment objective. The Fund will not hold more than a 5% proportionate interest of the Fund's assets to any one underlying loan.
Applications	Applications are accepted on a monthly basis and units will be issued effective the first calendar day of each month (provided a complete application is made before 5pm on the last calendar day of the preceding month). The Trustee in consultation with the Manager will determine the net asset value of the Fund on the last calendar day of the preceding month before an application is processed. Investors should receive a confirmation of their allocation of units within 10 Business Days after units are issued.
Minimum Initial Application Amount	$100,000 AUD. The Manager may alter or waive the minimum application amount.
Minimum Additional Investment Amount	You can top up your investment on a monthly basis with a minimum amount of $1,000 AUD.
Minimum Holding Amount	$100,000 AUD. The Manager may alter or waive the minimum holding amount for the Fund.
Minimum Investment Period	1 month. Each Unit must be on issue for one month before it is eligible for redemption. A Unit which has not been on issue for one month is called a Redemption Locked Unit.
Suggested Investment Timeframe	2 to 5 years (but note, there may be restrictions on redemption of Redemption Locked Units – see page 10).
Leverage / Derivatives	The Fund has the ability to use derivatives for hedging purposes.

Section 3: Investment Summary continued

Item	Description
Risks	An investment in the Fund is subject to risks including possible delays in payment and loss of capital invested. Please refer to Section 7 for further details.
Distributions	If the Fund has net income from its investment, it is intended that the Fund will make distributions of income to investors monthly on the Dealing Date or at other times. The Trustee or the Manager may also notify investors from time to time that investors may participate in an arrangement to re-invest their distributions into new Units of the Fund.
Redemptions	An investor may make a redemption request for any Units held by the investor which have been on issue for at least 1 month. Provided there is Available Cash for the Manager to do so, then valid redemption requests will be processed effective as at the Redemption Date in each month and will generally be paid on the date which is 10 Business Days after the relevant Redemption Date. There is no guarantee that there will be any Available Cash for redemption. A valid redemption request is one received by the Manager between 30 and 45 days prior to the relevant Redemption Date. There will normally be a Redemption Date on the last calendar day of each month. If there is insufficient Available Cash, a redemption request may be satisfied on a pro-rata basis. Where there is no Available Cash, all redemption requests will lapse. Investors will need to make a fresh valid redemption request to be considered for the next Redemption Date. The Trustee may reject or defer redemption requests or suspend payment of redemption proceeds in certain circumstances. The Trustee may also, in its discretion, accept a redemption request for a Redemption Locked Unit in certain circumstances, (i.e. due to hardship). However, there is no guarantee that a Unit will be able to be redeemed. As there is no established secondary market for the Units, the investor may not be successful in finding a purchaser for their Units. Units may only be transferred to other wholesale investors with the consent of the Trustee.
Management and Performance Fees	• An investment Management Fee of 1.25% per annum of the Gross Value of the Assets of the Fund calculated as of the last calendar day of the month and payable within 10 Business Days. • An Upfront Fee capped at 1% of the Application Monies paid by an investor that acquired Units in the Fund through a distributor. The Manager may use its discretion to waive this fee. • A Performance Fee of 20% on the Fund's outperformance of the benchmark for the Performance Period. The Performance Fee is calculated at the end of each calendar month and payable within 10 Business Days. For further details on the calculation of fees, please refer to Section 8. All fees are quoted exclusive of GST. See Page 32 regarding GST.
Benchmark	The Fund's benchmark is the Reserve Bank of Australia cash rate + 5.0% per annum.
Fund Expenses	Ordinary expenses of the Fund will be capped at 0.50% per annum of the Gross Value of the Assets, which includes the ordinary fees and expenses of the Trustee, the Manager, the Custodian and of the Fund's legal, administration/accounting, reporting and registry functions. The Manager will absorb any ordinary expenses over the cap. Extraordinary Fund expenses are not subject to the cap. No buy/sell spread is currently included in the unit prices. Investors should note that Distribution Fees are treated as an Extraordinary Fund expense – see Section 8.

Section 3: Investment Summary continued

Item	Description
Reporting	• A monthly report with key Fund performance information will be provided to investors • Audited annual accounts • Annual tax reporting
Custodian	OMIFL has been appointed to hold the assets of the Fund as custodian.
Fund Accountant	Fund accounting and tax services will be carried out by Unity Fund Services (Unity), part of the OIG.
Auditor	The Fund has appointed Ernst & Young to conduct annual audits of the Fund's financial accounts.
Investment Committee	The investment committee will consist of members from Aura and associates of the Aura Group and will be responsible for assessing potential investment opportunities and making the final decision before the Manager proceeds with any investment.

Section 4:

INVESTMENT PLAN

Section 4: Investment Plan

Portfolio Parameters

Portfolio Investments

The Fund will invest in peer to peer and marketplace platforms, where the lender ultimately funds SMEs, including but without limitation, instruments linked to secured and unsecured business loans, equipment and supply chain lending, factoring receivables, auto loans, real estate loans (commercial and mortgage), senior debt, wholesale lending, asset backed loans, and other specialty finance opportunities. Any excess cash in the Fund that is not invested in the aforementioned SME based exposures is to be allocated to term deposits, at call cash accounts issued by an Australian ADI or cash management trusts (which may also be issued and managed by Aura or the Manager). The Manager aims to invest in loans originated by a diversified set of lenders to broaden the investment exposures across a number of SME AltFi lenders in various niches within the sector.

The Manager will target a diversified set of exposures across SME AltFi lenders. The size of the exposure to each lender will vary depending on the deal flow on offer. However, the Fund will not hold more than a 5% proportionate interest of the Fund's assets to any one underlying loan.

Returns

The Fund aims to generate a return in excess of the performance benchmark of the Reserve Bank of Australia Cash Rate + 5%.

As the SME lending market matures, credit models are tested through a cycle, and as the portfolio performance of the SME AltFi lenders become more predictable, it is expected higher quality lenders will be able to reduce their funding costs.

This will likely be done through the sale of senior rated notes to banks. To achieve returns going forward, the Fund will target junior notes but will always seek the optimal risk/return for investors in the Fund.

Proposed Investee Lenders

(I) Stage Of Development

The Fund will focus on providing funding for loans to be made by SME AltFi lenders in the 'Early Expansion' stage of their lifecycle and at later stages in their lifecycle.

(II) Cash Flow Levels

The Fund aims to support SME AltFi lenders that are expected to have minimal revenues initially and will be cash flow negative in many cases. The Fund's later stage investments are expected to demonstrate a potential for profitability (ideally be profitable on a marginal basis), but may still be cash flow negative, due to the need for marketing or other investment to scale the business.

Debt funding through the Fund will in the majority of cases boost the revenue base of the AltFi lender and bring forward the time for it to reach break-even point, and thereby de-risking the lender over time.

(III) Level Of Technology

Rather than concentrating on a particular type of technology in the lending and assessment process of the AltFi lender, the Fund will focus its resources on identifying opportunities that use either technology or another offering to create a point of difference and a subsequent sustainable competitive advantage that gives it the potential to become a market leader.

Investment Process

The investment process followed at ACH and utilised in relation to the Fund is integral in the Fund's identification of high-quality opportunities.

(A) Origination

The Manager has undertaken extensive analysis of the Australian and International AltFi landscape and has developed relationships with market participants whilst completing that analysis. The investment thesis was borne out of this work. The relationships that have been developed overtime are the major source of asset acquisition opportunities. A number of promising investment opportunities have been identified and executed to date.

Opportunities are generally originated through proprietary channels unique to the Manager in relation to the Fund.

(B) Preliminary Investment Committee Meeting

A preliminary Investment Committee meeting will be held to assess the potential investee lender against a number of general criteria to determine whether the opportunity fits the objective of the Fund and warrants being taken to the next stage for a more rigorous analysis.

(C) Critically Assess The Originator

The investee lender will be assessed against a number of criteria aimed at identifying opportunities with specific characteristics including (but not limited to):

- strong credit assessment process for lending to SMEs;
- strong performance of the historic originations by the SME lender;
- innovative companies requiring capital to embark on a period of high growth and profitability;
- passionate owners committed to the business, backed up by a first-class management team;
- scalable business models that can be utilised to generate strong absolute returns and margin efficiencies;
- disruptive technologies with the ability to affect industry structure; and
- potential for value creation exists for the Manager within the business either strategically or operationally.

The transaction dynamics will also be assessed to ensure the opportunity is eligible and can be structured to sit within the Fund. Factors include (but are not limited to):

- asset eligibility in line with the SME focused mandate;
- board representation or strategic insight into the investee lender for the Manager and significant debt holder protections;
- a committed management team eager to build a working relationship with the Manager; and
- possible exit scenarios exist within the required timeframe.

(D) Due Diligence And Final Screening

Thorough due diligence will be performed in relation to each opportunity. The process involves multiple assessment hurdles and sign off procedures.

In the case where due diligence cannot be adequately performed by the Manager, external parties will be engaged to address the specific requirements of the investee lender and transaction. Types of due diligence that may be performed internally and externally include:

- Financial due diligence;
- Tax due diligence;
- Legal due diligence;
- Accounting due diligence;
- Technical due diligence; and
- Commercial due diligence.

(E) Final Investment Committee Meeting and Investment Decision

The Investment Committee's final decision will be made after consideration of the adequacy of the due diligence conducted and a final review of the investee lender has been performed. The majority of members of the Investment Committee must agree that an investment is an appropriate course of action. Once this has been achieved, the Manager will proceed to close the transaction.

Ongoing Management

The Manager has assembled a team to assist in managing the complete investment process across the entire life cycle of the Fund. This includes:

Actively sourcing and securing assets from investee lender, assisting with the formation of strategy, providing a range of ongoing support to senior management, regular monitoring of portfolio performance, and ensuring that all exit scenarios have been considered. Underpinning all of this is the Manager's committed effort to deliver optimal returns to investors.

The ability of the Manager to retain and attract qualified individuals is critical to the success of the Fund. If key members of the Manager's management team leave or become incapacitated - additional resources will be hired as required over the Fund's life.

(F) Working With Investee Lenders

The Manager will continually monitor the investee lenders performance, and the ongoing performance of the loans that underpin the debt portfolio.

Key concepts that will be emphasised within the portfolio as underlying drivers of return include:

- making decisions to improve the quality of debt originated whilst increasing origination volumes;
- the investee lender investing in capabilities to maximise long term growth; and
- close monitoring of the portfolio performance and identifying areas of potential strain early.

Section 5:

INVESTMENT COMMITTEE

Section 5: Investment Committee

Calvin Ng B. Comm LLB (UNSW)

Managing Director and Investment Committee Member

Calvin is a co-founder and Managing Director of Aura Group.

Calvin has extensive experience in investment banking, funds management and private equity & venture capital across various industries including financial services, technology and consumer goods.

At Aura Group, Calvin has been involved in several high-profile transactions for companies including Catapult Sports, IBuy New Group Limited, InStitchu, Juni Global and Freedom Insurance. He continues to add ongoing support to all portfolio companies.

Prior to founding Aura Group and Finsure Group, Calvin worked at Everest Babcock & Brown ("EBB"), one of Australia's largest absolute return investment managers.

At EBB Calvin was part of the Direct Investment Team focusing on high yield debt, listed equities and private equity investments. In this role he gained exposure to a wide range of industries, geographies and asset classes through the provision and investment of over AUD$1 Billion in public and private market transactions.

Calvin has significant board experience in both the public and private sector, with experience providing strategic, corporate and governance advice to small and medium sized enterprises. He currently serves as a Non-Executive Director on several boards, including non-executive Chairman of the Finsure Group, Catapult Sports (ASX:CAT) and IBuyNew Group Limited (ASX.IBN).

Calvin holds a Bachelor of Commerce (with Distinction) and Bachelor of Laws (with Merit) from the University of New South Wales. He also completed the Graduate Diploma of Legal Practice and has been admitted to practice as a Lawyer in the Supreme Court of New South Wales. Calvin holds a Certificate IV in Financial Services (Finance/Mortgage Broking) and a MFAA Anti Money Laundering/Counterterrorism Finance Act Accreditation.

Calvin is a member of the Investment Committee of the Fund and will spend a considerable amount of his time assessing transactions and potential investment opportunities.

Brett Craig B. Comm (UOW) Chartered Accountant

Director and Investment Committee Member

Brett joined Aura Group in 2016 as a Director and the Portfolio Manager of the Fund.

Since joining the Aura Group, Brett has been instrumental in the assessment of SME AltFi lenders and developing the infrastructure for the Fund.

Prior to joining Aura Group, Brett held several roles at Macquarie Group, Australia's largest investment bank over an 11-year period including a Vice President role within the Debt Markets business where he focused on originating, structuring and distributing debt products primarily in the Australian market. Brett is known as the first portfolio manager to originate, structure, negotiate and execute an Australian bank debt facility for an Australian AltFi lender.

Prior to the debt markets role, Brett was in the finance team providing accounting and financial control to the Metals and Energy Capital Business throughout a significant growth phase.

Brett is a member of the Investment Committee of the Fund and will spend a considerable amount of his time assessing transactions and potential investment opportunities.

Brett holds a B. Comm from The University of Wollongong and is also a Chartered Accountant.

Section 5: Investment Committee

Allan Savins

Investment Committee Member

Allan is an independent member of the Investment Committee.

Previously the COO with RESIMAC Limited (one of Australia's leading Non-Bank residential lender's), Allan has over 30 years' experience in financial services and banking, with a strong credit and client relationship background in commercial and residential property finance.

Prior to RESIMAC Limited he held the position of Director, Securitisation at Société Generale. Allan was a foundation member of Bluestone Group, holding more recent positions as Head of Lending and Operations. His previous employer to that was Colonial State Bank where he was involved predominantly in commercial and corporate lending (fulfilling roles in account management, credit and recoveries respectively).

Allan has had extensive board experience with Executive Directorships with RESIMAC Operating Company Pty Limited (Responsible for the day-to-day management of RESIMAC Limited's mortgage business, RESIMAC NZ Home Loans Limited, Iden Loan Services Pty Limited, and Future Financial 1 Pty Limited. Allan has held Non-Executive Directorships with the Finsure Group of Companies (Chairman),1300 Home Loans Pty Limited (Chairman), Smart Finance and Wealth Pty Limited (Chairman) and State Custodians Mortgage Company.

Allan holds a Master of Applied Finance degree (with Distinction) and an Accountancy Diploma. Allan has also completed a Company Directors Diploma through the Australian Institute of Company Directors.

Section 6:

THINGS YOU SHOULD KNOW

Section 6: Things You Should Know

Withdrawal Rights

The Manager reserves the right not to proceed with an application to invest in the Fund at any time before Units are issued to an applicant. If the application does not proceed, Application Monies will be refunded less any applicable taxes and fees. Any interest earned on Application Monies may not be refunded to applicants and may be retained by, or for the benefit of, Aura.

Once applications have been accepted, investors will have no right to withdraw from the Fund, within the first month of the investment. After the initial 1-month investment period, applications for redemption will be taken on a monthly basis, subject to the terms of the Trust Deed and there being Available Cash. As a result, investments in the Fund should be viewed as a medium to long term investment.

Transferring Or Selling Of Trust Units

Transfers of Units in the Fund can only be made if the Trustee consents to the Transfer in writing and all other Transfer conditions have been met. The Trustee holds ultimate discretion to approve or refuse a Transfer of Units.

Disposals of Units during the term of the Fund, may have tax consequences associated with that disposal. Independent financial and taxation advice should be sought before disposing of your Units during the term of the Fund. There is no established secondary market for Units in the Fund.

Valuation

The Fund's assets will be valued monthly using a mark to market accounting methodology, or at any other time determined by the Trustee in consultation with the Manager.

Asset valuations are calculated using pricing information on the investee lenders in relation to the amount of loan arrears and market pricing sources used by the Fund Accountant. The underlying loan portfolios will be valued at the outstanding principal of the loans, less loan losses, plus accrued interest. The valuation guidelines will be reviewed on an annual basis.

Unit Pricing

The application price and the redemption price for Units are calculated in accordance with the formulae outlined in the Trust Deed. The monthly unit pricing is published on the Aura Group website, www.aura.co/aura-high-yield-sme-fund

No buy/sell spread is currently included in the Unit prices.

The Trustee has delegated to the Fund Accountant and/or the Fund Accountant's agent the determination of the net asset value of the Fund, subject to the overall supervision and direction of the Manager. In determining the net asset value of the Fund, the Fund Accountant will follow the valuation guidelines adopted by the Fund.

For the purpose of calculating the net asset value of the Fund, the Fund Accountant or the Fund Accountant's agent shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Manager. The Fund Accountant or the Fund Accountant's agent may also use and rely on industry standard financial models or other financial models approved by the Manager in pricing the Fund's assets. If and to the extent that the Manager is responsible for or otherwise involved in the pricing of any of the Fund's assets, the Fund Accountant or the Fund Accountant's agent may accept, use and rely on such prices in determining the net asset value of the Fund and shall not be liable to the Fund in so doing.

Conflict of Interests

Actual or potential conflicts of interest may arise both within the Fund and/or between the Fund and Aura Group, other Aura Group Funds, Aura Group affiliates or Aura Group investors.

Conflicts of interest may arise in, but are not limited to, the following situations:

- Aura Group, Aura Group affiliates or Aura Group investors may take interests in the investments held by the Fund in their own capacity. This may be a standalone investment decision, or it may be the result of an arrangement made with the Fund;
- Aura Group, Aura Group affiliates or Aura Group investors may hold positions in the Board of Directors of investments made by the Fund;
- the Fund may invest in or lend to companies originated via advisory services or fund sourcing services provided by members of the Aura Group or Aura Group affiliates;
- Aura Group, Aura Group Funds or Aura Group affiliates, may have exposures to the same portfolio companies of both an equity and a debt nature, or have exposures with different ranking of security seniority (whether or not in the same fund, different funds or unrelated investment vehicles). This may pose a conflict of interest where the access to information, security, or ranking of security is different for different investors or to that of the Managers.
- Aura Group, or Aura Group affiliates may invest in another investment vehicle that it is also the Manager and/or issuer of. In such cases, necessary fee arrangements may be put in place to prevent the double charging of investment management fees.
- Aura Group, Aura Group affiliates or Aura Group investors may provide advisory or other services in their own capacity to the Fund's investee companies; and
- Aura Group, Aura Group affiliates or Aura Group investors may receive benefits from its investments or services and is not required to account to the investors of the Fund for any such benefits.

Aura has established and documented procedures designed to address a range of situations where such conflicts of interest may arise and to govern the manner in which the financial services provided by the firm and the associated conduct and behaviour required of all staff.

Where Aura reasonably believe that they face a conflict of interest in connection with a particular circumstance, then Aura will take steps to address the conflict.

Manager Equity Interest

The Manager and its affiliates and/or the portfolio manager may take equity interests in the investee lenders in their own capacity. This may be a standalone investment decision, or it may be the result of an arrangement made with the investee lender in relation to fees which may otherwise be payable to the Manager or its affiliate and/or the portfolio manager, for services such as:

- advisory services; or
- fund sourcing services.

Debt investment decisions are independent of any decision process relating to an equity investment.
The Manager or its affiliates and/or the portfolio manager will retain cash payments for services and other benefits from its equity holdings in its own capacity and is not required to account to the investors or the Fund for any such benefits.

While there may be benefits from having an equity interest (such as better visibility of credit performance), the Manager and the portfolio manager may face conflicts of interest when providing management services in connection with the funding which is provided to the AltFi lender from the Fund, because of any equity interests which it holds in the lender.

The Manager will establish and document procedures designed to address a range of situations where such conflicts of interest may arise and to govern the manner in which the financial services provided by the firm will be provided and the conduct and behavior required of all staff.

Where the Manager reasonably believes that it faces a conflict of interest in connection with a particular circumstance (such as where the Fund has funded an AltFi lender in whom the Manager has an equity interest), then the Manager will take steps to address the conflict, including, for example, by not exercising rights attached to its equity interest and seeking to divest itself of that interest.

One Managed Investment Funds Limited

The Trustee has appointed an independent custodian to hold the assets of the Fund.

The Trustee has appointed One Managed Investment Funds Limited ACN 117 400987 ("OMIFL") under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Manager to effect cash and investment transactions.

OMIFL has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

OMIFL's role as Custodian is limited to holding the assets of the Fund.

Trust Deed

The Fund is a unit trust established under a Trust Deed dated 10 April 2017, as amended from time to time. The following is a summary of the material provisions of the Trust Deed.

As the Trust is not a managed investment scheme registered under the Corporations Act 2001, the Trust Deed is not lodged with ASIC and does not need to comply with the requirements of Chapter 5C.3 of the Corporations Act. Investors are encouraged to read the Trust Deed carefully. A copy of the Trust Deed is available on request from the Trustee or Manager.

The Trust Deed is the document that primarily governs the relationship between the investors and the Trustee and Manager. The Trust Deed regulates the rights and obligations of investors and the Trustee and sets out the powers of the Trustee in operating the Fund.

Nature, Relationship And Management

The Trust Deed is binding on all investors and the Trustee.

The Trustee is expressly appointed as trustee of the Fund. The Trustee is granted all powers in respect of the Fund that it is possible under the law to confer on a trustee. This includes but is not limited to, power to purchase assets of any nature, to borrow (whether or not on security), or to guarantee liabilities.

The Trustee may delegate its powers in accordance with the Trust Deed, including appointing the Manager to provide investment management services to the Fund. The Trustee may also appoint a custodian to hold title to the assets and agents to carry out any functions of the Trustee under the Trust Deed.

Nature Of Investors Interest

Subject to the rights attaching to different classes, each Unit confers an interest in the Fund in proportion to the number of Units on issue. Each Unit is, however, subject to the terms of the Trust Deed. A Unit does not attach to and cannot be traced to any particular assets of the Trust.

Fractions of Units may be issued.

Meetings

The Trustee may at any time convene a meeting of the investors and must do so where investors holding more than 25% of the Units in the Fund provide a signed written request to the Trustee requesting a meeting of members.

The Trustee must ensure that at least 10 days' notice is given for a meeting of members. A meeting may be held at shorter notice with the consent of members holding 50% of the issued Units. A quorum for a meeting of investors will require the presence of at least 50% of the Units in person or by proxy.

An investor may appoint a proxy to represent it at a meeting of investors and the instrument appointing the proxy must be deposited with the Trustee not less than 1 hours prior to the meeting.

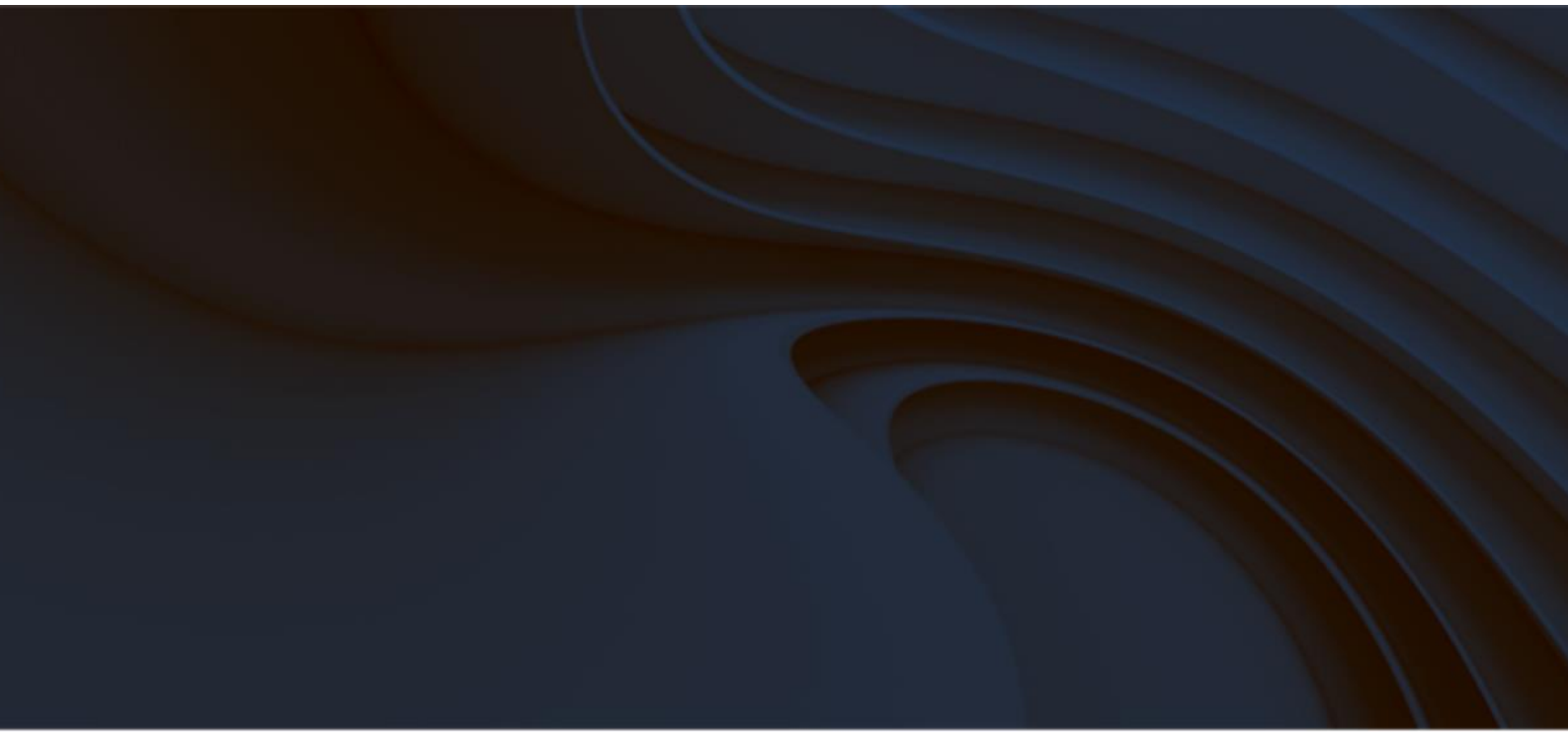
Termination

The Fund will continue until:

a) the day before 80 years after the Trust is established;
b) a date specified by the Trustee in a notice given to investors;
c) the date specified as the termination date in a special resolution passed at an investors' meeting convened by the Trustee on or about the tenth anniversary of the first issue date of Units in the Fund as set out in the Trust Deed; and
d) the date on which the Trust terminates by an order of a court or by law.

Amendments

The terms of the Trust Deed may be amended by the Trustee by deed.



Section 7:

RISKS AND MITIGATION

Section 7: Risks And Mitigation

All capital that is invested by the Fund is 'at risk'. This may result in investors suffering a partial or complete loss of income, capital or both. The risk could be caused by a number of factors. The Manager will, through a number of strategies, seek to mitigate the risks associated with investing in debt exposures to SME's without compromising their favorable return profile. While it is not possible to successfully eliminate all risks that accompany this asset class, the Manager is well positioned to monitor and mitigate them.

We have set out below the more important specific risks associated with an investment in the Fund but also provided you with some information on what strategies the Manager will put in place to minimize those risks as much as possible.

Specific Risks

Investment Protections

Due to its association with early-stage companies, investment in debt assets originated by AltFi lenders is an inherently higher risk asset class for investors when compared to agency rated debt assets. This risk profile however is matched with a commensurate opportunity for investors to potentially earn favorable returns.

The risk/return profiles of the investments that will form part of the Fund will vary by investment – depending on the stage of development that each SME AltFi lender has achieved, the collateral posted by the underlying borrowers, and any credit support provided by the SME AltFi lender in the form of first loss notes, or cash collateral in an investment structure.

The Manager will seek to mitigate the risk within each investment in a number of ways:

- focusing on SME AltFi lenders with a clear path to profitability, as profitability is an indicator of the lender's long-term survivability which is an important factor in assessing the availability of the lender to continue servicing its loans;
- constructing a diversified portfolio of assets, the Fund will not hold more than a 5% proportionate interest of the Fund's assets to any one underlying loan;
- the experience and level of input from the Manager across the whole life-cycle of the asset including: sourcing and originating the opportunity, structuring the transaction, conceptualisation of commercial and financial strategy, assistance with implementation and ongoing management of the company and the subsequent monitoring and supervision of performance and strategy execution; and
- the comprehensive investment process applied by the Manager, helps identify opportunities where the risk/reward profile is favorable. Part of the investment process will include the use of external consultants including; legal, accounting, and advisory for commercial/technical due diligence where required.

Debt Holder Protections

There is a risk, like all investments, that the companies we invest in may go bankrupt. Accordingly, in the event that an AltFi Lender becomes bankrupt, the Manager will negotiate a Debt holders' Agreement with the investee lenders at the time of investment into that lender, ensure that all investors of the Fund are protected and their liability limited in the event that they are not covered by the Corporations Act or the Trust Deed. This is relevant for balance sheet lenders.

An example of a negotiated debt holder protection could be the Manager's ability to limit the investee lenders scope to deploy its debt capital without consent of the Manager. Items requiring consent may include (but are not limited to) clearly defining the eligible investments of the Fund, such as the loan characteristics for the pool of loans that the Fund will purchase.

Further enhancements that may be considered for the benefit of investors in the Fund:

- right of first refusal on debt purchases from the investee lender;
- back up loan servicing arrangements in the case the investee lender ceases business;
- credit enhancement in the form cash within a debt structure; and
- utilisation of a bankruptcy remote vehicle to hold the loan exposures the Fund purchases.

Other risks associated with an investment in the Fund are outlined below. The particular risks of individual debt exposures will depend largely on specific profile and industry sector, and other regulatory and environmental factors associated with the investment.

Risk	Description	Mitigation
Interest Rate Risk	The risk that the capital value or income of an investment may be adversely affected when interest rates rise or fall. The value and income of the Fund's underlying assets can fluctuate in reaction to large changes in interest rates.	The Manager will monitor the interest rate market, and deals will be structured or hedged according to the anticipated moves in rates and their respective impacts.
Market Risk	The investment return on a particular asset is typically correlated to the return on other assets from the same market, asset class or geographic location. Market risk is impacted by broad factors such as political changes, investor sentiment and significant external events (e.g. natural disasters).	The state of the market will be monitored by the Manager to understand what possible changes in investment strategy are required to minimize its affect on the Fund.
Liquidity Risk	The Units in the Fund are illiquid and there is no established secondary market in which an investor may sell their Unit interest. Investors will not be able to redeem a Unit for the first month after it is issued. The investments the fund will purchase are also generally illiquid and will have fixed maturity dates.	There may be the possibility of redeeming your Units during the first month in the event of hardship, however this is not guaranteed. The Manager will manage the duration of the investment portfolio.
Regulatory Risk	The risk that the value or tax treatment of an investment in the Fund or its assets, or the effectiveness of the Fund's investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods. Those changes could prompt greater than usual levels of redemptions, which could have adverse effects on the Fund or result in the Fund failing to achieve its investment objectives.	While the Manager cannot predict these types of changes, the Manager is not currently aware that there are any regulatory changes anticipated by Government that could adversely impact the Fund at this point. The Manager will monitor these areas to obtain as much forewarning of any changes if they occur to ensure that the most appropriate strategy is put in place for the Fund to minimize the affect of any regulatory changes.
Credit Risk	Credit risk relates to the risk of issuers defaulting on their financial obligations. The value of assets within the Fund can change due to changes in the credit quality of the issuer and from changes in the value of similar securities. The value of the assets can also be impacted adversely by the underlying borrower not repaying their loans, which may be caused by a downturn in the economy.	The Manager will seek to mitigate this risk through active management of the assets it invests in. By continuing to review the AltFi Lenders after an investment is made the Manager will try to assist the lenders in the lending decisions they make in order to minimize bad credit decisions.
Servicer Risk	ABS structures generally appoint a servicer to service the underlying loans. Servicer risk refers to the likelihood that the servicer mismanages the pool, or the servicer defaults, resulting in reduced payments and increased defaults to the ABS structure, and subsequently to investors.	Aura Group has associated businesses that have servicing capabilities that can assist in the servicing role if the investee lender fails to do so.

Risk	Description	Mitigation
Manager Risk	The investment style of an investment manager can have a substantial impact on the investment returns of a Fund. There is no guarantee that the Manager or the Fund will attain any of the objectives stated in this Information Memorandum or that the Fund will generate any returns or compare favorably against its peers. The Manager may also change its investment strategies over time and there is no guarantee that such changes would produce favorable outcomes for investors in the Fund. The Manager may also have Key Person Risk, with reliance on one or more individuals with the skills required to manage the Fund. The loss of a Key Person may adversely affect the performance of the Fund. The Manager may retire or be replaced and cease to manage the Fund.	The Manager of the Fund has been appointed on the basis of their skills and experience in debt markets. Any change in investment strategy will only be conducted in accordance with the terms set out in the Trust Deed. The Manager has succession plans in place, as well as an experienced Investment Committee to reduce Key Person Risk.
Derivatives and Hedging Risk	When a derivative is used as a hedge against a position that the Fund holds, any loss generated by the derivative generally should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. The Manager may use derivatives to hedge the interest rate exposure within the fund. These instruments may include interest rate futures, and interest rate swaps. The hedging tool used with the aim to mitigate the risk may not be effective due to an imperfect match. The Manager may not be able to hedge the risk if a product is not offered or deemed too expensive to warrant placing a hedge.	The Manager will look to structure hedges with counterparties who can match the hedge most appropriately.
Counterparty Risk	The risk that counterparties to agreements with the Fund do not fulfill their contractual obligations could have a detrimental impact on the Fund's performance.	The Manager will have external legal due diligence completed on the legal documentation by external legal counsel.
Deal Flow Risk	There is a risk that the Manager will not be able to identify and reach agreement with a sufficient number of high-quality SME AltFi lenders to invest.	The Manager has already conducted due diligence on all existing AltFi Lenders to find suitable investments for the Fund. The Manager will continue to review the market for other lenders as the market continues to grow.
Financing Risk	The Manager is unable to source sufficient funds from investors and potential investors to execute the Fund's investment strategy. Further to this, the future expansion of investee lenders may be dependent on the Manager's access to capital.	The Manager is working with external fund distributors, with the aim of maximising the size of the Fund.

Section 8:

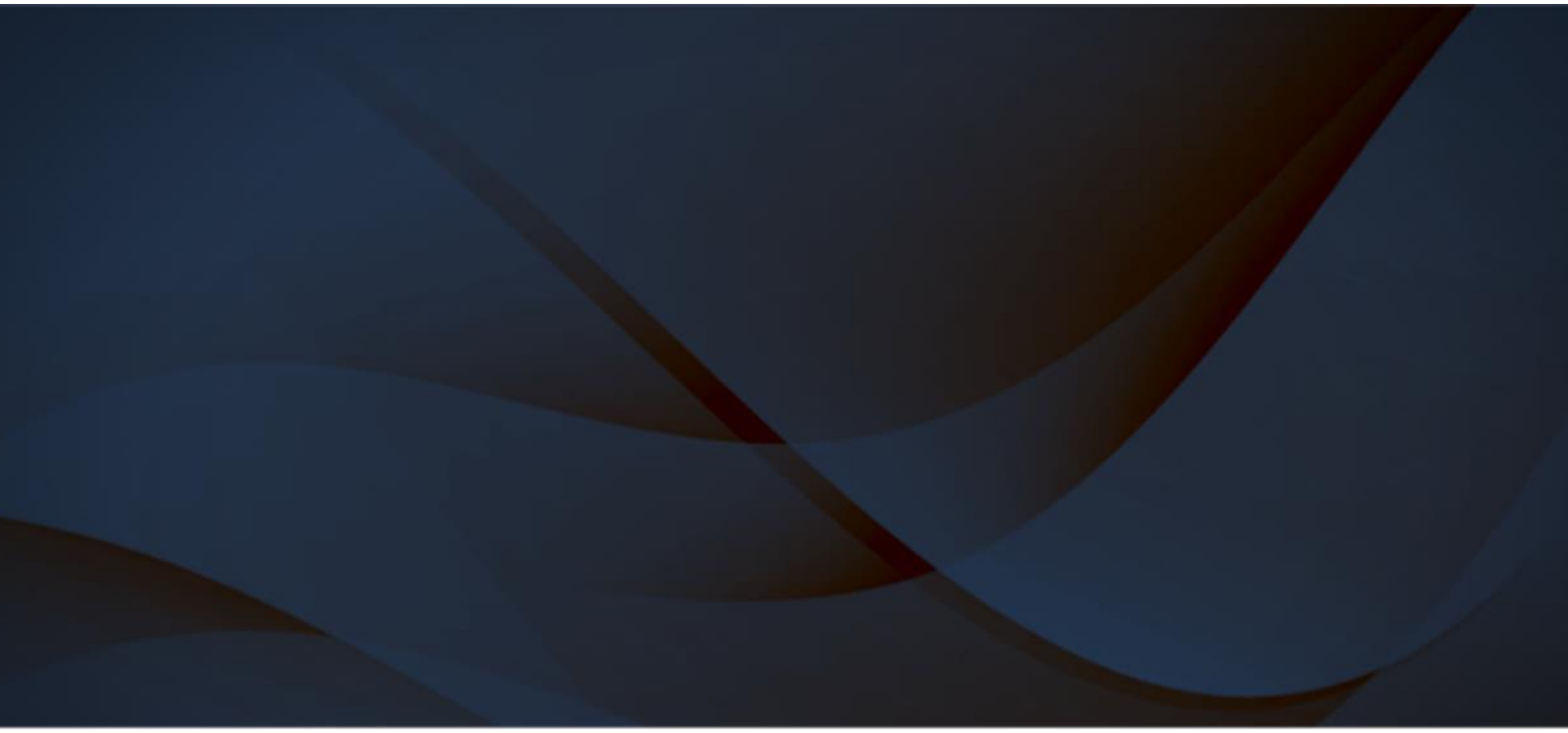
FEES AND OTHER EXPENSES

Section 8: Fees And Other Expenses

Prospective investors should read the entire Information Memorandum to understand how fees and costs are applied and the impact they have on the Fund.

Fees	Amount (exc. GST)	Details
Trust Expenses	Reimbursed by the Fund to a maximum of 0.5% pa of Gross Value	The Trustee and Manager will be reimbursed for all third-party expenses associated with the operation of the Fund, including but not limited to transaction costs (including due diligence and deal execution), compliance, valuation, legal, administration, tax return and audit fees. These expense recoveries are paid as they are incurred by the Manager and Trustee of the Fund. These expense recoveries may be paid to third parties appointed by the Trustee or Manager in respect of the Fund.
Upfront Fees	Capped at 1% of Application Monies. The Manager may also waive this fee at its discretion.	Units in the Fund will also be offered by the Trustee through one or more distributors. The Trustee has agreed to pay fees to the distributors and various agents appointed in connection with distributing and promoting Units in the Fund for undertaking their respective roles, which would consist of an Upfront Fee and trailing commissions. These fees will be considered as an Extraordinary Expense of the Fund and will generally be capped at an amount equal to 1% of the Application Monies paid by an investor that acquires Units in the Fund through a distributor. Where the fees payable to the distributor exceed this cap, the Trustee will bear the excess out of its own funds. The Trustee may also waive this fee at its discretion.
Management Fees	1.25% p.a.	The Trustee entitled to a Management Fee on a monthly basis. The fee is calculated on the Gross Value of the Assets of the Fund. This fee is paid to the Manager.

Fees	Amount	Details
Performance Fees	20% of return over the benchmark	The Trustee is entitled to be paid a Performance Fee. This fee is paid to the Manager based on the performance of the Fund. The Performance Fee will only begin to accrue once the Fund's benchmark has been met. Set out below is a description of the workings of the Performance Fee formula. It is deducted from the Fund's assets and is reflected in the Fund's Unit price. 1. The cumulative performance of the Fund is calculated each day during the Performance Period. The Performance Fee will be calculated on the net asset value of the Fund per Unit at the beginning of the Performance Period. 2. A Performance Fee will be accrued and paid in any Performance Period if the accumulated performance (after the Management Fee and Fund expenses but before the Performance Fee) of the Fund from the beginning of the Performance Period until the end of the Performance Period exceeds the accumulated performance of the Fund's benchmark over the same period. If the Fund has been underperforming since a Performance Fee was last paid, the underperformance must be made up before further Performance Fees are accrued and paid to the Trustee or Manager. 3. If the above has been met, then the dollar outperformance payment for the Performance Period is calculated by multiplying the net asset value of the Fund at the beginning of the Performance Period by 20% of the outperformance over the Performance Period.
Manager Discretion		The Manager retains absolute discretion to accept lower fees and expense recoveries than it is entitled. It also may defer payment of those fees and expenses for any time.
Incidentals		All costs incurred from government taxes and charges levied by your financial institution will be deducted from Application Monies or investment proceeds (as appropriate). Also refer to Section 9: Taxation for additional possible deductions.
GST		All fees in this Information Memorandum are quoted exclusive of GST.



Section 9:

TAXATION

Section 9: Taxation

This tax information is intended to be a brief guide only for Australian resident members who hold their investment in the Fund on capital account. It does not take into account specific circumstances. It should also not be relied upon as a complete statement of the Australian income tax laws.

Discussion of Australian tax law is current as at the date of preparation of this Information Memorandum. As Australian tax law is complex and may change and, as the tax treatment applicable to particular members may differ, all potential investors should satisfy themselves of possible consequences by consulting their own tax advisers. This tax information does not cover tax laws in other countries.

Australian Investors

Distributions

The Fund's assessable income will primarily comprise distributions from interest income received from the Fund's assets, and reduced by any allowable deductions.

Under existing tax law, provided the Fund distributes all net taxable income to investors, the Trustee should generally not be liable to pay tax in respect of the Fund. Each Australian resident investor will be required to include in their assessable income the proportionate share of the distributable income. Details of the taxable income will be furnished in the annual tax statement provided to the investor each year.

Starting from financial year ended 2023, the Trustee has made the irrevocable election to apply the Attribution Managed Investment Trust regime (known as "AMIT").

The AMIT regime includes the following measures:

- an attribution method for allocating taxable income to members, which is independent of the amount of income distributed to them;
- clarification that income distributed to members retains the tax character it had in the hands of the Fund;
- an ability for under-estimations and over-estimations of amounts at the Fund level to be carried forward and dealt with in the year in which they are discovered;
- both upwards and downwards adjustments to members' cost base for CGT purposes and cost for revenue purposes in specified circumstances;
- clarification of the treatment of tax deferred distributions; and
- deemed fixed trust treatment.

Disposal of Units

A capital gain or loss may be realised in the event that Units in the Fund are withdrawn or disposed of. Resident individuals, trusts or complying superannuation entities, who have held Units for at least 12 months prior to disposal or redemption, may be entitled to discount capital gains treatment. The CGT discount is 50% for an investor that is a resident individual or trust, and 33 1/3% for an investor that is a complying superannuation fund.

Capital losses may only be offset against capital gains that the investor makes in the same income year the loss is made or subsequent income years, subject to certain loss integrity rules.

Foreign Income

The Fund may derive income from sources in foreign countries. An investor's share of the gross foreign income (including foreign income witholding taxes) will be treated as foreign income in the investor's hands. The investor may be entitled to a foreign income tax offset for tax paid by the Fund in respect of the foreign income received by the Fund.

TOFA Rules

The TOFA rules may apply to certain "financial arrangements" held by the Fund. In broad terms, in calculating the net taxable income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account.

Providing a Tax File Number ("TFN") or Australian Business Number ("ABN")

Investors may choose to quote their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. The law strictly regulates how the Trustee may use TFNs and ABNs.

If the investor chooses not to quote a TFN or ABN or claim an exemption, the Trustee must deduct tax at the highest personal tax rate (plus Medicare Levy) before passing on each distribution to the investor. The investor may be able to claim a credit in the member's tax return for any TFN/ABN tax withheld.

GST

The acquisition, withdrawal or other disposal of Units in the Fund by investors is not subject to GST. The Fund generally incurs GST in respect of its various fees and expenses, but may not be entitled to input tax credits or may only be entitled to a reduced input tax credit in respect of GST incurred.

Stamp Duty

The transfer, issue or redemption of Units should not attract any stamp duty. Investors should confirm the stamp duty consequences of transferring Units with their tax adviser.

Non-Resident Investors

In the event that a non-resident investor becomes entitled to a share of the net income of the Fund, tax will be withheld from certain Australian sourced income. The amounts withheld will depend on the type of income and the country of residence of the particular investor.

Generally, distributions of interest income of the Fund, other than foreign sourced income, will be subject to a final withholding tax at the prima facie rate of 10%. This rate may in certain cases be reduced by an applicable double tax agreement based on the country of residence of the investor.

Non-residents and temporary residents are generally not subject to Australian tax on capital gains arising on the disposal of assets which are not "taxable Australian property". Generally, a Unit in the Fund will not be taxable Australian property for this purpose, unless the member has (with associates) a 10% or more interest in the Fund and more than 50% of the market value of the Fund's assets are attributable to Australian real property. It is not anticipated that the Fund will invest in Australian real property and therefore Units should not be taxable Australian property.

We recommend that non-resident and temporary resident investor consult their tax adviser.

Section 10:

CUSTOMER IDENTIFICATION

Section 10: Customer Identification

Anti-Money Laundering

Under the AML Act, Aura is required to verify an investor's identity before providing services to the investor, re-identify the investor if they consider it necessary to do so and keep certain documents and records relating to the investor and transactions for prescribed periods. The AML Act is administered by the Australian Transaction Reports and Analysis Centre ('AUSTRAC').

Aura has implemented a number of measures and controls to ensure it complies with its obligations under the law, including carefully identifying investors and monitoring transactions. Should Aura consider that insufficient information has been provided or has been made available for this purpose, Aura may at its absolute discretion refuse to accept an application for Units in the Fund.

Aura has certain reporting obligations under the AML Act which may include disclosure of an investor's personal information and is prevented from informing investors that any such reporting has taken place. Where required by law, Aura may disclose information gathered to regulatory or law enforcement agencies, including AUSTRAC.

FATCA And CRS

The United States of America ('US') passed the Foreign Account Tax Compliance Act ('FATCA') which is designed to assist the US in collecting tax revenues from US residents.

The Australian Government has entered into an inter-governmental agreement ('IGA') with the US government in relation to the application of FATCA to Australian institutions which include the Manager in its capacity as trustee of the Trust.

The Common Reporting Standard ('CRS') is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Banks and other financial institutions will collect and report to the Australian Taxation Office ('ATO') financial account information on non-residents using the standard. The ATO will exchange this information with the participating foreign tax authorities of those non-residents.

Aura therefore intends to comply with obligations under FATCA and CRS, the IGA and any other local laws designed to give effect to FATCA, CRS and the IGA (collectively the 'FATCA and CRS Obligations').

As an investor in the Fund, you agree to assist Aura in meeting its FATCA and CRS Obligations by doing the following:

a) Agreeing to provide any relevant information the Manager requests from time to time.
b) Agreeing to notify Aura of any changes in information previously provided.
c) Consenting to the disclosure of information by Aura where your Units are held by a person or entity to which the FATCA and CRS obligations relate. This may include Aura providing such information to the Australian Taxation Office ("ATO") who may, in turn, provide the information to foreign taxation authorities, including the US Internal Revenue Service ('IRS').
d) Waive the provisions of any domestic law that would otherwise prevent the disclosure by us in complying with Aura's FATCA and CRS obligations.

If Aura fails to comply with its FATCA and CRS Obligations, then it could result in withholding tax being deducted or withheld from the Fund at a rate of 30 percent. However, if all relevant information is provided in accordance with our FATCA and CRS Obligations, then this withholding should not apply.

If an investor fails to provide us with all necessary information and withholding tax is payable as a result, then Aura may seek to recover any tax withheld from the relevant investor.

Investors To Provide Certain Information

If requested by Aura, the investor agrees, and it is a condition of the issue of the Units, to provide certain information required by it in order to comply with any applicable law, including FATCA and CRS (as outlined above).

Section 11:

DISTRIBUTION AND DRP

Section 11: Distribution And DRP

If the Fund has net income from its investment, it is intended that the Fund will make distributions of income to the investor monthly on the Dealing Date or at other times as required. Payment will be made as soon as is reasonably practical.

You can elect to take distributions as follows:

- Direct deposit to a bank account in the name of the entity investing; or
- Reinvestment in the Distribution Reinvestment Plan 'DRP'.

If no election is made, distributions will be reinvested in the DRP.

The terms of the DRP are as follows:

- The issue price for Units issued under the DRP will be the ex-distribution net asset value price set for the distribution being reinvested.
- Units issued under the DRP will rank equally in all respects with existing Units.
- Units issued or acquired under this DRP will be issued or transferred on, or as soon as practicable after, the relevant distribution payment date and will be registered on the register where the unit holder's holding of Units is currently registered.
- There are no fees or charges for participating in the DRP.
- The Trustee may alter, suspend or terminate the DRP at any time without notice.
- You must instruct the Administrator if you wish to make any changes to the distributions and may contact info@oneregistryservices.com.au for a form.

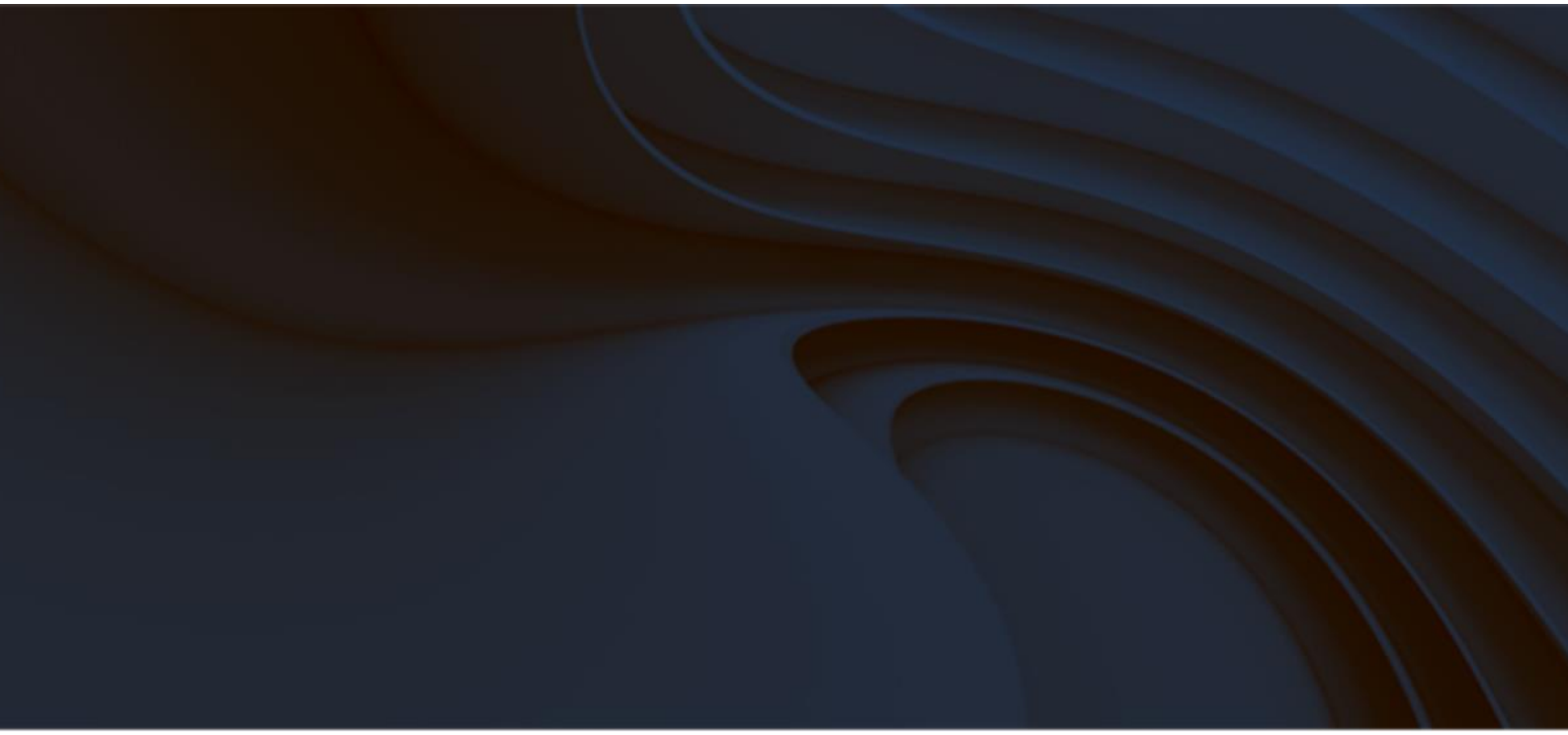
Withholding tax may also be deducted from distributions prior to payment or reinvestment, as required by the Australian Taxation Office.

Section 12:

GLOSSARY

Section 12: Glossary

Term	Definition
Administrator	One Registry Services Pty Ltd (ACN 141 757 360), part of the One Investment Group.
Application Form	The application form that accompanies this Information Memorandum which may include an online application form.
Application Money	The money paid by an applicant for a Unit.
ASIC	The Australian Securities and Investments Commission.
Available Cash	The amount of cash within the Fund's assets that the Trustee in consultation with the Manager determines is available for redemption of Units.
Benchmark	The Fund's benchmark is the Reserve Bank of Australia Cash Rate + 5.0% per annum.
Corporation Act	The Corporations Act 2001 for the time being in force together with the regulations.
Dealing Date	The first Business Day of each month after the relevant Distribution Calculation Date or any other date as the Trustee determines.
Distribution Calculation Date	The last day of each month or any other date as the Trustee determines.
First Issue Date	The date Units in the Fund are first issued to investors.
Fund	Aura High Yield SME Fund.
Fund Accountant	Unity Fund Services Pty Ltd (ACN 146 747 122), part of the One Investment Group.
Gross Value of the Assets	Means the aggregate gross value of the assets in the Fund at that time.
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
Offer	The offer to applicants under this Information Memorandum to acquire Units in the Fund.
Performance Period	Means for the first performance period, the period commencing on the First Issue Date and subsequently, the period commencing at the end of the last day of each month and ending on the earlier of: (a) the end of the last day of the next month; or (b) the end of the last day on which the Fund is terminated or wound up.
Redemption Date	Means the time the net asset value of the Fund is determined by the Trustee to process an application or redemption of Units, which will be at least once a month, which is defined as the Valuation Time in the Trust Deed.
Redemption Locked Unit	Means a Unit for which redemption is restricted as it has been on issue for less than one month.
Reserve Bank of Australia Cash Rate	Means the cash rate applicable from time to time as determined by the Reserve Bank Board, generally published on the Reserve Bank website: http://www.rba.gov.au.
Trust Deed	The trust deed of the Fund as amended from time to time.
Unit	A unit in the Fund.



Section 13:

APPLICATION GUIDE

Section 13: Application Guide

Aura High Yield SME Fund

The Fund uses an online Application Form for the subscription of Units in the Aura High Yield SME Fund ("Fund"). The Fund's Trust Deed (as amended) is available upon request.

Who Can Invest?

Investment in the Fund through this Information Memorandum can only be made by persons who are wholesale clients as defined in Section 761G and Section 761GA of the Corporations Act.

AML/CTF

In accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the AML Act) we are required to collect additional information about you, your controlling persons, beneficiaries and Ultimate Beneficial Owners ('UBOs'). We may also ask you to provide certified copies of certain identification documents along with the Application Form. Under the AML Act, we are prohibited from processing your application until we have received all of the information and supporting documentation requested.

In most cases, the information that you provide in the online Application Form will satisfy the AML Act.

However, in some instances we may contact you to request further information. It may also be necessary for us to collect information (including sensitive information) about you from third parties in order to meet our obligations under the AML Act.

No Cooling Off Period

Wholesale investors do not have cooling off rights in relation to investment in the Fund.

We will advise each investor of its acceptance of any offer to become a unit holder of the Fund and confirm the admission date. We will also notify the investor as to the wiring instructions with respect to payments required by the investor at the time of its admission into the Fund, as well as any additional documents that may be required.

Any interest earned on application monies may be retained by, or for the benefit of, the Manager or Trustee.

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