



Rivkin Australian Equity Fund Information Memorandum

FEBRUARY 2019

Rivkin Securities Pty Ltd

ABN 87 123 290 602 AFSL No. 332 802

www.rivkin.com.au

The Trust Company (RE Services) Ltd

ABN 45 003 278 831 AFSL No. 235150

www.perpetual.com.au



Rivkin Australian Equity Fund Information Memorandum

Index	
1. Key features of the Fund	3
2. The investment opportunity	4
3. People responsible for the Fund	5
4. Risks	6
5. Fees and costs	9
6. Investing in the Fund	10
7. Distributions of income	12
8. Accessing your monies	12
9. Reporting	13
10. Tax	15
11. Additional information	16
12. How to Invest	18
13. Contacts	19

This Information Memorandum

The Trust Company (RE Services) Ltd (ABN 45 003 278 831, AFSL No. 235150) (Perpetual) is the trustee for the Rivkin Australian Equity Fund (Fund). Rivkin Securities Pty Ltd (ABN 87 123 290 602, AFSL No. 332 802) is the investment manager for the Fund (Manager, Rivkin, we or us) and the issuer of this information memorandum (Information Memorandum). The Information Memorandum is dated February 2019.

This is an important document and you are encouraged to read it carefully. Because it does not take into account your personal circumstances, you are encouraged to seek professional advice before investing. The Information Memorandum is not intended to be a recommendation by the Manager, Perpetual or their respective associates or any other person to invest in the Fund.

Information in this document is subject to change from time to time and, provided the changes are not materially adverse to investors, may be updated by the Manager publishing such information at www.rivkinam.com. A paper copy of any updated information will be given upon request and is free of charge.

Structure and authorisations

The Fund is structured as an Australian wholesale (unregistered) unit trust and is a managed investment scheme for the purposes of the Corporations Act 2001 (Cth) (Corporations Act).

Perpetual has appointed the Manager to invest and manage the assets of the Fund. The Manager holds Australian Financial Services Licence No 332802 and is authorised to provide advisory and dealing services in connection with the Fund.

Not a regulated disclosure document

The Manager has authorised the use of this Information Memorandum as disclosure to those persons who qualify as “wholesale clients” only (as the Corporations Act defines this term). It is provided to you as a person to whom an offer of the units would not require a disclosure document under Part 7.9 of the Corporations Act because you are a wholesale client. If you are not a wholesale client, please do not read this Information Memorandum. Please return it immediately to the Manager.

Confidentiality and restrictions on distribution

This Information Memorandum is confidential. You must not copy or circulate it, in whole or in part, to any other person unless they are within your organisation and directly involved in your consideration of the proposed offer.

This Information Memorandum (including any copy of it) may not be distributed, directly or indirectly, outside Australia where it may be unlawful to do so.

No liability

The Manager has prepared this Information Memorandum based on information available to it at the time of preparation and from sources believed to be reliable. The Manager does not make any representation that it has verified the information. No representation or warranty is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this Information Memorandum or any other information the Manager otherwise provides to you.

To the maximum extent permitted by law, the Manager and its officers, employees and advisors are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this Information Memorandum or otherwise in connection with it.

Forward-looking statements

In particular, no representation or warranty is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward looking statements contained in this Information Memorandum. Forecasts, projections and forward-looking statements are by their nature subject to significant uncertainties and contingencies. You should make your own independent assessment of the information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information.

1. Key features of the Fund

Fund name	Rivkin Australian Equity Fund
Trustee	Perpetual
Investment Manager	Rivkin Securities Pty Ltd
Custodian	Perpetual has appointed Mainstream Fund Services Pty Ltd (Mainstream) as the custodian of the assets of Fund. Currently J.P.Morgan Chase Bank N.A. (Sydney Branch) acts as the global sub custodian for Mainstream
Administrator	Mainstream Fund Services Pty Ltd
Fund structure	Unregistered managed investment scheme
Investment philosophy and strategy	<p>Rivkin places a priority on achieving positive absolute returns when managing investments, using a suite of strategies that are likely to achieve results that differ from those of traditional equity market indices, over time.</p> <p>This is done by taking an active approach to investment, on the premise that traditional market-capitalisation-weighted indices--while providing strong returns during periods of sustained investor enthusiasm--do little to protect investors against short-term and systemic negativity.</p> <p>Rivkin typically seeks out those companies that are experiencing price momentum which is likely to continue based on historical price research, or those that are so fundamentally sound that we believe upward price moves are likely to occur or accelerate. Rivkin will also combine defensive elements to insulate investors from short-to-medium term negative shocks, to a greater extent than capitalisation-weighted indices do</p>
Return objective	The investment objective of the Fund is to produce positive average annual returns over time, while seeking to maintain a level of volatility lower than that of the S&P/ASX 200 Accumulation index over the same investment period. Returns are not guaranteed
Investment timeframe	The recommended investment timeframe - and period for assessing performance results - is 3-5 years
Liquidity	Weekly
Risk	An investment in the Fund is seen as a medium risk, long-term investment. Please see the section titled 'Risks'
Gearing	The Fund may at times engage in short selling by borrowing securities from a lender and providing collateral in return. Borrowing will not exceed 30% of net assets on any given trading day. In aggregate, long equity positions may range between 0% and 130% and short equity positions may range between 0% and 30%. Borrowing can magnify both losses and returns.
Who can invest	The Fund is an Australian wholesale (unregistered) managed investment scheme. Generally only investors who qualify as "wholesale clients" (as defined by the Corporations Act) may invest in the Fund. Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices
Fees and costs	<p>Management fee: 1.5% per annum, excluding GST</p> <p>Performance fee: 7.5% of positive performance, with a high watermark, excluding GST</p> <p>Expenses: The Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund, such as Mainstream's or JP Morgan's fees, Perpetual's fees, taxation advice, tax lodgement, auditing, marketing, reporting or any other ordinary expenses that are otherwise allowable. These are all paid for by Rivkin out of its own resources. However, Rivkin reserves the right to recover any abnormal expenses from the Fund.</p> <p>Please see the Fees and costs section for more information</p>

Key features of the Fund (cont.)

Applications	The minimum initial application that will be accepted is \$500,000 (unless otherwise agreed with the Manager) with additional applications subject to a minimum of \$50,000 (unless otherwise agreed with the Manager). Applications received after 11am on the last business day of the week will be processed the following week
Cooling off	There is no cooling-off right for investors. An Application Form cannot be withdrawn once it has been received
Withdrawals	The minimum withdrawal request is \$1,000 subject to the value of your remaining units being \$500,000 or greater. Withdrawals will be processed on a weekly basis, providing the withdrawal request is received before 11am on the last business day of the week
Buy/sell spread	Buy costs are 0.075% of the unit price Sell costs are 0.075% of the unit price
Distribution frequency	While there are no scheduled, regular distributions for the Fund, Perpetual, in consultation with the Manager, has discretion to declare special distributions at any time during the year

2. The investment opportunity

Core investments

The Fund will invest predominantly in exchange listed securities and some listed and/or unlisted managed funds vehicles. Investments in other listed and/or unlisted assets classes, such as fixed interest securities, derivatives, money market instruments and cash and cash equivalents are permissible.

Investment objective

The investment objective of the Fund is to produce positive average annual returns while seeking to maintain a level of volatility lower than that of the S&P/ASX 200 Accumulation index over the same investment period. The minimum recommended investment period is 3-5 years. The Fund does not aim to track the S&P/ASX 200 Accumulation index and can therefore deviate substantially – both positively and negatively – from that index. In this case, the reference universe, being the S&P/ASX 200 Accumulation index, allows the investor to assess the Fund's primary passive competitor, knowing that the Manager will seek to deliver risk-adjusted returns over 3-5 year periods that are superior to that index. Returns are not guaranteed.

Investment strategy

The Fund's portfolio construction is characterised by the Manager's multi-strategy approach, whereby a series of systematic strategies are used in concert, with the aim of producing isolated groups of results that help diversify portfolio returns. That is, each individual strategy must exhibit desirable characteristics, but also complement other strategies in the portfolio by exhibiting returns that have limited correlation to each other.

Being predominantly systematic, strategy development for the Fund begins at an investment team level, from which validation via back-testing occurs. Back-testing involves coding a discrete set of rules which govern the entire investment process, from stock selection, exit criteria, and portfolio concentration. Critical to the back-testing process is data quality and data adjustments (for example survivorship bias, capital changes and dividends), which we manage from our own database of index constituents. More so, strategies are tested for robustness, which involves running Monte Carlo simulations, to test changes to model performance based on variations in parameter levels, portfolio concentration, and prior market data. In short, if model performance degrades based on a small change in parameter levels, the model is deemed to be not robust and will lie dormant and warehoused for future research. Strategies are then presented to the investment team for consideration.

The investment team subsequently constructs a portfolio using several of these strategies to determine the full list of securities held within the portfolio. The rebalancing of each of these strategies takes place periodically such as to optimise the risk-adjusted performance of the full portfolio.

The Fund's strategies can change or be replaced over time as the investment team investigates and implements both improvements and new strategies that improve the risk-adjusted returns of the portfolio. An individual strategy can typically determine up to 50% of the total portfolio's holdings.

The Fund may use short selling with the aim of enhancing returns. Short selling is the practice of selling securities that have been borrowed from a securities lender and selling them in the market for cash leaving the Fund with a "short" position. This is done in the expectation that the Fund can repurchase the securities at a price lower than the initial sale price due to the value of the securities falling and then return the securities to the securities lender. The difference between the initial sale price and the repurchase price (after fees) is the profit and is retained by the Fund.

The short positions are intended to enhance the Fund's ability to add returns and preserve capital. Through its short positions, the Manager seeks to take advantage of underperforming stocks.

In aggregate, long equity positions may range between 0% and 130% and short equity positions may range between 0% and 30%. So, for each \$1 invested in the Fund, the Manager may buy up to \$1.30 worth of securities (long positions) or short sell up to \$0.30 worth of securities (short positions).

The Fund may also use derivatives for the purposes of managing risk and to manage cash or cash equivalents.

The investment limits set out in this document should be viewed as target objectives only and not absolute investment limits. Should they be exceeded for any reason, for example due to market movements or cash flows, the Manager will endeavour to effect such adjustments as is necessary to adhere to the investment limits set out in this document.

Investing in the Fund

Generally, the minimum initial application that will be accepted is \$500,000 (unless otherwise agreed with the Manager) with additional applications subject to a minimum of \$50,000 (unless otherwise agreed with the Manager).

Applications received after 11am will be treated the following business day.

3. People responsible for the Fund

Trustee – Perpetual

The Trust Company (RE Services) Limited is the Trustee of the Fund.

The Trust Company (RE Services) is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827), which is a diversified financial services group providing specialised investment management, wealth advice and corporate fiduciary services to individuals, families, financial advisors and institutions, and which is listed on the Australian Stock Exchange (ticker: PPT).

Perpetual Limited has three core businesses:

- Perpetual Investments – specialised asset management;
- Perpetual Private – personal wealth advisory to high net worth segments; and
- Perpetual Corporate Trust – corporate fiduciary services.

Perpetual Limited's offices are located in Sydney (its principal registered office), Canberra, Melbourne, Brisbane, Adelaide and Perth.

Perpetual is responsible for the operation of the Fund and ensures it operates in accordance with the trust deed for the Fund (constitution) and relevant laws. Perpetual has appointed Rivkin as the investment manager to manage the assets of the Fund.

More information can be found at www.perpetual.com.au.

Manager – Rivkin Securities

The Rivkin brand has existed for four decades in Australia, and in the late 1990s it became very well known within the Australian equity investment research space.

In 2009 the firm became engaged in global multi-asset research and quantitative analysis, and since then has run discrete portfolios for large investors who seek growth and income solutions to solve their investment needs.

After many years of privately managing internal and external investments for wholesale clients, Rivkin is now proud to be positioned as one of Australia's emerging managers, managing over \$100 million for wholesale clients, as at 31 December 2018.

Administrator and Custodian - Mainstream

Mainstream is a specialist fund administrator for the financial services industry. Mainstream has outsourcing experience across a range of services and sectors, with specialist teams in investment administration (fund services), middle office, fund accounting, superannuation administration, share registry and unit registry (transfer agency) services.

Mainstream provides incidental custody services only to the Fund. Mainstream has appointed JP Morgan as the sub custodian to the Fund. JP Morgan holds all of the assets of the Fund.

4. Risks

An investment in the Fund should be seen as a medium risk, long-term investment. Investors should be prepared to invest for at least 3-5 years in order to properly judge the Manager's capability to meet expectations.

All investments are subject to varying risks, and the value of your investment in the Fund can rise and fall over time.

Different types of investments have different risk characteristics, which will affect investment performance negatively and positively. Rivkin does not promise that the ways in which risks are managed will always be successful and, if certain risks materialise, any distributions and the value of your investment could be adversely affected. Some risks can never be practically managed.

Significant risks associated with:

- an investment in the Fund and
- investments by the Fund

are discussed below.

Risks associated with investing in the Fund

TYPE OF RISK	DESCRIPTION OF RISK
Accounting standards	Changes to accounting standards may affect valuation of the Fund's assets, liabilities, income and expenses in a manner which may be adverse to investors
Changes in law and government policy	There is a risk that the government or a governmental agency will repeal, or amend an existing law or regulation, or enact or promulgate a new law or regulation or that the government, a governmental agency or the courts will issue a new interpretation of a law or regulation which may adversely affect the Fund. Without limiting the types of changes in law and government policy that may occur, the tax and/or regulatory status of the Fund may be adversely affected
Taxation	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
Structural	Risks associated with investing in the Fund include: <ul style="list-style-type: none"> it could be terminated the trustee could change, or there could be changes in investment and management teams or key relationships within the Manager, or there could be disputes amongst them someone involved with your investment (even remotely) does not meet their obligations or perform as expected investment decisions, although taken carefully, are not always successful and investing in the Fund may give different results compared to investing directly
Cyber risk	There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of Perpetual, the Manager or other service providers
Key personnel risk	Only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change or they may cease to be associated with the Fund. This may have an adverse impact on the Fund as the performance of the Fund depends on the skills and experience of personnel
Liquidity risk	Access to your money may be delayed (see "Delaying access to your investment"). Overall market liquidity may contribute to the profitability of the Fund and access to your money. Illiquid markets can make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker

Risks associated with the investments made by the Fund (cont.)

TYPE OF RISK	DESCRIPTION OF RISK
Market risk	Economic, technological, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund. The investment management team pays particular attention to systemic risks to portfolio performance, faced at a market level, given such risks cannot be addressed with diversification approaches
Individual investment risk	There is no guarantee that the Fund's asset allocation strategy and individual investment selections will provide positive investment performance at all stages of the investment cycle
Interest rate risk	Changes in interest rates can have a meaningful impact on the performance of securities held within the Fund. Reasons for interest rate changes include changes in inflation, economic activity and Central Bank policies
Small companies risk	Small to mid cap companies (which form part of the Fund's investment universe) may have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of small companies may also be less liquid than those of larger companies
Counterparty risk	<p>Losses can be incurred if a counterparty to a transaction or contract (such as a broker) defaults on their obligations or experiences financial difficulty. The Manager makes appropriate efforts to limit counterparty risk the Fund faces when implementing and holding portfolio positions. For example:</p> <ul style="list-style-type: none"> No more than 10% of net assets of the Fund can be invested in transferable securities or money market instruments issued by the same issuer No more than 20% of the Fund's net assets can be invested in deposits made with the same body No single issuer exposure may represent more than 5% of the total portfolio at the time the initial position is built
Short selling risk	<p>Selling securities short involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Short selling has the effect of leveraging the Fund (discussed below) and carries the risk of magnifying the impact of negative returns and increased margin calls. Additionally, there is a risk that the stock lender may request the return of the stock. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing.</p> <p>Further, when the Fund borrows securities, the securities lender may be entitled to take collateral from the assets of the Fund. This may involve placing margin deposits or equivalent with the securities lender which may or may not be segregated from the securities lender's own assets. Any assets taken by the securities lender (including margin) may be used by the securities lender for its own purposes (including lending those assets to third parties) for the period that the Fund retains the relevant liability. Therefore, there is a risk that if the securities lender becomes insolvent whilst the Fund remains indebted to the securities lender, the assets of the Fund may not be returned in full.</p> <p>The Fund may also use derivatives that are structured in a way that simulates the effect of short-selling, without borrowing securities to short-sell.</p>
Leverage risk	Where investments are leveraged, losses may exceed the original investment. The Fund may utilise the cash generated from a short securities sale to purchase additional securities. The Fund may short sell up to 30% of the value of the Fund and leverage the cash from these short positions to buy long positions. The purchase of the additional securities has the effect of leveraging the Fund and carries the associated risk of magnifying the volatility of investment gains or losses and potentially reduces the security of capital invested. Leveraged investments may significantly underperform equivalent non-leveraged investments when the underlying assets experience negative returns. These risks also give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing.

Risks associated with the investments made by the Fund (cont.)

Derivatives risk	<p>The Manager may use derivatives. The use of derivative positions will involve 'basis risk', which refers to the possibility that derivative positions may not move perfectly in line with the physical security. Fluctuations in the price of derivatives reflect movements in the underlying assets, reference rate or index to which the derivatives relate. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security.</p> <p>Other risks associated with derivatives may include:</p> <ul style="list-style-type: none">• loss of value because of a sudden price move or because of the passage of time• potential illiquidity of the derivative• the Fund being unable to meet payment obligations as they arise• the counterparty to any derivative contract not being able to meet its obligations under the contract and• significant volatility in prices. <p>Derivatives used may be exchange traded or over the counter.</p> <p>Note that neither the Trustee nor the Manager guarantees that the Fund's derivatives strategy, if used, will be successful.</p>
Valuation risk	<p>Valuation risk can exist for a number of types of securities including unlisted securities or indeed any instruments that are not traded on a regular basis. To counter this fact no more than 10% of the Fund's assets may be invested in securities which are not publicly traded</p>
Concentration risk	<p>The Manager may invest a relatively high percentage of the Fund's assets in a limited number of assets, or in assets 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 the investments of a more diversified investment. No single issuer exposure may represent more than 5% of portfolio assets at the time the initial position is built. A framework is in place to size positions according to a number of factors including volatility and to reduce and exit positions at predetermined stop loss points.</p>
Currency risk	<p>The Fund may be exposed to investments that are held in currencies other than Australian dollars which may give rise to foreign currency exposure. While the Fund aims to hedge against the majority of foreign currency risks that arise as a result of investments in non-AUD securities, non-AUD managed funds and capital or interest payments from non-AUD investments, the relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance and the Fund may have less protection under laws outside of Australia.</p>

This list does not purport to be a complete or conclusive examination of the risks in relation to the investments made by the Fund. Potential investors should read this Information Memorandum in its entirety and seek professional advice before deciding to invest. A return of capital is not guaranteed.

Management of risks

Whenever the Fund invests, the Manager carefully assesses the potential for returns in light of the likely risks involved.

The Manager rigorously monitors and seeks to manage, as far as is practicable, risk across the entire investment process. However, many risks are difficult or impractical to manage effectively and some risks are beyond the Manager's control altogether.

You can help manage your own risks too. You can:

- know your investment goals and your risk tolerance
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- diversify your investments (that is, don't invest all your monies in the Fund or in similar funds)
- invest for at least the recommended timeframe (3-5 years)
- keep track of your investment and
- speaking with a financial advisor and make sure the Fund is the right investment for you at the particular time.

5. Fees and costs

Summary

FEE	AMOUNT	CALCULATED AND PAID FROM
Entry fee	Nil	na
Management fees	1.5% per annum, excluding GST	Calculated and accrued weekly and payable monthly in arrears from the assets of the Fund
Performance fees	7.5% of positive returns, subject to a high watermark, excluding GST	Calculated and accrued weekly and payable quarterly in arrears from the assets of the Fund
Ordinary expenses	Nil	The Manager pays for all ordinary expenses out of its own resources
Exit fee	Nil	na

Management fees

Management fees are calculated and accrued on a weekly basis, based on a percentage of the daily closing Net Asset value (NAV). This is paid monthly to the Manager from the Fund's assets.

Performance fees

Performance fees are calculated when the Fund's NAV exceeds its hurdle, being the highest distribution-adjusted historical NAV. The fee is calculated and accrued weekly and paid to the Manager quarterly in arrears from the Fund's assets. If the Fund's NAV is not at its highest distribution-adjusted historical NAV at the time an applicant is allotted units, investors are either compensated or charged using 'equalisation adjustments,' which are achieved by either compensating a unitholder for the portion of the Performance Fee which they should not have been charged, or by charging an additional amount to the unitholder where they had not paid in the full for the actual performance of his or her units.

Expenses

The Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund, such as Mainstream's or JP Morgan's fees, Perpetual's fees, taxation advice, tax lodgement, auditing, marketing, reporting or any other ordinary expenses that are otherwise allowable. These are all paid for by Rivkin out of its own resources.

However, Rivkin reserves the right to recover any abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

The Manager pays its personal costs from its own moneys, including premises, research, wages and director fees, insurance, its own accounting and any audit and licensing.

Changes in fees and costs

All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations. We would generally give you 30 days notice of any increase to fees and expenses.

The constitution for the Fund sets the maximum amount that can be charged for all fees. There is no specific limit in the constitution on the level of expense recovery. A copy of the constitution is available free on request.

Perpetual and Rivkin currently charge fees at less than the maximum amounts allowed for in the Fund's constitution or waives those rights to fee payment and expense recovery. If Perpetual or Rivkin wished to raise management fees above the maximums, Perpetual would need to amend the constitution.

Buy/Sell spread

When you invest or withdraw from the Fund, we deduct transaction costs to cover the costs of buying or selling the Fund's assets (Buy/Sell Spread). The Buy/Sell Spread is an additional cost to investors when investing in or withdrawing from the Fund and is retained by the Fund. Currently, the unit price adjustment is:

- down for the withdrawal price, -0.075% of the unit price, and
- up for the application price, +0.075% of the unit price.

These spreads are retained by the Fund and not paid to Perpetual or Rivkin.

Does anyone else receive fees?

Perpetual and Rivkin can pay some of its fees to others if it chooses and, subject to relevant law, may charge lower fees to some investors. These payments do not impact returns you may receive from the Fund.

Rivkin may pay some or all of its fees to Rivkin Asset Management Pty Ltd (ABN 19 620 174 736), being a related party of Rivkin, for certain services it provides to Rivkin. These payments are paid entirely out of Rivkin's fees and are not an additional cost to the investor.

Any managed funds vehicles in which the Fund invests may charge fees and expenses and the impact of these will be reflected in the Fund's unit price and returns.

Bank and government charges

All government fees, duties and bank charges will apply to your applications and withdrawals as appropriate.

Goods & Services Tax

Quoted fees and other costs do not take into consideration the net effect of GST (that is, GST and any benefit of reduced input tax credits). Fees and costs will be grossed up accordingly at the time of deduction.

6. Investing in the Fund

The Fund is a wholesale fund so you generally need to be a wholesale client as defined by the Corporations Act. To be a wholesale client the general rule is that you need to invest at least \$500,000. If the Manager agrees to an amount of less than \$500,000, then ask your accountant to complete an Accountant's Certificate. An Accountant's Certificate must be less than 24 months old and simply states that the investing entity has a certain minimum income or assets, and in working this out, some aggregation is allowed. There are some other categories: if in doubt, seek advice.

Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.

Getting started

The minimum investment is generally \$500,000 or as agreed with the Manager.

Simply complete the attached Application Form and the identification form which is right for you, and send them to Rivkin as follows:

Rivkin Securities
Po Box 1524
Double Bay NSW 1360
Australia

Or via email to funds@rivkin.co

How to pay

You need to pay for your investment by electronic funds transfer (EFT) from your financial institution account as follows:

Bank	National Australia Bank
BIC/SWIFT code	NATAAU3303M
BSB	082401
Account	891298778
Account Name	MAINSTREAM FUND SERVICES PTY LTD ACF THE TRUST COMPANY (RE SERVICES) RIVKIN AUSTRALIAN EQUITY FUND APPLICATION ACCOUNT

You will receive confirmation when your application is accepted.

All EFT payments must be accompanied by a notification email to funds@rivkin.co in order to ensure that the investor account is properly credited.

Processing days

Any interest on application monies received prior to processing days is credited to the Fund.

The Manager may refuse investment applications and need not provide reasons.

Additional applications

The minimum amount for further investments into the Fund is generally \$50,000 unless otherwise agreed in advance with the Manager.

Use the Additional Investment Form available from Mainstream. Please mail, fax or email this form:

Rivkin Securities
Po Box 1524
Double Bay NSW 1360
Australia

Or via email to funds@rivkin.co

Payment of your additional investment can be by EFT from your financial institution account. All EFT payments must be accompanied by a notification email to funds@rivkin.co in order to ensure that the investor account is properly credited.

You will receive confirmation when your additional application is accepted.

To apply for units in the Fund using electronic means, you must accept full responsibility (to the extent permitted by law) for any loss arising from us acting upon application forms and supporting documents received by email or fax. You agree to release and indemnify Perpetual and its agents (including Mainstream and us) in respect of any liabilities arising from us acting on application forms and supporting documents received by email or fax, even if those documents are ultimately found to not be genuine. You also agree that neither you nor any other person has any claim against Perpetual and its agents (including Mainstream and us) in relation to a payment processed, units issued or other action taken by us if we rely on application forms and supporting documents received by email or fax.

Application price

Mainstream determines the unit price at the end of each week based on the information they have most recently available.

Unit prices are calculated in three steps:

first, the value of the investments of the portfolio is calculated and the value of any liabilities is calculated. Total assets less liabilities is then determined – this gives the net asset value

second, Mainstream divides this by the number of units on issue, and
third, an adjustment is made for the buy spread (currently estimated to be 0.075%).

Cooling off

There are no cooling off rights as this is a wholesale fund. Lodged applications cannot generally be withdrawn.

7. Distributions of income

While there are no scheduled, regular distributions for the Fund, Perpetual, in consultation with the Manager, has discretion to declare special distributions at any time during the year.

Distributions are reinvested automatically unless you request otherwise. Please see the Application Form .

Immediately after a distribution is declared, the unit price of the Fund will usually fall by the amount of the distribution. This is because the distribution reduces the Fund's assets.

Distributions are not pro-rated for investors who were not unitholders for the whole period, meaning that you may receive some of your investment back immediately as income if you invest just before a distribution. Conversely, if you withdraw from the Fund just before a distribution, you might in effect turn income into a capital gain.

8. Accessing your monies

How to withdraw

To withdraw part or all of your investment in the Fund, complete the Redemption Request Form available from Mainstream.

The minimum withdrawal request is \$1,000 subject to the value of your remaining units being \$500,000 or greater, otherwise we may redeem your investment. We may waive these requirements generally, or on a case-by-case basis.

Send your Redemption Request Form by mail, fax or email to Mainstream as follows:

Mainstream Fund Services
Level 1, 51-57 Pitt Street
Sydney NSW 2000
Australia

Once lodged, withdrawal requests cannot generally be withdrawn.

Your withdrawal will be paid by transfer to your nominated account, normally within 10 business days of the request being processed. There can be delays in certain circumstances, as set out below. Perpetual is also permitted under the constitution of the Fund to pay proceeds in kind (i.e. in specie).

Please note, scanned or faxed withdrawal requests are accepted on the following conditions:

- (a) all instructions must be legible
- (b) instructions must bear your investor number and signature and
- (c) withdrawal proceeds will only be transferred to the financial institution account previously nominated on the application form we originally received from you or otherwise notified to us in writing. (Note that to make any account changes, we need an original authorisation signed by the account signatories.)

These terms and conditions are additional to any other requirements for giving withdrawal instructions.

To apply to withdraw units in the Fund using electronic means, you must accept full responsibility (to the extent permitted by law) for any loss arising from us acting upon faxed or scanned instructions which comply with the above conditions and you also agree to release and indemnify Perpetual and its agents (including Mainstream and us) in respect of any liabilities arising from us acting on faxed or scanned instructions even if those instructions are ultimately found to not be genuine. You also agree that neither you nor any other person has any claim against Perpetual and its agents (including Mainstream and us) in relation to units withdrawn, a payment made or action taken by us if we rely on documents purportedly from you received by email or fax in accordance with the above conditions.

Withdrawal price

Mainstream determines the unit price to apply to withdrawals at the end of each week based on the information we have most recently available.

Unit prices are calculated in three steps:

first, the value of the investments of the portfolio is calculated and the value of any liabilities is calculated. Total assets less liabilities is then determined – this gives the net asset value

second, Mainstream divides this by the number of units on issue, and

third, an adjustment is made for the sell spread (currently estimated to be 0.075%).

Deductions

Perpetual may deduct from any money payable to an investor (including on winding up) or otherwise recover from an investor:

any moneys due to Perpetual or the Manager by the investor, and

any money Perpetual (as trustee or in any other capacity) owes someone else relating to the investor (for example, to the tax office).

Delaying access to your investment

Perpetual can delay unit redemption for up to 180 days or such longer or shorter period as is appropriate in all the circumstances for example if:

there is a circumstance outside Perpetual's reasonable control which it considers impacts on its ability to properly or fairly calculate unit price, for so long as the circumstance continues (for example, if the assets are subject to restrictions or if there is material market uncertainty)

Perpetual has determined to honour redemption requests in relation to a particular processing day and the total redemption moneys which would be payable at that time represent more than 5% of the value of the net assets of the Fund (and in this case Perpetual can redeem the units at such future time, or at times over such period, as Perpetual determines, and payments to each investor must be in the proportion that their redemption moneys bear to all other redemption moneys which were payable at that time) and

such other circumstance as Perpetual determines to be appropriate having regard to the best interests of investors as a whole.

Unit prices are generally calculated at the time the delay ends.

The constitution for the Fund sets out the wide range of circumstances in which Perpetual can delay withdrawal of your money. A copy of the constitution is available free of charge on request.

Compulsory redemptions

Perpetual may redeem units without an investor asking in limited circumstances, including:

if you have breached your obligations to Perpetual

to satisfy any amount of money due to Perpetual (as trustee or in any other capacity) by you

to satisfy any amount of money Perpetual (as trustee or in any other capacity) owes someone else relating to your investment (for example, to the tax office)

where Perpetual suspects that law prohibits you from legally being an investor in the Fund or

such other circumstance as Perpetual determines to be appropriate in its absolute discretion.

The constitution sets out other circumstances where compulsory redemption may apply. A copy of the constitution is available free of charge on request.

9. Reporting

Regular reports

You will receive the following regular reports:

transaction statements (each time you invest or your monies are withdrawn)

distribution / income statements (each time the Fund makes a distribution)

quarterly reports (with updates on the Fund's performance and investments) and

tax return information (as soon as practicable after the end of the financial year).

We usually communicate with you by email (but paper copies of documents sent to you by email are available on request).

For more information on unit prices and Fund performance, visit www.rivkin.com.au or contact the Manager directly.

Privacy

Both Perpetual and Rivkin collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our respective privacy policies, which include details about the following matters:

- the kinds of personal information we collect and hold

- how we collect and hold personal information

- the purposes for which we collect, hold, use and disclose personal information

- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)

- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint

- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Perpetual's privacy policy is publicly available at www.perpetual.com.au or you can obtain a copy free of charge by contacting Perpetual.

Rivkin's privacy policy is publicly available at www.rivkin.com.au or you can obtain a copy free of charge by contacting us.

AML

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Perpetual (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, Perpetual is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so and

- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Perpetual and Mainstream as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements and

- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund.

The Entities may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

FATCA

US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report details of all US persons and suspected US persons in the Fund to the US tax authorities, to prevent a 30% FATCA withholding tax on certain income and proceeds of the Fund. We may therefore request that you provide certain information in order to comply with the requirements.

Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. In order for Perpetual to comply with its obligations, you will be asked to provide certain information and certifications. Perpetual will determine whether the Fund is required to report your details to the ATO based on their assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Information from you

You must provide Perpetual in a timely way all information that it reasonably requests or which you suspect that it should know to perform its functions (for example, regarding your identity or the source or use of invested moneys – if you do not, Perpetual may refuse to issue units to you and/or redeem your investment).

10. Tax

This section is not tax advice. You should seek professional tax advice in relation to your own position.

Generally

You may need to pay tax in relation to your investment in the Fund, generally income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability depends on your circumstances and it is recommended that you seek professional advice before you invest or deal with your investment.

Perpetual will send you all the information you need each year to complete your tax return.

Tax on distributions

You may have a tax liability when you receive distributions from the Fund. The amount depends on what makes up the distributions, and on your personal financial circumstances. Distributions could comprise:

- income (for example, dividends and interest)
- net capital gains (from the realisation of portfolio investments)
- tax credits (for example, franking credits attached to dividend income and credits for tax paid on foreign income and
- tax deferred income.

Tax when you withdraw

You may have a tax liability when you exit from the Fund.

Australian residents are generally subject to capital gains tax on gains when they withdraw any money for themselves or to invest in another fund or transfer units to someone.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

ABN and TFN

If you are making this investment in the course of a business or enterprise carried on by you, you may quote an Australian Business Number (ABN) instead of a Tax File Number (TFN). It is not mandatory to quote your TFN, however, failure to quote an ABN or TFN or claim an exemption may cause Perpetual, as trustee, to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to you.

You may be able to claim a credit in your tax return for any TFN/ABN tax withheld.

By quoting your TFN or ABN, you authorise Perpetual to apply it in respect of all your investments with the Fund.

AMIT

On 5 May 2016, the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 received Royal Assent, introducing into taxation law the new Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

Perpetual as the trustee of the Fund has made the irrevocable election for the Fund to operate as an AMIT.

The AMIT rules contain a number of provisions that will impact on the taxation treatment of the Fund. The key features of the new tax system will include:

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

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

Offshore investors

If you are not an Australian resident for tax purposes, please state in the Application Form your country of residence for tax purposes. If you are not an Australian resident, tax will be withheld from distributions of Australian sourced income at the prescribed rates. You may be subject to the tax laws in the country in which you are tax resident and should consult a taxation adviser before investing.

11. Additional information

Wholesale

The Fund is an Australian resident open-ended unit trust and is not required to be, nor is it, registered under the Corporations Act. An investment in the Fund is generally only available to wholesale clients as defined by the Corporations Act.

The constitution

Perpetual's legal relationship with you is governed by the Fund's constitution together with this Information Memorandum and certain financial services laws. Some provisions are discussed elsewhere in this Information Memorandum, and others include:

- the nature of units of the Fund (units can be divided into Classes and may have different rights associated with them)
- Perpetual's powers and how and when they can be exercised
- when and how Perpetual can retire or be removed
- when the Fund terminates (if it does the relevant investors share the net proceeds on a pro-rata basis, adjusted for any liabilities)
- changing the constitution (how and when this can occur)
- calling investor meetings and
- Perpetual's rights to be indemnified or reimbursed out of the assets of the Fund.

The investments of the Fund can be combined with other assets.

Perpetual will send you a copy of the constitution free of charge if you ask.

Transferring your units

You can transfer your units and Perpetual can refuse to register transfers and need not give reasons. Contact Mainstream for the required form.

Terminating the Fund

Perpetual can, in consultation with us, decide to terminate the Fund anytime.

After termination, Perpetual will wind up the Fund: generally Perpetual will realise all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as appropriate as soon as it considers practicable.

Perpetual can distribute assets rather than cash to some investors and not to others. Perpetual would first deduct any moneys an investor owes. It can take some time to finalise this process.

Limits on your responsibility

The constitution limits your liability to any unpaid part of the issue price of your units and that you need not indemnify Perpetual if there are not enough assets to meet the claim of any creditor of Perpetual's.

In the absence of separate agreement with an investor, Perpetual's recourse and any creditor is limited to the Fund assets.

However, Perpetual cannot give you an absolute assurance about these things – the issue has not been finally determined by Australian courts.

Consents

Perpetual, Mainstream and JP Morgan have each given, and as at the date of this Information Memorandum have not withdrawn, their respective consent to inclusion in the Information Memorandum of the statements concerning them in the form and context in which they are included.

Other matters

The Information Memorandum (as updated, supplemented or replaced from time to time) is the one which governs your investment, together with the constitution.

If Rivkin issues a new Information Memorandum, a copy will be made available to you. You should read it carefully. Copies are always available from the Manager.

The offer made in this Information Memorandum is available only to persons who may legally receive this Information Memorandum (electronically or otherwise). If you received this Information Memorandum electronically, we will provide a paper copy free of charge upon request during the life of this Information Memorandum.

The Fund is not currently registered with the Australia Securities and Investment Commission (ASIC), but may be at some future point in time. By investing in the Fund, you consent to the Fund being registered at some future point should Perpetual consider it appropriate. You also consent to registration taking place without Perpetual holding a meeting of investors to amend the constitution to make it suitable to be registered and to approve the application for registration.

Unless otherwise stated, quoted fees and other costs do not take into consideration the net effect of GST (that is, GST and any benefit of reduced input tax credits). Fees and costs will be grossed up accordingly at the time of deduction..

The ASIC takes no responsibility for the contents of this Information Memorandum.

12. How to Invest

Complete the Application Form

To invest in the Fund you will need to complete and sign the accompanying Application Form and provide all supporting identification documentation and applicable certificates.

How do you qualify as a wholesale client?

If you are applying for A\$500,000 or more you'll be automatically deemed wholesale client and no additional documentation is required.

If you are investing less than A\$500,000, the easiest way to establish that you are a wholesale client is to arrange for your accountant to provide an Accountant's Certificate that is no more than 24 Months old certifying that:

- the investor themselves has the Required Net Assets or the Required Gross Income OR
- together with any trusts or companies the Investor controls, the investor has the Required Net Assets or the Required Gross Income OR
- the investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.

Required Net Assets means net assets of at least A\$2,500,000

Required Gross Income means for each of the last two financial years, at least A\$250,000 a year.

There are other ways that you can qualify as a wholesale client, including:

based on your investing experience (the 'professional investor' exemption) – Rivkin can provide you with an Adviser's Certificate that you can arrange to be completed to attest to this – contact Mainstream for a copy

you hold an Australian financial services licence or

provide a statutory declaration that you meet any of the other categories of wholesale client. These include that you:

- are a person regulated by the Australian Prudential regulation Authority (other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme)
- are a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth) with net assets of at least A\$10 million
- control at least A\$10 million for the purposes of investment in securities (including any amount held by an associate or under a trust that the investing entity manages)
- are a manufacturer and employ 100 or more people
- the investing entity is not a manufacturer but employs 20 or more people or
- are a listed entity, or a related body corporate of a listed entity.

Please contact Mainstream if you need assistance in providing the appropriate documentation to certify that you are a wholesale client.

Regular information

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully and contact Mainstream if you have any questions.

Additional investment

The minimum amount for further investments is generally \$50,000, unless agreed otherwise with the Manager.

To invest more, use the Additional Investment Form available from Mainstream.

Originals and emails, are accepted for additional investments.

Payment of your additional investment can be by EFT from your financial institution account.. All EFT payments must be accompanied by a notification email to funds@rivkin.co in order to ensure that the investor account is properly credited.

You will receive confirmation when your additional application is accepted.

Remember, to apply for units in the Fund using electronic means, you must accept full responsibility (to the extent permitted by law) for any loss arising from us acting upon application forms and supporting documents received by email or fax. You agree to release and indemnify Perpetual and its agents (including Mainstream and us) in respect of any liabilities arising from us acting on application forms and supporting documents received by email or fax, even if those documents are ultimately found to not be genuine. You also agree that neither you nor any other person has any claim against Perpetual and its agents (including Mainstream and us) in relation to a payment processed, units issued or other action taken by us if we rely on application forms and supporting documents received by email or fax.

If you have any questions

If you have any questions about any matter relating to the Fund, please telephone Rivkin (for investment related matters) or Mainstream (for administration related matters). Refer to the Contacts page at the end of this Information Memorandum.

13. Contacts

Trustee The Trust Company (RE Services) Limited

ABN 45 003 278 831, AFSL No. 235150
P: (02) 9229 9000
Level 18, Angel Place, 123 Pitt Street
Sydney NSW 2000
www.perpetual.com.au

Investment manager Rivkin Securities Pty Limited

ABN 87 123 290 602, AFSL No. 332 802
P: +612 8302 3600
E: funds@rivkin.co
Po Box 1524
Double Bay NSW 1360
Australia
www.rivkin.com.au

Administrator Mainstream Fund Services Pty Limited

ABN 81 118 902 891, AFSL No. 303253
P: 1300 133 451
E: admin@mainstreamgroup.com
Level 1, 51-57 Pitt Street
Sydney NSW 2000
Australia
www.mainstreamgroup.com