



Information Memorandum

Seed Funds Management

Issued 22 March 2024



Trustee:

Evolution Trustees Limited

ABN 29 611 839 519

AFSL No. 486217

Investment Manager:

Seed Funds Management

ABN 25 675 247 506

Representative No. 001308397

AFSL License Holder and Fund Distributor:

Seed Partnerships

ABN 32 606 230 639

AFSL No. 492973



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1.

**Notice
to Potential
Investors 🌱**

1. Notice to Potential Investors

Thank you for expressing interest to invest in the Hybrid Income Fund (**Fund**), an unregistered and unlisted unit trust in Australia. Evolution Trustees Limited (ABN 29 611 839 519, AFSL No 486217) (**Trustee**) is the trustee of the Fund and the issuer of this Information Memorandum (**IM** or **Memorandum**).

The terms of your investment in the Units of the Fund (**Units**) are set out in the following key documents:

- the trust deed of the Fund dated 20 April 2022, as amended from time to time (**Trust Deed**);
- this IM; and
- the online application form available at <https://seedfundsmanagement.apexgroupportal.com/apply>, a copy of which is attached at Annexure A of this IM (**Application Form**).

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

The Transaction Documents:

- constitute your agreement with the Trustee to invest the amount specified in the Application Form;
- describe the features, the associated risks and the costs of the Fund's investment strategy; and
- set out some of the key terms of investing in the Fund and contain certain representations and warranties from you as an Investor in the Fund.

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

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

Your Decision to Invest

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

Applications

This IM is available in electronic form only. If you wish to invest, you must complete the Application Form available online at <https://seedfundsmanagement.apexgroupportal.com/apply> and attached at Annexure A, and submit it as set out in accordance with the instructions set out in the Application Form.

1. Notice to Potential Investors

Restrictions on Distribution of this IM

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

- receiving the IM in Australia;
- who qualify as wholesale investors under s 761G and s 761GA of the Corporations Act; and
- eligible New Zealand Investors (as defined below).

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

Updated Information

Updated information relating to this IM will be made available promptly. You can access this information at www.SeedFundsManagement.com.au/asset-management. The information that will be made available by way of updates is information which is subject to change from time to time and is not materially adverse to you. If a change in information is materially adverse to you, the Trustee will replace this IM or issue a supplementary IM.

Definitions

Some expressions used in this IM are defined in the Glossary in [Section 10](#). Unless the context requires otherwise, words used in the IM have the meaning given in the Glossary.

New Zealand Investors

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The Units are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act, (**New Zealand Investors**).

2.

**Key
Features** 🌱

2. Key Features

FEATURES	OVERVIEW	REFER TO PAGE
Fund	Hybrid Income Fund	15
Fund Structure	The Fund is an unlisted, unregistered Australian wholesale managed investment scheme	17
Trustee	Evolution Trustees Limited (ABN 29 611 839 519, AFSL No. 486217)	11
Investment Manager	Seed Funds Management (ABN 25 675 247 506, Representative No. 492973)	11
Custodian and Administrator	Apex Fund Services Pty Ltd (ABN 81 118 902 891)	17
Investment Objective	The Investment Manager targets a return equivalent to the RBA Cash Rate + 3.0% (after fees and tax).	16
Investment Strategy	The Fund invests in a broad range of securities. These include subordinated notes, hybrid securities, convertible preference shares and capital notes issued by banks, insurance companies and other companies. The Fund may also invest in Mutual Capital Instruments (MCI's), hold cash or senior bonds issued by financial companies including banks, insurance companies and non-bank financial institutions.	16
Eligible Investors	Wholesale clients as defined in the Corporations Act and New Zealand Investors.	19
Minimum initial investment and balance	The minimum initial investment amount is \$100,000. The Trustee, in its sole and absolute discretion, may accept or reject all or any portion of any investment and reduce, increase or waive the minimum investment.	19
Unit Prices	<p>Units issued pursuant to applications received during the Initial Offer Period will be issued at a price of \$1.00.</p> <p>Units issued pursuant to applications received after the Initial Offer Period will be issued at a price calculated as the Fund's Net Asset Value plus Transaction Costs divided by the number of Units on issue.</p> <p>Units are denominated in Australian dollars.</p>	19
Class of Units	There will initially be a single class of ordinary Units in the Fund. The Trustee may issue other classes of Units at its discretion.	19
Investment Timeframe	Suggested investment timeframe is at least 4-6 years. The Trustee and the Investment Manager recommend that you consider, with your financial adviser, the suggested investment period for the Fund for your own investment timeframe. You should review this regularly to ensure that the Fund continues to meet your investment needs.	19

2. Key Features

FEATURES	OVERVIEW	REFER TO PAGE
How to invest in the Fund	<p>Investors should complete the Application Form which can be accessed at https://seedfundsmanagement.apexgroupportal.com/apply and which is attached to this IM at Annexure A, and send the completed Application Form, together with any supporting documents, to the Administrator by no later than 12:00 pm (AEST) on the Monday of each week.</p> <p>The Trustee has the right to reject any application or to accept only part of an application. Once lodged, an application may be cancelled only with the Trustee's approval.</p> <p>No cooling off period applies to wholesale clients as defined in the Corporations Act.</p>	19
Redemptions	<p>Units may be redeemed at the option of the Investor by sending a written Redemption Request to the Trustee. Please refer to Section 5 for details.</p>	21
Distributions	<p>The Fund will generally seek to pay distributions on a quarterly basis at 31 March, 30 June, 30 September and 31 December.</p> <p>You may elect to have your distribution reinvested or directly credited to an account in your name held at a branch of an Australian domiciled bank. If you do not make a choice, your distributions will be reinvested.</p>	20
Risks	<p>Like any investment of this type, there are risks associated with investing in the Fund. For information about the specific risks associated with the Fund, see Section 6.</p>	24
Fees and Expenses	<p>The Fund will pay all the costs of its operation and management, including the organisational expenses, the fees and expenses payable to service providers and all expenses related to its investment program.</p>	28

3.

**Funds
Management** 🌱

3. Funds Management

Trustee

The Trustee of the Fund is Evolution Trustees Limited (ABN 29 611 839 519, AFSL No 486217). The Trustee has been established as an independent provider of trustee services to wholesale funds. This leaves the investment decisions to an expert that can focus on deciding what investments are made on behalf of the Fund, whilst The Trustee takes care of the operational aspects of the Fund.

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

The Trustee has delegated the Fund's investment management functions to Seed Funds Management (ABN 25 675 247 506).

Investment Manager

The Investment Manager, **Seed Funds Management Pty Ltd** (ACN 675 247 506) is a corporate authorised representative (No. 001308397) of its related body corporate, Seed Partnerships the holder of AFSL No. 492973.

Seed Funds Management is an investment manager whose main role is to manage a portfolio of assets according to the investment strategy of the Fund. Seed Funds Management's investment committee and compliance and risk committee are responsible for overseeing the activities of the

Investment Manager. Seed Funds Management must carry out its obligations under the IMA in a good, efficient, proper and professional manner and management expected of an experienced, properly qualified, competent and professional investment manager.

Seed Partnerships and Nicholas Chaplin are the owners of Seed Funds Management. Nicholas Chaplin is the Portfolio Manager of the Hybrid Income Fund and is the Chair of the Investment Committee.

The Investment Manager has engaged Seed Partnerships to provide services and resources to Seed Funds Management, to allow Seed Funds Management to concentrate on portfolio management and generating returns for investors.

Seed Partnerships is a corporate advisory & distribution firm with offices in Sydney, Melbourne and Brisbane that specialises in funds management. Seed Partnerships has extensive history partnering with established fund managers with distinguished track records, who wish to build a pool of capital within Australia & New Zealand. Seed Partnerships executives have a strong pedigree in listed investment companies and trusts, corporate advisory, funds management, investor communications and retail & wholesale fund distribution. Since 2015, Seed Partnerships has raised over \$6 billion in new capital for its fund manager partners.

The Seed Partnerships business brings together a blend of strategy and execution in raising capital, marketing and investor communication to deliver solid outcomes for fund managers and their investors. Seed Partnerships objective is to work with the highest quality managed fund and then amplify its distribution to procure meaningful capital for the fund manager to invest. In doing so, Seed Partnerships connect the advisory markets with the best-in-class solutions for the benefit of their client base.

You can read more about Seed Partnerships and Seed Funds Management [here](#).

3. Funds Management

KEY Executives



Nicholas Chaplin
Portfolio Manager

Nick has worked in the finance industry for over 33 years. Nick has 24 years' experience specialising in the structuring and education of financial capital, with a focus on hybrids. Prior to joining the Investment Manager, Nick spent 12 years building and leading NAB's hybrid and structured capital originations business. Prior to NAB, Nick built the hybrid capital business for Westpac in Sydney including originating several rare foreign issues into Australia.

Nick has a long history in managing investments in hybrid capital products. From 2002 until 2004, Nick successfully managed a portfolio of hybrid securities with a volume of over \$250 million for CommSec as part of its Equity Capital Markets business. From 2015 until 2022, Nick managed the Paraclete Funds Management Trust which invested exclusively in hybrid Tier 1 capital securities. The Paraclete Funds Management Trust utilised the same target return as that planned for the Fund.

Nick is a graduate of the University of Wollongong and holds Graduate Diploma's in Applied Finance from both the Securities Institute and the Australian Financial Management Association. He is a graduate of the Australian Institute of Company Directors and has served on numerous not-for-profit Boards of Directors.



Chris Donohoe
CEO, Chairman

Chris is the founder of Seed Partnerships. Chris has CEO experience in funds management and considerable experience in the initiation, capital raising and management of Listed Investment Companies. Chris was a member of the investment committee of the Future Generation Global Investment Company, after serving as the co-CEO in the company's inaugural year.

Prior to forming Seed Partnerships in May 2015, Chris was the CEO, Board Director and Compliance Committee Member at PM CAPITAL Limited. He was also the CEO and Director of the PM CAPITAL Global Opportunities Fund Limited (listed in December 2013) and PM CAPITAL Asian Opportunities Fund Limited (listed in May 2014).

Prior to a 14-year career in funds management, Chris gained several years' experience trading in the derivatives and bond markets. Chris is a Graduate of the Australian Institute of Company Directors. He holds a Masters of Business in Finance, majoring in Funds Management, from the University of Technology, Sydney.

3. Funds Management

KEY Executives



William Spraggett
Director

Will is a Partner and Director of Seed Partnerships and was previously Head of Listed Managed Investments (LMI) at Bell Potter Securities. In that role he was responsible for the LMI research function including the author of the highly regarded LIC Weekly and Quarterly, and actively involved in a large number of capital raisings in the Listed Investment Company space.

Prior to that appointment Will was an Equities Analyst with Bell Potter Securities and IWL Limited, and an Analyst with Goldman Sachs International.

Will Spraggett is a passionate financial services executive with over 20 years' experience in the industry. Will is a director of ClimateWorks Australia. Will holds a Bachelor of Business, majoring in Economics and Finance, and has passed Level II of the CFA Program.



**Fraser
McAusland**
Partner

Fraser is a Partner at Seed Partnerships, having joined in 2016, and has over 25 years' experience in the financial services industry.

Prior to joining Seed, Fraser held the position of Head of Investment Sales at BT Financial Group, running the business and team responsible for the listed and unlisted equity structured products issued by Westpac Bank.

Fraser formerly held senior positions at domestic and international investment banks including ABN AMRO (Royal Banks of Scotland) and Macquarie Bank, where he was responsible for the distribution of equity derivative solutions to UHNW Individuals, Private Banks, Independent Financial Advisers, and other financial intermediaries. Fraser also acts as Head of Compliance at Seed Partnerships.



Nicholas Morris
Partner

Nick has over twelve years of experience in capital markets and financial services. Most recently Nick worked in the Corporate Finance team at Ord Minnett where he was responsible for executing wide variety of capital raisings, including public and private transactions across debt, equity and hybrid structures.

Prior to joining Ord Minnett, Nick worked in Suncorp Bank's Treasury team where he spent time in Funding, Sales and Balance Sheet Management teams. Prior to Suncorp, Nick worked as an investment analyst for a boutique private equity firm.

3. Funds Management

KEY Executives



Adam Curtis
Investment Director

Adam has over 20 years' experience in financial markets. Having graduated with an International Business degree in 1997, Adam joined Bankers Trust working in the funds management and margin lending business.

In 2000, Adam moved to London and joined the Bank of New York for the next two years, where he worked on the fixed income desk and serviced a range of institutional clients across mainland Europe.

Upon returning to Australia, Adam was hired by a specialised Asset Consultancy based in Sydney, CPG Advisory. He worked there for nearly five years, providing advisory services and consulting on the investment portfolios of some of the firm's largest wholesale clients across a range of industries.

In August 2008, Adam was recruited into Perpetual's Income and Multi Sector business where as Senior Investment Specialist he covered Perpetual's capabilities across multi – strategy portfolios, fixed income and alternative investments.

In 2016, Adam was appointed as the Head of the Investment Specialists of Perpetual Investments. He has completed the designation of Certified Investment Management Analyst and is currently a member of CIMA Society of Australia.

4.

**The
Fund** 

4. The Fund

The Investment Opportunity

Australian investors, particularly those dependent on income, remain heavily underinvested in Australian debt capital markets. The Investment Manager has identified an opportunity to combine a deep pool of expertise in the prudential capital asset class along with a commitment to ongoing investor education. The Fund's ability to invest across ASX-listed and Over the Counter (OTC) credit further diversifies investor portfolios while opening up new opportunities for Investors.

The listed hybrid market includes issues totalling approximately \$45 billion across a broad range of financial and corporate issuers. In focusing on the financial issuers in this market, over 90% of listed hybrid issues will be available for investment. Additional diversity will be achieved via investment in wholesale unlisted senior, hybrid capital issues and subordinated bond issues by banks, insurers and other financial entities.

The Investment Manager believes financial capital instruments are a specialist investment requiring a high level of experience and understanding of their inherent risks. Refer to [Section 6](#) for more information about risks.

Key benefits of investing in the Fund include:

Expert Management

Access to highly skilled specialist management, with extensive experience in regulated capital products including hybrids, subordinated debt, and mutual equity.

Established Asset Classes

Hybrid capital instruments are well-established in the Australian capital markets. Many instruments are prudentially regulated by the Australian Prudential Regulation Authority (APRA).

Access To Diverse Investments

The Hybrid Income Fund enables all investors access to both listed and unlisted hybrids and bonds in one investment solution.

Active Management

The portfolio will be actively managed to take advantage of arbitrage opportunities that occur during the term of issue.

Informed Management

Seed Funds Management maintains strong insight into regulators with ongoing participation in working groups examining market changes.

The Investment Manager and Seed Funds Management teams will be available for regular presentations related to the education of hybrid products and the markets in which they are traded, including discussions on the impacts of volatility events that may happen from time to time.

4. The Fund

Investment Objective

The Investment Manager aims to provide Investors with access to an actively managed, low-volatility, diversified portfolio with a core focus on Australian APRA-regulated capital instruments including hybrids and subordinated debt, as well as senior debt.

The Fund's minimum target return is the RBA cash rate plus 300 basis points (after fees and tax).

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

Investment Strategy

The Investment Manager intends to apply a tactical approach in terms of which securities it invests in and the timing of such investments with the aim of delivering Investors with a robust ongoing risk-adjusted yield through market and interest rate cycles.

The Investment Manager will:

- manage interest rate risk via a portfolio that holds primarily floating rate instruments which have returns that fluctuate with interest rate movements;
- provide portfolio diversity by security type, credit risk, duration and issuer;
- aim to distribute franking credits associated with the Fund's holdings of franked securities; and
- enable Investors to receive regular income derived from the portfolio or utilise the available distribution reinvestment capability in order to compound returns over time.

The Fund will not utilise any leverage or derivatives in its strategy.

Investments

The portfolio will primarily comprise a broad range of debt and hybrid securities. "Hybrid Securities" is a term used to describe securities that combine elements of debt securities and equity securities. They include subordinated notes, convertible preference shares and capital notes issued by banks, insurance companies and other companies. Additional details on these types of issues are described below:

- Capital notes, convertible preference shares and preference shares are instruments that pay discretionary income and rank below subordinated notes but above ordinary shares. They typically have a perpetual term rather than a fixed maturity, however, the securities can be called early at the issuer's discretion and can also be converted into equity by the issuer, investor and/or APRA if certain events occur prior to the security's final maturity.
- Subordinated notes or bonds are debt securities that pay interest with a fixed legal maturity that rank below senior bonds but above preferred equity and ordinary shares, and which may be converted into equity by the issuer, investor and/or the banking and insurance regulator if certain events occur prior to the security's final maturity.

Hybrids can be either listed and traded on the ASX, or unlisted and traded OTC directly between buyer and seller. The Fund may also invest in:

- MCI's, which are perpetual securities (no maturity date) issued by a mutual entity (**Mutual**). A Mutual is a member-owned organisation that is not listed on any stock exchange. The MCI's themselves may be listed on the ASX or be traded OTC;

4. The Fund

Investments (continued)

- cash; and
- senior bonds issued by financial companies such as banks, insurance companies and non-bank financial institutions. Senior bonds have a higher priority than subordinated bonds or other hybrid instruments.

The Investment Manager will utilise the following investment criteria as part of the risk management process to create the strongest platform to achieve the Fund's investment objective:

- the Fund will be limited to issues by Australian or New Zealand issuers only; and
- there will be no exposure to foreign currencies in managing the portfolio.

Investment Process

The Investment Manager adopts an active management style aimed at identifying and taking advantage of short-term security mispricing around a core holding of hybrid securities.

A disciplined risk management framework remains core to the Fund's investment process. Investments go through a rigorous due diligence process via the Portfolio Manager, overseen by the investment committee. This includes comprehensive on-going review of issuers, capital strength analysis, broader regulatory expectations and regular competitor comparisons. Existing and potential portfolio exposures are then assessed against comparable market-issued instruments. The portfolio also undergoes extensive trade sensitivity, stress testing and portfolio construction analysis utilising in-house risk analytics.

The Investment Manager will ultimately make the day to day investment decisions. These will be consistent with the investment strategy and the Fund's investment objective and risk tolerance.

Fund Structure

The Fund is an Australian unit trust and structured as an unregistered, unlisted management investment scheme under the Corporations Act.

Fund Administrator

Apex Fund Services Pty Ltd (ABN 81 118 902 891) will be responsible for the administration of the Fund, including maintaining the accounting records, recording the value of investments, maintaining the registers of Fund interests, calculating distributions and reporting to the Investment Manager and Trustee. The rights and duties of the Administrator will be governed by a custody and fund administration agreement with the Trustee.

Custodian

Apex Fund Services Pty Ltd (ABN 81 118 902 891) will also provide custodial services in relation to the Fund. The Custodian will be responsible for holding the Fund investments, cash and other assets of the Fund from time to time. The rights and duties of the Custodian will be governed by a custody and fund administration agreement with the Trustee.

5.

**Investing
in the Fund 🌱**

5. Investing in the Fund

Eligible Investors

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

Class of Units

The Fund includes a single class of ordinary Units, although the Trustee may issue further classes of Units in its absolute discretion.

Valuation

Assets of the Fund (**Assets**) are valued at their market value in accordance with the following principles:

- exchange traded holdings will be valued by reference to the most recent official closing price quoted by that exchange. If there is no such price, then the mid price will be taken between the lowest offer price and the highest bid price at the close of business; and
- OTC holdings will be valued on the basis of the latest available valuation provided by the relevant counterparty.

Unit Price

The Unit price for each Unit will be calculated at least weekly, by dividing the Net Asset Value of the Fund plus Transaction Costs by the number of Units of the Class on issue.

The Trustee in its absolute discretion may issue new classes of Units with different terms attached.

Investment Timeframe

The Trustee and the Investment Manager recommend that you consider, with your financial adviser, the suggested investment period for the Fund for your own investment timeframe. You should review this regularly to ensure that the Fund continues to meet your investment needs. The recommended time frame is not less than 4-6 years.

Minimum Initial Investment and Balance

The minimum initial investment amount is \$100,000. Following the initial investment, Investors may invest additional funds at the Trustee's discretion.

How to Invest in the Fund

Investors should complete the online Application Form, which can be accessed at:

<https://seedfundsmanagement.apexgroupportal.com/apply> or complete the Application Form accompanying this IM and send the completed Application Form, together with any supporting documents by mail or email to:

Apex Fund Services Pty Ltd
Client services registry team

GPO box 4968
Sydney, New South Wales, 2001

registry@apex.com.au

5. Investing in the Fund

How to Invest in the Fund (continued)

Provided completed applications are received and accepted at the offices of the Administrator by 12:00 pm (AEST) on a Monday (**Issue Cut-Off Time**), and subject to receipt of cleared funds, Units will generally be issued on a Thursday of the same week (**Issue Date**).

During the Initial Offer Period, Units will be issued at \$1.00 each. Following the Initial Offer Period, Units will be issued at the Unit price calculated at least weekly, by dividing the Net Asset Value plus Transaction Costs by the number of Units of the class on Issue. Unless the Trustee determines otherwise, applications received after the Issue Cut-Off Time will be processed the following week, or may be returned to the applicant.

A confirmation note will be sent to the applicant confirming that the applicant has been entered on the register. Unit certificates will not be issued.

Investors should note:

- payment methods and details are available in the Application Form;
- application money for Units must be paid in Australian dollars into the Australian dollar denominated bank account on the Application Form;
- all application money will be paid into an interest-bearing account upon receipt. Any interest earned on these accounts may be retained by the Fund;
- if we are unable to process an application because it is invalid (e.g. the Application Form is not signed), the transaction will not be processed and the application money will remain in the account until the correct documentation is received;
- no third party payments are accepted and funds have to be received in the name of the Investor;
- if correct documentation is not received within one month, the application money will be returned to by Electronic Fund Transfer with no interest payable;
- the Trustee has the right to reject any application or to accept only part of an application. Once lodged, an application may be cancelled only with the Trustee's approval; and
- no cooling off period applies to wholesale clients as defined in the Corporations Act.

Distributions

The Fund intends to pay quarterly distributions. Subject to the Trust Deed, Fund distributions will generally be paid within 21 Business Days after the end of the distribution period to which they relate. The 30 June distribution may be paid after 21 days, due to additional processing times in respect of tax attribute calculations.

Any income earned by the Fund that is not distributed as dividends will be reinvested and reflected in the value of the Units of the relevant Class. If an Investor's entitlement to a distribution includes a fraction of a cent, the entitlement is to be rounded down to the nearest cent below the amount of the Investor's entitlement.

5. Investing in the Fund

Distribution Reinvestment

The Trustee may allow Investors to reinvest some or all of a Fund distribution in the Fund (**Distribution Reinvestment**). Any Units issued in accordance with a Distribution Reinvestment will be issued at the applicable Unit Price referenced in [Section 2](#).

Investors may indicate their preference to take part in a Distribution Reinvestment in the Application Form available at <https://seedfundsmanagement.apexgroupportal.com/apply>. If an Investor does not indicate a preference, the Trustee and Administrator will assume the Investor wishes to take part in Distribution Reinvestments.

Redemptions

Investors can withdraw their investment by completing a written request to redeem their Units in the Fund and mailing, or emailing it to:

Apex Fund Services Pty Ltd
Client services registry team

GPO box 4968
Sydney, New South Wales, 2001

registry@apex.com.au

Redemption Requests

The cut off time for a Redemption Request is 2.00 pm (AEST), every Monday. If the relevant Monday falls on a public holiday, the cut-off time will be 2.00pm on the preceding Friday.

If a Redemption Request is accepted by the Trustee, it will be processed by applying the Net Asset Value less Transaction Costs per Unit in the relevant Class. The Trustee will use its most recent calculation of the Net Asset Value at the time of acceptance, which will ordinarily be the Net Asset Value calculated the Wednesday following receipt of the Redemption Request. Redemptions will be generally paid within 10 Business Days of receipt of a Redemption Request, by transferring the proceeds to the bank account that the Investor nominated on their application form or subsequently advised by the Investor to the Administrator.

A Redemption Request may not be revoked without the consent of the Trustee. Upon making a Redemption Request, the Investor will have no right to deal with the Units the subject of the Redemption Request.

Limitation on Redemptions

The Trustee may, in its discretion, delay processing Redemption Requests if:

- there is a circumstance outside its control which it considers impacts on its ability to properly or fairly calculate the redemption price or realise Assets, including where the Assets or relevant currencies are subject to restrictions or if there is material market uncertainty, and in such case it may delay the redemption of Units for so long as the circumstance continues;

5. Investing in the Fund

Limitation on Redemptions (continued)

- it has determined to give effect to Redemption Requests in relation to a particular time the Fund is valued and the total redemption moneys which would be payable at this time represent more than 10% of the Net Asset Value of the Fund (before taking into account redemption moneys payable), and in such a case the Trustee can redeem the Units at such future time, or at times over such period, as it determines subject to payments of redemption moneys to each Investor being in the proportion that their redemption moneys bear to all other redemption moneys which were payable at that time; or
- the terms of issue contemplate the delay in the redemption of Units.

Requests Received by Email

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 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 via email at registry@apex.com.au to confirm the status of their request

None of the Fund, the Trustee, the Investment Manager or the Administrator accepts any responsibility for any loss arising from the non-receipt or illegibility of any Application Form or additional Application Form (as the case may be) 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.

6.

Risks 

6. Risks

An investment in the Fund entails risk. The nature of the investments of the Fund involves certain risks including, but not limited to, those listed below and the Investment Manager may utilise investment techniques which carry additional risks. Potential Investors should carefully consider the following factors, among others, in determining whether an investment in the Fund is suitable for them.

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

General Risk Factors Common to all Investments

Investment Objective Risk

There is a risk that the Investment Manager or the Investment Manager's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Investment Manager's ability to generate acceptable returns, for example loss of key staff.

Interest Rate Risk

There is a risk that if interest rates change, fixed rate securities may decline in value. As an example, when interest rates rise, fixed rate securities become less desirable, leading to their price falling, as their margin to the cash rate is now smaller. The longer the duration of a security the greater the interest rate risk.

Market Risk

There is a risk that a security's market price may fluctuate due to several factors, including but not limited to, geopolitical events, economic conditions, recessions, and investor sentiment. Such fluctuations would alter the valuations of securities in the fund, thereby altering the performance of the Fund as a whole.

Liquidity Risk

There is a risk the investments of the Fund may not be able to be liquidated at the intended, or any favourable, times, and may not be sold down within sufficient time, or at all, or for a value, so as to mitigate loss partially or completely. A lack of or limitation on liquidity means the Trustee cannot accommodate redemption requests.

Counterparty Risk

There is a risk that a counterparty involved with the Fund's investing activities fails to meet their contractual obligations. Examples of counterparties include service providers and custodians.

Risks Associated with the Fund Structure

Absence of Regulatory Oversight

The Fund is an unlisted and unregistered management investment scheme. Therefore, the Fund is not held to the stringent compliance standards imposed by the Corporations Act and ASIC which normally apply to registered management investment schemes.

6. Risks

Risks Associated with the Fund Structure (continued)

Valuation of the Investments

Valuation of the securities and other investments of the Fund may involve uncertainties and judgmental determinations. If a valuation is incorrect, the Net Asset Value per Unit of the Fund may be adversely affected. Independent pricing information about some of the securities and other investments of the Fund may not always be available. Additionally, as the fees of certain service providers to the Fund are tied to its Net Asset Value, any discrepancy in valuation may result in overpayment or underpayment to those service providers. None of the Fund, the Trustee, the Investment Manager or the Administrator will be liable if a price or valuation used in good faith in connection with any of the above procedures later proves to be incorrect or inaccurate.

Business and Regulatory Risk

The Fund's investments may be negatively impacted by legal, tax, government policy and regulatory changes in the jurisdictions in which the companies operate. Changes in regulation may adversely affect the value of the Fund's investments and consequently the value of the Fund. In addition, securities markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators and self-regulating organisations and exchanges are authorised to take extraordinary actions in cases of market emergencies. The effect of any future regulatory change on the Fund could be substantial and adverse.

Dependence on Key Personnel

The investment performance of the Fund will be substantially dependent on the expertise of the Investment Manager, Seed Funds Management, and their respective principals and employees. Thus, the departure for any reason of the key individuals who will be primarily responsible for managing the investment of the assets of the Fund may consequently have a materially adverse effect on the performance of the Fund.

Risks associated with the Investment Strategy

Subordination Risk

In the event of liquidation there is a risk that a company may be unable to repay its subordinated or junior debt, due to money being directed towards senior debt holders.

Call Risk

There is a risk that the issuer of a callable bond may decide to 'call' the bond before its maturity date. This creates the risk of the Fund having to reinvest the capital at a potential lower interest rate or being left with a larger than desired cash position following the 'calling' of the bond.

Operational Risk

There is a risk that the everyday operations of the Fund can be adversely affected by circumstances that are outside of the control of the Investment Manager, Administrator and Trustee. This could be due to a number of unforeseen circumstances such as human error, technological failure and natural disasters.

6. Risks

Extension Risk

Extension risk is the risk the hybrid security is not redeemed at the first call date, which may result in the security trading like a perpetual security and below face value. An issuer may decide not to redeem the hybrid at the first call date if the cost of new funding, in the form of issuing a new hybrid, exceeds the cost of keeping that existing security on issue including interest rate step-ups. Such a scenario may occur due to either market conditions (i.e. a general widening of hybrid trading margins), or a deterioration of the issuer's credit quality increasing the coupon rate required for investors to be willing to subscribe to a new issue.

Non-Viability Risk

Basel III Compliant securities contain a non-viability trigger clause, which is required by APRA as part of the Basel III reforms. A non-viability event occurs if APRA believes that the bank would become non-viable without an exchange of some, or all, of the hybrid securities, or a public-sector injection of capital, or equivalent, support. The non-viability trigger gives APRA the discretion to require some, or all, of the hybrid security to be exchanged into ordinary shares of the issuer. In such a scenario, holders would likely receive ordinary shares worth less than face value.

Distribution Deferral Risk

Distributions on hybrid securities may be discretionary or subject to mandatory deferral conditions. In either case, the issuer may withhold distributions without defaulting on senior ranking obligations. Deferred distributions may be cumulative, meaning that they must be made up at a later date, or non-cumulative. If distributions are deferred, a dividend stopper will typically apply which prevents distributions on ordinary shares of the issuer and other equally ranking securities and share buy-backs.

Concentration Risk

While the Investment Manager will seek to diversify the investments of the Fund across a number of investments, sub-sectors, etc., the Fund may participate in a limited number of investments, and as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavourable performance of even a single investment. Where the Fund makes investments through part or wholly owned intermediary vehicles, the Fund will also be exposed to the solvency risk of that vehicle.

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

7.

Fees and Expenses 🌱

7. Fees and Expenses

Fees Payable to the Investment Manager

The Investment Manager will receive a management fee in aggregate equal to 0.7% p.a. of the Net Asset Value of the Fund, payable monthly in arrears. It is intended that this fee will be paid directly out of the assets of the Fund.

Fees Payable to the Trustee

The Trustee is entitled to a trustee fee of \$25,000 in the first year. After that, the Trustee is entitled to a trustee fee the greater of:

- \$35,000; or
- 0.04% of the Gross Asset Value of the Fund up to \$500 million, 0.03% for Gross Asset Value over \$500 million, and 0.02% for Gross Asset Value over \$750 million.

It is intended that this fee will be paid directly out of the assets of the Fund. The Trustee is also entitled to a one-off fee of \$5000 (excluding GST) for establishing the Fund, also payable out of the assets of the Fund.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Eligible Investors. In the event that rebates are offered, they will be paid by the Investment Manager and will not affect the fees paid by or distributions to other Investors.

Expenses

Operating Expenses

The Fund will bear all operating expenses related to the operation of the Fund where those expenses are incurred and are recoverable under the Trust Deed. These include:

- fees and expenses of advisers and consultants;
- indemnification expenses and the cost of insurance against potential indemnification liabilities;
- legal, administrative, accounting, tax, audit and insurance expenses;
- all taxes and corporate fees payable to governments or agencies;
- communication expenses with respect to Investor services, including all expenses of meetings of Investors and of preparing, printing and distributing financial statements and other reports, proxy forms, offering memoranda and similar documents; and
- litigation or other extraordinary expenses.

8.

**Taxation
Information** 🌱

8. Taxation Information

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

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

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

Tax Position of the Fund

General

The Fund is an Australian resident trust for Australian tax purposes. Although the Fund holds authorised investments, it is intended that the Trustee will limit its activities to undertaking or controlling entities that undertake 'eligible investment business' as described in section 102M of the Australian Income Tax Assessment Act 1936, as amended. On this basis, the Fund should not be a 'trading trust', and so should not be taxed as a company.

Generally, no Australian income tax will be payable by the Trustee on behalf of the Fund on the basis that the Investors in the Fund are presently entitled to all of the distributable income of the Fund for each income year or where the Fund is an Attribution Managed Investment Trust (**AMIT**) (refer to "AMIT Regime" on [page 33](#)), Investors are attributed with all net taxable income each year (as relevant). In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Investors in the Fund. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such losses against assessable income of the Fund in subsequent income years.

Deemed Capital Gains Tax ('CGT') Election

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

8. Taxation Information

Tax Reform

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

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

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

Tax Position of Australian Resident Investors

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

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

Distributions

If the Fund pays distributions, Investors in the Fund will be provided with a quarterly distribution and taxation statement (generally in March and July each year) indicating the components of their distribution (or reinvestment), and any taxes withheld or deducted. Where the Fund is an AMIT, Investors will be provided with an AMIT Member Annual Statement (**AMMA Statement**) indicating the components attributed.

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

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

Tax deferred distributions are generally distributions in excess of net taxable income (other than any CGT concession component). For CGT purposes, amounts of tax deferred distributions received from the Fund reduce the cost base of your Units in the Fund and therefore increases your capital gain or reduces your capital loss on disposal of those Units. Tax deferred distributions are generally not assessable to you unless the total tax deferred amount received from the Fund exceeds the cost base of your Units, at which point the excess is treated as a capital gain.

8. Taxation Information

Distributions (continued)

From the 2017 – 2018 income year, where discount capital gains are offset by capital losses of a trust, a distribution of a CGT concession component can result in a reduction in the cost base of Units held by Investors. The distribution of tax deferred amounts or a CGT concession component may be treated differently under the AMIT regime (refer to “AMIT Regime” on [page 33](#)).

Withdrawals and Disposal of Units

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

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

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

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

Tax Position of Non-Resident Investors

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

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

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

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

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

8. Taxation Information

Tax Position of Non-Resident Investors (continued)

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

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

Taxation of Financial Arrangements

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

AMIT Regime

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

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features are:

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

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

Goods and Services Tax

Goods and Services Tax (**GST**) should not be payable on your investment(s) in the Fund. GST will apply to the fees and costs charged to the Fund. However, in respect of some of these fees, the Fund will usually be entitled to reduced input tax credits. The costs and fees payable in relation to your investment(s) in any of the Fund as stated in this IM are inclusive of GST.

Stamp Duty

Stamp duty should not be payable on your investment(s) in the Fund, provided the Fund does not hold dutiable property.

9.

**Additional
Information** 🌱

9. Additional Information

Updated Information

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

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

Reporting

We will provide each Investor with:

- monthly performance reports;
- annual tax statements, including any income and capital gains during the tax year; and
- an annual report.

In the annual report, we will provide you with:

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

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

Privacy

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

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

If you think our records are wrong or out of date (particularly address, e-mail or financial adviser) it is important that you contact us to ensure prompt correction. You can contact the Trustee in order to access the personal information we hold about you.

Anti-Money Laundering

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

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

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

9. Additional Information

Anti-Money Laundering (continued)

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

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

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

Conflicts of Interest

The Trustee, the Administrator, and the Investment Manager may, from time to time, act as director, promoter, manager, investment manager, investment adviser, registrar, administrator, transfer agent, trustee, custodian, broker, distributor or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to Investors with similar investment objectives to those of the Fund. Consequently, any of them may, in the course of their business, have potential conflicts of interests with the Fund.

Each will at all times have regard to its obligations to the Fund and will endeavour to resolve such conflicts fairly.

Investment Manager

The Investment Manager is engaged in the business of discretionary investment management and advising clients, which may include other investment vehicles, in the purchase and sale of securities and financial instruments. In managing other clients assets or advising other clients, the Investment Manager may use the information and trading strategies which it obtains, produces or utilises in the performance of services for the Fund.

Each of the Investment Manager and Seed Funds Management may have conflicts of interest in managing the portfolio of the Fund because their respective compensation for managing and/or advising other investment vehicles or accounts may exceed its compensation for managing the portfolio of the Fund, thus providing an incentive to prefer such other investment vehicles or accounts. The Investment Manager and Seed Funds Management will endeavour to allocate all investment opportunities on a fair and equitable basis between the Fund and those other investment vehicles and accounts.

The Investment Manager and Seed Funds Management and/or any of their associates may invest, directly or indirectly, in assets which may also be purchased or sold by the Fund. Neither party nor any of their associates shall be under any obligation to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction.

9. Additional Information

Conflicts of Interest (continued)

Investment Manager (continued)

The Fund has been established and promoted at the request of the Investment Manager. Accordingly, the selection of the Investment Manager of the Fund and the term of its appointments, including the fees and compensation payable under the Investment Management Agreement, are not the result of arms-length negotiations. However, the Trustee believes that such fees and compensation are consistent with normal market rates for investment funds of a similar type to the Fund.

Trustee

At all times so far as practicable the Trustee will have regard to its obligations to act in the best interests of the Fund and will seek to ensure that any conflict of interest is resolved fairly.

The Trustee may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is otherwise interested. The Trustee will not be liable to account to the Fund for any profit derived from such a transaction or arrangement provided the nature and extent of any material interest has been disclosed.

Save as disclosed in this IM, the Trustee has no interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or leased to, the Fund. Save as disclosed in this IM, the Trustee has no material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has the Trustee had any such interest since the Fund was incorporated.

10.

Glossary 

10. Glossary

DEFINED TERMS OR OTHER TERMS USED IN THIS IM	DEFINITION
\$ or dollar	Refers to the Australian currency
Administrator	Apex Fund Services Pty Ltd (ACN 118 902 891)
AFSL	Australian Financial Services licence
ASIC	Australian Securities and Investments Commission
Funds Management	Seed Funds Management Pty Ltd
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	Apex Fund Services Pty Ltd (ACN 118 902 891)
FATCA and CRS	Foreign Account Tax Compliance Act and Common Reporting Standards
Fund	Hybrid Income Fund
GST	Goods and Services Tax
IM	This Information Memorandum issued by Evolution Trustees Limited
Initial Offer Period	The period determined by the Trustee to be the “initial offer period”, in its discretion
Investment Manager	Seed Funds Management (ABN 25 675 247 506)
Investor	A person registered as a holder of Units on the unit register maintained by the Unit Registrar
Net Asset Value or NAV	Net Asset Value
Redemption Request	A request for the redemption of Units which shall be in such form as the Trustee may determine from time to time
Seed Partnerships	The Parent of Seed Funds Management acting as an AFSL holder providing representative authority and expertise in funds management including corporate advice, and fund marketing and distribution.
Transaction Costs	Transaction Costs as determined in accordance with the Trust Deed
Trust Deed	The trust deed of the Fund dated 20 April 2022 as amended from time to time
Trustee	Evolution Trustees Limited (ACN 611 839 519)
Unit or Units	The securities on offer through this IM
Unit Registrar	Apex Fund Services Pty Ltd (ACN 118 902 891)

11. Directory

Trustee

Evolution Trustees Limited

Level 15, 68 Pitt St
SYDNEY NSW 2000

Phone: +61 2 8866 5150

Email: info@evolutiontrustees.com.au

Website: www.evolutiontrustees.com.au

Investment Manager

Seed Funds Management

Level 7, 14 Martin Place
SYDNEY NSW 2000

Phone: +61 2 8866 5150

Email: invest@seedfm.com.au

Website: www.seedfundsmanagement.com.au/asset-management

Custodian and Administrator

Apex Fund Services Pty Ltd

Level 10, 12 Shelley Street
Sydney NSW 2000

Phone: 1300 133 451

Email: registry@apexgroup.com

Website: www.apexgroup.com

Lawyers (Australian Law)

Mont Lawyers Pty Ltd

9 Denham Street
Darlinghurst NSW 2010

12.

Application Forms

Click the links below to view the relevant application form:

[Master Application Form](#)

[Form A - Individuals](#)

[Form B - Australian Companies](#)

[Form C - Foreign Companies](#)

[Form D - Australian Regulated Trusts](#)

[Form E - Unregulated Australian Trusts & Foreign Trusts](#)

[Form F - Partnerships & Partners](#)

[Form G - Government Body](#)