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Investment Manager

CVC Emerging Companies IM Pty Ltd

Trustee

Walsh & Company Investments Limited

Lead Manager

Evans Dixon Corporate Advisory Pty Limited

EVANS DIXON

Important Information

Issuer

This Information Memorandum dated 22 February 2019 has been prepared and issued by CVC Emerging Companies IM Pty Ltd (ACN 631 673 740, CAR 1274 220) (**Investment Manager**) of the CVC Emerging Companies Fund (**Fund** or **Trust**) to provide background information for persons considering applying for interests in the Fund.

Terms of receipt of this document

This Information Memorandum is supplied personally to the recipient on the conditions set out below. The recipient's acceptance of these conditions is evidenced by its retention of this document. If these conditions are not acceptable, the recipient must return the Information Memorandum immediately.

Not an offer of securities

The provision of this Information Memorandum to any person does not constitute, and may not be used for the purposes of, an offer of securities, financial products or interests of any kind to that person or an invitation to any person to apply for the issue of securities, financial products or interests of any kind. Any such offer or invitation will only be extended to a person if the person has first satisfied the Investment Manager that such person is a Wholesale Investor (as defined in the Glossary) (or equivalent under applicable foreign laws) and would not contravene any applicable law.

Confidentiality and distribution of this document

This Information Memorandum and any other information provided in connection with this Information Memorandum are confidential to the Investment Manager. It is provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Investment Manager's prior written consent.

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Independent advice required

In preparing this Information Memorandum, the Investment Manager has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Fund, prospective investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum.

Information given in this document or otherwise

The Investment Manager, Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433) (referred to in this Information Memorandum as "**Walsh & Company**", "**we**", "**our**" and "**us**") in its capacity as the Trustee (**Trustee**) and each of their respective affiliates, related bodies corporate, officers, employees, advisers, agents or associates:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information);
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information);

- do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information); and
- notwithstanding the above, do not exclude any condition, warranty or right, the exclusion of which would contravene the *Australian Competition and Consumer Act 2010* (Cth) or any other applicable law.

Past performance of the Investment Manager, the Trustee or any of their respective affiliates, related bodies corporate, officers, employees, advisers, agents or associates is not necessarily indicative of future results. In addition, certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Fund, any prior fund or any portfolio company, represent the Trustee's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Fund, any prior fund or any portfolio company will be achieved.

Certain of the information contained in this Information Memorandum has been obtained from published sources prepared by other parties and no responsibility is assumed for the accuracy or completeness of such information. In addition, all industry and market data has been sourced from research of the Investment Manager, unless otherwise indicated.

Risk

An investment in the Fund should be regarded as speculative and will involve significant risks, due to the nature of the investments the Investment Manager intends to make.

The Fund is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows. Investors should have the financial ability and willingness to accept the risks and lack of liquidity which are characteristics of the investments described in this Information Memorandum, for the entire term of the Fund.

In particular, the attention of prospective investors is drawn to the risk factors set out in Section 3 (Risk factors) of this Information Memorandum.

Constituent Documents

This Information Memorandum contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the Constituent Documents for the Fund, including the Trust Deed and each Application Form, which contain the details of the rights and obligations of investors in the Fund. To the extent there is any inconsistency between this Information Memorandum and the Constituent Documents, the latter prevail.

Supplementary information

The Investment Manager may in its absolute discretion update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

Currency

All dollar amounts in this Information Memorandum are quoted in Australian dollars, unless otherwise stated.

Glossary

Certain expressions used in this Information Memorandum have defined meanings which are explained in Section 8 (Glossary).

1 Structure

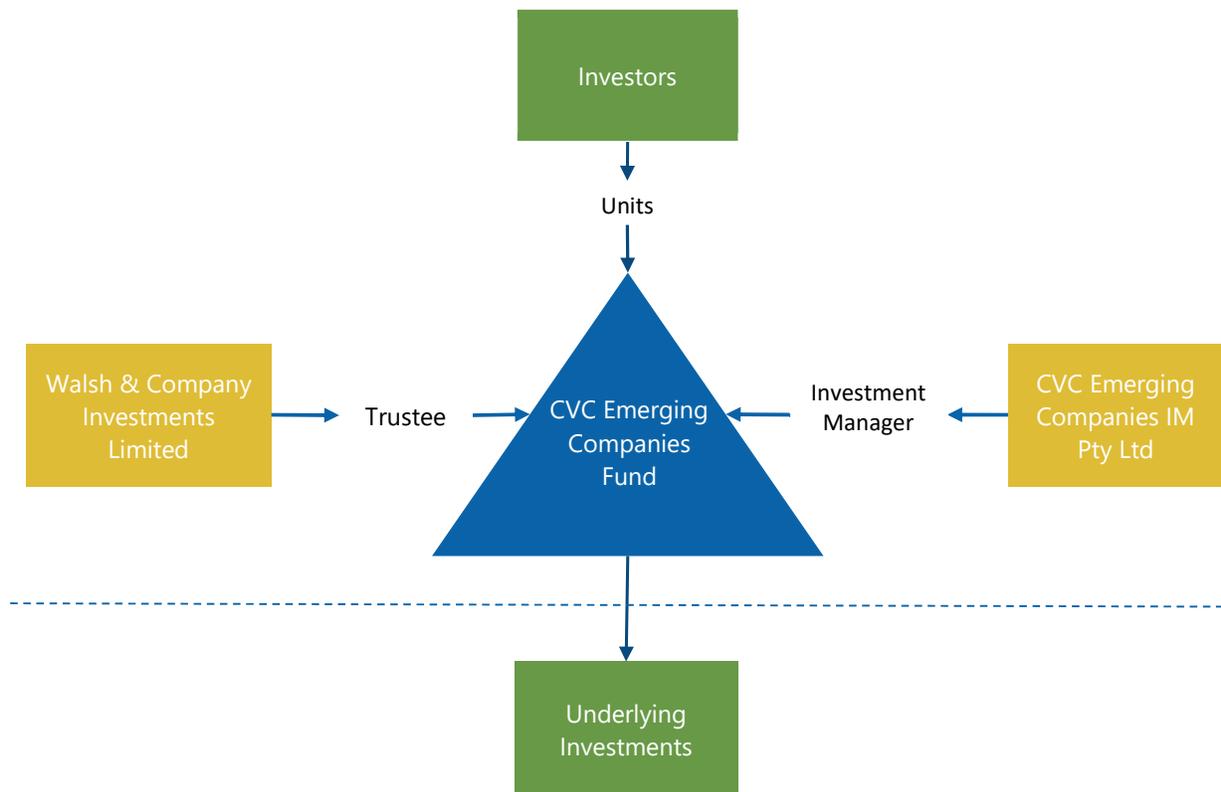
The Fund is a wholesale, Australian domiciled unit trust. The trustee of the Trust is Walsh & Company, a company formed and registered under the Corporations Act. Persons investing in the Fund are referred to below as Investors.

The Trustee has appointed the Investment Manager, CVC Emerging Companies IM Pty Ltd, a Corporate Authorised Representative of CVC Managers Pty Ltd (ACN 108 360 372, AFSL 277740) as the investment manager of the Trust.

The Trust is not required to be, and will not be, registered as a Managed Investment Scheme under the Corporations Act.

It is the Trustee's intention to structure the Trust as a public unit trust for the purposes of the Australian income tax laws. The Trustee is not intending to structure the Trust as an Attribution Managed Investment Trust (AMIT) for the purposes of the Australian income tax laws.

The following diagram sets out an overview of the structure of the Fund:



2 Key terms

This section contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the terms of the Constituent Documents.

Trust	The Trust is a wholesale, Australian domiciled unit trust. The Trust is not required to be, and will not be, registered as a Managed Investment Scheme under the Corporations Act.
Trustee	The Trustee is Walsh & Company Investments Pty Ltd.
Investment Manager	The Trustee has appointed CVC Emerging Companies IM Pty Ltd as Investment Manager of the Trust to undertake the day-to-day investment management of the Trust. The Investment Manager is a Corporate Authorised Representative under an Australian Financial Services Licence.
Fund Objective	The Fund's objective is to generate superior long term returns for Investors through investments in listed and unlisted growth and expansion stage companies.
Target Fund Size	\$80 million with the ability to accept up to \$20 million in oversubscriptions. Minimum size at final closing: \$50 million.
Portfolio Composition	<ul style="list-style-type: none">- Approximately 15 to 25 companies or trusts in the growth or expansion stage of the respective company or trust's lifecycle.- 100% long only, no short selling or use of derivatives for market exposure.- At the time of investment, a maximum weighting of 15% to any one company or trust.
Cornerstone Investment	Each of CVC Limited (ACN 002 700 361) (CVC) and Evans Dixon Limited (ACN 609 913 457) (ED), including personal investment by respective senior executives, are to be cornerstone Investors in the Fund and have committed in excess of \$20 million.

Seed Assets	<p>Subject to the finalisation of due diligence and confirmation of the ability to transfer assets from CVC Limited to the Fund, the Fund intends to acquire two seed assets on arms-length terms. The two proposed seed assets are:</p> <ul style="list-style-type: none"> - An equity interest in CleanSpace Holdings Pty Ltd (ACN 150 214 636) (CleanSpace) - An equity interest in Deep Blue Company Pty Ltd trading as ThinkConveyancing.com.au (ACN 614 675 160) (Think) <p><u>CleanSpace</u></p> <p>CleanSpace designs, manufactures & markets a range of compact powered airflow personal respirators for protection from hazardous particulates and gases in industrial workplaces. The company was founded in 2009 by two ex-ResMed product engineers.</p> <p>Geographically, they have a growing global presence in Europe, the USA and they recently achieved significant success in the Healthcare market with material initial sales in Asia and Europe. Their sales breakdown is split between consumables and units. Consumable sales include filters, masks, accessories and spares. The Fund may potentially acquire a \$4.12 million investment in CleanSpace from CVC through a mix of preference and ordinary shares which are expected to be priced in line with CleanSpace's last funding round in June 2018.</p> <p><u>Think</u></p> <p>Think is a leading digital conveyancer in Australia. Think operates in an industry with approximately 12,000 providers which are largely localised, small firms. Think operates a scalable, low cost business model which aims to deliver strong incremental margins.</p> <p>The Fund may potentially acquire a \$500,000 position in Think through the transfer of ordinary shares from CVC. If they are acquired, the shares are expected to be transferred at the cost which CVC acquired them in the Series A funding round in October 2018.</p>
Closing Dates	<p>The Trustee reserves the right to close the Fund to applications at any time. The close of the offer is expected to occur on or around 12 April 2019 (Indicative Offer Closing Date).</p>
Investors	<p>Each person who wishes to subscribe for interests in the Fund will need to complete an online Application Form which is available through the Registry. Identification information will also need to be provided to the Registry.</p> <p>The Investment Manager may accept or reject any Application Form in whole or in part at its sole discretion.</p>
Minimum Investment	<p>The minimum investment in the Fund is \$100,000.80 (55,556 Units).</p>
Co-Investment	<p>Commitments by Investors greater than \$1 million may attract co-investment rights with the fee schedule to be discussed and agreed by the Investment Manager's Board.</p>
Instalments	<p>The Fund has been structured with the application price of Units being paid in instalments. Unitholders will be required to pay further instalments on their Units (up to the total Application Price per Unit) throughout the term of the Fund.</p> <p>There are three instalments expected. The initial instalment, being \$0.60 per Unit (Initial Instalment), is payable on or before 17 April 2019 (First Equity Call Date). Further calls are to be made as determined by the Trustee (Further Instalments). The Trustee may determine in its absolute discretion the amount of the instalments and the times at which they are payable. Any Further Instalments will be payable with 10 Business Days' notice.</p>
Investment Program and Restrictions	<p>The Fund will not make borrowings other than short term borrowings in limited circumstances.</p>
Minimum Holding Period	<p>It is intended that the Fund will hold investments for at least three months after an investment is made.</p>

Investment Period	The Investment Period for the Trust will run for three years from the allotment of Units to Investors. After the Investment Period there will be an investment realisation period of two years. Following the initial investment realisation period, there will be an optional investment realisation extension period of two consecutive one-year periods.
Distribution Policy	The Trustee is expected to determine distributions semi-annually or more frequently at its discretion and subject to an amount of capital and/ or income being available for distribution to Unitholders. The Trustee expects to return realised capital to Investors in the same financial year as the realised capital is received but makes no guarantee that this will occur. The Trustee may reinvest capital as a set-off against a future capital call.
Fund Term	Intended to be five years, with the option to extend for two consecutive one-year periods.
Management Fees	<p>The Investment Manager is entitled to receive the following management fees under the IMA:</p> <ol style="list-style-type: none"> during the Investment Period, 1.75% per annum on committed capital (plus GST and calculated before accrued fees); and after the Investment Period, 1.75% per annum on the gross asset value of the Trust (plus GST and calculated before accrued fees). <p>Management Fees will be paid to the Investment Manager monthly out of the Fund.</p> <p>The Investment Manager is also entitled to receive a Performance Fee. The Performance Fee is 20% p.a. (plus GST) subject to an 8.0% per annum cumulative (non-compounded) pre-tax preferred return (including capital returns) being paid first to Investors in the Fund in accordance with the 'Distribution Entitlements' section below.</p>
Selling Fee	The Investment Manager may pay a one-off 1.5% selling fee (plus GST) on committed capital (Selling Fee).
Distribution Entitlements	<p>The Fund will employ a market standard catch-up fee structure. Distributions of income and capital or other gains will be made in the following order of priority:</p> <ol style="list-style-type: none"> first, 100% to Investors until each Investor has received the sum of all its capital contributions; second, 100% to Investors until each investor has received an 8% per annum cumulative (non-compounded) pre-tax return (Hurdle); third, 100% to the Investment Manager until the Investment Manager has received a sum equal to 20% of the aggregate of the Hurdle and the cumulative amounts distributed to the Investment Manager under this catch-up provision; and thereafter, 80% to Investors proportionate to their holdings and 20% to the Investment Manager.
Establishment Costs	The Investment Manager will bear all costs properly incurred in the establishment of the Fund.
Trustee and Administration Services	For the provision of trustee and administration services, the Trustee will be paid 0.08% per annum (plus GST) of the gross asset value (plus uncalled amounts) of the Trust for the operation of the Trust and 0.25% per annum (plus GST) of the gross asset value (plus uncalled amounts) of the Trust for the administration of the Trust.

Reimbursement of Expenses	<p>The Fund has an overall expense ratio cap as follows:</p> <ol style="list-style-type: none"> a. during the Investment Period, 2.50% per annum (plus GST) of the Total Commitments; b. after the expiry of the Investment Period, 2.50% per annum (plus GST) of the gross asset value of the Fund. <p>The expense ratio cap does not include any Performance Fees payable to the Investment Manager.</p> <p>The Trustee (or its appointees, to the extent permitted under the Constituent Documents) is entitled to be reimbursed out of the assets of the Trust for out-of-pocket expenses properly incurred in connection with the management of the affairs of the Trust. Authorised expenses include taxes and bank fees, preparation of financial statements and tax returns, and compliance costs.</p> <p>The Investment Manager is entitled to be reimbursed, out of the assets of the Fund, for all fees, costs and expenses properly incurred in connection with the investment and management of the Fund, the acquisition, disposal or maintenance of any Fund investment or performance of the Manager's obligations under the IMA. This includes due diligence undertaken by the Investment Manager.</p> <p>The effect of these expenses on your investment will be dependent on the costs and size of the Fund.</p>
Consequences of Default	<p>If an Investor fails to pay a capital contribution when required, the rights and entitlements attaching to the interests of that Investor will be suspended and may be forfeited or compulsorily sold by the Trustee. The Investor remains liable for its unpaid capital commitment, the costs and expenses of the forfeiture, including the sale of the interest, and any unpaid calls. Any proceeds recovered from a sale by the Trustee, net of unpaid capital calls, losses arising from a failure to pay a call and any costs and expenses associated with the failure to pay a call, will be returned to the Investor.</p>
Withdrawal and Transfer from the Fund	<p>All redemptions are at the sole discretion of the Trustee and Investment Manager.</p> <p>Investors may not withdraw from the Fund or terminate their capital commitments to the Fund prior to the termination of the Fund. Interests in the Fund cannot be redeemed by Investors.</p> <p>The prior written consent of the Trustee (in its sole discretion) is required before an Investor may transfer any or all of its interests in the Fund. A transfer of the interest in the Fund will require the transferee to accede to the Constituent Documents, including by accepting liability to pay undrawn capital commitments to the Fund of the relevant transferor.</p>
Key Risk Factors	<p>Prospective investors should consider that an investment in the Fund carries certain risks. Whilst not exhaustive, a detailed description of key risk factors is presented in Section 3 (Risk factors).</p>

3 Risk factors

Investment in the Fund entails a high degree of risk and is suitable only for sophisticated investors who understand fully and are capable of assessing the risks of a Fund of this nature.

Prospective investors should consider carefully the following factors (amongst others) in making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective investors must read the entire Information Memorandum including all attachments and must consult their own professional advisors, before deciding to invest in the Fund.

Past performance

The previous performance of the Investment Manager, CVC Limited, Walsh and Company or the Investment Team cannot be relied upon in assessing the merits of the Fund.

Investment selection and strategy risk

The Fund's performance depends on the investment decisions made. The Investment Manager may make investment decisions that result in low returns or loss of capital invested.

Equity risk

There is a risk that the market price of securities will fall over short or extended periods of time. Unitholders are exposed to this risk through the underlying investments in which the Fund will invest.

Concentration risk

Funds that invest in a relatively small number of securities are more susceptible to risks associated with any one company, or any single economic, political, or regulatory occurrence than more diversified funds might be.

Experience of the Investment Manager risk

The Investment Manager is newly incorporated and has no performance history. The Investment Manager will draw upon its Investment Team who have extensive experience in the identification, acquisition, management, and disposal of a diverse range of asset classes.

Private investments risk

The Fund may invest in private companies. Investments in private companies are generally less liquid and more difficult to realise than listed securities and may be more difficult to value.

Related party transaction risk

The Trustee and Investment Manager may transact with related parties. Conflicts of interest may arise in these circumstances where there is a risk that the interests of one party or the Unitholders may diverge from the interests of the other party. Please refer to Section 4 (Conflicts of interest) for further information.

Reliance on the Investment Manager and its Investment Team

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund. They must rely on the ability of the Investment Manager in identifying, structuring, developing and realising potential investments consistent with the Fund's investment objectives and policies.

Key Personnel Risk

There is a risk of departure of key staff or consultants with particular expertise in the sector, whether they are the staff or Directors of the Trustee, the Investment Manager, or independent advisors or consultants. These departures may have an adverse impact on the value of the Fund.

Whilst it is the intention for the Investment Manager to create and maintain a stable Investment Team, certain members could leave or become incapacitated which may result in a loss of capital for Investors.

Liquidity

Investing in the Fund requires a long-term commitment from Investors, with no certainty of return. Some of the Fund's investments will be highly illiquid. Consequently, realisation of those investments may require a lengthy time period. There is a risk that market conditions might change before realisation of those investments can take place.

There are also restrictions on transfer of interests in the Fund, which makes an investment in the Fund illiquid. There is a risk that Investors will not be able to exit the Fund at the time of their choosing.

Investors have no right to withdraw from the Fund or redeem interests in the Fund.

Inability to source investment opportunities

The success of the Fund will depend on the identification and availability of suitable investment opportunities. There is a risk that there may be a lack of suitable investment opportunities for the Trustee (in its capacity as trustee of the Trust) to invest in, given the Fund's investment philosophy and strategy. This risk is affected by a number of factors including the size of the Fund and the availability of opportunities for investment within the Fund's intended investment markets.

Due diligence

Investments will be made in growth or expansion stage companies which may have limited information available for due diligence. As such, some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Fund associated with those investments.

Business and expansion stage risk

The companies that the Fund invests in are at varying stages of development and are at the riskier end of the spectrum. There is a risk that they may not be profitable or that the sustainable profit results in a lower valuation than the Fund's purchase valuation.

Investee failure

One or several investee companies or trusts in the Fund could suffer financial hardship and/or fail, including as a result of an inability to raise additional capital. This may lead to a loss of capital for Investors.

Minority interests

The Fund will hold minority positions in the target companies and may be subject to events where the majority of shareholders have voted differently to the Fund's position.

Investment values rise and fall

Interests in the Fund are valued according to the market value of the underlying assets to which they correspond. The value of these assets will rise and fall over time. Ultimately though an Investor's return from the Fund will be determined by distributions received upon the Fund actually realising its investments upon a trade sale or IPO or other exit of the underlying investments. For Investors, the return on investment will depend on the success of the Fund's investments, and there can be no assurances that they will generate target returns. Neither the Investment Manager, the Trustee, nor any other entity guarantees any particular rate of return being earned by the Fund or the return of capital.

Variable distributions

Distributions will vary from time to time depending on whether amounts of capital and/ or income are available for distribution to Unitholders.

Economic and political risk

In the course of investing, the Fund will be exposed to the direct and indirect consequences of political, economic or social changes in the investment region that could adversely affect its investments. The investments could be affected adversely by changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or interest rate movements. While the Investment Manager intends to manage or delegate management of the Fund's assets in a manner that will minimise its exposure to such risks, there can be no assurance that adverse political or economic changes will not cause the Fund to suffer losses.

Legal, tax and regulatory risks

Legal, tax and regulatory changes in the Australian and foreign investment environments or otherwise, may occur during the term of the Fund which could have an adverse effect on the Fund. The Fund may not be in a position to take legal or management control of its investments. The Trustee (in its capacity as trustee of the Trust) may have limited legal recourse in the event of a dispute, and remedies may have to be pursued in the courts.

Exit Risk

The Fund provides exposure to private investments which are typically not frequently traded. The Fund may not be able to withdraw from or otherwise realise its investment in underlying investments, which will affect returns to its Investors.

Liability

The Constituent Documents contain provisions that are designed expressly to limit the liability of Investors, in their capacity as Investors in the Trust, to the amount of their respective capital commitments. There can be no absolute assurance that the liability of Investors will be limited as intended by those provisions as the ultimate liability of Investors rests with the courts. Each Investor must satisfy itself as to the risks of the limitation and to its liability as an Investor in the Trust.

Trustee Indemnity

The Trustee must indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of, or in connection with, any costs, charges and expenses incurred in connection with the Investment Manager (or any of its officers, employees or agents (**Agents**)) acting under the IMA or on account of any investment decision made by the Investment Manager or its Agents. This indemnity does not apply where the loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Investment Manager or its Agents. This obligation continues after the termination of the IMA.

Investment Manager Indemnity

The Investment Manager must indemnify the Trustee against any losses or liabilities reasonably incurred by the Trustee arising out of, or in connection with, any costs, charges and expenses incurred in connection with, any negligence, default, fraud or dishonesty of the Investment Manager or its officers or supervised agents. This obligation continues after the termination of this Agreement.

Implication of failing to meet calls of the Fund

Pursuant to the Constituent Documents of the Fund, a failure by any Investor to meet capital calls made by the Trustee may result in a forfeiture of that Investor's Units and therefore a loss of any paid up capital from that Investor. See Section 2 (Key Terms) for further information.

Investor change of status

The Trustee and Investment Manager have certain rights to require an Investor to dispose of its interests in the Trust if continuing participation by the Investor in the Trust becomes unlawful.

Leverage

The Trustee (in its capacity as trustee of the Trust) may use leverage to bridge an acquisition by up to 12 months or bridge late calls. Leverage involves a degree of financial risk and may increase the exposure of the Trust to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments.

The assets of the Trust, including but not limited to undrawn capital commitments or pending distributions from investments, may be, in whole or in part, offered as security for such leverage. To the extent that the Trust is unable to meet obligations under the leverage facility, there is therefore a risk that undrawn capital commitments will be used to repay leverage.

4 Conflicts of interest

The Investment Manager and Trustee may have interests conflicting with the Trust that arise in the ordinary course of its business.

Walsh & Company may act as the trustee, responsible entity, custodian or manager for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Investors.

The Trustee or the Investment Manager (or entities managed by the Trustee or the Investment Manager or a related entity of the Investment Manager or the Trustee) may establish a subsequent fund with the same or similar investment mandate.

The Trustee may also engage third parties to provide professional services for the Fund from qualified service providers, including related parties. The fees for these services will be charged to the Fund at reasonable market rates.

The Investment Manager may pay the Selling Fee to related bodies corporate of the Investment Manager, the Trustee or CVC.

5 Taxation

Outlined below is a general summary of the key Australian income tax consequences for Australian resident individuals, trusts, companies and complying superannuation entities who hold their Units in the Fund on capital account for Australian income tax purposes (**Investors**).

Investors should be aware that the actual Australian tax and stamp duty implications may differ from those summarised, depending on the individual circumstances of each Investor.

For example, complying superannuation funds with pension liabilities may be exempt from income tax on some or all of the income derived and thus some of the income tax commentary below may not be relevant to these Investors. Similarly, Investors subject to the Taxation of Financial Arrangements regime may be taxable upon different bases, depending upon which elections they have made.

Investors should seek advice from their own professional taxation adviser regarding the Australian tax consequences of selling or holding the shares in the Fund, having regard to their particular circumstances.

5.1 Taxation treatment of the Fund

Based upon the expected number of Investors, the Fund should be considered a public unit trust. The tax treatment of the Fund should then be determined by whether the Fund is a "public trading trust". For income tax purposes, the Fund may be taxed like a company if it is a "public trading trust".

However, provided that the Fund and the entities that the Fund controls (or has the ability to control, either directly or indirectly) do not carry on a "trading business", the Fund should not be treated as a public trading trust. It is not expected that the Fund will be a public trading trust.

It is the Investment Manager's intention that the Fund will not control or have the ability to control an entity that carries on a "trading business" and that the Fund itself will only own ordinary securities, preference shares, convertible notes or other derivatives of shares or convertible notes and as such should not itself be carrying on a "trading business".

On this basis, the Fund should be treated as a "flow through" entity for Australian income tax purposes. That is, the Fund should not be liable to pay income tax on net (i.e. taxable) income for an income year, provided that Unitholders are presently entitled to the distributable income of the Fund for the income year.

A "managed investment trust" (**MIT**) for Australian income tax purposes is an Australian trust that meets certain requirements (including licensing requirements and "widely-held" requirements and does not breach "closely-held" restrictions). It is expected that the Fund would qualify to be an MIT. If the Fund qualifies as an MIT, the Fund will make an irrevocable election (the MIT capital election) to apply the capital gains tax (**CGT**) rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In this regard, capital gains made by the Fund from the realisation of investments covered by the MIT capital election that have been held for 12 months or more should qualify for discount CGT treatment.

The Fund may also be able to make an irrevocable election to be treated as an Attributable Managed Investment Trust (AMIT). However, such an AMIT election should not result in a materially different outcome to that described below.

5.2 Net income of the Fund

Investors that are presently entitled to a share of the distributable income of the Fund and not under a legal disability (e.g. minors) should be required to include in their assessable income their proportionate share of the Fund's net income for each relevant income year. The following provides a broad overview of how the net income of the Fund might be calculated.

The net income of the Fund may include:

- Distributions paid to the Fund or credited to the account of the Fund;
- Foreign exchange gains and losses attributable to Australian currency exchange rate movements in respect of distributions made to the Fund;
- Interest income on term deposits and cash equivalent investments held by the Fund; and
- Net capital gains (discounted and undiscounted).

The net income of the Fund is reduced by allowable deductions including income tax losses carried forward.

5.3 Distributions from the Fund

Investors not under a legal disability (e.g. minors) will be assessed in the same income year in which the Fund derives its income. Investors will be required to include their proportionate share of the Fund's net income in their assessable income for each relevant income year.

Each component of the Fund's net income should retain its tax character in the hands of Investors for Australian income tax purposes. Distributions may include foreign income, net capital gains and other income.

If a net capital gain included in the taxable income of the Fund is a discount capital gain, Investors should be required to gross up the amount of the capital gains included in their assessable income. Investors may apply to any available capital losses and any remaining discount capital gains may be eligible for the CGT discount (see the discussion on the disposal of the Units below).

It should be noted that the Government announced as part of its May 2018 Budget that trusts lose their entitlement to the CGT discount (the discount instead only applying at the relevant investor level, e.g. for individuals and superannuation entities). The measure is currently stated to start from 1 July 2020. This measure is stated to prevent beneficiaries that are not entitled to the CGT discount in their own right from getting a benefit from the CGT discount being applied at the trust level.

Where the Trust's assessable income includes a franked dividend, Australian resident investors may receive franking credits. A tax offset equal to the value of the franking credits may be applied against tax payable by the investor. Certain investors may be entitled to a tax refund if the value of the franking credits received exceeds their tax payable. Franking credits may not be available if the investor has not owned and held their Units at risk for a continuous period of at least 45 days.

In the event that foreign tax is imposed on income derived by the Fund, Investors may be entitled to a foreign income tax offset (**FITO**) in respect of these taxes. A FITO that may be claimed by an Investor in a year of income is broadly calculated as the lesser of the Investor's share of the amount of the foreign taxes paid by the Fund and the offset limit. Broadly, the offset limit is the greater of \$1,000 and the amount of the Australian income tax payable on an Investor's foreign source income on which foreign tax has been incurred and other assessable foreign source income. A FITO that is not utilised in the year it is derived cannot be carried forward to a later income year.

The Fund may make cash distributions to Investors in excess of the net income of the Fund. Such distributions may arise as a result of:

- "Tax deferred" distributions (e.g. returns of capital or income sheltered by tax losses); and
- "CGT concession" amounts (i.e. the discount component of net capital gains derived by the Fund).

Tax deferred distributions should not be immediately assessable to Investors but, in broad terms, will reduce the CGT cost base (and reduced cost base) of an Investor's Units (but not below nil). If the cost base of Units is reduced to nil, Investors will make a capital gain on any further tax deferred distributions received. Any such capital gain may be eligible for discount CGT treatment, depending on whether an Investor has held the Units in the Fund for at least 12 months.

Investors will be provided with an annual statement setting out the details of assessable income arising from their investment in the Fund.

5.4 Sale or redemption of Units

The capital gains tax cost base of Investors in the Units received should be equal to the amount paid for the Units plus any incidental costs incurred by the Investor. A subsequent sale or redemption of Units will constitute a disposal for CGT purposes, and may result in a capital gain or capital loss for an Investor.

A capital gain will arise to the Investor where the capital proceeds received from the sale or redemption of the Units are greater than the cost base for CGT purposes. A capital loss will arise if the capital proceeds on sale or redemption are less than the reduced cost base of the Units for CGT purposes.

Discount CGT treatment may be available to reduce the capital gain realised by the Investor on the sale or redemption of the Units. If the Units had been held for at least 12 months, the Investor may, after offsetting capital losses of the

Investor, be able to discount the resulting capital gain by one half in the case of an individual or trust, or by one third in the case of a complying superannuation entity. Companies are mostly not entitled to discount CGT treatment.

Investors who dispose of their Units within 12 months of acquiring them or dispose of them under an agreement entered into within 12 months of acquiring the Units will not be eligible for discount CGT treatment.

Integrity rules exist which can prevent the CGT discount being applied to capital gains arising from the disposal of Units where a majority of the underlying CGT assets of the Fund, by value, have not been held for at least 12 months. These integrity rules should not apply if:

- an Investor (together with its associates) beneficially owns less than 10% of Units just prior to the disposal; or
- the Fund has at least 300 Investors and the ownership of the Fund is not concentrated (ownership will be concentrated if 20 or fewer individuals own, directly or indirectly, at least 75% of the income, capital or voting interests in the Fund).

Any capital gain or capital loss realised by an Investor in respect of the Units should be aggregated with any other capital gains or capital losses that the Investor may have in that year, less any available net capital losses from prior income years, discounts or reductions, to determine the Investor's net capital gain or net capital loss for that year.

A net capital gain is included in the Investor's assessable income. A net capital loss can only be offset against capital gains. Net capital losses may be carried forward and offset against future taxable capital gains.

5.5 Withholding of tax from distributions

The Trustee of the Fund is required to deduct Pay-As-You-Go (**PAYG**) withholding tax from distributions paid to Investors at their highest marginal rate plus applicable levies if the Investor has not quoted either a Tax File Number or Australian Business Number, and none of the relevant exemptions apply.

5.6 GST

The acquisition and disposal of Units in the Fund by Investors should not be subject to GST. Similarly, cash distributions from the Fund to Investors should not be subject to GST.

The Fund may not be able to recover any GST arising on its expenditure in full. The availability of GST recovery will generally depend upon the extent to which goods, services and other things acquired by the Fund relate to certain activities not subject to GST (referred to as "input taxed supplies").

Even where the Fund is denied from recovering GST under the general rules, as a concession it may be entitled to Reduced Input Tax Credits or "RITCs" (either 55% or 75% of the otherwise unrecoverable GST) in respect of certain categories of expenditure.

5.7 Stamp duty

No Australian stamp duty should be payable by an Investor on acquiring Units and no Australian stamp duty should be payable in respect of future acquisitions or disposals of the Units.

6 Jurisdictional considerations

6.1 Australia

This Information Memorandum is not a Disclosure Document or Product Disclosure Statement (nor any similar disclosure document under any applicable law). It is not required to, and does not, contain all the information which would be required in a Disclosure Document or Product Disclosure Statement, or all the information that a prospective investor may desire or should obtain in order to make an informed investment decision. The Trust is not registered as a Managed Investment Scheme under the Corporations Act.

Only Applicants who have a permanent address in Australia can participate in the Offer. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

6.2 United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This document may not be distributed or released in the United States. The securities referenced in this document have not been and will not be registered under the US Securities Act of 1933, or under the securities laws of any state or other jurisdiction of the United States. This document is not provided to any person located in a jurisdiction where its provision or dissemination would be unlawful.

7 Additional information

7.1 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

The Trustee may be required under the *Anti-Money Laundering/Counter Terrorism Financing Act 2006* (Cth) or any other law to obtain identification information from Applicants. The Trustee reserves the right to reject any Application from an Applicant (or any transfer request) where there is a failure to provide the required identification information upon request.

7.2 Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (**FATCA**) is US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other US tax residents through use of non-US investments or accounts. Australia signed an intergovernmental agreement (**IGA**) with the US to implement FATCA in Australia. The FATCA provisions are in Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), which is administered by the Australian Taxation Office (**ATO**). Under the IGA and FATCA provisions, Reporting Australian Financial Institutions have due diligence and reporting obligations.

The Trustee, on behalf of the Fund, is a Reporting Financial Institution under CRS. The Trustee intends to fully comply with the Fund's FATCA obligations as determined by the FATCA provisions, the IGA, and any associated guidance from the ATO. These obligations include (but are not limited to) the Trustee identifying and documenting the status of an Investor in the Fund as a US person, US controlled entity, or a non-complying FATCA financial institution. The Trustee, on behalf of the Fund, is then obligated by law to report certain information on applicable Investors to the ATO which will in turn report this information to the US Internal Revenue Service.

In order for the Fund to comply with its FATCA obligations, the Trustee is obligated to request certain information from Investors. Certain information collected will be reported to the ATO which will in turn report this information to the US Internal Revenue Service.

The Fund and the Trustee are not liable for any loss an Investor may suffer as a result of the Fund's compliance with FATCA. The Trustee will also provide information about the Fund's FATCA status when required so that FATCA withholding is not applied to payments received on its investments (for example dividends paid on US securities). If the Trustee (on behalf of the Fund) suffers any amount of FATCA withholding and is unable to obtain a refund for such withholding, the Trustee (on behalf of the Fund) will not be required to compensate Investors for any such withholding and the effects of these amounts will be reflected in the returns of the Fund.

This information is of a general nature only. Please consult your tax adviser should you wish to understand the implications of FATCA to your particular circumstances.

7.3 Common Reporting Standard

The Common Reporting Standard (**CRS**) is a global reporting standard for the Automatic Exchange of Information developed by the Organisation for Economic Co-operation and Development (OECD). Australia has signed the multilateral convention and legislation to implement CRS in Australia, which has been enacted through Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), to be administered by the ATO. CRS commenced for Australian financial institutions on 1 July 2017, with the first reporting of information in 2018. Under CRS, Reporting Financial Institutions have due diligence and reporting obligations.

The Trustee, on behalf of the Fund, is a Reporting Financial Institution under CRS. The Trustee intends to fully comply with the CRS obligations and any associated guidance from the ATO. These obligations include (but

are not limited to) the Trustee documenting the status of Unitholders that are non-residents of Australia and certain entities controlled by non-residents of Australia. The Trustee is then obligated by law to report certain information on applicable Investors to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions.

In order to comply with its CRS obligations, the Trustee is obligated to request certain information from Investors. Certain information collected will be reported to the ATO which may in turn report this information to the tax authority in applicable jurisdictions. Penalties can apply if Investors fail to provide the information or provide false information.

Neither the Fund nor the Trustee are liable for any loss an Investor may suffer as a result of its compliance with CRS. This information is of a general nature only. Please consult your tax adviser should you wish to understand the implications of CRS to your particular circumstances.

7.4 Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

- a) You are required to provide the Trustee with certain personal information to:
 - i. facilitate the assessment of an Application;
 - ii. enable the Trustee to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - iii. carry out appropriate administration.
- b) The Trustee may be required to disclose this information to:
 - i. third parties who carry out functions on behalf of the Fund as the Investment Manager, the Registry and the Custodian;
 - ii. third parties if that disclosure is required by law; and
 - iii. related bodies corporate (as that term is defined in the Corporations Act) which
 - iv. carry out functions on behalf of the Fund.

We are unlikely to disclose personal information to overseas recipients. In some circumstances, we may need to obtain your consent before this occurs. Our policy is to only use cloud or other types of networked or electronic storage where infrastructure is physically located in Australia. We have carried out our due diligence regarding our cloud service providers and have entered into suitable contractual arrangements with them.

Under the Privacy Act 1988 (as amended), Applicants may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to Walsh & Company.

We collect personal information from you in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

You may choose not to provide certain personal information. However, if you choose not to provide information requested for the purposes of fulfilling your request for a specific product or service, we may not be able to provide you with the requested product or service, or the product or service which we do provide might not fully meet your needs.

The Trustee's privacy policy applies to all Applicants under the terms of this Offer. The privacy policy is available to Applicants on the website and on request. The privacy policy includes the contact details of the Privacy Officer in the event that an Applicant has a complaint about the handling, use, or disclosure of personal information.

8 Glossary

The following terms as used in this Information Memorandum should be taken to have the following particular meanings.

AMIT (or attribution managed investment trust) has the meaning given in section 276-10 of the Tax Act.

Applicant means an applicant for Units under this Information Memorandum.

Application Form means a deed poll in a form approved by the Trustee under which a person subscribes for interests in the Trust.

ATO means the Australian Taxation Office.

CGT means capital gains tax.

Constituent Documents means the constituent documents of the Trust, including the Trust Deed and each Application Form, which contain the details of the rights and obligations of Investors in the Trust.

Corporations Act means the *Corporations Act 2001* (Cth) as amended and associated regulations.

CRS has the meaning given in Section 7 (Additional information).

Disclosure Document has the meaning given in the Corporations Act.

FATCA has the meaning given in Section 7 (Additional information).

Fund means CVC Emerging Companies Fund.

GST means the Goods and Services Tax.

Indicative Offer Closing Date has the meaning given in Section 2 (Key Terms).

IMA means the investment management agreement between the Trustee and the Investment Manager in relation to the management of the Fund.

Information Memorandum means the Information Memorandum comprising both Information Memorandum - Part 1 and this document, being Information Memorandum – Part 2.

Investment Period means the period described in Section 2 (Key terms).

Investment Manager means CVC Emerging Companies IM Pty Ltd (ACN 631 673 740, CAR 1274 220).

Investment Team means the investment team members of the Investment Manager.

Investor has the meaning given in Section 1 (Structure).

Lead Manager means Evans Dixon Corporate Advisory Pty Limited.

Managed Investment Scheme has the meaning given in the Corporations Act.

Management Fees has the mean given in Section 2 (Key terms).

MIT (or managed investment trust) has the meaning given in section 275-10 of the Tax Act.

Product Disclosure Statement has the meaning given in the Corporations Act.

Registry means Boardroom Pty Limited (ACN 003 209 836).

Trust means the Fund.

Trustee means Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433).

Unit means a unit in the Trust.

Unitholder means a holder of a Unit.

Wholesale Investor means any person to whom the offer, creation or issue of an interest in the Trust would not:

- (a) require the Trustee to prepare a Disclosure Document or Product Disclosure Statement;
- (b) require the Trust to be a registered Managed Investment Scheme under the Corporations Act; or
- (c) otherwise result in a breach of an applicable law by the Trustee.

9 Contact details

Investment Manager

CVC Emerging Companies IM Pty Ltd (ACN 631 673 740)

Address

Level 15, 100 Pacific Highway, North Sydney, NSW, 2060

Phone

02 9087 8000

Trustee

Walsh & Company Investments Limited (ACN 152 367 649)

Address

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Website

www.walshandco.com.au

Phone

1300 454 801

Lead Manager

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Address

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Phone

02 8241 1300

Registry

Boardroom Pty Limited (ACN 003 209 836)

Address

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