



INFORMATION MEMORANDUM

SAVILLE CAPITAL EMERGING COMPANIES FUND

Trustee

One Funds Management Limited

ACN 117 797 403

AFS Licence 300337

Manager

Saville Capital Pty Ltd

ACN 614 694 316

Issue date: 23 December 2016

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Notice

This Information Memorandum (IM) is dated 23 December 2016 and is issued by One Funds Management Limited ACN 117 797 403 (Trustee, we or us) AFS Licence number 300337, which is the trustee of the Saville Capital Emerging Companies Fund (Fund). The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The Trustee has appointed Saville Capital Pty Ltd ACN 614 694 316 (Manager) as the investment manager of the Fund. The Manager is an authorised representative of One Investment Administration Ltd ACN 072 899 060, the holder of AFS Licence number 225064.

No disclosure required

This IM is intended to provide potential investors with information only and does not constitute a product disclosure statement or other disclosure document required by the *Corporations Act 2001* (Cth) (Act). This IM has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

The Offer made under this IM is only available for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

Foreign jurisdictions

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire units in the Fund.

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

No responsibility for contents of document

To the maximum extent permitted by law, neither the Trustee nor the Manager, nor any of their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the Fund's Constitution, a copy of which is available (free of charge) by contacting the Trustee on (02) 8277 0000. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

Forward looking statements

This IM includes forward looking statements that may contain the words "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this IM, including, without limitation, those regarding a borrower's financial position and business or investment strategy, plans and objectives are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of a borrower to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

Any forward looking statements are based on numerous assumptions regarding the Fund's operations and present and future business and investment strategies and the markets in which the Fund will operate in the future. These forward looking statements are made on the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

Independent advice recommended

Prospective investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account your objectives, financial situations or needs. An investment in the Fund should be regarded as speculative and may not be appropriate for all persons or entities. You should seek appropriate professional advice and should conduct your own independent investigation and analysis regarding any information contained in this IM. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

No guarantee

An investment in the Fund is subject to investment risk, including the loss of income and capital invested. Neither the Trustee nor the Manager, nor any of their directors, officers, employees, advisors or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee the repayment of committed capital nor do they make any guarantees about the timing of repayment of committed capital, which may be significantly delayed.

Trustee limitation of liability

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

Disclosure of interests

The Trustee, the Manager or their related entities may also acquire units in the Fund on the same terms and with the same rights as other Investors in the Fund.

Updated information

The information contained in this IM can change, and the IM may be updated or replaced from time to time. Unless the changed information is materially adverse to you, the Trustee may not always update or replace this IM to reflect the changed information. Updated information can be obtained by going to our website www.oneinvestment.com.au/savillecapital, or calling us on (02) 8277 0000.

Confidentiality

This IM is confidential and is being provided to prospective investors for them to consider investing in the Fund. Its use for any other purpose is not permitted. It may not be reproduced or redistributed, in whole or in part, and its contents may not be disclosed to any person.

Glossary

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to dollar amounts in this IM are to Australian Dollars (AUD), unless otherwise stated.

Directory

Trustee

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ACN 117 797 403

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Manager

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1. Key features

The table below is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. You must read this IM in its entirety to obtain more detailed information before making a decision to invest in the Fund.

About the Fund		Section
Fund	Saville Capital Emerging Companies Fund.	2
Trustee	One Funds Management Limited ACN 117 797 403 AFS Licence 300337.	
Manager	Saville Capital Pty Ltd ACN 614 694 316.	2.2
Investment return objective	<p>The Fund seeks to outperform the Benchmark over rolling three year periods.</p> <p>The above investment return objective is pre-tax but after fees and expenses of the Fund.</p> <p>Please note that the above investment return objective is not a forecast. It is merely an indication of what the Fund aims to achieve on the assumption that the investment markets in which the Fund is invested remain relatively stable through the suggested investment term.</p> <p>The Fund may not be successful in meeting its objective. Returns are not guaranteed nor is the return of capital.</p>	3.2
Benchmark	<p>The sum of -</p> <p>(a) the weighted daily average cash rate of the Reserve Bank of Australia (published at http://www.rba.gov.au), for the relevant Performance Period, expressed as a percentage and reduced from a per annum basis to a monthly basis, plus</p> <p>(b) 300 basis points per annum reduced from a per annum basis to a monthly basis.</p>	
Investment strategy	<p>The investment strategy for the Fund is to invest in companies that are either -</p> <p>(a) in their early development phase and before the market has appropriately priced their growth potential, or</p> <p>(b) have temporarily exited the investment universe of most mainstream fund managers (as well as the research universe of most stockbrokers) and are being mispriced.</p> <p>The Fund will invest in ASX-listed and NZX-listed securities (excluding the resources sector) that sit outside the ASX100 or NZX20 (as applicable), with a general preference for companies that have a market capitalisation of not more than \$500 million at the time of investment.</p>	3.3
Who can invest?	<p>The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors).</p> <p>The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.</p>	3.3(a)

About the Fund	Section
Unit prices	<p>The Unit price for the Fund is calculated monthly on the last Business Day of each calendar month.</p> <p>The Application Price of Units in the Fund is the Unit price plus the Buy Spread.</p> <p>The Withdrawal Price of Units in the Fund is the Unit price minus the Sell Spread.</p> <p>The current Unit price for the Fund is available at: www.oneinvestment.com.au/savillecapital.</p>
Issue of Units	<p>Units are generally issued monthly at the prevailing Application Price after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee.</p> <p>The cut-off time for receipt by the Registrar of applications is 2.00pm (Sydney time) on the third last Business Day of the previous calendar month (Application Cut-Off).</p> <p>Completed applications received before this time will be processed and Units issued within five Business Days following the Application Cut-Off.</p> <p>Completed applications received after this time will be processed and Units will be issued in the following calendar month.</p>
Minimum investment amount	<p>The minimum initial investment is \$50,000. However, the Trustee may in its absolute discretion accept a lower amount from Investors who meet the criteria for a Qualifying Investor.</p> <p>Following the minimum initial investment, Investors may invest additional funds in the Fund at any time.</p>
Distributions	<p>It is intended that income distributions will be paid on a semi-annual basis.</p> <p>If you elect on the Application Form to receive income distributions from the Fund, income distributions (if declared) will be paid into your nominated Australian domiciled bank account within 20 Business Days of 31 December and within two months of 30 June each year.</p>
Distribution reinvestment plan	<p>The Fund has a distribution reinvestment plan available. Investors have the option of choosing whether or not to participate in the Fund's distribution reinvestment plan. If no election is made on the Application Form, then an Investor's distributions will automatically be reinvested in the Fund.</p>

About the Fund	Section
Withdrawals	<p>While the Fund is liquid, Units may be withdrawn at the prevailing Withdrawal Price. The minimum withdrawal is \$25,000 per request.</p> <p>If there is sufficient liquidity to satisfy a withdrawal request, it will generally be processed on the last Business Day of each calendar month, provided it is received prior to 2.00pm (Sydney time) on the seventh last Business Day of the calendar month.</p> <p>Withdrawal requests received after this cut-off time will generally be processed on the last Business Day of the following calendar month.</p> <p>Withdrawal proceeds will generally be paid within 14 Business Days of the end of the calendar month in which the withdrawal request was accepted.</p> <p>To make a withdrawal request, complete a redemption request form available at http://www.oneregistryservices.com.au/investors/ and send it to the Registrar.</p>
Risks	<p>Like any investment of this type, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns. For further information about the specific risks associated with the Fund, see section 4.</p>
Fees and other costs	<p>There are fees and expenses payable in relation to the management of the Fund, including –</p> <p>(a) Trustee and custody fee</p> <p>The Trustee is entitled to receive an ongoing trustee and custody fee of 0.06% of the gross value of the Fund's assets, subject to a minimum monthly fee of \$5,000.</p> <p>(b) Management fee</p> <p>The Manager is entitled to receive an ongoing management fee of 1.25% (inclusive of GST) per annum of the gross value of the Fund's assets.</p> <p>(c) Performance fee</p> <p>The Manager is entitled to receive a performance fee of 20.5% (inclusive of GST) of the amount by which the net asset value of the Fund exceeds the Benchmark, subject to achieving the applicable High Water Mark.</p> <p>The above is a summary only of the key fees payable in relation to the Fund. There are specific transactional fees and other expenses that may apply to an investment in the Fund.</p> <p>Additional fees may be payable from the assets of the Fund if the appointment of the Trustee is terminated.</p> <p>For full information about the fees and expenses payable, see section 5.</p>
Tax information	<p>Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.</p>
Reporting	<p>You will receive monthly updates on the Fund performance and annual reports on any distributions paid to you. You will also receive annual tax statements to assist you in preparing your tax return.</p>

2. Management of the Fund

2.1 About the Trustee

The Trustee has extensive experience as a corporate trustee and custodian, and is a professional trustee.

One Funds Management Limited is a subsidiary of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 200 responsible entity/trustee roles, administering a range of asset classes including hedge funds, real estate, private equity, fixed income, credit and equities. The total value of the assets within these trusts is in excess of \$10 billion.

The founders of OIG, Frank Tearle and Justin Epstein, have in excess of 30 years' collective experience in mergers and acquisitions, capital markets, funds management and corporate governance. OIG's compliance committee comprises a majority of independent members each with over 20 years' relevant experience in areas including funds management, investment banking, capital markets, chartered accounting and compliance.

Capabilities

OIG's capabilities include -

- (a) responsible entity services
- (b) trustee services
- (c) registry services
- (d) fund administration and taxation services, and
- (e) custody services.

One Funds Management Limited ACN 117 797 403 is the holder of AFS Licence number 300337.

2.2 About the Manager

Established in 2016, Saville Capital Pty Ltd is a boutique funds management business solely owned by its Principal, Jonathan Collett. Saville Capital's investment approach is both intuitive and adaptive, drawing on the skills and experience of its Principal which have been developed during his extensive career at Goldman Sachs and Ord Minnett spent researching and analysing listed companies across a broad range of sectors. Jonathan is passionate about identifying superior investment opportunities to actively grow and protect investors' capital, accordingly he is fully invested in the Fund. Jonathan is a qualified Chartered Accountant and holds a Bachelor of Commerce from the University of Melbourne.

Saville Capital considers integrity to be its founding principle which governs the manner in which Saville Capital interacts with its clients and invests their capital. Risk management is central to every decision Saville Capital makes, as it only seeks to generate returns within acceptable risk parameters.

3. Details of the Offer

3.1 The structure of the Fund

The Fund is an unlisted and unregistered managed investment scheme that is structured as a unit trust. Unit trusts are vehicles which enable investors to pool their money with that of other investors. The pooling, amongst other reasons, enables you to invest in markets that may otherwise be difficult to access.

The Fund was established by the Constitution, which regulates the relationship between the Trustee and Investors.

The Trustee has appointed the Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

3.2 Investment return objective

The objective of the Fund is to outperform the Benchmark over rolling three year periods (pre-tax, after management fees and any other costs, charges or fees of the Fund), with a total return target of at least 15% per annum.

Investors considering an investment in the Fund should have an investment horizon of at least three years. This investment horizon will allow the Manager to execute the investment strategy whilst exploiting the market's focus in the short term.

Please note that the above investment return objective is not a forecast. It is merely an indication of what the Fund aims to achieve on the assumption that the investment markets in which the Fund is invested remain relatively stable through the suggested investment term.

The Fund may not be successful in meeting its objective. Returns are not guaranteed nor is the return of capital.

3.3 Investment strategy

(a) Investment philosophy

Saville Capital's core philosophy is that the purpose of investing is to generate returns in excess of the cost of providing capital to that particular opportunity. The Fund will not seek out opportunities that offer high prospective returns merely in exchange for a high risk profile. Instead, Saville Capital compares the relative merits of a broad range of smaller companies and identifies those that demonstrate the potential for superior returns relative to the risk of providing capital to that investment.

With the aim of generating a return that exceeds the Benchmark, Saville Capital believes that limiting the portfolio to a relatively concentrated number of small cap stocks, without the distraction of having an index as its benchmark, enables Saville Capital to focus all of its time and effort on the best opportunities only. This concentrated approach also ensures that investment positions taken by Saville Capital are meaningful enough to impact portfolio returns whilst also allowing for suitable diversification. Importantly, Saville Capital will constantly assess the portfolio as a whole in an attempt to ensure that the Fund is not unwittingly exposed to concealed risks.

There are a number of behavioural biases that permeate listed markets. Saville Capital's experience has shown that the market regularly experiences difficulty reconciling the degree to which fundamental information is already factored into security prices. Saville Capital has also observed that the market can be slow in certain circumstances to reflect a change in an entity's fundamentals into its security price, particularly for smaller companies with limited or no research coverage and few institutional investors. Saville Capital's process is therefore designed to focus on situations within the small cap universe where these biases are most likely to exist and exploit them to the Fund's advantage.

Saville Capital seeks to identify events that will act as catalysts for the price of the Fund's target investments to converge with its view of their intrinsic value. While not always essential, the existence of a catalyst is preferable to ensure that Saville Capital allocates capital to investments that will fit within the Fund's target investment horizon.

Finally, Saville Capital believes that a strong risk control framework is necessary. Saville Capital will be quick to alter the Fund's position if the facts change and its investment case is nullified. As a supporting measure, Saville Capital will adopt an appropriate "stop-loss" policy for all positions. Furthermore, Saville Capital will not persist with holding onto a position beyond the realisation of its investment case; Saville Capital would rather hold cash in patient anticipation of another opportunity emerging than remain exposed to a successful, but now stale investment.

(b) **Investment process**

Saville Capital's investment process has been developed over 15 years of experience in research, analysis and financial markets. The investment process is deliberately free from a "growth" or "value" bias, but will generally include companies with sustainable and growing earnings streams that Saville Capital believes have been mispriced by the market, with identifiable catalysts for market discovery.

The following points summarise Saville Capital's view to building an effective emerging companies portfolio:

- (i) **Idea generation** – potential investment opportunities are identified through traditional screening of operating and financial metrics and observations of share price volatility. More importantly, extensive experience in research and financial markets enables Saville Capital to generate bespoke opportunities through –
 - A. its existing professional and personal networks (including an extensive company visitation program)
 - B. identification of emerging structural themes, and
 - C. observation of common situational opportunities.
- (ii) **Fundamental valuation** – Saville Capital conducts a detailed analysis of the target company including its operating and financial performance, capital structure, competitive advantage, industry structure and sensitivity to prevailing macroeconomic factors. In support of this analysis, Saville Capital's research task typically includes establishing contact with management, competitors, clients, suppliers and independent industry experts. Saville Capital uses proprietary financial models to determine forecast earnings, valuation and implied returns, combined with a sensitivity analysis to ensure it is capturing the full spectrum of potential outcomes. Finally, Saville Capital speaks with trusted advisers to test its opinion and gain a better understanding of the consensus view held by the market. It is important to note that situations will arise where there is the potential for a profitable short term trade in a stock with which Saville Capital is already familiar, that requires quick and decisive action in order to capitalise on the merits of the trade. Under this scenario, a thorough fundamental valuation (including financial model) may not be undertaken.
- (iii) **Catalyst identification** – Saville Capital seeks to identify events which may act as catalysts for the price of target investments to converge with its view of their intrinsic value. These may include one or a combination of earnings releases, guidance updates, regulatory announcements, media/research coverage and macroeconomic factors. Preferably, Saville Capital will also have a view on the timing of the catalyst for a favourable shift in view on the stock.
- (iv) **Investment advantage** – in order for Saville Capital to pursue an investment opportunity it must be satisfied that it has a view, based on superior research, on one or more key earnings drivers or potential catalysts that is materially different to that of the market, whether it be directional or level of conviction.

- (v) **Portfolio construction** – a relatively concentrated stock portfolio aims to ensure the benefits of Saville Capital’s comprehensive research process are captured, quality control is maintained and an appropriate level of diversification is achieved. Furthermore, Saville Capital uses its experience and skill to examine how a selection of preferred stocks combine in the portfolio and assess what sectoral or thematic biases are present. Any bias deemed acceptable can be maintained; any unintended or extreme bias is mitigated by adjustments to holdings.

(c) **Investment criteria**

The Fund will invest in ASX-listed and NZX-listed securities (excluding the resources sector) which sit outside the ASX100 or NZX20 (as applicable). However, to the extent possible, the Manager’s preference is to maximise the Fund’s exposure to companies that have a market capitalisation of not more than \$500 million at the time of investment.

The “resources sector” includes companies whose businesses are dominated by one of the following activities: the exploration and/or production of bulk commodities, precious metals, oil and/or gas.

The Fund’s investment criteria will provide Investors with –

- (i) the ability to gain exposure to companies that are either –
- A. earlier in their development and before the market has appropriately priced their growth potential, or
 - B. companies that have temporarily exited the investment universe of most mainstream fund managers (as well as the research universe of most stockbrokers) and are being mispriced accordingly, and
- (ii) portfolio diversification, as smaller companies tend to perform differently through market cycles, which is in contrast to larger companies.

(d) **Asset allocation guidelines**

The asset allocation for the Fund will generally fall within the following guidelines:

- (i) The Fund will maintain a portfolio of a minimum of 10 securities which meet the investment criteria by the date that is three months from the establishment of the Fund.
- (ii) Any investment must not exceed 15% of the Fund’s gross assets at the time of investment.
- (iii) The Fund will typically hold some capital in cash, which will vary depending on the breadth and depth of suitable investment opportunities and volatility of the share market. However, it is anticipated the Fund’s cash holdings will generally comprise approximately 10% of the Fund’s gross assets.

If the Fund’s investments do not meet the asset allocation described above as a result of movements in the market, then the Manager will seek to bring the Fund’s portfolio within the guidelines within 10 Business Days.

(e) **Changes to the investment strategy**

The Manager does not anticipate the investment strategy of the Fund to change. However, if there are changes to the Fund’s investment strategy, then Investors will be notified of any such changes at www.oneinvestment.com.au/savillecapital.

3.4 Qualifying Investors

The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). A Qualifying Investor is an Investor who –

- (a) invests \$500,000 or more in the Fund
- (b) provides a certificate from a qualified accountant (substantially in the form attached to the Application Form) that states the Investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000, or
- (c) is a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million, or a person that is a listed entity or a related body corporate of a listed entity).

3.5 Units

It is envisaged that there will be only one class of Units in the Fund.

Units are issued to Investors who invest in the Fund in accordance with this IM. Units entitle their holder to an equal and undivided interest in the assets of the Fund, including rights to capital and income from the Fund. The rights and obligations that apply to Units are set out in the Constitution.

The Trustee may in its absolute discretion, issue new classes of Units at any time. Different classes of Units may have different terms and rights attached such as different fees and investment amounts.

3.6 Unit prices

The Unit price for the Fund is calculated monthly on the last Business Day of each calendar month.

Unit prices are calculated on the last Business Day of each calendar month by calculating the gross value of the Fund's assets and deducting the value of the Fund's liabilities to determine the net asset value of the Fund. Therefore, the Unit price will vary as the value of the Fund's assets and liabilities vary. The value of the Fund's assets and liabilities is calculated by the Trustee in accordance with the Fund's Constitution.

The Application Price of Units will be the Unit price plus the Buy Spread, while the Withdrawal Price of Units will be the Unit price minus the Sell Spread.

The current Unit price for the Fund is available at: www.oneinvestment.com.au/savillecapital.

3.7 Issue of Units

Units are generally issued monthly at the prevailing Application Price after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee.

The cut-off time for receipt by the Registrar of applications is 2.00pm (Sydney time) on the third last Business Day of the previous calendar month (Application Cut-Off).

Completed applications received before this time will be processed and Units issued within five Business Days following the Application Cut-Off.

Completed applications received after this time will be processed and Units will be issued in the following calendar month.

If the Trustee does not receive the Application Money in cleared funds by the cut-off time above and/or is not satisfied that it has received all relevant information required to process the Application Form, the Trustee may refuse to accept a prospective Investor's application.

Confirmation of an investment will normally be issued within five Business Days of the investment being processed.

3.8 Minimum investment amount

The minimum initial investment is \$50,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor, in its absolute discretion.

3.9 Distributions

As an Investor and holder of Units you are entitled to participate in income generated by the Fund's assets. It is intended that income distributions will be paid semi-annually.

If you elect on the Application Form to receive income distributions from the Fund, income distributions will be paid into your nominated Australian domiciled bank account within 20 Business Days of 31 December and within two months of 30 June each year.

3.10 Distribution reinvestment plan

Distributions may be reinvested in the Fund. Investors have the option of choosing whether or not to participate in the Fund's distribution reinvestment plan. Investors can subsequently change this election by contacting the Registrar. If no election is made on the Application Form then an Investor's distributions will automatically be reinvested in the Fund.

The issue price of Units will be the ex-distribution Unit price as calculated on 30 June and 31 December for each half year in which the distribution was declared. Units issued as part of a distribution reinvestment plan are issued within three Business Days following 30 June and 31 December each year.

At any time, the Trustee may notify Investors that the distribution reinvestment option has ceased and that subsequent distributions will be paid in cash into an Investor's nominated Australian domiciled ADI or bank account and not reinvested.

3.11 Withdrawals

While the Fund is liquid, Units may be withdrawn at the prevailing Withdrawal Price. The minimum withdrawal is \$25,000 per request.

If there is sufficient liquidity to satisfy a withdrawal request, it will generally be processed on the last Business Day of each calendar month, provided it is received prior to 2.00pm (Sydney time) on the seventh last Business Day of the calendar month.

Withdrawal requests received after this cut-off time will generally be processed on the last Business Day of the following calendar month.

Withdrawal proceeds will generally be paid within 14 Business Days of the end of the calendar month in which the withdrawal request was accepted.

Withdrawal requests must be made in writing and addressed to the Registrar. To make a withdrawal request, complete a redemption request form available at www.oneregistryservices.com.au/investors/ and send it to the Registrar.

3.12 Borrowings

The Fund will not borrow.

3.13 How to invest

To invest in the Fund you must complete the Fund's Application Form which is available on request from the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au. The Application Form should be completed in accordance with section 9 of this IM.

The completed Application Form, together with your Application Money and supporting documentation, must be forwarded to the Registrar at the address noted on the Application Form.

4. Risks

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund and the repayment of an Investor's capital. Many risk factors fall outside of the Trustee's and the Manager's control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with investment in the Fund. Investors should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them.

Distributions are not guaranteed and neither is the return of Investors' capital.

4.1 Risk profile

An investment in the Fund should be considered to have a high level of risk. That is, an investment in the Fund is more risky than an investment in cash or fixed interest securities, but, generally speaking, less risky than an investment in a hedge fund or similar investments that utilise leverage, derivatives for speculative purposes or engage in short selling.

4.2 Risks

Market risk

Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors. These changes may affect the value of investment markets, the Fund's investments and the value of the Units. None of these conditions are within the Trustee's or the Manager's control and no assurances can be given that such factors will be anticipated.

Individual investment risk

The price of a specific investment of the Fund may be affected by market risk (above) but also factors which are specific to that investment. There is also the risk that key individuals responsible for the operation of the companies in which the Fund will invest are no longer able to fulfil their roles and suitable replacements cannot be found. This may impact the performance of those companies, and indirectly, the Fund's returns.

Trustee and Manager risk

There is a risk One Funds Management Limited may be replaced as trustee of the Fund or its key personnel may change, Saville Capital Pty Ltd may be replaced as investment manager of the Fund or its key personnel may change. Investors should note the Trustee is obliged to retire as trustee of the Fund following a request made by the Manager, pursuant to the Investment Management Agreement. There is also a risk that the Trustee's AFS Licence may be suspended or revoked or the Manager's authorisation under One Investment Administration Ltd's AFS Licence may be suspended or revoked.

Manager risk

The risk that the Manager or the 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 Manager's ability to generate acceptable returns e.g. loss of key staff. In addition, the Manager may be entitled to a performance fee. Performance fees are dependent upon returns generated and increases in the Fund's Unit price. A performance fee incentivises the Manager to endeavor to improve the Fund's performance. However, there is a risk the existence of a performance fee may encourage the Manager to enter into riskier investments with the object of improving the Fund's performance in the short term.

Key person risk

The Manager both relies on a small investment team. If key personnel from the Manager resign or are terminated, a suitable replacement may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.

Regulatory risk

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.

Limited track record risk

The Fund is a newly established managed investment scheme and has no track record or past performance.

Concentration risk

Investors have the flexibility to design their portfolio of investments as they see fit. However, Investors should be aware of the risk of concentrating on similar or correlated assets. Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

General economic risks

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

Taxation risk

The returns to Investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure Investor interests are protected.

Currency risk

The Fund may invest in companies which are listed and hold underlying investments in New Zealand. If the value of New Zealand's currency changes relative to the Australian dollar, the value of the investments of the Fund may change. The Fund is managed on an unhedged basis so it is fully exposed to currency movements. However the overwhelming majority of investments will be in Australian dollars.

Fund risk

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Investors.

Liquidity risk

Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting Saville Capital's ability to sell them and to make withdrawal payments for investors without a potentially significant delay.

Counterparty risk

There is a risk that counterparty may breach its obligations. This could include, but is not limited to, failing to make settlement payments or returning margin payments.

Portfolio concentration risk

The Fund typically invests in at least 10 investments. This means the Fund may invest a relatively high percentage of its assets in a limited number of stocks, or in stocks in a limited number of sectors or industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than its benchmark.

We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

5. Fees and costs

5.1 Manager's fee

An ongoing management fee of 1.25% (inclusive of GST) per annum of the gross value of the Fund's assets is payable to the Manager for managing the Fund.

This fee is calculated and payable monthly in arrears from the Fund's assets.

5.2 Trustee's fees

The Trustee is entitled to receive the following fees:

(a) **Establishment fee**

A once off establishment fee of \$25,000 payable on establishment of the Fund.

(b) **Trustee fee**

A trustee fee of 0.06% per annum of the gross value of the Fund's assets subject to a minimum fee of -

(i) \$3,000 per month from the date of commencement of the Fund until the earlier of the date which is 12 months later or \$10 million has been invested in the Fund (First Minimum Fee Period), and

(ii) \$5,000 per month for each month following the First Minimum Fee Period.

This fee is calculated and payable monthly in arrears from the Fund's assets.

5.3 Performance fee

(a) **Performance fee**

The Manager may be entitled to receive a performance fee. The performance fee (if any) is calculated monthly and payable semi-annually for each six month period ending on 30 June and 31 December each year during the continuance of the Investment Management Agreement (Performance Period) out of the assets of the Fund.

The performance fee amount will be calculated as 20.5% (inclusive of GST) of the lower of -

(i) the amount by which the percentage change in the NAV per Unit (including any distributions paid during the Performance Period) over the Performance Period exceeds the percentage change in the Benchmark over the Performance Period multiplied by the NAV per Unit, and

(ii) the amount by which the NAV per Unit (including any distributions paid during the Performance Period) on the last day of the relevant Performance Period exceeds the High Water Mark,

multiplied by the number of Units on issue as at the last day of the relevant Performance Period.

A performance fee will only be payable to the Manager if -

(i) movements in the net NAV per Unit (including any distributions paid during the Performance Period) outperform the Benchmark during the Performance Period, and

(ii) the return per Unit over the Performance Period is positive (that is, the performance exceeds the prior High Water Mark).

(b) **Benchmark**

The Benchmark is the sum of -

- (i) weighted daily average cash rate of the Reserve Bank of Australia (published at <http://www.rba.gov.au>), for the relevant Performance Period, expressed as a percentage and reduced from a per annum basis to a monthly basis, plus
- (ii) 300 basis points per annum reduced from a per annum basis to a monthly basis.

The percentage change in the Benchmark over the Performance Period is taken by dividing the Benchmark as at the last day of the Performance Period by the Benchmark as at the last day of the prior Performance Period, then subtracting 1.

(c) **Series accounting**

The Fund uses "series accounting" to ensure the allocation of performance fees against Units is equitable. Series accounting is an equalisation method applied when investors subscribe for units in a fund at different points in time and at different unit prices. Without series accounting it is possible that two investors who subscribe for units at different unit prices may pay the same monetary value (rather than the same percentage) in performance fees at the end of the Performance Period.

Series accounting works such that investors will receive a new Series of Units each time they make an application for Units in the Fund. The application price for Units in the Main Series will initially be issued at \$1.00 per Unit. Thereafter, Units will be priced according to the NAV of the Main Series. Each Series of Units will have identical rights in all respects (including but not limited to voting rights and rights to distributions of capital and income) other than in relation to the calculation of performance fees which is explained below.

The Trustee will determine the NAV attributable to each Series on a monthly basis, in order to calculate the amount of performance fee payable for the Units in each Series which is fair and equitable to all Investors. The use of series accounting means investors who invest at different times only pay performance fees in respect of the period during which they were an investor.

The performance fee accrues monthly in the unit price and is payable in arrears semi-annually at the end of each December and June.

(d) **High Water Mark**

Each individual series of Units must exceed its High Water Mark before a performance fee is accrued and becomes payable.

The High Water Mark with respect to a Series means the amount which is the greater of -

- (i) the application price of Units for that Series, and
- (ii) the highest closing NAV of a Unit (adjusted for performance fees and distributions paid in respect of the Unit) in the relevant Series at the end of each month where a performance fee has been paid or became payable.

If the percentage change in the NAV does not exceed the percentage change in the Benchmark in a particular month, the High Water Mark for the next month will be the aggregate of the highest closing NAV for the month in which the Benchmark was not exceeded plus the percentage change in the Benchmark for that month.

(e) **Series consolidation**

If at the end of a month, a performance fee became payable in respect of a Series, then we will consolidate those Series' into the Main Series and the High Water Mark for all Units in the consolidated Main Series will be the highest Closing NAV per Unit of the Main Series after accrual of the performance fee.

An example of how the performance fee is calculated for a Series is included below:

Note: The example below is provided for illustrative purposes only, and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example, and you should not rely on this in determining whether to invest in the Fund.

(i) **Assumptions – Main Series**

Investor A purchases 1,000 Main Series Units at \$1.00 per Unit:

- A. Performance Period – 1 March 2017 to 31 March 2017.
- B. Previous High Water Mark – \$1.00.
- C. Main Series Unit price as at 1 March 2017 – \$1.00.
- D. Gross Fund performance over the Performance Period (before deduction of the Management Fee) – 0%.
- E. Management Fee charged during the Performance Period – \$0.0010 per Unit.
- F. Distributions during the Performance Period (after deduction of the Management Fee) – \$0 Main Series per Unit.
- G. Unit price as at 31 March (after deduction of the Management Fee) – \$0.9990.
- H. Performance Fee charged during the Performance Period – Nil.
- I. Benchmark return over the Performance Period – 0.375%.

The Manager is not entitled to receive a Performance Fee because the Unit Price per Main Series Unit is below the High Water Mark.

The new High Water Mark for the Main Series Units is \$1.00375 (being \$1.00 plus \$0.00375).

(ii) **Assumptions – Series B**

Investor B purchases 1,000 Series B Units at \$0.90 per Unit.

- A. Performance Period – 1 July 2017 to 31 July 2017.
- B. Previous High Water Mark – \$0.90.
- C. Unit price as at 1 July 2017 – \$0.90.
- D. Gross Fund performance over the Performance Period (before deduction of the Management Fee) – 1.0%.
- E. Management Fee charged during the Performance Period – \$0.0009 per Unit.
- F. Distributions during the Performance Period (after deduction of the Management Fee) – \$0 per Series B Unit.
- G. Unit price as at 31 July (after deduction of the Management Fee) – \$0.9081.
- H. Benchmark return over the Performance Period – 0.375%.

In this scenario, the Manager would be entitled to receive a performance fee of \$0.0010 per Series B Unit, calculated as follows:

$$20.5\% \times (((0.9000\% + 0\%) - 0.375\%) \times \$0.90) = \$0.0010 \text{ per Unit.}$$

The new High Water Mark for the Series B Units is \$0.9071 (being \$0.9081 less \$0.0010).

(iii) **Assumptions – Main Series**

- A. Performance Period – 1 March 2017 to 31 March 2017.
- B. Previous High Watermark – \$1.00.
- C. Unit price as at 1 March 2017 – \$1.00.
- D. Gross Fund performance over the Performance Period (before deduction of the Management Fee) – 1.0%.
- E. Management Fee charged during the Performance Period – \$0.0010 per Unit.
- F. Distributions during the Performance Period (after deduction of the Management Fee) – \$0 per Unit.
- G. Unit price as at 31 March (after deduction of the Management Fee) – \$1.0090.
- H. Benchmark return over the Performance Period – 0.375%.

In this scenario, the Manager would be entitled to receive a performance fee of \$0.0011 per Unit, calculated as follows:

$$20.5\% \times (((0.9000\% + 0\%) - 0.375\%) \times \$1.00) = \$0.0011 \text{ per Unit.}$$

The new High Water Mark for the Main Series Units is \$1.0079 (being \$1.0090 less \$0.0011).

Immediately prior to the commencement of the next Performance Period, both Main Series and Series B Units have generated a performance fee. Therefore, the Series B Units are consolidated into the Main Series.

For example, if an Investor held 1,000 Series B Units with a NAV of \$0.9071 per Unit (valued at \$907.10), then they would convert into 899 Main Series Units valued at \$1.0090 per Unit. The High Water Mark of the Main Series (which now includes all Series B Units on a consolidated basis) remains at \$1.0091 per Unit. From that point forward, Series B Units will no longer exist and Investors will continue holding Main Series Units throughout subsequent performance fee periods.

5.4 Trustee removal fee

The Trustee is entitled to be paid a removal fee if –

- (a) it is removed as trustee of the Fund within four years of the issue of the first Unit under this IM, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
- (b) it retires as trustee of the Fund within four years of the issue of the first Unit under this IM at the request of the Manager in accordance with the Investment Management Agreement.

The amount of the fee is the amount of fees the Trustee would have received if it had remained the trustee of the Fund for four years from the issue of the first Unit in the Fund under this IM. It is determined based on the gross value of the assets of the Fund at the time that the Trustee is removed or retires.

5.5 Administrator removal fee

The Administrator, an associated company of the Trustee, has been appointed to provide fund accounting and taxation services to the Fund, subject to a minimum four year engagement term. If its appointment in relation to the Fund is terminated within four years of the commencement of its engagement then the Administrator is entitled to be paid a removal fee.

The amount of the removal fee will depend on how long the Administrator has been appointed for, as at the time of termination:

- If one year or less, an amount equal to eight times the fees for the month prior to termination.
- If more than one year but less than two years, an amount equal to six times the fees for the month prior to termination.
- If more than two years but less than three years, an amount equal to four times the fees for the month prior to termination.
- If more than three years but less than four years, an amount equal to two times the fees for the month prior to termination.

5.6 Operating costs and expenses

The expenses of the Fund are subject to the Expense Cap of 1% per annum per the gross value of the Fund's assets (exclusive of GST). The expenses in the Expense Cap include, but are not limited to, the Fund's administration fees, registry fees, fees for audit of the Fund, any asset consultant's fees and expenses properly incurred in connection with the Trustee and the Manager performing their duties and obligations in the day-to-day operation of the Fund.

The Manager has agreed to pay any operating costs and expenses of the Fund that exceed the Expense Cap. To the extent necessary, the Manager will use its fees or waive its entitlement to its fees or reimbursement of expenses, or will pay additional amounts to the Trustee, to ensure that any excess expenses are met.

However, if the Manager is unable to meet any excess expenses, then all the expenses incurred in running the Fund will be charged to the Fund itself. The Constitution allows the Trustee to charge all costs and expenses properly incurred in running the Fund to the Fund itself. Investors should be aware that in such circumstances the expenses charged to the Fund will be higher than disclosed above. The Manager will begin seeking reimbursement of its expenses it has paid in excess of the Expense Cap once the gross value of the assets of the Fund reach a sufficient level to cover the reimbursement of those expenses. However, the Manager is not entitled to be reimbursed for these expenses in any year where the Expense Cap has already been exceeded, or if the reimbursement of these would result in the Expense Cap being exceeded in that year. Generally, operating costs and expenses are paid as and when incurred or reimbursed to the Trustee or the Manager, as appropriate.

5.7 Abnormal Expenses

Abnormal Expenses are expenses not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. They are due to abnormal events such as the cost of convening and hosting a meeting of Investors, preparing a new information memorandum for the Fund, legal costs incurred by changes in the Constitution or commencing or defending legal proceedings.

These costs and expenses will be reimbursed from the Fund's assets should they arise and are not covered by the expenses cap referred to above.

5.8 Buy/Sell Spread

The Buy/Sell Spread reflects the Manager's estimate of the transaction costs expected to be incurred by the Fund in buying and selling underlying assets as a result of investments in, and withdrawals from, the Fund. The purpose of the Buy/Sell Spread is to ensure those Investors transacting in Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The Buy/Sell Spread is an additional cost to Investors but it is not a fee paid to any party, but is instead retained as an asset of the Fund.

As at the date of this IM, the Buy/Sell Spread is 0.25% for the Fund.

5.9 Goods and services tax

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST.

The Fund may not be entitled to claim a full input tax credit in all instances.

5.10 Fee changes

The Constitution allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. The Trustee will provide Investors with at least 30 days' written notice of any such fee imposition or increase.

5.11 Waiver, deferral or rebate of fees

The Trustee or the Manager may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Manager or Trustee may waive, negotiate or rebate their fees, for example, in the case of a large investment amount.

6. Taxation information

6.1 Taxation

Investing in the Fund is likely to have tax consequences. Each Investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund and any changes in those taxation implications during the term of their investment. It is recommended that all Investors seek professional independent taxation advice before investing in the Fund.

The following provides a summary of the general taxation implications for an investment by an Investor that is not a resident of Australia for Australian taxation purposes, does not have a permanent establishment in Australia and who holds its Units on capital account only. This summary does not consider other types of Investors. Each Investor's taxation position will depend on its individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the income tax law as at the date of this IM. However, it is noted that income tax laws can change at any time, which may have adverse taxation consequences for Investors concerned.

6.2 Income tax treatment of the Fund

An investment in the Fund will be comprised of units in a unit trust. The Fund will be treated as a flow-through vehicle for income tax purposes provided that it distributes all of its income to Investors on an annual basis. Any capital or revenue losses derived by the Fund do not flow-through to Investors and may be carried forward and utilised in the future income years by the Fund. For revenue losses, this would be subject to continuity of ownership tests being satisfied by the Fund.

It is noted that a unit trust that is a public unit trust can be taxed as a company under the public trading trust provisions where it carries on ineligible trading activities. Ineligible trading activities can include taking a control interest (or negative control interest) in a trading entity, deriving certain non-passive income, or deriving gains from land that is not held for the primary purpose of deriving rent.

To the extent that the Fund is not considered to be a public unit trust (i.e. is not listed, does not offer units to the public and has less than 50 unit holders), then the Trustee does not expect these provisions to apply. To the extent that the Fund is regarded as a public unit trust, the Trustee intends to limit activities of the Fund so that it does not breach the public trading trust provisions.

6.3 Income tax treatment of Investors

General

Provided that the Fund is treated as a flow-through vehicle and is not taxed as a company (see above), Investors will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income that is distributed to them in that income year by the Fund. The Fund may be taxable on interest income on an accruals basis and therefore Investors may be subject to taxation prior to the receipt of amounts by the Fund. Accordingly, the amount of cash distributed to a taxpayer in a year of income may be less than the amount of taxable income attributed to that Investor.

A special managed investment trust (MIT) withholding tax regime may apply to distributions of certain types of income ("Fund Payments") to non-residents, being broadly all assessable amounts of the Fund other than those covered by another withholding regime (e.g. interest withholding), capital gains other than taxable Australian property gains or amounts otherwise attributable to a foreign source.

The MIT withholding rules may apply to Fund Payments distributed by the Fund to Investors, where the Fund qualifies as a Withholding MIT. A Withholding MIT is broadly one where the Fund qualifies as a MIT for tax purposes, whereby the Fund also satisfies various tests that connect the Fund with Australia. The MIT withholding rules may also apply in relation to certain gains derived by the Fund from distributions made by other Withholding MITs, where those other Withholding MITs notify the Fund that the distributions consist of a Fund Payment component. The potential application of these special rules is outlined in general in the various categories of income below (where relevant).

Foreign sourced income

To the extent that the Fund derives foreign sourced income (either directly or indirectly), the distribution of these amounts to the Investors will not be assessable.

Australian sourced interest income

Interest income may be derived by direct or indirect investments held by the Fund. To the extent that the interest income is derived from an Australian source, the Trustee will generally be liable to withhold 10% as a final Australian withholding tax amount on the distribution to Investors. Under certain Double Tax Agreements, the withholding rate may be reduced. It is noted that, in some cases, a gain on the disposal of an instrument (e.g. an instrument that meets the tax definition of a qualifying security) can be deemed to be interest income for interest withholding tax purposes.

Australian sourced other income

The Fund may derive other items of Australian sourced income. This can include gains on the disposal of securities such as bonds which meet the tax definition of a traditional security, where the gain is not deemed to be treated as interest income.

Where the Fund is not a Withholding MIT and the distribution is not a Fund Payment, the distribution of other Australian sourced income by the Fund would be taxable to the Investor and subject to a non-final withholding tax at the Investor's non-resident tax rates (e.g. marginal rates for an individual).

Where the Fund is a Withholding MIT or the distribution is a Fund Payment received from another Withholding MIT, a final MIT withholding tax may apply. The tax rate would either be 15% (for Investors in exchange of information (EOI) countries) or 30% (for non-EOI countries).

Tax-deferred distributions

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the taxable income allocated to an Investor. A tax-deferred distribution may occur on a return of Unit capital or if there are timing or permanent differences (e.g. bad debt deductions). Where the tax-deferred distribution is not assessable to an Investor, the distribution amount reduces the cost base of the Units held. If the cost base of Units is reduced to nil, a capital gain may arise. However, a capital gain will only be assessable where the Units constitute an indirect Australian real property interest (see below "Disposal of Units") and further tax-deferred distributions are received.

Disposal of Units

A disposal of Units in the Fund (by way of transfer or withdrawal) may give rise to Australian capital gains tax consequences where the Units constitute an indirect Australian real property interest. An indirect Australian real property interest is broadly an equity interest of 10% or greater in an entity where the majority of assets held by that entity are taxable Australian real property assets. As the Fund is only seeking to invest in (directly or indirectly) cash and debt-like instruments, it is not expected that the Units will constitute an indirect Australian real property interest.

Duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the Fund may result in Australian stamp duty consequences. Investors should confirm the duty consequences of their dealings in Units with their taxation advisors.

Annual reporting

The Fund will be required to provide distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report (AIIR).

The Fund will also seek to provide annual tax distribution statements in accordance with the ATO's guidelines for managed investment trusts. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year.

Goods and services tax (GST)

The acquisition and disposal of Units in the Fund by Investors will not be subject to GST. However, GST may apply to fees charged to the Investors by the Fund, the Trustee or the Manager.

Foreign Account Tax Compliance Act (FATCA)

In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (FATCA) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to -

- (a) Investors that are US citizens or residents;
- (b) entities controlled by US persons; and
- (c) financial institutions that do not comply with FATCA.

The Fund is intending to register for FATCA purposes and to conduct its appropriate due diligence (as required). Where Investors of the Fund do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

The new Attribution Managed Investment Fund (AMIT) regime

On 5 May 2016, the Government introduced a new regime dealing with the income tax treatment of AMITs. The new regime can be applied by the Fund from its inception (or for any subsequent year) if the Fund qualifies as an Attribution MIT for that year of income and qualifies to make an election to apply the new regime. An election to apply the new regime is irrevocable. The Fund will consider the application of the new regime and where appropriate will examine whether it is beneficial to make an election to apply these provisions.

7. Additional information

7.1 Summary of important documents

The following is a summary of material documents relevant to the Fund. The material documents are:

- (a) Constitution.
- (b) Investment Management Agreement.

You should consider whether it is necessary to obtain independent advice on any of the documents.

Constitution

The Constitution is the primary document governing the relationship between the Investors and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- (a) The right to share in any distributions.
- (b) The right to attend and vote at meetings of Investors.
- (c) The right to participate in the proceeds of winding up of the Fund.

The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee can amend the Constitution without Investors' approval if the Trustee reasonably considers the changes will not adversely affect Investors' rights.

A copy of the Constitution is available free of charge by calling the Trustee on (02) 8277 0000.

Investment Management Agreement

The Investment Management Agreement is between the Manager and the Trustee under which the Manager provides investment management services to the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Manager's obligations to report to the Trustee, and the agreement sets out the fees payable to the Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

A copy of the Investment Management Agreement is available free of charge by calling the Trustee on (02) 8277 0000.

Manager's authorised representative appointment

The Manager is a corporate authorised representative of One Investment Administration Ltd ACN 072 899 060 (AFS Licence no. 225064).

The Manager's authorisation is limited to its role as a manager, and does not extend to any other business that the Manager conducts, or services that the Manager provides.

7.2 Reporting

Our reporting will comprise the following:

- (a) A confirmation on receipt of an Application Form.
- (b) An investment confirmation upon issuing Units.
- (c) A monthly performance update report at the discretion of the Trustee.
- (d) An annual income distribution detailing any investment and distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available at www.oneinvestment.com.au/savillecapital. They will not be sent to you unless requested.

7.3 Conflicting commitments

The Manager and its employees will continue to devote such time and attentions to the Fund as is required to discharge the duties of the Manager that relate to the Fund and its activities. There is a risk that as a result of the various other obligations of the Manager and its employees, the Manager may from time-to-time acquire confidential information that it will not be able to use for the benefit of the Fund.

7.4 Related party transactions

The Trustee may from time to time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law.

The Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Manager are negotiated at arm's length between the parties.

The Trustee may from time-to-time enter into transactions with related entities. All transactions will be effected at market rates or at no charge.

The Trustee has appointed the Administrator, an associated company, to provide fund accounting and taxation services to the Fund pursuant to an administration agreement under which the Administrator provides administration services for day-to-day operations of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. The Trustee has appointed the Registrar, a related party, for unit registry services in respect of the Fund. The Trustee has appointed these parties in consultation with, and with agreement from, the Manager.

7.5 Transactions with affiliates

The Fund may be offered the opportunity to participate in transactions with the Manager, its affiliates, or its clients by purchasing investments through the Manager, or co-investing with the Manager or its affiliates. The Fund may also invest in entities in which the Manager or its affiliates hold interests.

In particular, the Fund may purchase investments that have been previously made by the Manager and that are within the Fund's investment objectives. While any such transactions will be entered into on a basis that the Trustee and Manager believe to represent arm's length terms and (where relevant) market rates, the Manager may have an incentive to seek or refer or recommend such investments to the Fund, or to cause the Fund to pay a higher price for such investments, as a result of the Manager or its affiliates' financial interests in such investments.

7.6 Fees for services provided by the Manager or its affiliates

The Manager or any of its affiliates may receive customary fees, including break fees, commitment fees, monitoring and director's fees and organisation, financing, divestment and other similar fees, from entities in which the Fund invests as compensation for financial advisory and similar services.

7.7 Conflicts with entities in which the Fund invests

Officers, employees or consultants of the Manager may from time-to-time serve as directors of entities in which the Fund invests. Such persons may be required to make decisions in that capacity, which are in the best interests of the relevant portfolio entity. Decisions that may be in the best interests of that entity may not be in the best interests of the Fund or Investors and vice versa. In those circumstances, a conflict of interest will exist between such person's duties to the Manager and such person's duties as a director of the relevant entity.

7.8 Co-investment

In certain instances, the Fund may invest in investments alongside financial, strategic or other co-investors (including, potentially, 1 or more of the Trustee's or Manager's affiliates). There is a risk that co-investors may have economic or business interests or objectives that are inconsistent with those of the Fund or may be in a position to take actions contrary to the Fund's investment objectives.

7.9 Change of trustee

A change of trustee for the Fund requires Investors to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by Investors entitled to vote (including Investors who are not present in person or by proxy).

7.10 Conflicting Investor interests

Investors may have conflicting investment tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by the Trustee or the Manager regarding an investment that may be more beneficial to 1 Investor than another, especially with respect to tax matters or the potential to provide co-investment opportunities, as described above. In structuring, acquiring and disposing of investments the Trustee and the Manager may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

7.11 Third party referral fees

The Manager may pay an introductory fee or commission rebate to a party that has referred you to the Fund and/or arranging for you to invest in the Fund. Such fees and rebates are negotiated between that third party and the Manager. Please ask your advisors for details of the payments (if any) that they will receive from the Manager.

7.12 Privacy

In applying to invest, you are providing the Trustee and the Manager with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office or the Australian Transaction Reports and Analysis Centre (AUSTRAC).

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Manager.

7.13 Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units unless satisfactory identification documents are provided.

7.14 Foreign Account Tax Compliance Act (FATCA)

Please see section 6.3 for information on FATCA and how it applies to the Fund.

7.15 Ethical considerations, labour standards and environmental impact

Whilst the Manager and the Trustee intend to operate the Fund in an ethical and sound manner, the Fund's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations.

7.16 No cooling-off period

Investors should note that no cooling-off period will apply to applications.

7.17 Complaints handling

The Trustee has a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Trustee at:

Telephone: (02) 8277 0000

Email: complaints@oneasset.com.au

Complaints Officer

One Investment Group

Post: PO Box R1471, Royal Exchange, NSW 1225

Complaints will be acknowledged as soon as possible and will be dealt with within 45 days.

8. Glossary

Abnormal Expenses	Any expenses which are not usual expenses incurred in the day-to-day management and administration of the Fund.
Act	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act 2001 (Cth).
ADI	Authorised deposit-taking institution.
Administrator	Unity Fund Services Pty Ltd ACN 146 747 122.
AFS Licence	Australian Financial Services Licence.
Application Form	The application form included in or accompanied by this IM.
Application Money	The money paid by an applicant for Units.
Application Price	The price of Units on application plus the Buy Spread.
ASIC	Australian Securities and Investments Commission.
Benchmark	The total of - (a) the weighted daily average cash rate of the Reserve Bank of Australia (published at http://www.rba.gov.au), for the relevant Performance Period, expressed as a percentage and reduced from a per annum basis to a monthly basis, plus (b) 300 basis points per annum reduced from a per annum basis to a monthly basis.
Buy/Sell Spread	The Buy Spread and the Sell Spread, which at the date of this IM is 0.5%.
Buy Spread	The estimated cost charged to acquire Units.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Constitution	The constitution of the Fund, as amended from time to time.
Excess Expenses	Operating costs and expenses of the Fund in excess of 1.0% per annum of the gross value of the assets of the Fund (excluding Abnormal Expenses).
Fund	Saville Capital Emerging Companies Fund.
IM	This information memorandum.
Investment Management Agreement	The investment management agreement between the Trustee and the Manager dated on or about the date of this IM.

Investor	A person who has acquired Units.
Main Series	The first Series of Units issued in the Fund.
Manager	Saville Capital Pty Ltd ACN 614 694 316.
NAV	Net asset value.
Offer	The offer under this IM to acquire Units.
OIG	One Investment Group.
Performance Period	Each period of six months ending on 30 June and 31 December in each year.
Qualifying Investor	A wholesale client as defined in section 761G (7) of the Act or a sophisticated investor as defined in section 761GA of the Act.
Registrar	One Registry Services Pty Limited ACN 141 757 360.
Sell Spread	The estimated cost to withdraw Units.
Series	The series into which Units are divided in order to calculate the performance fee in respect of a Unit.
Trustee	One Funds Management Limited.
Unit	A fully paid unit in the Fund.
Withdrawal Price	The price of Units on withdrawal minus the Sell Spread.

9. How to invest

9.1 Before completing the Application Form you should read this IM carefully.

Please pay particular attention to all of the risk factors in section 4 of this IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional advisor before deciding whether to invest in the Fund.

The Application Form is provided separately. Please contact the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au.

9.2 How to invest

For an application to be considered, you must complete and return your Application Form and pay the Application Money. You can pay the Application Money by returning the Application Form with a cheque for the proposed investment amount or note that the Application Money has been transferred by electronic funds transfer.

Cheques should be either bank cheques or drawn on an account in the name of the Applicant and made payable to "One Funds Management Limited Applications and Redemptions Account".

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code, and failure to quote an ABN or TFN will result in tax being withheld by the Trustee on distributions paid to the Investor at the highest marginal tax rate plus Medicare levy. It is not compulsory for you to quote your TFN or ABN.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Trustee will notify you in writing and arrange for return of your Application Money to you. Interest will not be paid to Applicants on Application Money. If your application to invest in the Fund is accepted, then interest earned on your Application Money will be retained by the Trustee. If your application to invest in the Fund is not accepted, then your Application Money will be returned to you (without interest).

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the IM. A brief summary of the Constitution is included at section 7.1 of this IM.

9.3 Application Form instructions

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Trustee. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the Applicant. If a joint holding, all Applicants should sign. If signed by the Applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, then the form must be executed in accordance with the Applicant's constitution and the Act.

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	My John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Trust A/C>	John Smith Superannuation Trust