



UK High Yield Income Fund

INFORMATION MEMORANDUM

Investment Manager: Sequince Capital Pty Ltd ACN 652 333 116

Important information

Trustee, Issuer and Investment Manager

This Information Memorandum (**IM**) is for the Sequince Capital UK High Yield Income Fund (**Fund**) and is dated 27 September 2021. This IM contains the offer (**Offer**) for the issue of units in the Fund (**Units**).

McQua Capital Pty Ltd ABN 58 600 627 101 (**Trustee**) is the trustee of the Fund and the issuer of Units. Sequince Capital Pty Ltd ACN 652 333 116 (**Investment Manager, we, our and us**) is a corporate authorised representative (AR No 1293326) of the Trustee, the issuer of this IM and the investment manager for the Fund.

The Trustee has been engaged by the Investment Manager to act as the trustee for the Fund. The Trustee holds an Australian financial services licence (**AFS licence**) number 468166, issued by the Australian Securities and Investments Commission (**ASIC**), which contains authorisations which allows it to act as trustee of the Fund and issue Units.

This IM is intended solely for the use of the person to whom it has been delivered (**Recipient**), for the purpose of evaluating a possible investment in Units in the Fund. It is not to be reproduced or distributed to any other person (other than professional advisers of the Recipient) without the Investment Manager's prior consent.

Eligible Investors

The Offer contained in this IM is only being made to, and can only be accepted by, Wholesale Clients.

Not a regulated disclosure document

This IM is not a product disclosure statement or other disclosure document required to be prepared under the *Corporations Act 2001* (Cth) (**Corporations Act**) or lodged with the ASIC.

Capital and investment risk

An investment in the Fund is an investment in an unregistered managed investment scheme. An investment in the Fund is not a bank deposit, bank security, bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

Neither the Investment Manager, Trustee, their related bodies corporate nor any of their respective directors or officers, guarantee the repayment of capital from the Fund or the investment performance of the Fund. Investments in the Fund are not guaranteed or underwritten by the Investment Manager, Trustee, their related bodies corporate or any of their respective directors or officers.

In particular, some of the risks involved with an investment in the Fund are considered in section 4.

Reliance on IM only

No person is authorised by us to give any information or to make any representation to you in connection with the Offer that is not contained in this IM. Any information or representation not contained in this IM cannot be relied upon as having been authorised by us.

The issue of this IM is authorised solely by us and none of our subsidiaries or related bodies corporate, except as expressly set out in section 6.15, are responsible for any statement or information contained in this IM.

The Trustee may amend or withdraw the Offer at any time, and we may issue a new or amended information memorandum from time to time. Furthermore, we or the Trustee may vary the terms of the Fund at any time by notice to prospective Investors. Units cannot be issued unless you use the Application Form accompanying this IM. The Application Form contains a declaration that you have personally received the complete and unaltered IM prior to completing the Application Form. You should read this IM in its entirety before completing the Application Form.

Offer restrictions

The Offer is available to persons receiving the IM within Australia only. The distribution of this IM in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This IM does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

No financial product advice

The information contained in this IM is not financial product advice. This IM contains general information only and does not take into account your individual objectives, financial situation or needs. You should review this IM carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision.

Additional personal information

We may require further information from you from time to time to comply with our and the Trustee's obligations under the *Anti Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), the *Foreign Account Tax Compliance Act* (**FATCA**) and the *Common Reporting Standard* (**CRS**). By applying for Units under this IM, you undertake to provide us and/or the Trustee with all additional information and assistance reasonably required.

Privacy Act

Please read the privacy statement in section 6.9. By signing and returning the Application Form you consent to the matters outlined in that statement.

Glossary, illustrations and currency

Defined terms and abbreviations used in this IM are explained in the Glossary in section 7. Any assets depicted in photographs in this IM are for indicative purposes only and are not assets of the Fund unless otherwise noted.

All references in this IM to '\$' are references to Australian dollars unless stated otherwise.



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Dear Investor

Sequince Capital UK High Yield Income Fund

We are pleased to offer you the opportunity to invest in the Sequince Capital UK High Yield Income Fund.

The Fund has been designed to provide investors access to bespoke alternative investment opportunities in the United Kingdom (**UK**) that would not otherwise be accessible to Australian investors.

As the investment manager, we are seeking to generate superior absolute returns compared to other listed and unlisted funds who invest in alternative assets. We are seeking to preserve investor capital by selecting investments where downside risk is insurable, or capital is secured.

To achieve this, we intend to lend the capital raised by the Fund (via a special purpose vehicle (**SPV**)) to two Underlying Investments.

First, in collaboration with our strategic partners in the UK, we intend to provide finance to Global Finance Platform Ltd (UK) to fund litigation claims made by UK law firms for systemic overcharging or undisclosed charging of fees within financial and insurance products in the UK. These claims are insured through after-the-event insurance (**ATE Insurance**).

Second, we intend to provide finance to Goldfinch Media Finance Ltd (UK), a company with a vertically integrated global business model with expertise across finance, production, facilities and management in film, television and video games. Goldfinch Media Finance Ltd will be provided with a secured debt line which will attract premium rates and fees (comparatively) for this kind of debt facility, and will be secured against Government or State creative industry tax credits/rebates, UK VAT reclaims, sales contracts, pre-sale contracts, Commissions for TV, minimum guarantees from sales agents, and gap financing.

The Fund's target return to investors is 10% p.a. (net of fees, excluding tax), with income paid annually in arrears and a minimum investment time horizon of 3 years. This is a target, not a forecast. No returns are guaranteed.

This Information Memorandum (**IM**) contains important information relating to the Fund, the Underlying Investments and the risks associated with an investment in the Fund. You should read this IM, in its entirety, and seek professional advice before making a decision to invest.

We encourage you to consider this investment opportunity.

Yours faithfully



Gawad Nabi
Director, Executive Chairman
Sequince Capital Pty Ltd



Sean Garvan
Director, CEO
Sequince Capital Pty Ltd



1 Investment overview

The following table summarises the key features of an investment in the Fund and provides section references for further information. You should read this IM in full to properly understand your investment in the Fund.

Description	Summary	Refer to Section
Key features		
Legal structure	The Fund is an Australian-domiciled, unlisted, unregistered managed investment scheme. We may seek to register the Fund at any time.	3.1
Inception date	27 September 2021	
Investment Manager and issuer of this IM	Sequince Capital Pty Ltd	2.1
Trustee and issuer of Units	McQua Capital Pty Ltd	2.4
Investment objective	The objective of the Fund is to deliver superior absolute returns compared to its competitors, while seeking to preserve investor capital.	
Investment strategy	The investment strategy of the Fund is to make secured loans to the Underlying Investments via the SPV.	
Investment Options	<p>The Fund offers three investment options:</p> <ul style="list-style-type: none"> ▪ Litigation Funding – makes loans (via the SPV) to Global Finance Platform Ltd. ▪ Goldfinch Media – makes loans (via the SPV) to Goldfinch Media Finance Ltd. ▪ Blended – a blend of loans (via the SPV) to Global Finance Platform Ltd (with a target allocation of 70%) and Goldfinch Media Finance Ltd (with a target allocation of 30%). 	3.2
Benefits	<p>Access: Investors can access an exposure to the Underlying Investments, which they may not be able to access directly.</p> <p>Regular income: Each Investment Option is designed to be a medium to long term investment that aims to deliver a return of 10% per annum paid at least annually. This is a target, not a forecast. No returns are guaranteed.</p>	
Risks	<p>Investment in the Fund is subject to a number of risks, including:</p> <ul style="list-style-type: none"> ▪ counter-party credit risk; ▪ limited operating history; ▪ related party risk; ▪ deployment and access risk ▪ security risk; ▪ concentration risk; ▪ liquidity risk; 	4



Description	Summary	Refer to Section
	<ul style="list-style-type: none"> ▪ key person risk; ▪ foreign currency risk; ▪ market risk ▪ regulatory risk; and ▪ operational risk. 	
Returns	Any prospective return will be dependent on the borrowers being able to make regular interest repayments and repay their loans at maturity. There is no guarantee that this will occur or that the security which will be held to secure those loans will be sufficient to recover any capital and interest in the case of a default.	4
Distributions	We intend to distribute any taxable income attributable to an Investment Option at least annually. Any distributions will be paid by electronic funds transfer into your nominated financial institution account, or you can decide to reinvest them in additional Units.	6.6
Suggested investment timeframe	<p>The Fund does not have a fixed term and is illiquid. This means you cannot withdraw unless a withdrawal offer is made to you. We do not anticipate that any withdrawal offers will be made within three years of the Inception Date. If withdrawal offers are made to Investors in an Investment Option, then they must be made to all Investors in that Option on a pro rata basis.</p> <p>Due to the illiquid nature of the Fund's investments, an investment in the Fund should be viewed as medium to long term, with a minimum suggested investment timeframe of three years. Please note, this suggested timeframe does not constitute personal financial product advice and you should seek advice from your financial adviser before investing.</p> <p>The Fund may be wound up at any time by notice to Investors.</p>	6.5
Issue Price	<p>The Issue Price for all Units issued until the First Close will be \$1.00 per Unit. At all other times, the Issue Price will be the adjusted Net Asset Value (NAV) for the Investment Option divided by the number of units on issue in that Option.</p> <p>Applications will be processed weekly after the NAV has been determined.</p>	6.3
Redemptions/exit	<p>Investors can only withdraw from the Fund if a withdrawal offer is made. However, the making of withdrawal offers will depend on factors such as available liquidity and cashflow requirements.</p> <p>It is not intended that the Units to be listed on the Australian Securities Exchange or any other securities exchange.</p> <p>The Trustee may compulsorily redeem Units at the prevailing NAV at any time.</p>	6.5
How much do you need to invest and transact?		
Minimum initial investment	\$100,000 per Investment Option	6.2
Minimum additional investment	\$50,000 per Investment Option	6.2



Description	Summary	Refer to Section
How to invest	To invest, complete the Application Form accompanying this IM.	8
What fees will you pay?		
Costs of investing	<p>The costs of investing will include the following fees:</p> <ul style="list-style-type: none"> ▪ Contribution fee – 2.0% of the amount invested. ▪ Investment Manager fee – 1.0% p.a. of the Fund's NAV calculated and paid monthly. ▪ Trustee fee – 0.75% p.a. of the Fund's NAV calculated and paid monthly plus recovery of Fund expenses. <p>Other fees may apply.</p>	5
Additional information		
Who may invest?	The Offer is open to Wholesale Clients only.	6.1
Cooling-off	As the Fund is illiquid, there are no cooling off rights that apply to an investment in the Fund.	
Reporting to investors	<p>You will receive:</p> <ul style="list-style-type: none"> (a) confirmation of your investment; (b) an annual taxation summary; and (c) distribution statements each time a distribution is made. 	6.7
Tax	Investing in the Fund may have taxation consequences for you. We recommend you seek professional tax advice before investing in the Fund.	
Contact details	<p>Trustee & Issuer of Units (McQua Capital Pty Ltd) E: info@mcqua.com.au</p> <p>Investment Manager (Sequince Capital Pty Ltd) E: info@sequincecapital.com</p>	



2 Key entities involved in the Fund

2.1 The Investment Manager

(a) About

Sequince Capital is a funds management and investment company. We are the Investment Manager of the Fund.

We are a globally-focused and connected fund manager that seeks to manage money on behalf of Wholesale Clients, including private wholesale clients, the clients of financial advisers and institutional investment partners. Our team has over 30 years of combined investment management experience with global relationships and access to a broad range of investors and alternative investment opportunities.

Linking investment specialists from around the world, we offer our clients access to unique investments which are typically overlooked, misunderstood or unseen by most Australian-based investment managers.

We aim to operate as a measured alternative investment option for Wholesale Clients seeking a capable investment manager who targets reliable, above-market returns.

Generally, we will invest alongside our investors. By committing a portion of our own capital to the investments we recommend, we solidify a synergy of interest between us and you, both as investors.

We constantly strive to set a high benchmark in the alternative investment space, both in terms of targeting market-beating returns while seeking to make a long-term positive impact on the economies and communities we invest in. We seek out bespoke, innovative investment opportunities for our investors throughout market cycles.

(b) Our Values and Purpose

We invest in opportunities, technology and people as we seek to achieve exceptional results for our investors and a positive social impact. We are empowered by complexity and innovation, driven to search for value and opportunity where others do not.

The path we tread every day:

- (i) **Exceed expectations:** we relentlessly pursue excellence through the determination, passion and ethics of our people.
- (ii) **Challenge tradition:** we design value and uncover rare investment opportunities through continual scanning, contrarian thinking, and tenacious discourse.
- (iii) **Responsible leadership:** we set the highest standard for ourselves as financial and cultural leaders. Social and financial leadership are integrated, and we strive for progress every day.
- (iv) **Foster collaboration:** we are one integrated organisation that shares and supports each other across all teams and business units. Using our integrated internal communication platforms, we promote collaboration and constant personal development.
- (v) **Empower inclusion and diversity:** we pursue diverse perspectives, nurture a sense of belonging for all of our team and our investors every day.



(c) Role

The Investment Manager will be responsible for the day-to-day management activities of the Fund and the implementation of the investment strategy. The role includes the following key activities:

- (i) identifying investment opportunities, managing the due diligence process and negotiating the Fund's investments;
- (ii) issuing disclosure documents that offer Investors the opportunity to invest or otherwise acquire Units in the Fund; and
- (iii) overseeing all management issues relating to the Fund's investments.

(d) Key personnel

- (i) **Mr Gawad Nabi**, Director and Executive Chairman.

Gawad Nabi brings over 17 years' experience in complex investment advice and alternative investment strategies for sophisticated investors, combined with a deep understanding of capital markets and global logistics. Gawad's real world knowledge of running companies is an invaluable asset in identifying exceptional investment opportunities for Sequence Capital.

- (ii) **Mr Sean Garvan**, Director and CEO.

Sean Garvan has over 17 years' experience as an entrepreneur, CEO and corporate consultant, and 12 years specifically within the financial services, debt structuring & investment management industry. Sean has worked alongside and consulted to prominent brands such as MLC, National Australia Bank, Commonwealth Bank, Vodafone, Oaks Hotels, Accor Group, and Nick Scali Furniture to name a few. Sean brings with him a unique blend of experience in running successful companies, combined with a detailed understanding of financial data, investment markets & regulatory frameworks.

2.2 Australian investment Special Purpose Vehicle

Sequence UK Yield Investments Pty Ltd (**SPV**) is a special purpose vehicle controlled by Gawad Nabi, Director and Executive Chairman of the Investment Manager.

The Investment Manager will arrange for the Fund to lend to the SPV which will in turn lend to Global Finance Platform Ltd (UK) and Goldfinch Media Finance Ltd (UK) (**Underlying Investments**).

The SPV will enter into loan agreements with the Fund and for the Underlying Investments. Any loans to the SPV by the Fund will be secured by a general securities deed over all present and after-acquired property of the SPV. The SPV will be responsible for managing and reporting on the Underlying Investment relationships to the Investment Manager.

2.3 The Underlying Investments

(a) Global Finance Platform Ltd

- (i) About

Global Finance Platform Ltd operates a dedicated litigation funding warehouse facility for the purpose of providing funding to law firms to represent consumer plaintiffs, and pursue small claims cases against financial institutions that have systemically overcharged and/or not disclosed the charging of fees within



financial and insurance products in the UK. These claims are insured through after-the-event insurance (**ATE Insurance**), meaning that funding capital and interest revenue is protected even in the unlikely event of an unsuccessful case.

(ii) Key personnel

Jon Chadwick, Director & Chairman

Jon Chadwick has over 26 years' experience in providing top-tier capital raising and corporate finance services to blue-chip companies and governments around the world. Jon's past funding portfolio is in excess of £11Bn and his network includes some of the largest Tier 1 Capital providers in the world.

Sean McNicholas, Head of Operations & Business Development

Sean has been working in sales, marketing, business development and management for over 30 years. Starting off working for some of the UK's largest corporate leisure companies such as Rank and First Leisure, Sean moved into the world of finance in 2010. This led Sean onto expanding his knowledge and experience with the natural transition into FinTech, working on an envirotech project in South Africa. Since then, Sean has set up a London tech company winning industry awards for their innovation in this space, and has now moved back into finance and business development. Sean is also a Member of the Chartered Insurance Institute, a certified NLP Practitioner and a qualified Environmental and Sustainability Expert.

(b) Goldfinch Media Finance Ltd (UK)

(i) About

Goldfinch Media Finance Ltd (UK) is part of the Goldfinch Group (UK). Goldfinch Group (UK) provides a vertically integrated global business model with expertise across collateralized film finance, production, facilities and management in film, television and video games. Achievements of the Goldfinch Group (UK) include over 200 projects and investments of over \$540 million into the creative industries, with many going on to win awards and critical acclaim and a zero default rate on their lending activity which spans more than 7 years.

(ii) Key personnel

Kirsty Bell, CEO

Throughout all of her childhood and teenage years Kirsty wanted to be an artist but growing up in Newcastle in a blue-collar environment meant a different vocation may have been ahead of her. She qualified in law, chose the accountancy profession and became a Chartered Tax Adviser and Strategic Tax Partner for Baker Tilly before she was 30. In 2014 Bell decided to make a difference in the world of independent film and founded Goldfinch Entertainment to prove that investment can be looked after within independent filmmaking, opening new possibilities within the arena for creative visionaries.

Bell has funded over 200 film and TV projects over the last 4 years, she has assisted over 12 new first-time directors create their first film. In 2020, she undertook her directorial debut *A Bird Flew In*, an idea conceived in lockdown, with the support of an incredibly creative team.

List of film/TV credits and experience: <https://www.imdb.com/name/nm4050693/>



Phil McKenzie, COO

Phil is COO of the Goldfinch Group of entertainment and media companies. Negotiating and putting deals together at both a corporate and production level for the business, and developing new revenue streams and exploiting opportunities for partnership. Prior to Goldfinch, Phil has worked in marketing, strategy and operations across a variety of sectors including hospitality, food and drink, professional services and entertainment, along with cofounding and running design agency Tidy McKenzie. He can build brands and businesses from the ground up, create and implement business strategy at any level, and innately spots opportunities for innovation, development and partnership. He also produces and Executive Producer's the productions that come through the business.

List of film/TV credits and experience: <https://www.imdb.com/name/nm9631982/>

Tom Pritchard, Commercial Manager

Tom is a Commercial Manager for Goldfinch responsible for reviewing, negotiating and executing any production-based deals for the company. Tom started in the thick of the industry as an accountant on the Wes Anderson film 'Isle of Dogs'. His interest in the commercial side of the industry led him to Ingenious, at a time one of Europe's most successful Film Financiers deploying over \$10bn into films since 1998 and investing in action hits such as Kingsmen: The Secret Service and X Men: Days of Future Past as well as smaller, independent movies such as recent Oscar nominees Brooklyn and Carol. As an

investment professional he has been responsible, in some part, for the execution of over 30 investments across both Film and Television projects, totalling over \$200m. Tom has further experience in M&A within a larger media conglomerate.

2.4 The Trustee

(a) About

McQua Capital Pty Ltd is the trustee of the Fund and has an AFS licence which contains authorisations that allows it to operate unregistered managed investment schemes like the Fund.

The Trustee has overall responsibility for the operation for the Fund, including responsibility for:

- (i) the ongoing management and administration of the Fund and the assets, as well as distributions;
- (ii) processing applications for investment, including dealing with moneys received before and after Units in the Fund are issue to an applicant;
- (iii) the issue of Units in the Fund;
- (iv) the maintenance of the Fund's register of unitholders and register of assets, and keeping its books of account;
- (v) convening and organising Investor meetings;
- (vi) arranging all written Investor communications, including financial statements, annual reports and taxation statements; and



(vii) implementing procedures for handling complaints in relation to the administration or management of the Fund.

(b) Key Personnel

Alex Knight – Director & Responsible Manager

Alex has over ten years' experience in business, accounting and taxation. He has extensive experience within the accounting, taxation, funds management and corporate advisory fields with exposure to corporate structuring, tax litigation, mergers & acquisitions, investment analysis & due diligence, compliance, corporate governance, statutory audits and portfolio valuation. Alex's experience in advisory and business services to the small and medium market includes businesses within professional services, manufacturing, import/export, agriculture, medical, construction, land and property development and various other industries. Through board representation and key advisory positions, Alex uses his experience, knowledge and skills to drive growth and increase value for clients whilst monitoring important aspects of the business including, but not limited to cashflow, tax obligations, inflows/outflows, risk management and corporate governance.

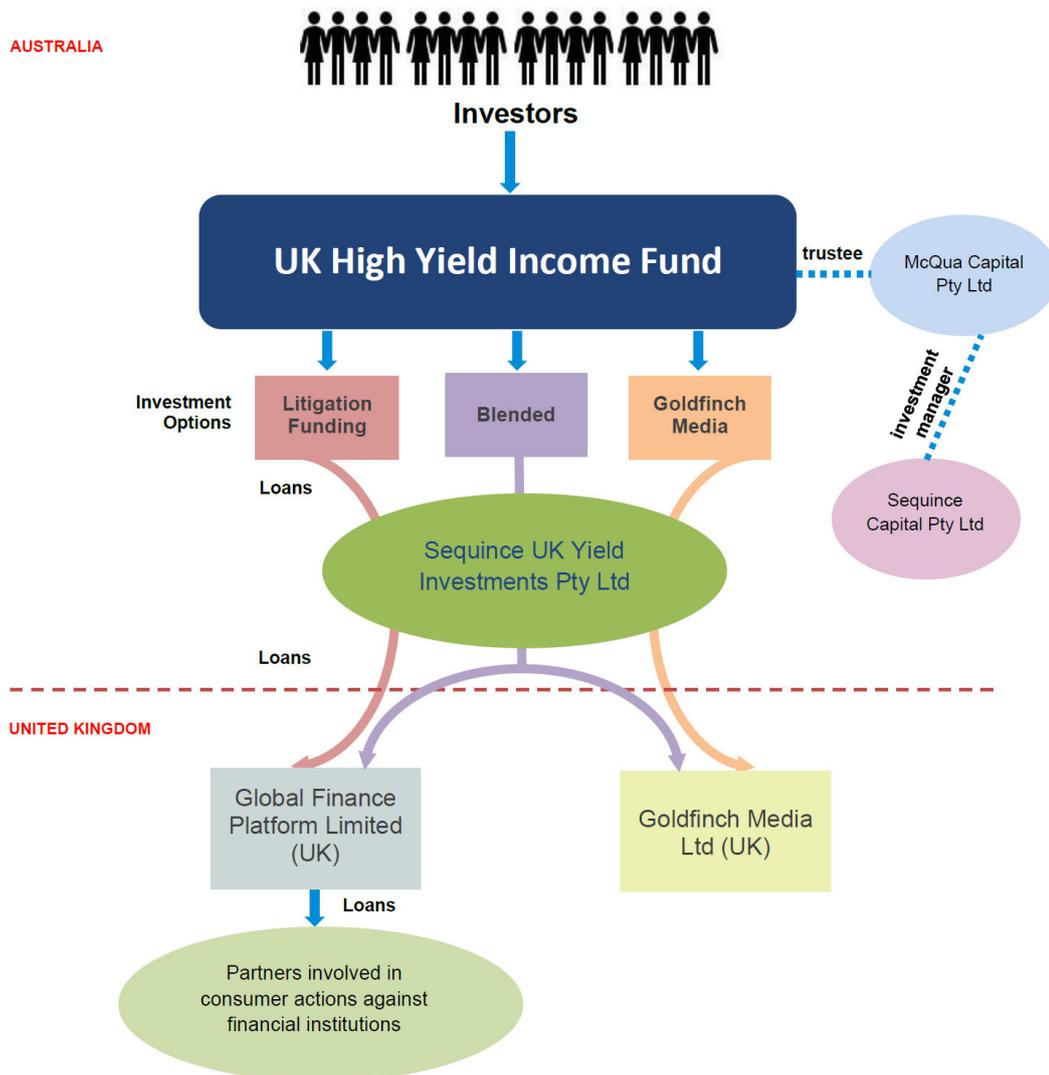


3 The Fund's investments

3.1 Fund legal structure

The Fund is a unit trust established by the Constitution. It is an Australian-domiciled, unlisted, unregistered managed investment scheme open for investment at this time by Wholesale Clients only. The Fund may become a registered managed investment scheme if the Investment Manager decides to make a registration application.

Under a managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments. Investors hold units in the scheme which represent a proportional entitlement in the assets of the scheme based on the amount invested and the issue price of the units at the time of entry to the scheme. No unit confers an interest in a particular part of the scheme or in any particular asset. The unit price reflects the value of the assets in the scheme and may increase or decrease over time with the value of the underlying assets. When an investor redeems their investment, the units they hold in the scheme are redeemed by the trustee.



The Fund does not make loans directly to the Underlying Investments. Instead, the Fund provides loans to the SPV which in turn provides loans to the Underlying Investments. The SPV is an Australian registered company. Loans in respect of the Underlying Investments are made to companies registered in the UK – Global Finance Platform Ltd and Goldfinch Media Finance Ltd.



3.2 Investment Options

Investment Option	Underlying Investment
Litigation Funding	<p>Loans via the SPV to Global Finance Platform Ltd (UK).</p> <p>The Investment Manager, in collaboration with its UK counterparties, has developed a special purpose litigation funding vehicle between Australia and the UK to provide a scalable debt line for use by UK law firms to cashflow a specific type of small claim case in which millions of individual claimants exist, all with the same case type and a specific, repeatable process for achieving a successful outcome.</p> <p>The litigation claims are made in relation to the overcharging, or undisclosed charging of fees (and/or payments of sales commissions) within financial and insurance products in the UK, which has been verified as prolific and systemic over many decades. Clear legal precedents have been set for these types of claims to be awarded in the customers' (plaintiffs') favour (cases are commonly referred to in the UK as 'Plevin' cases, after the surname of the precedent case). A case win usually results in a refund of fees, commissions and/or bank interest wrongly charged over the life of the product in which the customer held it for.</p> <p>Using a proprietary auditing technology, owned by our UK counterparties, that has been developed specifically to provide verification of an overcharge or miscalculation to an accuracy rate of 99.99%, these cases have a win rate greater than 95% and all cases are also fully-insured by way of ATE Insurance. This means that even the 5% of cases that may not succeed in court (usually due to inconsistencies in the law firm's process, not accuracy of auditing), legal costs and financing costs are always covered and reimbursed. This insurance component helps provide capital preservation for the Fund and Investors.</p> <p>This type of litigation funding attracts a premium cost of funds that can be charged to the law firm, allowing for a high yield to be delivered to the Fund.</p>
Goldfinch Media	<p>Loans via the SPV to Goldfinch Media Finance Ltd (UK).</p> <p>Goldfinch Media Finance Ltd (part of The Goldfinch Group (UK)) provides a vertically integrated global business model with expertise across collateralized film finance, production, facilities and management in Film, Television and Video Games. The Company's record includes 200+ projects and investments of AUD \$540M+ into the creative industries, with many going on to win awards and critical acclaim and 0% default rate on their lending activity over 7+ years.</p> <p>The Fund will provide a debt line to Goldfinch Media Finance Ltd (UK) via the SPV which will attract high-yielding interest rates and will be secured against Government or State creative industry tax credits/rebates, UK VAT reclaims, sales contracts, pre-sale contracts, commissions for television, minimum guarantees from sales agents, and gap financing.</p>
Blended	<p>Blended will allow investors to participate in a more diversified high-yield portfolio consisting of loans via the SPV to both Global Finance Platform Ltd (UK) (70%) and Goldfinch Media Finance Ltd (UK) (30%) applying the same Underlying Investment strategy for the Litigation Funding and the Goldfinch Media respectively.</p>



3.3 Summary terms of the Fund's loans to the SPV and security

The Trustee will make loans to the SPV which are referable to each Investment Option. Each loan will be on the same terms except for the use of funds. A summary of these terms is set out in the following table:

Facility type	Multiple advance facility.
Term	Each advance made has a term of three years from the drawdown date.
Interest rate	15 percent per annum.
Interest periods	One calendar month. The Trustee may agree to capitalise interest.
Security	The SPV has granted a specific security agreement to the Trustee over each bundle of loans the SPV makes with the loan funds it receives from the Trustee that is referable to that Investment Option.



4 Risks of investing in the Fund

4.1 Investment risk generally

Before deciding whether to invest in the Fund, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected resulting in a loss of capital or income to investors. In particular, you should understand that:

- (a) different investment strategies carry different levels of risk depending on the assets that make up the strategy;
- (b) assets with the highest long-term returns may also carry the highest level of short-term risk;
- (c) the value of your investment may go up and down;
- (d) returns are not guaranteed;
- (e) you may lose money; and
- (f) previous returns are not necessarily indicative of future performance.

You should give consideration to the risk factors in this section, as well as the other information contained in this IM before making a decision to invest in the Fund.

4.2 Risk versus return

All investments are designed to make a return and are subject to risk. This means that, as well as making money, there is also a chance that you could lose it. You might also think of risk as the possibility that your investments do not achieve your financial objectives. As a general rule, the bigger the potential investment return, the higher the investment risk and the longer the suggested investment timeframe.

The investment strategy is targeting income with no capital growth, therefore the risk to the Fund is that income is reduced or there is none and that the Fund's assets will reduce in value and not recover.

4.3 Specific Fund risks

The Fund does not lend directly to the ultimate borrowers. The Fund is comprised of separate Classes of Units (**Investment Options**), each of which lends money to the SPV which then on-lends to the Underlying Investments. The performance of each of the Investment Options is dependent upon, and directly related to, the performance of the Underlying Investments to which the loans in that Investment Option are made.

The performance of that Underlying Investment itself dependent on and directly related to the ability of the ultimate borrower to repay the interest and principal on the loan and for these funds to be returned to the Fund via the SPV. The following risks are ascribed to the Investment Options of the Fund. They may also be relevant to some or all of the Underlying Investments.

- (a) Counterparty credit risk

The performance of the Fund is dependent upon the ability of borrowers to repay loans to the Fund (and the SPV). Despite assessing borrowers' suitability prior to providing loans and periodically reviewing loans, there is a risk that borrowers may fall behind



their loan commitments or default on their loans due to an unwillingness or inability to meet their contractual obligations. This may result in the Fund suffering a loss.

Fund income is dependent on borrowers fully meeting their loan commitments.

(b) Limited operating history

The Fund is a relatively new enterprise with limited or no operating history. There can be no assurances that the Fund will achieve its investment objective. It is possible that an Investor could suffer a complete loss as a result of an investment in the Fund.

(c) Related party risk

The Fund intends to enter into loan agreements with a related party. The risk with related party transactions is that they might not be made with the same rigour and independence as transactions made on an arm's-length commercial basis. There is a greater risk of the loans defaulting and, therefore, investors' money is at greater risk if:

- (i) the Fund has a high number of loans to related parties; and
- (ii) the assessment and approval process for these loans is not independent.

The Fund will seek to reduce this risk by ensuring that any transaction involving a related party is on terms and conditions no more favourable to the related party than such terms, as reasonably expected would be the case, if the transaction involved a third party dealing at arm's length in the same circumstances and on commercial terms.

(d) Deployment and access risk

The availability of Underlying Investments is primarily dependent on the strategic partnerships the Investment Manager has with Global Finance Platform Ltd (UK) and Goldfinch Media Finance Ltd (UK). These strategic partnerships are not a legal partnership in the formal sense, but an understanding and arrangement between the parties based on good faith. One or both of them could end at any time.

If either strategic partnership does end, there is a risk that the Investment Manager may not be able to locate adequate lending opportunities which meet the Fund's investment guidelines. If this were to occur, then the Fund's ability to generate income from lending activities will be adversely affected.

(e) Security risk

There is the risk that the security backing any loans will not be sufficient to cover the loan. There is the further risk that enforcing the security over secured assets will have a cost that may not be recovered and that the liquidation of the secured asset at market may not recover the default amount.

The Fund seeks to reduce this risk by ensuring for Litigation Funding that litigation claims are protected with ATE Insurance and for Goldfinch Media that the loans are secured Government or State creative industry tax credits/rebates, UK VAT reclaims, sales contracts, pre-sale contracts, commissions for television, minimum guarantees from sales agents, and gap financing.

(f) Diversification/concentration risk

The composition of the Fund's loans in respect of the Underlying Investments will be concentrated to a small number of counter parties in the UK. In addition, they will be



directly concentrated in the SPV. A concentrated and less diverse portfolio may increase the probability of loss due to a large dependence on a small number of counterparties, geographic area, or loan portfolio.

(g) Intermediary risk

The Fund's loans in respect of the Underlying Investments will be provided via the SPV. If the SPV fails, the ability of the Fund to recover its capital may be limited.

(h) Key person risk

Key person risk refers to the risk that a key decision maker within an organisation leaves, is incapacitated or unavailable for an extended period, potentially impacting achievement of agreed objectives.

The Fund's success is dependent upon the ability of the Investment Manager to develop and implement investment strategies that achieve the Fund's investment objective. If the Investment Manager, or their key executives, cease to be involved in the management of the Fund, the Fund could be adversely affected.

(i) Market risk

Generally, the returns on a particular investment or asset class are correlated to the returns on other investments from the same market, region or asset class. Market risk is impacted by broad factors such as interest rates, political environment, investor sentiment and significant external events such as natural disasters.

An investment in the Fund exposes you to the diversified markets the borrowers from the Underlying Investments operate in, which carries a broad range of risks such as those which apply to litigation funding and the film industry. Adverse changes in these markets may adversely affect the portion of the Fund's loans that are exposed to those markets.

(j) Foreign currency risk

Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of investments and deposits held in a foreign currency.

We manage this risk by ensuring that we continue to monitor the foreign exchange exposure with respect to the investment objectives of the Fund. Nevertheless, the Funds remain exposed to the risks of any adverse moves in currency markets.

(k) Legislative and regulatory changes

Legislative or regulatory changes could have an adverse impact on the Fund.

(l) Interest rate risk

Interest rate risk refers to the volatility of a security's return owing to the fluctuation of interest rates. When interest rates rise, the market value of fixed interest securities decline and vice versa.

(m) Operational risk

Operational risk is the risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events.



The Fund may experience losses, adverse regulatory consequences or reputational damage due to a variety of operational risks, including inadequate or failed internal or external processes, people or systems, fraud, errors by counterparties under outsourcing arrangements, inadequate business continuity planning and due to key person risk.

(n) Funding risk

The Company is seeking to raise funds under this IM to lend for the Underling Investments and to pay the expenses of the Offer. The Fund's business model is to fund expenses from the interest and principal repayments received in respect of the loans. The model assumes the Fund will be able to lend money at rates which enable it to provide a return to investors and pay the Fund's ongoing operating expenses. If there is a shortfall between the Fund's expenses and the income it receives the Fund will face liquidity and funding issues which could cause it to fail. It is possible that an Investor could suffer a complete loss as a result of an investment in the Fund.

(o) Documentation risk

A deficiency in loan or security documentation could, in certain circumstances, adversely affect both the return on and recovery of a loan.

(p) Liquidity risk

Liquidity refers to the ability of an investment to be easily and quickly converted into cash with little or no loss of capital value. Capital from loans made will only be available when the principal of the loan is repaid or it is refinanced.

Liquidity risk is the risk of not being able to withdraw an investment at an opportune time. Liquidity risk exists because:

- (i) the Fund is likely to be illiquid and so withdrawals can only be made when the Investment Manager makes a withdrawal offer;
- (ii) withdrawal offers will only be able to be made where the Fund has access to capital which is only available where the ultimate borrower has repaid interest on the loan and the SPV has made this money available to the Fund;
- (iii) the ultimate borrowers may be unable to repay the loan;
- (iv) Units are not tradeable on any secondary market or exchange and the Investment Manager has no current intention of listing the Units, or any Class of Units, on any stock exchange; and
- (v) neither the Investment Manager nor any other person has agreed to purchase or otherwise acquire any Units or assume the responsibility for locating prospective purchasers for any Units.

(q) Multi-class risk

Although the Trustee will seek to segregate assets and liabilities attaching to the various Investment Options as described in this IM, the Trustee has a right to an indemnity from the Fund assets as a whole. This means the Trustee may draw upon the assets of one Investment Option to the exclusion of another (for example, where there are no assets attributable to another Investment Option) to pay the costs of operating the Fund.



4.4 General Fund and investment risks

(a) Market risk

A number of external factors such as changes in the economic, political, technical or social environment can have a significant influence in the market various borrowers may operate in. These influences may produce changes in the value of markets and the investments which comprise them, which are outside the influence of the borrowers and the Fund. Such influences may also affect markets in different assets (e.g., foreign exchange versus fixed interest) in different ways.

(b) Inflation risk

As the Fund is not targeting capital growth, inflation risk refers to the risk an investor faces of losing the purchasing power of capital invested. Although the nominal value invested may remain, positive inflation will progressively reduce its value relative to what can be purchased by each dollar over time.

(c) Fund management risk

The performance of the Fund will ultimately depend on the expertise and quality of investment decisions made by the Investment Manager of the Fund. Past performance of the Fund is not necessarily an indicator of future performance.

(d) No secondary market

You should be aware that whilst you may transfer your Units in the Fund to a buyer, there is no secondary market for Units. Under abnormal or difficult market conditions, some normally liquid assets may become illiquid, restricting the Trustee's ability to sell them or close them out and to make withdrawal payments without a potentially significant delay. Please refer to section 6.5 for more information about redemptions.

(e) Compliance risk

If we fail to comply with our obligations as an authorised representative, or the Trustee fails to comply with its AFS licence conditions, the Constitution, or general law it will likely have an adverse impact on you and the value of your investments. In particular, this may occur if ASIC take action which could result in:

- (i) winding up of the Fund; or
- (ii) removing the Trustee.

(f) Investment management risk

This is the risk that changes in our management or the loss of other key personnel may result in us not adequately monitoring and overseeing the approval, management and enforcement of the investments of the Fund and increase the risk of policies and procedures not being adhered to.

(g) Regulatory risk

There is a risk that changes to the regulatory environment for financial services, litigation funding in the UK, the film industry, or the finance industry may, either directly or indirectly, affect the value of the investment in the Fund.



The Fund is an Australian unregistered managed investment scheme and is not a registered scheme under the Corporations Act. The Underlying Investments are foreign-regulated entities over which the Fund has no control.

(h) Taxation risk

- (i) Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.
- (ii) Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Fund. You should consult your own taxation adviser to ascertain the tax implications of your investments.

(i) Macroeconomic risk

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may have a negative impact on the Fund's performance and on the value of your investment.

(j) Cyber risk

A risk exists that the Fund's Investments could be stolen or misappropriated by computer hackers.



5 Fees and other costs

5.1 Ongoing fees and other costs

- (a) This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.
- (b) You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee <i>The fee to open your investment</i>	Nil	Not applicable
Contribution fee <i>The fee on each amount contributed to your investment, including your initial investment.</i>	2% of the amount invested	Deducted from Application Money prior to the issue of Units and paid as to 0.75% to the Trustee and 1.25% to the Investment Manager
Adviser service fee¹ <i>An amount separately negotiated between you and your financial adviser which is payable to your financial adviser</i>	Up to 2.2% of the amount invested	Deducted from Application Money prior to the issue of Units and paid to the financial adviser nominated on your Application Form
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
Exit fee <i>The fee to close your investment</i>	Nil	Not applicable
Management costs²		
Management fees	<i>Ongoing management fee:</i> 0.75% p.a. of the Fund's NAV	The ongoing Trustee management fee: <ul style="list-style-type: none"> is calculated on the NAV of the Investment Option; is deducted from the assets of the relevant Investment Option on a monthly basis and is reflected in the Unit price for that Class; and accrues daily and is payable monthly.
Investment Manager fees³	<i>Ongoing investment management fee:</i>	The ongoing investment management fee: <ul style="list-style-type: none"> is calculated on the NAV of the Investment Option;



Type of fee or cost	Amount	How and when paid
	1.0% p.a. of the Fund's NAV	<ul style="list-style-type: none"> ▪ is deducted from the assets of the relevant Investment Option on a monthly basis and is reflected in the Unit price for that Class; and ▪ accrues daily and is payable monthly.

Operating expenses⁴

Charged on a cost recovery basis only. Estimated to be up to 0.5% p.a. of the NAV of an Investment Option

Operating expenses are:

- all properly incurred expenses to be recovered directly from the Fund as permitted under the Constitution;
- deducted from the assets of the relevant Investment Option and reflected in the unit price for that Investment Option; and
- generally paid when incurred.

1. Please refer to 'Adviser service fee' in the 'Additional explanation of fees and costs' section below for further details.
2. Please refer to 'Management costs' in the 'Additional explanation of fees and costs' section below for further details.
3. The Investment Manager will also be reimbursed for the Trustee establishment fees of \$22,000 it has paid to the Trustee in order to establish the Fund. This amount will be reimbursed to the Investment Manager from the Assets of the Fund immediately after First Close.
4. The operating expenses of the Fund are estimates only, and may be higher or lower depending on the actual operating costs of the Fund. Please refer to Section 5.2(b) below for more information.

5.2 Additional explanation of fees and costs

(a) Management costs

Management costs include management fees paid to the Trustee under the Constitution, the Trustee establishment fee paid by the Investment Manager and subsequently reimbursed by the Fund, the Investment Manager under the Investment Management Agreement and operating expenses. Management costs are deducted from the assets of the Fund and not charged directly to your account. They do not include contribution fees, transaction costs or additional service fees.

Management fees are the fees payable under the Constitution to the Trustee for the management of the Fund and the fees payable to the Investment Manager under the Investment Management Agreement.

The Trustee's management fees are calculated on the NAV of each Investment Option and are payable monthly in arrears from the assets of the Fund. The Trustee receives a management fee of 0.75% per annum. The Trustee pays the Investment Manager 1.0% per annum from the assets of the Fund in accordance with the Investment Management Agreement.

(b) Operating expenses

In addition to receiving a management fee, the Trustee is entitled to be reimbursed for expenses and costs incurred in the proper management of the Fund (operating expenses). The operating expenses represent the operating expenses incurred in the operation of the Fund. The Fund's Constitution allows all properly incurred expenses to



be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered. These expenses include:

- (i) statutory charges including taxes, government fees and levies;
- (ii) registry charges, accounting fees, legal fees, postage and handling, expert and consultant fees;
- (iii) all other costs, disbursements and outgoings incurred in connection with the management and administration of the assets and performance of the duties and functions of the Trustee under the Constitution; and
- (iv) all costs and expenses the Trustee incur in relation to the preparation, due diligence, printing, promotion and distribution of this IM and any costs incurred in amending or replacing any the Constitution or any other aspect of the Fund.

Extraordinary expenses are expenses that are not normally incurred in the day-to-day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding Investor meetings, changing the Fund's Constitution or defending or pursuing legal proceedings. Extraordinary operating expenses are not included in the estimate of operating expenses described in this section and are not included in the management costs set out in the table in section 5.1.

The Trustee reserves the right to delay or waive payment of the above fees at its discretion.

(c) Adviser service fee

The adviser service fee is an amount paid or payable to your financial adviser for financial product advice. The amount or rate of adviser service fee is negotiated directly between you and your financial adviser. The adviser service fee can be calculated as dollar amount or a percentage of your Application Money. The maximum amount of adviser service fee is 2.2% of your Application Money. The adviser service fee is an upfront fee and not payable on an ongoing basis. The amount payable to your nominated financial adviser will be calculated in accordance with the instructions on your Application Form. The Trustee will hold the adviser service fee on trust for your nominated financial adviser until it is paid.

(d) Fee entitlement

Notwithstanding anything else contained in this IM, the Trustee's entitlement to fees and expenses under the Constitution will be deducted from the assets of the Fund, prior to distribution payments being made to Investors.

(e) GST and stamp duty

All fees stated in this IM exclude (if applicable) GST less any reduced input tax credits and stamp duty.

(f) Transaction costs

Transaction costs, such as government taxes, duties, levies, bank charges and account transaction charges, associated with the acquisition of assets from funds subscribed by Investors are paid from the Fund.

(g) Increases or alterations to the fees



The Trustee may vary the management fees used to calculate the management costs set out in the table in section 5.1 at any time at our absolute discretion and without your consent. If the variation is an increase in a fee or charge, the Trustee will give you 30 days' prior written notice.



6 Investor information

6.1 Who can invest?

To be eligible to invest in the Fund, Investors must be Wholesale Clients and must fall into at least one of the following categories:

- (a) Individuals (either singly or jointly) over 18 years of age;
- (b) Companies;
- (c) Trustees and trustee companies;
- (d) Partnerships; or
- (e) Superannuation funds (including self-managed superannuation funds).

6.2 Initial and additional investment

(a) Initial investment

The minimum initial investment as a lump sum is \$100,000 per Investment Option.

(b) Additional investments

If you already hold Units in the Fund, you can make additional investments. The minimum additional investment is \$50,000 per Investment Option.

You will need to make reference to your investor number and clearly state your investment amount. Before making any additional investment, we recommend you check the most recent IM for the Fund.

(c) Change of account details

Once invested in the Fund, Investors can change their details by notifying the Trustee by post or email.

The written request must include the Investor's:

- (i) account name;
- (ii) account number;
- (iii) authorised signature(s); and
- (iv) the details which are being changed (for example, change of address, bank account details, distribution nomination, and financial adviser details).

If changing an address, it is necessary to provide both the old and new address.

If changing bank account details for redemptions or distributions, Investors will need to provide the Trustee with an original written request, rather than a fax, photocopy or scanned version.

6.3 Issue of Units and Unit pricing

(a) Issue of Units



Units in the Fund will be issued weekly. If the Trustee receive your Application Form and Application Money by 12:00pm (AEST) on the penultimate Business Day in a week ('processing cut off time'), the Units in the Fund will be issued on the first Business Day of the following week. If your Application Form and Application Money are received after the processing cut-off time each week, then your application will not be processed until the end of the following week.

Investors will be issued with a number of Units determined by dividing the amount of the Application Money (after deduction of any contribution fee or other fee separately negotiated by you with your adviser) by the Issue Price of Units in that Investment Option (see 'Unit pricing' below).

If your correctly completed Application Form and Application Money are received, identified, and accepted by us before the processing cut-off time, the Unit price applicable will be that which reflects the market value of the Investment Option at the close of business on the last Business Day of the week.

Applications receipted, identified and accepted by the Trustee after the processing cut-off time (but before the next processing cut-off time) will be processed using the Unit price which reflects the market value of the Investment Option on the last Business Day of the following week.

(b) Unit pricing

The assets of the Fund are generally valued weekly by the Trustee, and the NAV is established as per the Constitution.

The Fund's Unit price for each Investment Option is calculated by dividing the net asset value of the assets of the Investment Option (grossed up for any contribution fees payable) by the number of Units on issue in the Investment Option. Generally, the NAV of each Investment Option is determined at the end of each week. It is calculated by taking the value of the assets attributable to the Investment Option and deducting the value of its liabilities attributable to the Investment Option.

The NAV of investments in the Investment Option includes not only the value of loans, but also any income accrued and not yet distributed as well as any cash holdings.

The Unit price for a particular week reflects the value of the Investment Option at the close of business on the last Business Day of that week.

6.4 Unit transfers

Investors may transfer Units in a Fund to any other person. However, the Trustee has the discretion to refuse transfers of Units without giving any reasons for this refusal.

To affect a transfer to another person, the following will be required:

- (a) a signed and completed standard unit transfer form (with duty paid, if applicable), and
- (b) notification of the transferee's Investor name and number (or if a new Investor, an Application Form).

Standard unit transfer forms are available by contacting the Trustee.

No buy-sell spread is applied to Unit transfers. A transfer of Units may have tax implications and Investors should seek their own tax advice in this regard.



6.5 Redemptions

The Fund is illiquid. There is no secondary market for Units. Redemptions can only be made in response to a withdrawal offer made by the Trustee. The Trustee can only make withdrawal offers if there are sufficient assets available for the Trustee to make such offers.

In circumstances where the Trustee accepts a redemption request in response to a withdrawal offer, payment will be made by electronic funds transfer (EFT) to your nominated Bank account.

The redemption price for each Unit is calculated as follows:

$$\frac{\text{Net Asset Value of the Investment Option} - \text{Transaction Costs}}{\text{Units on Issue in the Investment Option}}$$

More information about Unit pricing is contained in section 6.3(b).

6.6 Distributions

A distribution is a payment of the Fund's taxable income and may include distributions from the Fund, realised net capital gains and other income. The components of the distribution will vary from period to period. There may also be times when no distribution is paid. Distributions from the Fund are not pro-rated for the duration of the investment during the tax year. They are paid to all Investors who are registered on the last day of the distribution period.

Cash distributions will only be paid to a bank, building society or credit union account. The account nominated by the Investor must be in the name of the Investor, as it is the Trustee's policy not to make third party payments.

If payment to your nominated account is rejected by your financial institution, your distribution amount will be reinvested using the Issue Price at the beginning of the next week after receipt of the notice of rejection from the financial institution.

Investors will need to advise the Trustee in writing of any change to distribution nomination and account payment details. For a change to be reflected in the next distribution, such advice must be received by the Trustee no later than five Business Days prior to the last day of the financial year.

6.7 Investor reporting

As an Investor in the Fund, you will receive the following communications:

- (a) Investment confirmation advice, indicating your initial investment in the Fund, together with details of Issue Price and number of Units issued (generally sent within five Business Days of the acceptance of the application).
- (b) Redemption confirmation, providing details of Unit redemptions and redemption prices (generally sent within five Business Days of the redemption request being processed).
- (c) An annual taxation statement, detailing all relevant taxation information relating to distributions from the Fund required for Investor taxation returns (generally sent by the end of September each year). Included with the statement will be historical and current financial information of the Fund.
- (d) An update on your investment from time-to-time.



6.8 Overseas investors

No action has been taken to register or qualify the Units or the offer of Units or otherwise permit a public offering of the Units, in any jurisdiction outside Australia. The Units have not been and will not be registered under the *United States Securities Act of 1933 (US Securities Act)* and may not be offered or sold in the United States (US) or to, or for the account or benefit of US persons except in transactions exempt from the registration requirements of the US Securities Act. The distribution of this IM in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this IM comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The IM does not constitute an offer of Units in any jurisdiction where, or to any person whom, it would be unlawful to issue this IM. Where this IM has been dispatched to any persons domiciled outside Australia and where that country's securities code and legislation require registration, this IM is provided for information purposes only. It is the responsibility of any overseas applicant to ensure compliance with all the laws of any country relevant to his or her application. The return of any duly completed Application Form will be taken by the Trustee to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

6.9 Privacy

The Trustee takes all reasonable steps to protect your personal information. In addition to the collection of information pursuant to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (see Section 6.10 for more details), personal information is collected for the purpose of providing investment products to Investors and the Trustee will use your personal information for:

- (a) processing your Application for Units;
- (b) informing you or any potential investment opportunities in funds to be promoted and/or managed by us or any of our related entities (if you do not wish to receive this information, please contact the Trustee);
- (c) administering the Fund (including calculation of entitlements and distributions, and ownership and interests in Units); and
- (d) any purpose related to the above purposes.

If you provide incomplete or incorrect information, the Trustee may be unable to provide you with the product or service for which you are applying.

The Trustee may need to collect personal information about a third party from you as part of this application. If the Trustee do this, you agree you will advise that person that the Trustee have collected their information, and that in most cases they can access and seek correction of the information the Trustee hold about them.

Your personal information may be disclosed to related entities of ours and any organisation (such as an accountant or auditor) involved with the administration of the Fund for any of the above purposes.

The provision of the personal information requested is needed to allow your application to be processed. By completing the Application Form, you consent, for the purposes of the *Spam Act 2003 (Cth)* to receiving commercial e-mails from the Trustee, related entities of ours or any other entity involved in the administration of the Fund.



In most cases you can gain access to and seek correction of your personal information. Should you wish to do so, or if you have any queries about your information, please contact the Trustee by email at info@mcqua.com.au.

You should also read the Trustee's privacy policy. The Trustee's privacy policy contains information about:

- (a) how you can access and seek correction of your personal information;
- (b) how you can complain about a breach of the privacy laws by us and how the Trustee will deal with a complaint; and
- (c) if the Trustee disclose personal information to overseas entities, and where practicable, which countries those recipients are located in.

The Trustee's privacy policy is available on request by email at info@mcqua.com.au.

6.10 **Anti-money laundering**

Under the AML/CTF Act, certain additional identification is required from Investors. The Trustee is obliged under this legislation to satisfy thorough Investor identification and verification requirements prior to accepting an application for Units in the Fund. The processing of applications may be delayed until any requested documentation is received in a satisfactory form and the identity of the Investor is verified.

The Trustee may use electronic or document-based verification processes. Where document-based verification processes are used, applicants who invest in the Fund must provide the Trustee with the relevant identification material, along with a completed Application Form. The Trustee may request additional information from Applicants where the Trustee reasonably consider it necessary to satisfy the Trustee's obligations under the AML/CTF Act.

6.11 **Material documents**

The Trustee consider that certain documents are material to the operations of the Fund and may be relevant to you. A description of material documents, together with a summary of the more important details of each of these documents, is set out below.

(a) Constitution

The Constitution establishes the Fund and governs your rights and obligations as an investor in the Fund. Investors are bound by the provisions of the Constitution. The Constitution and the Corporations Act regulate the operation of the Fund and set out the rights and liabilities of investors and of the Trustee's responsibilities and duties as the Trustee.

The Constitution includes provisions which relate to:

- (i) the Trustee's powers, duties and obligations;
- (ii) the rights and obligations of investors;
- (iii) the ability of investors to remove the Trustee;
- (iv) the issue of Units and the procedure for the redemption of Units;
- (v) the transfer and transmission of Units;



- (vi) the valuation of the Fund;
- (vii) fees payable to the Trustee;
- (viii) the Trustee's right to be indemnified by the Fund for expenses, losses and liabilities arising in its capacity as Trustee providing it has properly performed its duties;
- (ix) the winding up of the Fund;
- (x) meetings of investors;
- (xi) complaints and procedures in relation to the Fund; and
- (xii) the Trustee's limitation of liability (subject to the Corporations Act).

The Trustee may amend the Constitution without investor consent where it reasonably believes the amendment will not adversely affect investors' rights. Otherwise, the Constitution can only be amended where at least 75% of votes cast by Investors (at a meeting convened in accordance with the Constitution) vote in favour of the amendment.

The Trustee may be removed as Trustee by a special resolution of Investors.

(b) Investment Management Agreement

The Trustee has entered into an Investment Management Agreement with us. We are responsible for investing the assets of the Fund and administering the Fund. The Investment Management Agreement includes provisions relating to keeping the Fund's books and records, meeting accounting obligations, recording asset values, lodging returns and statements with the ATO, maintaining the register of members and processing member transactions.

In consideration of the performance of its duties, the Trustee must pay to the Investment Manager up to 1.0% of the NAV of each Investment Option for the management of the Fund. Refer to Section 5 for further details.

(c) Trustee terms of engagement

McQua Capital Pty Ltd (Trustee) is a professional trustee firm, licensed by ASIC under AFS Licence No 468166. It has been engaged by us to act as the trustee for the Fund.

The Trustee is entitled to fees and expense reimbursements for the proper performance of its duties and the exercise of its powers (refer to Section 5 for further details). The Trustee's engagement by us continues until it is terminated and is subject to a minimum term of 18 months. Subject to the minimum term, either party may terminate the engagement on 90 days' written notice. Either party may terminate the agreement immediately on the occurrence of certain other events, including acts of insolvency and material breaches of the engagement.

After the initial term of 18 months, we can request the Trustee to retire and recommend a replacement trustee.

6.12 Investors' liability

The Constitution seeks to limit the liability of Investors to the amount of their investment plus other moneys payable to the Trustee or the Fund pursuant to the Constitution (if any). However,



because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in a manner discussed above.

6.13 **Indemnity for the Trustee**

To the extent permitted by the Corporations Act and the law, the Trustee is indemnified out of the Fund against any claim, action, damage, loss, liability, cost, expense or payment which it incurs, or is liable for, provided that it does not arise from its own gross negligence, fraud or wilful misconduct.

6.14 **Related party transactions**

- (a) The Investment Manager may appoint related entities to provide services to the Fund if required. Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties. Where material transactions occur, unitholders should consider the capability and sustainability of those related party arrangements and the potential for conflicts of interest.
- (b) The Investment Manager has, and complies with, written policies with regard to related party transactions. The policies cover, amongst other things, the assessment and approval process for related party transactions as well as how the risk of any actual or perceived conflict of interest as a result of a related party transaction is managed. All related party transactions require Board approval, and the Board will only approve transactions if the transactions are on arm's length terms.
- (c) The Investment Manager and related entities may also subscribe for, or acquire, units in the Fund on the same terms as other Investors.

6.15 **Declarations**

We are the issuer of this IM. Except as expressly set out below, no other party including the Trustee, CNM Legal or any other party named in this IM:

- (a) has not authorised or caused the issue of this IM;
- (b) has not made, nor purported to make, any statement that is included in this IM and there is no statement in this IM which is based on any statement by them;
- (c) expressly disclaims and takes no responsibility for any part of this IM other than the references to its name;
- (d) do not guarantee the repayment of capital or any particular rate of capital or income return.



7 Glossary

AFS licence	an Australian financial services licence issued by ASIC.
AML/CTF Act	the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
Application Form	the Application Form accompanying this IM.
Application Money	the money payable by an applicant on submitting the Application Form.
ASIC	the Australian Securities and Investments Commission.
ATE Insurance	a form of legal expense insurance which protects the insured against the risk of an adverse cost order in the event that the insured becomes involved in litigation. It is also known as adverse cost order insurance and is a common feature of class actions in the United Kingdom. It is purchased once a dispute has arisen or specific proceedings are contemplated.
Board	the Investment Manager's board of Directors.
Business Day	a day other than a Saturday, Sunday or public holiday in Brisbane, Queensland.
Class	a class of Units.
Constitution	the trust deed for the Fund dated 27 September 2021.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
CRS	the Common Reporting Standard is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents to the Australian Taxation Office.
Directors	the directors of the Investment Manager, from time to time.
FATCA	the <i>Foreign Account Tax Compliance Act</i> which is United States legislation aimed at improving compliance with US tax laws.
First Close	the date the Investment Manager determines in its discretion as being the closing date for the first capital raising in relation to a Class.
Fund	the UK High Yield Income Fund, established by the Constitution.
IM	this Information Memorandum.
Investment Management Agreement	the agreement between the Trustee and Investment Manager summarised in section 6.11.
Investment Manager, we, our or us	Sequince Capital Pty Ltd ACN 652 333 116.
Investment Option	a class of Units described in section 3.2.



Investor	a member of the Fund.
Issue Price	the price at which Units are issued.
NAV	net asset value of the Class.
Offer	the offer of Units made in this IM.
Recipient	a person who receives this IM.
Redemption Price	the price at which Units are redeemed.
Reinvestment Price	the price at which Units are issued when an Investor elects to have their distribution reinvested as additional Units in the Fund.
SPV	Sequince UK Yield Investments Pty Ltd ABN 12 652 336 144.
Trustee	McQua Capital Pty Ltd ABN 58 600 627 101.
UK	the United Kingdom.
Underlying Investments	loans made via the SPV to UK law firms to finance litigation funding in the UK managed by Global Finance Platform Ltd (UK) and to Goldfinch Media Finance Ltd (UK).
Unit	a unit in the Fund.
Wholesale Client	has the meaning given in section 761G of the Corporations Act.
you and your	a person who subscribes for and is issued a Unit.



8 How to invest

8.1 Complete Application Form

Investors may apply for Units in the Fund by completing and returning the Application Form.

8.2 Customer identification requirements

All applications for Units must be accompanied by the appropriate AML/CTF information (**AML Forms**) and supporting documents required by the AML/CTF Act. The Trustee will supply you with AML Forms which are relevant to your investment entity.

In accordance with the AML/CTF Act, the Trustee is required to identify, and verify the identity of, Investors. In order to do this, the Trustee must collect certain information from Investors relating to their identity and the source of their funds. The Trustee must then verify this information by citing certain verifying documentation or undertaking electronic verification. If you do not provide the Trustee with this information when required, the Trustee may not be able to process your application.

8.3 Return completed Application Form and AML Forms

Applications to invest in the Fund can only be accepted if a completed Application Form and AML Forms are lodged with an accompanying cheque or electronic funds transfer for the amount of the investment (refer to section 8.5).

The completed Application Form and AML Forms must be completed and sent, along with your payment, to the Trustee at:

McQua Capital Pty Ltd **ATF** UK High Yield Income Fund
(legible scanned copies of wet signature forms)

Email to:
info@mcqua.com.au

With originals sent via post to:

PO Box 256
Isle of Capri QLD 4217

Care should be taken to ensure you provide, on the Application Form, your:

- (a) residential address (or registered address in the case of a company or trustee Investor);
and
- (b) tax file number (TFN) or Australian Business Number (ABN).

The Trustee will reject an application where a satisfactory address is not provided on the Application Form.

8.4 Payments

You can forward your Application Money by cheque or electronic transfer. If you (or your agent) use electronic funds transfer, then you must notify the Trustee (refer to “Identifying your Application Money” below).

Cheques must be made payable to McQua Capital Pty Ltd ATF UK High Yield Income Fund Application Account”. Payments are to be made in Australian dollars.



For electronic transfers, the bank account details are:

Account name:	McQua Capital Pty Ltd ATF UK High Yield Income Fund
Bank:	Westpac Banking Corporation
BSB:	034216
Account number:	781542

8.5 Identifying your Application Money

If you (or your agent) forward Application Money to the Trustee by electronic funds transfer, you will need to advise the Trustee prior to the processing cut-off time so that the Trustee can identify your money. If your money has not been receipted or identified by the Trustee's bank or the Trustee, then the Trustee cannot process your application.

Any money received by electronic funds transfer without being separately advised to the Trustee may be rejected and returned to the paying financial institution.

Any fees charged by a financial institution, in relation to identifying or rejecting money, will be passed on to the Investor or deducted from the Application Money.

If a cheque or electronic deposit dishonours subsequent to Units being issued, those Units are deemed not to have been created.

WARNING

Electronic instructions

Investors who use electronic means to provide instructions (e.g., applications and redemptions) to the Trustee do so at their own risk. The Trustee will not take any responsibility for not receiving a request, despite any electronically generated confirmation an Investor may have. Electronic communication is inherently unreliable and confirmation of physical receipt by the Trustee should be verbally sought by phoning **(+61) 0421 634 976**.

In sending any electronic instruction, the Investor releases the Trustee from, and indemnifies the Trustee against, any loss or liability arising as a result of processing an instruction that bears the Investor's account number and a signature apparently that of the Investor or authorised signatory on the account.

8.6 Interest on application monies

Until Units are issued, Application Monies will be held on trust in the bank account detailed in section 8.5. The account will be established and kept for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act. Any interest accrued on Application Monies will not be returned to Investors where Units are not allotted.



8.7 Allocation and allotment of Units

Allotment of Units will be made as soon as practicable after an application has been processed. The Trustee reserve the right to allot Units in full for any Application or to allot any lesser number and to decline any Application received.

Where the number of Units allotted is less than the number applied for, the surplus Application Monies will be returned within 14 days. Where no allotment is made, the amount tendered on application with the relevant Application Form will be returned in full within 14 days.

8.8 Foreign persons

By lodging an Application Form the applicant is taken to confirm that they are not a “foreign person” within the meaning of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) or under the age of 18 at the time of the application. If the Applicant is a foreign person, they should complete the non-resident section of the Application Form. This may mean the application will be rejected, depending on the applicant’s interest in the Fund and the application of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).



9 Corporate directory

Investment Manager	Sequince Capital Pty Ltd ABN 64 652 333 116 Authorised Representative (1293326) of McQua Capital Pty Ltd Level 2 89 McLachlan Street Fortitude Valley QLD 4006 Phone: +61 431 362 222 Email: info@sequincecapital.com
Trustee	McQua Capital Pty Ltd ABN 58 600 627 101 Australian Financial Services Licence No 468166 PO Box 256, Isle of Capri, Qld 4217 Suite 8, Level 18 1 Eagle Street Brisbane Qld 4000 Phone: +61 421 634 976 Email: info@mcqua.com.au
Lawyers	CNM Legal Level 3, 231 George Street Brisbane, Queensland 4001 www.cnmlegal.com.au

