

AVIOR CONSULTING CREDIT FUND

Information Memorandum

14 September 2022

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Dear Investor

Thank you for considering an investment in the Avior Consulting Credit Fund (**Credit Fund**) through the attached Information Memorandum, which sets out the offer of units in the Credit Fund to qualified investors. Avior Asset Management Pty Ltd is the trustee, and Avior Funds Management Pty Ltd is the Manager for the Credit Fund.

We have been operating in the Australian middle market for corporate restructuring for over 20 years and in that time we have become specialists in complex restructuring for mid-market companies. During that period we observed numerous credit opportunities involving SME enterprises. Those opportunities had the potential of offering above average returns, because of perceived risk by the normal market. Our view was that, in many instances, the perceived risk could actually be reduced. These observations led to us establishing the Avior Consulting Opportunities Fund (**Opportunities Fund**) and its success has exceeded all expectations with an annualised return to investors of 37% in its first financial year.

In achieving this result, the Opportunities Fund has now been deployed and, wishing to continue accessing credit opportunities offered to us, we are establishing the Credit Fund. The Credit Fund will have the same investment objectives as the Opportunities Fund and will invest in new opportunities either by itself or in syndicate with other investors. The Credit Fund may also acquire performing loans from the Opportunities Fund.

Australia's large financial institutions specialise in standardised products that are not appropriate for distressed assets and the specialist credit teams that may have the ability to assess more complex transactions are restricted for institutional borrowers. Large hedge funds have specific restructuring funds for special situations, however, their mandate only allows them to consider transactions above a certain threshold and generally transactions below \$15m are not considered. The result is that excellent credit opportunities are lost. The Credit Fund will offer a solution to this.

The volume of mid-market restructuring is increasing rapidly as our economy shifts in response to global influences and the reality that most mid-market businesses face is that their traditional financiers are not equipped to provide finance in these conditions. Significant market opportunities for financing high quality businesses with good security and cashflow will arise for private financiers that are capable of understanding complex financial positions and restructuring plans.

Our target return for the Credit Fund is 15% per annum with a disproportionately low risk rating. We will make quarterly distributions to investors and we anticipate that this investment opportunity will suit sophisticated investors seeking a premium income stream.

We look forward to welcoming you into the Credit Fund.

Yours sincerely



Dermott McVeigh
Director



Kelly Meyn
Director

Avior Asset Management Pty Ltd and Avior Funds Management Pty Ltd

IMPORTANT INFORMATION

This Information Memorandum (**Memorandum**), dated 14 September 2022, is an important legal document and should be read in its entirety. The offer of Units under this Memorandum is by Avior Asset Management Pty Ltd (ACN 653 778 431) (**Trustee**) which is responsible for the issue of this Memorandum and the statements made in it. The Trustee does not hold an Australian financial services license. The Trustee has appointed Sharex Pty Ltd (**Arranger**) which holds AFSL number 519872 to arrange the issue of Units in the Trust to applicants within Australia. As a result of entering into the arrangements with the Arranger, the Trustee is exempt from holding its own AFSL. The Trustee is not licensed to provide financial product advice and is relying on the general advice exemption under Regulation 7.1.33H of the Corporations Regulations. The Arranger has not provided its opinion or input into the IM, other than in relation to information regarding its own business structure. The Arranger does not monitor the Manager or get involved with the activities of the Credit Fund. The Trustee has agreed to indemnify the Arranger in relation to any claim or liability arising out of or in connection with this Memorandum and the offer contained within.

This Memorandum is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act. This Memorandum invites you to acquire units (**Units**) in the Credit Fund. The Credit Fund will be legally structured as a wholesale unit trust domiciled in Australia.

Unless otherwise indicated, all fees quoted in this Memorandum are in Australian dollars and are exclusive of any GST and any input tax credit.

This Memorandum is being provided to a limited number of prospective investors and does not constitute a general offer to the public. It is only open to wholesale clients as defined in section 761G of the Corporations Act in Australia and in New Zealand to wholesale clients as defined in section 5C of the Financial Advisers Act 2008 (NZ) (**Eligible Persons**). The Credit Fund is intended for sophisticated investors that understand and are aware of the risks associated with an investment in a collective investment vehicle, such as the Credit Fund. Units in the Credit Fund are only available on the basis of the information contained in this Memorandum and in the documents referred to in this Memorandum. Prospective investors should not rely on information from any source other than this Memorandum.

This Memorandum is provided on the basis that each prospective investor will make their own assessment of the Credit Fund independently and without reliance on the Arranger, the Trustee or the Manager or any of their respective affiliates, agents and advisors (**Relevant Persons**). In particular, prospective investors should conduct their own independent enquiry, investigation and analysis of the Credit Fund and the investment opportunity as described in this Memorandum and make their own independent decision about the Credit Fund prior to submitting an application to invest in the Credit Fund.

This Memorandum has been prepared without taking into account the objectives, financial situation or needs of any prospective investors. The information in this Memorandum (including all financial data), which does not purport to be comprehensive, has been completed by the Arranger using the information provided to the Arranger by the Trustee and the Manager, and has not been independently verified by the Arranger.

Prospective investors should not construe the contents of this Memorandum as legal or investment advice. Accordingly, the acquisition of Units in the Credit Fund by any person shall be solely at the risk of that person. A prospective investor should consider their own objectives, financial situations and needs. An investment in the Credit Fund is subject to known and unknown risks, many of which are beyond the control of the Relevant Persons, including factors and risks specific to the industry in which the Credit Fund will operate as well as general economic conditions, prevailing exchange rates and interests rates and conditions in the financial markets. The Relevant Persons do not guarantee any particular rate of return or the performance of the Credit Fund, nor do they guarantee any particular tax treatment. Investors should have regard to the risks outlined in this Memorandum when making their investment decision.

This Memorandum is provided to prospective investors on a confidential basis. By accepting this Memorandum, each prospective investor agrees that neither it nor any of its affiliates, nor any of its or their respective officers, employees, advisors or agents will use the information contained in this Memorandum or any other information or material provided by the Relevant Persons for any purpose other than for evaluating a potential investment in the Credit Fund nor will it or any of them divulge any such information to any other person. This Memorandum must not be photocopied, reproduced or distributed to others without the prior written consent of the Arranger. If a prospective investor determines not to acquire an interest in the Credit Fund, it must promptly return to the Arranger or destroy, without retaining any copies, this Memorandum and all other information or material supplied by a Relevant Person.

The statements contained in this Memorandum that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which the Credit Fund operates or will operate, as the case may be. Words such as “expects”, “anticipates”, “should”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “projects” and any variations of those words or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Actual outcomes and results may differ materially from, and be significantly less favourable than, what is expressed or forecast in forward-looking statements. No representations, warranties or other assurances are made as to the accuracy, completeness or reasonableness of any forward-looking statements, which should not be relied upon as indicative of, or as a guarantee of, any future value or future result.

Except as set out in the trust deed of the Credit Fund (**Trust Deed**), Units are illiquid and the Trustee is not required to redeem or buy-back the Units other than as described in this Memorandum. As with any other investment, the value of Units can go down as well as up. Past performance is not indicative of future returns.

The views expressed in this Memorandum, which are subject to change, are solely the views of the Trustee and the Manager and not the Arranger. These views may not necessarily reflect the views of any other Avior Consulting entity. While reasonable care has been taken preparing this Memorandum, and all information provided in this Memorandum has been provided in good faith and has been obtained or derived from sources believed to be reliable, none of the Relevant Persons makes or gives any representation, warranty or guarantee, whether expressed or implied, that the information contained in this Memorandum has been audited or independently verified, or is complete, accurate or reliable, or accepts any responsibility arising in any way (including by reason of negligence) for errors or omissions. All representations, warranties and guarantees in relation to the information contained in this Memorandum are expressly excluded to the maximum extent permitted by the law.

This Memorandum is subject to change. Any investment in the Credit Fund will be solely on the basis of the final version of this Memorandum and the Trust Deed and other legal agreements in respect of the Credit Fund. The validity of applications for Units based on earlier versions of this Memorandum and the Trust Deed and other legal agreements in respect of the Credit Fund will only be affected, if in the reasonable opinion of the Trustee, the change to these documents is materially adverse from the point of view of Unitholders.

The distribution of this Memorandum and the offer of Units in the Credit Fund in certain jurisdictions may be restricted by law. Recipients of this Memorandum (and any other person into whose possession this Memorandum comes) must inform themselves about and observe any such restrictions. This Memorandum does not constitute and may not be used for or in conjunction with an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

NOTICE TO RESIDENTS OF THE UNITED STATES

The Units being offered under this Memorandum may not be offered or sold in the United States of America (**US**) or to or for the account of or benefit of US persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). Accordingly, neither this Memorandum nor the Application Form may be sent to persons in the US or otherwise distributed in the US.

The offer of Units under this Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, directly or indirectly, any securities in the underlying assets that may be acquired by the Credit Fund.

This Memorandum and the Trust Deed supersede and replace any earlier information provided by the Relevant Persons in respect of the Credit Fund.

KEY DATES

Offer Period	14 September to 25 October 2022
Allocation of Units in the Trust	31 October 2022

1: The dates above are indicative only and may change. The Trustee reserves the right to amend or vary any or all of the dates including closing the Offer early, extending the date the Offer closes, accepting late applications or to withdraw the Offer.

FUND OVERVIEW

Annual distributions with strong risk adjusted returns over the term of the investment from a diversified portfolio of private credit exposures that take advantage of restructuring opportunities.

Target annual return – 15%

Avior Consulting Pty Ltd (ACN 155 043 191) (**Avior Consulting**) has established the Avior Consulting Credit Fund (**Credit Fund**) and appointed Avior Funds Management Pty Ltd, (ACN 653 778 520) (**Manager**) as investment manager of the Credit Fund. The Trustee has appointed Sharex Pty Ltd (ACN 631 150 804) (**Arranger**) which holds AFSL number 519872 to arrange the issue of Units in the Trust to applicants. The Arranger has appointed Avior Asset Management Pty Ltd (ACN 653 778 431) (**Trustee**) as its intermediary.

The Credit Fund provides its investors (**Investors**) with exposure to the Australian private debt and restructuring market, a market which has been dominated by traditional banks and the domain of institutional investors and is not easily accessible by wholesale individual investors.

The Credit Fund's investment objective (**Investment Objective**) is to provide annual income distributions, strong risk-adjusted total return with lower risk of capital loss by creating an actively managed and diversified portfolio of partially secured loans to mid-market corporates and small and medium enterprises (**SME**).

The Credit Fund's target return for Investors is 15% per annum (net of fees) with distributions made to Investors quarterly.

Key Term	Description	Reference
Offer	Up to 15,000,000 Units of \$1.00 each to raise a total of up to \$15,000,000. There is no minimum total subscription amount.	Page 22
Structure	Australian wholesale unit trust	Pages 3, 23
Target Total Return	15% p.a. (net of fees)	Page 7
Target fund term	7 years	Page 22
Target Distribution	Quarterly	Page 23
Eligibility	Wholesale investors	Page 22
Minimum Investment	\$50,000	Page 22
Key Dates	Opening Date: 14 September 2022 Closing Date: 25 October 2022	Page 6
Part Payment Structure	50% of investment due upon subscription. Further amounts due when called upon	Page 22
Management Fee	1.50% p.a. of the Invested Capital of the Credit Fund payable monthly	Page 23
Trustee Fee	\$36,000 p.a. payable monthly	Page 23
Performance Fee	20% of distributions over the Return Hurdle calculated and payable quarterly.	Page 23
Return Hurdle	Average 90-day bank accepted bill rate over the period plus 1%.	Page 23
Alignment of Interest with Investors	Avior Consulting intends to invest up to \$250,000 in the capital raising.	Page 9

FUND HIGHLIGHTS



Access to a performing portfolio of secured corporate loans

Offers individual Investors direct access to private credit opportunities and special situations traditionally accessible primarily by institutional investors.



Premium regular return

Target Return of 15% p.a. (net of fees) with quarterly distributions.



Stable earnings with significant upside from special situations

Designed to deliver stable annual earnings with exposure across credit market segments, borrowers, industries and origination channels and enhanced by capital appreciation available from special situations and restructuring opportunities. Lower risk of capital loss created by the defensive nature of Senior Secured credit investments.

Exposure to the upside available in restructuring transactions identified and managed by an experienced team of insolvency professionals.



Investor alignment

Underpinned by a co-investment in the Credit Fund by Avior Consulting, up to \$250,000.



ABOUT AVIOR CONSULTING AND THE MANAGER

Avior Consulting

Avior Consulting is a boutique financial advisory firm helping companies achieve their financial goals in difficult circumstances. Avior Consulting consists of three service lines:

Corporate Advisory

Avior Consulting's Corporate Advisory division provides strategic and tactical restructuring advice for companies in financial distress. We are one of the leading restructuring advisory providers in Australia and are regularly engaged on large scale restructuring assignments across the country to provide advisory support for complex restructuring transactions.

Significant Credit & Restructuring Capabilities

We are trusted by some of Australia's largest financial institutions to manage their exposures to distressed credit files and to guide boards of directors to optimal restructuring solutions. Our team of corporate insolvency professionals have managed dozens of insolvent companies through all varieties of Australian restructuring processes.

The team responsible for overseeing and managing our credit platform has significant experience in the assessment and management of distressed assets. They are supported by the breadth of capabilities of the broader Avior Consulting group.

Our credit team lends against assets that they fully understand from both credit and equity perspectives. We are specialists in assessing risk of new lends to companies in distress. Our credit market experience ensures a robust documentation process with each transaction having a senior security parameter, including perfected security interest.

Avior Capital Partners

Avior Consulting's Asset Management division manages investment for wholesale investors in a range of bespoke transactions and through established funds.

Avior Consulting is a principal investor in all of the funds managed by its asset management division, on the same terms as other investors ensuring strong partnerships and aligned objectives with its growing base of wholesale investors.

Our distribution from the Opportunities Fund resulted in an investment return of 13.9%¹ for the period ended 30 June 2022, annualised to 37.1%.

¹ Based on the average balance of funds called from investors during the period ended 30 June 2022.

Capabilities of the Manager

The team responsible for investing and overseeing the Credit Fund have significant experience across the entire credit spectrum.

Dermott McVeigh, Managing Partner, Director of the Trustee and Manager



Dermott is the founder and Managing Partner of Avior Consulting. Dermott began his career as an auditor in the UK and emigrated to Australia in 2002 where he specialised in corporate finance and restructuring. In 2009, Dermott became one of the youngest Deloitte partners in Australia and played an instrumental role in growing Deloitte's Perth practice with the major Australian banks and the mining services sector. After 3 years of partnership with Deloitte, he established Avior Consulting to provide a more flexible service to middle market companies in commercially sensitive and challenging situations.

In recent years, Dermott has conducted dozens of corporate restructures in a variety of capacities and is regularly asked to take senior management roles in companies that are facing challenging circumstances. In addition to providing expert opinions on a range of investigative issues to the Supreme Court, Dermott is also an Officer of the Court and is regularly appointed as liquidator by both the Supreme and Federal Courts to conduct extensive investigations into corporate collapses.

Professional and academic qualifications:

- BA (hons) Accounting, University of Ulster, Northern Ireland;
- Fellow of the Institute of Chartered Accountants in Ireland;
- Member of the Institute of Chartered Accountants in Australia & New Zealand;
- Registered Liquidator in Australia;
- Registered Liquidator in New Zealand.

Kelly Meyn, Partner, Director of the Trustee and Manager



Kelly's background includes raising debt and equity funding, senior financial roles of SMEs that successfully restructured to survive and most recently Avior's Head of Restructuring and Insolvency where he regularly assesses assets of companies in challenging financial circumstances. As a result, Kelly's experience extends from detailed due diligence, investment pricing and credit analysis to management of distressed assets and developing asset protection and recovery strategies. He is accustomed to dealing with secured creditors in going concern and distressed situations, with the objective being to give lenders full and frank disclosure regarding their position, the plan to ensure that position remains protected and timely updates regarding the status of the lend and repayment.

Professional and academic qualifications:

- Bachelor of Commerce, University of Alberta;
- Member of the Institute of Chartered Accountants in Canada;
- Member of CPA Australia;
- Member of the Australian Restructuring Insolvency and Turnaround Association (formerly IPAA);
- Registered Liquidator in Australia.

John Farrell, Industry Consultant



John consults to Avior on industry specific issues and assists with operational management for insolvency assignments that include an element of trade-on. John has a diverse background in property development, construction and engineering that has led to many senior management positions in ASX-listed entities and non-executive director roles, including:

- Viento Limited – Non-Executive Director;
- JW Marine Limited – Managing Director;
- VDM Limited – Managing Director.

Eve King, Senior Manager



Eve is primarily responsible for investigating new opportunities including security analysis, cash flow modelling and progressing funding submissions to Partner level consideration. Eve has considerable experience in credit analysis and financial modelling.

Professional and academic qualifications:

- Fellow Chartered Certified Accountant;
- Australian Restructuring Insolvency and Turnaround Association;
- Degree in Management and Marketing;
- Certified Fraud Examiner.

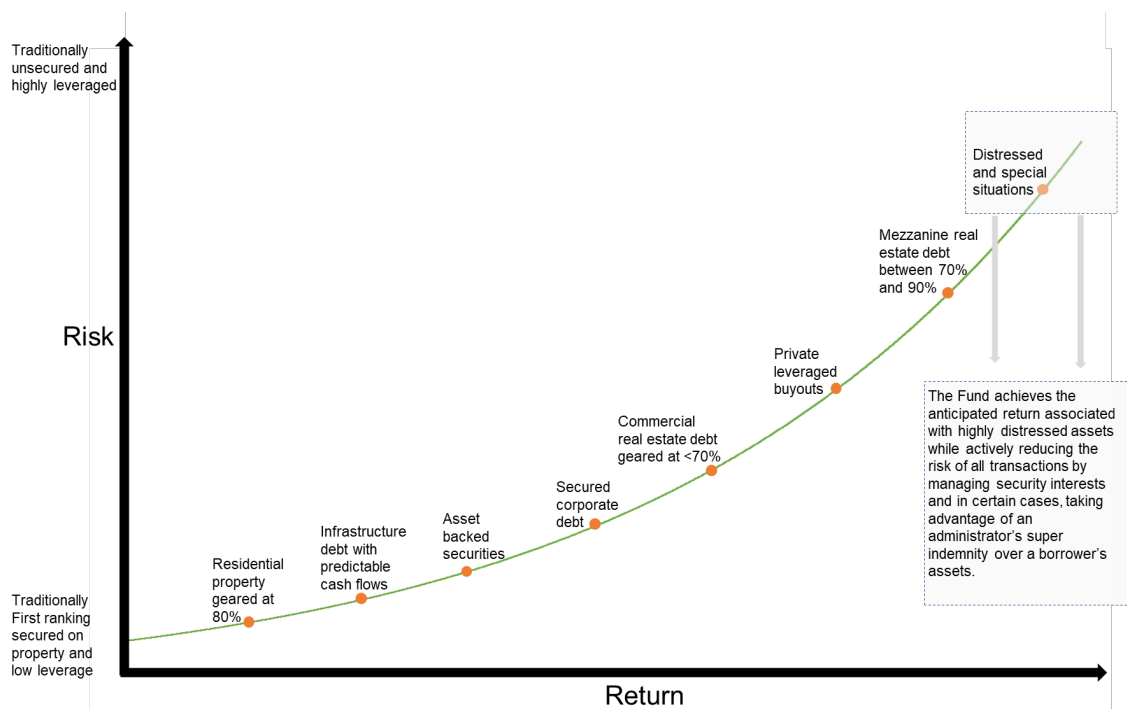
The Australian Corporate Debt Spectrum

Australian corporate debt has experienced a significant increase in the amount of private debt capital available to borrowers; however, the landscape is still dominated by the first and second tier Australian banks. This is especially the case for SME and mid-market borrowers who do not have the accounting and finance sophistication to access private debt markets.

When various forms of financial distress manifest, debt stacks in excess of \$25m are naturally targeted by the major international hedge funds and ultimately restructuring solutions are based on private equity finance that is capable of calculating distressed credit risk and considers aggressive equity play transactions. This is not the case for smaller debt stacks and restructuring plans frequently fail because finance options are limited to standard bank products that cannot begin to accommodate complex restructuring transactions.

Where private equity finance is suitable to fund restructuring or special situations, the debt pricing is typically based on a takeover of the available equity, sometimes after compromising other debt classes. It is therefore typically the most expensive corporate debt available and remains an uncompetitive market due to the level of specialised insolvency and restructuring finance capability that is necessary for due diligence and deal structuring.

Debt Spectrum and the Credit Fund's Target Portfolio



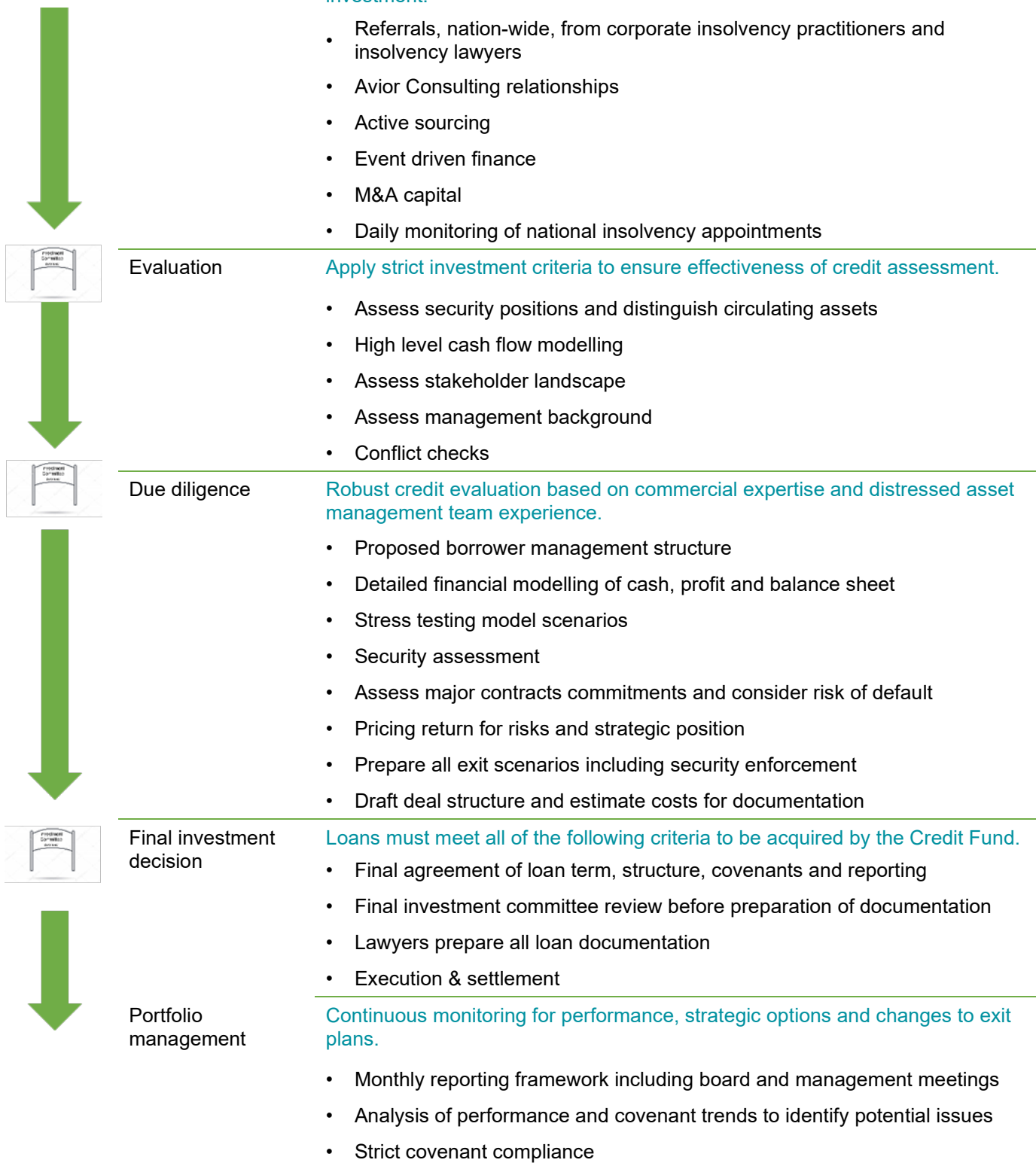
Investment Strategy and Portfolio Construction

The Credit Fund's investment strategy (**Investment Strategy**) is to create a credit investment portfolio with exposure to mid- market corporates and SMEs diversified across credit market segments, borrowers, industries and origination channels.

The Credit Fund will manage risk through detailed initial and ongoing due diligence, portfolio construction and risk management. The table below provides a summary of the Credit Fund's investment guidelines.

Primary investments	<ul style="list-style-type: none"> • Restructuring finance • Asset-backed finance • Trade on funding for voluntary administrations • Distressed debt acquisition • Event driven finance • M&A capital • Bridging finance
Investment characteristic	<ul style="list-style-type: none"> • Senior financing (subject to sufficient portfolio diversification) • Secured or administrator's lien positions only • Rated or unrated by a credit rating agency (S&P shadow rating) • Cash, payment-in-kind (PIK) interest • Tenor 1-3 years, unless otherwise agreed by the Manager • Strong asset backing and or recurring, stable cash flows.
Location	Investments will be primarily connected to or have their principal business located in Australia.
Maximum exposures	Borrowers: Credit to a variety of public and private companies, and no more than 45% of the Credit Fund assets will be invested in a single borrower group, post the Ramp Up Phase.
Asset duration	The Credit Fund will invest in credit positions with a maximum term of 3 years, unless otherwise determined by the Manager. Loans are reviewed to ensure clear exits at the end of the term. The Manager endeavours to diversify the portfolio by term to maturity and targets a weighted portfolio loan term of 2 years.

Loan Assessment Process



Pipeline of opportunities

First ranking secured loan to ASX listed mining services company:

Loan value	\$1,200,000
Estimated LVR	65%
Age of loan	6 months
Remaining term	18 months
Interest rate	15% p.a plus completion fee of 10%
Security	All assets
Covenant compliance	All up to date

Secured bank guarantee facility to proprietors of recently restructured mining services company:

Facility value	\$400,000
Estimated LVR	65%
Age of loan	3 months
Remaining term	6 months
Interest rate	18% p.a
Security	All assets
Covenant compliance	All up to date

Secured loan to ASX listed mining company:

Loan value	\$1,500,000
Estimated LVR	Ranges from 25% to 75% during production cycle
Age of loan	24 months
Remaining term	22 months
Interest rate	15% p.a plus completion fee of 10%
Security	Stockpile of magnetite iron ore and General Security Agreement
Covenant compliance	All up to date

First ranking secured loan to commercial electrical services company:

Loan value:	\$300,000
Estimated LVR:	60%
Loan term:	12 months
Interest rate:	26.4% p.a. plus 12.5% administration fee
Security:	All assets plus director personal guarantees

Key Terms of the Credit Fund

The offer

This Memorandum provides Investors with an opportunity to acquire up to a total of 15,000,000 Units of \$1.00 each, partly paid to \$0.50 per Unit to raise a total of up to \$15,000,000. Investors who are successful under the Offer will receive Units in the Credit Fund through the issue of new Units. The application form includes details of information you may be required to provide to confirm your wholesale investor status. The minimum investment amount is A\$50,000. The Trustee may, in its absolute discretion, accept lower investment amounts from Investors.

The Offer is open to Eligible Persons only. Any new Investors accepted by the Manager will acquire Units at the valuation determined by the Manager. The timetable for the Offer is included in the Key Dates section of this Memorandum.

Manager

The Trustee has appointed the Manager of the Credit Fund pursuant to an Investment Management Agreement (**Fund IMA**). The Manager is a wholly owned subsidiary of Avior Consulting Pty Ltd. Under the terms of the Fund IMA, the Manager is responsible for investing and managing the assets of the Credit Fund.

Investment term

The Trustee intends to maintain operation of the Credit Fund for at least 7 years (**Initial Term**) and so long as it believes the Credit Fund can meet the Target Total Return and Investors remain committed to investing in the Credit Fund.

The Manager will continue to invest the capital of the Credit Fund in loan investments in accordance with the Investment Objective and Investment Strategy. At the maturity of each loan investment, the Manager will consider the amount (if any) of redemption requests by Investors.

After the Initial Term, the Trustee will commence an orderly wind up of the Credit Fund and may in its absolute discretion extend the Term of the Credit Fund for up to 2 years to facilitate the orderly wind up and distribution to Investors.

Partly paid structure

The Credit Fund will commence with a partly paid structure whereby 50% of the Unit subscription price is payable upon subscription for the Units. The balance of the subscription price for the Units is payable within 7 days notice from the Manager in proportions determined by the Manager.

Redemptions and Applications

Investors may request the Trustee to redeem part or all of their Units (**Redemption Request**) by providing a Redemption Notice prior to the end of a calendar quarter (each date being a Redemption Notice Date).

Redemption Requests will be met at the discretion of the Trustee.

The Trustee may meet the Redemption Request in partial instalments.

The Trustee will not consider Redemption Requests in the first 6 months of the Credit Fund.

Suspension of redemption or application of Units

The Trustee may at any time suspend the redemption or application of Units in the Credit Fund, if:

- it is impracticable for the Trustee to calculate the NAV of the Credit Fund;
- there have been, or the Trustee anticipates that there will be, Redemption Requests that involve realising a significant amount of the Credit Fund assets and the Trustee considers that if those Redemption Requests are all met immediately, other Investors may bear a

disproportionate burden of capital gains tax or other expenses, or experience some disadvantage including by way of a material decrease in the value of the Credit Fund assets or departure from the Investment Strategy of the Credit Fund;

- requests for payment on partly paid Units is not met within the required timeframe;
- the Trustee reasonably considers that it is in the interests of Investors; or
- it is otherwise legally permitted.

A Redemption Request lodged during any period when the redemption of Units is suspended, is taken to be lodged the day after the end of the relevant suspension period.

Fund structure

The Credit Fund is an unregistered Australian domiciled unit trust. Each Investor's investment amount is pooled and invested in the manner described in the Credit Fund Overview section. Investors acquire Units in the Credit Fund. A Unit gives an Investor a beneficial interest in the Credit Fund's assets as a whole, but not an entitlement to, or interest in, any particular asset of the Credit Fund.

Management Fee

1.50% p.a. of the Invested Capital of the Credit Fund, calculated and accrued daily, payable to the Manager monthly in arrears.

Performance Fee

20% of the increase in NAV (inclusive of distributions and redemptions during the period and deducting any capital paid up on Units during the period) over the Return Hurdle, calculated and paid quarterly.

Return Hurdle

Average 90-day bank accepted bill rate over the period, plus 1%.

Trustee fee

\$36,000 p.a., calculated and accrued daily, payable to the Trustee monthly in arrears.

Other costs

Any direct or indirect costs associated with the funding or recovery of loans may be reimbursed out of the assets of the Credit Fund. The ordinary and everyday expenses incurred in operating the Credit Fund may also be reimbursed out of the assets of the Credit Fund as and when they are incurred.

Origination fee

The Manager or its related parties may be the recipient of an upfront origination fee paid by each borrower on settlement of each new loan facility. The origination fee is a one-off cost agreed by and paid by the borrower to the Manager as compensation for the work in originating, negotiating, structuring, analysing and documenting the loan facility. The Manager may determine fee sharing arrangements with the Credit Fund and other related parties at its discretion.

Distributions

The Trustee will seek to distribute earnings quarterly and at the conclusion of the Credit Fund. Investors are entitled to a pro rata proportion of any distributions made by the Credit Fund for the amount of time they were invested in the Credit Fund, calculated on the basis of the number of Units they hold, relative to the total number of Units on issue at the time that entitlements to distributions are calculated.

Investor flows

The Credit Fund will invest in accordance with the Investment Objective and Investment Strategy. Distributable earnings will be distributed to Investors at the conclusion of the Credit Fund. Actual loan tenor and distribution amounts are subject to the Ramp Up Phase.

Asset Duration

Target weighted average loan tenor of the Credit Fund is 1.5 years subject to the Ramp Up Phase.

Valuation

At least quarterly based on NAV. The Manager will assess assets for impairment when it has been determined that an actual shortfall has arisen. The Trustee has discretion to value assets of the Credit Fund on an alternative or additional day during the quarter.

Leverage

The Credit Fund may borrow to manage its liquidity. For example:

- for short term bridging finance for acquisitions; and
- to meet working capital requirements and other short term obligations of the Credit Fund.

Leverage involves a degree of financial risk and may increase the exposure of the Credit Fund 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 Credit Fund may be, in whole or in part, offered as security for such leverage. If credit facilities are provided by an affiliate of the Manager, then a market priced fee would be paid to the affiliate.

Alternative investment structuring

As an alternative to acquiring existing loans, the Credit Fund may loan funds to the existing lender and take appropriate security arrangements over the lender's rights to the loan.

Taxation considerations

Investors should obtain their own tax advice before investing in the Credit Fund. The Manager does not provide financial or tax advice, nor has it obtained taxation advice specific to this offer subject to this Memorandum. As such, this Memorandum cannot address taxation issues which may be relevant to any investor. Each Investor must take full and sole responsibility for their investment in the Credit Fund, the associated taxation implications arising from the investment and any changes in those taxation implications during the course of the investment.

Taxation of non-resident investors

If an Investor is not a resident of Australia for tax purposes, the Manager may be required to withhold Australian tax on certain components of their distributions. If the Manager fails to withhold an amount that was required, then the Manager is entitled to be indemnified by the Investor in respect of the relevant amount. It is very important that non-resident Investors seek independent tax advice before investing in the Credit Fund which takes into account their particular circumstances and the provisions of any relevant double tax agreement between Australia and their country of residence.

Taxation of financial arrangements (TOFA)

The TOFA regime contains rules which represent a code for the taxation of receipts and payments in relation to financial arrangements. The rules contemplate a number of different methods for bringing to account gains and losses in relation to financial arrangements (including fair value, accruals, retranslation, realisation, hedging and financial records).

The TOFA rules generally apply to financial arrangements that a taxpayer starts to have in an income year commencing on or after 1 July 2010.

The TOFA rules could affect the way a Fund's taxable income is determined. The effect, if any, will depend on the nature of the Credit Fund's investments and the "elections" made by the Credit Fund under TOFA. Investors should seek their own taxation advice in relation to the application of the TOFA rules to their investment.

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

There are certain consequences that may occur if an Investor is, or becomes a US entity, a US citizen, US resident, or has some connection with the US. These consequences may potentially be adverse to an Investor. If applicable, Investors are encouraged to seek professional taxation advice. Based on current guidance, the Trustee is required to comply with certain requirements under the FATCA rules that apply from 1 July 2014. The Organisation for Economic Cooperation and Development developed the CRS in 2014. It is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The *Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016* (Cth) became effective in Australia on 1 July 2017. From this date, the Manager is required to complete due diligence and report information to the Australian Taxation Office (ATO) on accounts held by foreign tax residents. To comply with these requirements, the Manager may collect certain additional information from you and will be required to disclose such information to the ATO or the U.S. Internal Revenue Service.

Limits on liability

Subject to any separate agreement between the Trustee and an Investor (e.g. the Application Form) and the liability for tax and user pays costs described below, the liability of an Investor is limited to the amount (if any) which remains unpaid on their Units.

The Trustee is entitled to recover from Investors any cost or liability (including tax) incurred in relation to (a) anything an Investor asks the Trustee to do or omit to do, (b) any act or omission of the investor, or (c) any other matter arising in connection with the holding of Units by that Investor, which the Trustee considers should be borne by that Investor.

If the Trustee acts without fraud, negligence or a breach of trust involving a failure to show the degree of care and diligence required of it, it is not liable in contract, tort or otherwise to Investors for any loss suffered in any way relating to the Credit Fund. The Trustee is entitled to be reimbursed out of the assets of the Credit Fund for, or pay from the assets of the Credit Fund, all losses incurred or sustained by it in relation to the proper performance of its duties and exercise of its powers in relation to the operation, administration and management of the Credit Fund provided that the Trustee has acted without fraud, negligence or breach of trust.

Other Information

Privacy policy

Investors will be required to provide personal information to make an investment in the Credit Fund. The Trustee or the Manager, and their service providers may collect, hold and use potential investors' personal information in order to assess applications, service the needs of prospective and actual Investors, service the needs of the Trustee or the Manager and for other purposes permitted under the *Privacy Act 1998* (Cth).

Tax and company law also require some specific information to be collected in connection with applications and to provide this to certain Government authorities. If a potential investor does not provide the information requested or provides incomplete or inaccurate information, their application may not be able to be processed efficiently, or at all. Investors' information may be disclosed to the agents of the Trustee or Manager and their service providers, including, without limitation, the fund administrator, on the basis that they deal with such information in accordance with the Trustee's privacy policy.

An Investor's personal information may also be used to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist the Investor with any queries and take measures to detect and prevent fraud and other illegal activity. The Trustee or Manager may also be allowed or obliged to disclose information by law and to report on risk management matters. Any Investors who have concerns about the completeness or accuracy of the information that the Trustee or Manager has about them or who would like to access or amend their personal information should contact the Trustee or Manager. Investors who wish to receive a copy of the Trustee's privacy policy should also contact the Trustee.

Anti-money laundering regulations

The Trustee is required to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (**AML/CTF Law**). This means that the Trustee will require potential investors to provide personal information and documentation in relation to their identity when they invest in the Credit Fund. The Trustee may need to obtain additional information and documentation from Investors to process applications or subsequent transactions or at other times during the term of the Credit Fund.

The Trustee may need to identify:

1. the identity of an Investor prior to issuing any Units in the Credit Fund. The Trustee will not issue Units in the Credit Fund until all relevant information has been received and an Investor's identity has been satisfactorily verified; and
2. the identity of anyone acting on behalf of an Investor, including pursuant to a power of attorney.

In some circumstances, the Trustee may need to re-verify this information.

By applying to invest in the Credit Fund, Investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of Units in the Credit Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to Investors if it does so.

Memorandum updates

This Memorandum can be updated or replaced by the Trustee from time to time.

The Trust Deed

The Trust Deed contains the rules governing the operation of the Credit Fund and the rights, liabilities and responsibilities of the Trustee and Investors. The Trust Deed includes provisions dealing with:

1. distributions to Investors
2. obligations, duties and powers of the Trustee
3. duration and termination of the Credit Fund and distribution of net proceeds on winding-up
4. reimbursement and indemnification of the Trustee and others for expenses in connection with the Credit Fund
5. procedures for convening and holding Investor meetings
6. fees payable to the Trustee
7. issue, transfer and redemption of Units
8. retirement of the Trustee
9. valuation of Credit Fund assets
10. amendments to the Trust Deed.

The key provisions of the Trust Deed are summarised below. The summary does not refer to every provision of the Trust Deed and should be read in conjunction with the rest of this Memorandum. In the event of a conflict between this Memorandum and the Trust Deed, the Trust Deed prevails. Copies of the Trust Deed are available to you on request.

Interests in the Credit Fund

Subject to the power of the Trustee to issue different classes of Units and subclasses with different rights, obligations and restrictions, each Unit gives Investors an equal and undivided interest in the Credit Fund, but does not give Investors an interest in any particular asset of the Credit Fund.

For the avoidance of doubt and without limiting the powers of the Trustee, the Trustee may in its absolute discretion allocate the issue price, the redemption price, net asset values and distributions from the Credit Fund between different classes of Unit.

Transfer of Units

The Trustee in its absolute discretion, may permit Investors to pledge, assign, sell, exchange or transfer directly or indirectly, all or any Units. Transfers must be in a form approved by the Trustee. If an Investor dies or becomes subject to a legal disability such as bankruptcy or insanity, only the survivor (where the deceased was a joint holder) or the legal personal representative or person who becomes entitled to the Units will be recognized as having any claim to Units registered in the Investor's name.

Investor meetings

The Trustee may at any time convene a meeting of Investors. Investors may appoint proxies to attend and vote at a meeting of Investors on their behalf.

Powers of Trustee

Subject to the Trust Deed, the Trustee has all the powers in respect of the Credit Fund that is possible under the law to confer on a trustee, as though it were the absolute owner of the Credit Fund's assets and acting in its personal capacity, including the power to borrow, invest and delegate its powers to others.

Termination and winding up of the Credit Fund

The Trust Deed contains provisions dealing with termination and winding up of the Credit Fund. If the Credit Fund is terminated, the net proceeds of the Credit Fund will be distributed pro rata to Investors according to their Unit holdings, provided that the Trustee may retain such part of the proceeds it thinks fit to meet its liabilities and expenses.

Redemption of Units

The Trust Deed contains provisions dealing with the redemption of Units. An Investor may make a request to redeem all or some of their Units. The Trustee has no obligation to satisfy any redemption request other than as set out in the Trust Deed and as outlined in this Memorandum.

Forfeiture of Units

The Trust Deed contains provisions for the forfeiture of Units in the event an Investor fails to pay an amount called upon by the Trustee in respect of a part-paid Unit.

Retirement of Trustee

The Trust Deed contains provisions dealing with the retirement and removal of the Trustee. The Trustee must retire when required by law or by a resolution supported by Unitholders holding greater than 80% of all Units.

Fees

The Trustee will charge fees as outlined in this Memorandum.

Key Investment Risks

All investments, including an investment in the Credit Fund, are subject to some level of risk. Different strategies may carry different levels of risk depending on the underlying assets that make up an investment strategy. The value of an investment can move up or down and an Investor may receive less than the original invested amount when withdrawing from a Fund. Returns are not guaranteed, and the level of returns will vary, and future returns may differ from past returns.

Before investing in the Credit Fund, Investors should understand what level of risk is appropriate to them and the impact that potential losses in respect of an investment in the Credit Fund will have on their circumstances.

Investors should consider the following risk factors taking into account their own personal circumstances before deciding to invest in the Credit Fund. Professional advice should be sought by an Investor to determine if an investment in the Credit Fund is suitable.

A summary of some of the general and Fund specific risks of investing in the Credit Fund are outlined below.

Fund specific risks

Borrower Insolvency

The borrowers on loans or other securities constituting the Credit Fund assets may seek the protection afforded by liquidation, insolvency and other debtor relief laws.

One of the protections offered in certain jurisdictions in such proceedings is a stay on required payments on such loans. A stay on payments to be made on the assets of the Credit Fund could adversely affect the value of those assets and the Credit Fund itself. Other protections in such proceedings include forgiveness of debt, the ability to create super-priority liens in favour of certain creditors of the debtor and certain well-defined claims procedures. Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by the Credit Fund of its entire investment in any particular investment.

Counterparties

Some institutions (including brokerage firms and banks) with which the Credit Fund may do business, may encounter financial difficulties, fail or otherwise become unable to meet their obligations. In light of recent market turmoil, such financial institutions' financial condition (as well as that of the Credit Fund) may be adversely affected, and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of the Credit Fund. In the event of a bankruptcy or insolvency of such a counterparty, the Credit Fund could experience delays in liquidating an investment and significant losses, including the loss of that portion of the Credit Fund's portfolio held by such a counterparty, which may arise as a result of a decline in the value of an investment during the period in which the Credit Fund seeks to enforce its rights, and the inability to realise any gains on an investment during such period and significant fees and expenses incurred in enforcing its rights. The Credit Fund is subject to the risk that such counterparties may or may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant arrangements.

Credit and default risk

Credit risk is the risk that one or more assets in which the Credit Fund's monies have been invested may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

While all debt instruments are subject to credit risk, to the extent the Credit Fund either directly or indirectly invests in sub-investment grade or un-rated debt, it will be exposed to a greater amount of

credit risk than a fund that invests purely in investment grade debt. The prices of lower grade debt instruments are more sensitive to negative developments, such as a decline in the borrower's cash earnings or a general economic downturn, than are the prices of higher-grade debt instruments.

Debt instruments of sub-investment grade quality are higher risk with respect to the counterparty's capacity to pay interest and repay principal when due and therefore involve a greater risk of default.

Documentation risk

A deficiency in loan or security documentation could adversely affect the Manager's ability to enforce on the contract. This could negatively affect the return on and recovery of a loan.

Enforceability of security

Investments may be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. For example, enforcement of security interests in certain jurisdictions may require a court order and a sale of the secured property through public bidding or auction. In addition, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive. The Credit Fund's investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the borrowers concerned and, if different, the jurisdictions in which they conduct business and/or hold assets. Such differences in law may also adversely affect the rights of the Credit Fund as a subordinated lender with respect to other creditors.

Additionally, the Credit Fund, as a creditor, may experience less favourable treatment under different insolvency regimes, including in cases where the company seeks to enforce any security it may hold as a creditor.

Lack of operating history

The Credit Fund has minimal operating history and is being established in order to make loans of the type described in this Memorandum.

Lender liability considerations

In certain jurisdictions, borrowers may assert claims against lending institutions on the basis of various evolving legal theories, including equitable subordination (collectively termed lender liability). Generally, lender liability is founded upon the premise that the institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower. The Credit Fund, as a creditor, may be subject to allegations of lender liability. Furthermore, the Credit Fund may be unable to control the conduct of the lenders under a loan syndication agreement requiring less than a unanimous vote, yet the Credit Fund may be subject to lender liability for such conduct.

Liquidity risk

The objective of the Credit Fund is to invest in credit products. Such investments can be illiquid and accordingly Investors will only be able to redeem Units if there is sufficient cash available at the time of redemption. The Manager will manage redemption requests on a reasonable endeavour basis but there can be no guarantee or assurance that Investors will be able to redeem their Units at their desired or intended date. The Credit Fund may suspend withdrawals in certain circumstances or delay payment of withdrawal proceeds.

Loans to private companies

The Credit Fund's portfolio will be committed to the origination or purchasing of loans to small and medium-sized, privately owned businesses. Compared to larger, publicly owned firms, such companies generally have limited financial resources and access to capital and higher funding costs. They may be in a weaker financial position and may need more capital to expand or compete. These

companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. These companies are also more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations. The above challenges increase the risk of these companies defaulting on their obligations.

Portfolio concentration

While the Credit Fund aims to build a diversified portfolio, there could be a period of time during the investment period where the Credit Fund is over-exposed to a particular borrower, industry or market segment. This could occur if there was a lack of investment opportunities at acceptable pricing and terms. It is likely that in the first 12 months of operation, as the Credit Fund grows, it will have higher portfolio concentration. This means that the Investors are subjected to a greater level of risk while the Credit Fund rebalances its portfolio.

Prepayment risk

Prepayment risk occurs when a borrower decides to prepay part or its entire outstanding principal. Often this can occur without penalty to the borrower. In the event of prepayment by a borrower the Credit Fund will receive the entire outstanding principal of the loan but further interest will not accrue on the loan as expected by the Credit Fund after the prepayment.

Regulation

The Target Total Return is based on current prevailing market conditions, including the macro prudential regulatory obligations on deposit-taking institutional ADI lenders. A change in policy or regulations affecting either ADIs or non-ADIs could adversely affect the attractiveness of this sector and therefore the Credit Fund's expected returns. Furthermore, changes in legal or regulatory environment, taxation or other relevant laws, interpretation or administration of those laws may have a materially negative effect on the performance of the Credit Fund's loan facility agreements. The Manager takes no responsibility for changes outside of its control.

Related party risk

Related party transactions involve risks of conflict of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision. A transaction where a conflict of interest is present also involves risk as parties may act in favour of another interest other than the interest of the Credit Fund. There will be circumstances where the Credit Fund invests in loan products originated by entities associated with the Manager. In these cases, the terms and pricing of the investments will be set based on arms-length market terms.

The Manager may provide management services to other funds or clients and where an investment opportunity arises that may be suitable for the Credit Fund and any clients or other funds, the Manager may allocate the opportunity as the Manager thinks fit.

Reliance on borrower's management

Although the Manager will monitor the performance of each investment, it will be the responsibility of each borrower's management team to operate the borrower on a day-to-day basis. Although the Manager generally intends to lend to borrowers with strong management, there can be no assurance that the management of such companies will operate a company successfully. Investors will not have the opportunity to appoint, remove, or evaluate the performance of, the management team of any borrower. More generally, Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilised by the Manager in selecting, structuring, monitoring and disposing of Fund investments.

Time taken to deploy capital

It will take time to deploy the capital raised and there is a risk that it may take longer than expected to invest such funds into appropriate assets and in the portfolio construction described in this Memorandum (including the risk that the Ramp Up Phase may have a longer duration than currently anticipated). This means that the underlying portfolio may not align with the Credit Fund's target Investment Strategy while the funds are being deployed.

Underlying exposure to the consumer market

A portion of the Credit Fund's portfolio may be directly or indirectly exposed to the consumer market. The financial condition of consumers is difficult to assess and predict as many consumer borrowers have no or very limited credit history. There is a greater risk of default in relation to the consumer market which may indirectly have an impact on returns to the Credit Fund.

Unrated Investments

The Credit Fund's investments typically will not be rated by any agency.

General risks

Changes in interest rates

Interest rates are highly sensitive to many factors beyond the Credit Fund's control, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors. Interest rate fluctuations present a variety of risks, including the risk of a mismatch between asset yields and borrowing rates, variances in the yield curve and fluctuating prepayment rates, and such fluctuations may adversely affect the Credit Fund's income.

Commodity price risk

The Australian economy is highly dependent on mining activity and it is likely that credit opportunities pursued by the Credit Fund may have a mining influence. The viability of those mining activities in turn depends on commodity prices, which are unpredictable and may adversely change significantly in a short time period. Such changes may adversely affect the Credit Fund's income.

Cyber security breaches and identity

Theft Information and technology systems of the Manager, the Credit Fund or its service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. While the Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may take a significant investment to fix or replace them. The failure of these systems and / or of disaster recovery plans for any reason could cause significant interruptions in operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including sensitive information relating to borrowers and personal information relating to Investors.

Due diligence / credit assessment

The Manager will seek to carry out appropriate due diligence on all investments. However, there is a risk that the Manager may not identify all major risks or that services provided by third parties will be inadequate.

Economic and political risk

In the course of investing, the Credit 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. There can be no assurance that adverse political or economic changes will not cause the Credit Fund to suffer losses. Delinquencies, borrower insolvency events and losses generally increase during economic slowdowns or recessions. Any sustained period of increased delinquencies, borrower or issuer defaults or losses is likely to adversely affect the Credit Fund's ability to finance loans in the future.

Fraud risk

The value of the investments may be affected by fraud, misrepresentation or omission on the part of other parties (or related collateral and security arrangements).

Fraudulent activity may adversely affect the value of the collateral underlying the investment in question (in circumstances where collateral has been pledged) or may adversely affect the Credit Fund's ability to enforce its contractual rights over the investment.

General market risk

Investments in loans is subject to varying degrees of risk. The yields available from such investments generally depend on the structure of the investment. Income from, and the value of, the Credit Fund's investments may be adversely affected by many factors that are beyond the Credit Fund's control, including: adverse changes in national and local economic and market conditions; changes in interest rates and in the availability, costs and terms of financing; changes in governmental laws and regulations, fiscal policies and costs of compliance with laws and regulations; changes in operating expenses; and civil unrest, acts of war or terrorism and natural disasters, including earthquakes and floods, which may result in uninsured and underinsured losses.

General tax risks

An investment in the Credit Fund involves a number of complex tax considerations which may differ for each Investor.

Changes in tax legislation and their interpretation in relation to the Credit Fund could adversely impact the returns achieved by the Credit Fund. No assurance can be given regarding the actual level of taxation that may be imposed upon the Credit Fund, its investments or Investors with respect to their investments in the Credit Fund. While the Manager will endeavour to structure the Credit Fund's investments in a manner that is intended to achieve the Credit Fund's Investment Objective and Investment Strategy, there can be no guarantee that the structure of any investment will be tax efficient for a particular Investor or that any particular tax result will be achieved. Any Investor may be required to provide such information as may reasonably be required by the Manager to enable the Credit Fund to properly and promptly make such filings or elections as the Manager may consider desirable or as required by law. Prospective investors should consult their own tax advisers regarding the tax implications of acquiring, holding and disposing of Units.

Investment risk

There is a risk that the Credit Fund's investments will fall in value over the short or long term. Individual security prices may fluctuate and under perform other asset classes over time. Investors in the Credit Fund are exposed to this risk through both their holding in the Units and through the Credit Fund's investments.

Investment sourcing

Investors will rely on the ability of the Manager to identify investment opportunities either itself or through its networks. Whilst prevailing market conditions are favourable, no assurance can be given that the Manager will be able to source suitable investment opportunities in which to deploy all of the Credit Fund's capital.

Legal and regulatory risks

Legal and regulatory changes in the Australian and New Zealand investment environment or otherwise, may occur, which could have an adverse effect on the Credit Fund. The Credit Fund may not be in a position to take legal or management control of its investments. The Credit Fund may have limited legal recourse in the event of a dispute, and remedies may have to be pursued in the courts.

Leverage

The Credit Fund may use leverage to, among other things, bridge an acquisition in the short term. Leverage involves a degree of financial risk and may increase the exposure of the Credit Fund 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 Credit Fund may be, in whole or in part, offered as security for such leverage.

Liability

The Credit Fund's constitutional documents contain provisions that are designed expressly to limit the liability of Investors, in their capacity as Investors in the Credit Fund, to the amount of their respective investment. 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 Credit Fund.

While the Credit Fund intends to hold the majority of its loan investments to maturity, it may dispose of investments in some circumstances prior to termination and, in connection therewith, may be required to pay damages to the extent that any representations or warranties given in connection with such investments turn out to be inaccurate. The Credit Fund may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. In the event the Credit Fund does not have cash available to conduct such litigation or make such payments, it may be required to borrow funds.

Any such payments and borrowings could adversely impact the Credit Fund's ability to make distributions. In addition, if the Credit Fund is unable to borrow funds to make such payments, it may be forced to sell investments to obtain funds. Such sales may be affected on unsatisfactory terms.

Manager risk

The success and profitability of the Credit Fund in part will depend upon the ability of the Manager to make investments that deliver appropriate risk-adjusted returns over time, and the retention of the Manager as manager of the Credit Fund (together with the retention of the Manager's investment team). While the Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee the Manager will achieve any particular investment return within the Credit Fund or that its future performance will match or exceed its past performance.

Nature of investment

An investment in the Credit Fund is speculative and requires a long-term commitment, with no certainty of return. The Credit Fund's investment portfolio will consist primarily of loans. Such investments involve a high degree of business and financial risk which can result in substantial losses, including the loss of an Investor's entire investment. The value of a Unit in the Credit Fund (and the distributions received in respect of such Unit) can fluctuate and may go down as well as up, and an Investor may get back less than it contributes to the Credit Fund. There can be no assurance that an Investor will receive a return of its capital. Returns generated by the Credit Fund's investments may be insufficient to compensate Investors adequately for the business and financial risks that must be assumed. There is no guarantee that the Credit Fund's performance will meet its Target Total Return. Additionally, certain investments may be subject to legal or contractual restrictions or requirements that limit the Credit Fund's ability to transfer them or sell them for cash. As a result, the Credit Fund's investments may be illiquid, and there can be no assurance that the Credit Fund will be

able to realise investments at attractive prices or otherwise be able to affect a successful realisation or exit strategy. It may also not be possible to establish their current value at any particular time. The lack of liquidity in the Credit Fund's asset portfolio may significantly impede the Credit Fund's ability to respond to adverse changes in the performance of its assets and may adversely affect the value of an investment in the Credit Fund.

Operational risk

Investment management risk exists in all managed funds. The Manager may fail to properly execute the strategy of the Credit Fund, or have inadequate systems and processes in place to monitor loan interests and repayments, or it may fail to manage accounting and distribution processes effectively. Loss of key personnel is always an inherent operational risk.

Past performance

The performance of previous funds in which the Manager or its principals have been involved cannot be relied upon in assessing the merits of the Credit Fund.

Personnel risk

The Manager's performance is largely dependent on the skills and efforts of its investment team. The Manager's ability to perform effectively is dependent on its ability to retain and motivate its investment team. There can be no guarantee that the Manager will be able to retain its investment team or that the Manager will be able to attract and retain management personnel of sufficient experience and expertise to manage the Credit Fund.

Public disclosure

Interests in the Credit Fund may be held by Investors that are subject to public disclosure requirements. Disclosure of information relating to a particular investment of the Credit Fund may adversely affect the Credit Fund, including the Credit Fund's ability to realise such investment and the price that the Credit Fund is able to obtain on the realisation of such investment. To the extent that the Manager determines that information that an Investor would otherwise be entitled to receive could be disclosed by such Investor as a result of such Investor being subject to laws in the nature of freedom of information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies and the disclosure of such information would not be in the best interests of the Credit Fund, the Manager or other members of the Manager group or any borrower, the Manager shall have the right not to provide such Investor with any information that such Investor would otherwise be entitled to receive or have access to.

Reliance on the Manager

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Credit Fund. They must rely on the ability of the Manager in identifying, structuring, developing and realising potential investments consistent with the Investment Objective and Investment Strategy. Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilised by the Manager in selecting, structuring, monitoring and disposing of investments. While it is the intention for the 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.

Suitability of investment

An investment in the Credit Fund is not suitable for all investors. An investment is suitable only for sophisticated investors, and an Investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of their exposure to the risks and lack of liquidity inherent in an investment in the Credit Fund. Investors with any doubts as to the suitability of an investment in the Credit Fund should consult their professional advisors to assist

them in making their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Credit Fund in light of their own circumstances and financial condition.

Valuation

Valuation risk is the risk that an asset is overvalued or undervalued and is worth less or more than expected when it matures or is sold. Factors contributing to valuation risk can include but are not limited to, data issues, market liquidity, market instability or volatility, and financial modelling assumptions.

Variable distributions

The interest income from the Credit Fund's loan positions, net of expenses and fees, will be distributed annually.

Distributions will vary from time to time depending on income from loans. The target distributions are an objective target only and may not be achieved. Future returns are not guaranteed and a loss of principal may occur.

Investing in the Credit Fund

Application Form

For an application to be considered, for a subscription for Units in the Credit Fund, the applicant must submit a duly completed and executed application form. Please contact us to obtain an application form.

Method of Payment

Payment must be made in Australian currency.

As the Units are partly paid to \$0.50 per Unit, the application amount for each Investor is 50% of the dollar amount of Units applied for by the Investor. The balance of the total subscription price may be called by the Trustee by notice in writing to the Investors from time to time and is payable within 7 days.

Payments must be made by electronic funds transfer to the bank account disclosed on the application form. The Investor's name should be included as the reference code in the electronic funds transfer so that we can trace the client to the investment amount.

When making an investment in Australian dollars from a foreign bank, Investors should ensure that the bank instruction clearly identifies the Australian dollar amount required to be paid in full funds, including any fees or charges levied by the foreign and receiving bank. This will ensure that we receive in full the intended investment amount. Any differences will be communicated to Investors as soon as it comes to our attention and a request will be made to the Investor to make good any shortfall. If more than the intended investment amount is received we will refund any overpayments to the Investor using the banking details provided on the Application Form.

Investor Relations

If you have any queries or concerns regarding the Credit Fund, please contact the Manager on eking@aviorconsulting.com.au or write to us at:

Avior Funds Management Pty Ltd

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Contact Details



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Term	Definition
A\$	Australian dollars
Application Form	The form entered into by an Investor under which the Investor makes a binding Application to invest a specified amount into the Credit Fund
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Credit Fund	Avior Consulting Credit Fund
Eligible Persons	In the case of an Australian investor, a person who is a wholesale client for the purposes of 761G of the Corporations Act. In the case of a New Zealand investor, a person who is a wholesale client as defined in section 5C of the Financial Advisers Act 2008 (NZ)
Fund IMA	The investment management agreement between the Manager and the Trustee as amended from time to time
Invested Capital	Funds committed by the Manager to underlying portfolio loans
Investment Objective	To earn a rate of return at or above the Total Target Return
Investment Strategy	To invest in opportunities identified by the Manager as potentially producing a return at or above the Total Target Return with a risk weighting deemed acceptable by the Manager
Investors	Wholesale investors who apply for Units under this Memorandum
LVR	Loan to value ratio
Management Fee	The fees payable to the Manager out of the assets of the Credit Fund under the Credit Fund IMA in connection with the Manager acting as manager of the Credit Fund and providing related services
Manager	Avior Funds Management Pty Ltd (ACN: 653 778 520)
Memorandum	This document as amended or replaced from time to time
Mezzanine Debt	Mezzanine debt is subordinated debt with some forms of equity enhancement attached
Net Asset Value or NAV	Net asset value of the Credit Fund
Offer	The Offer to Investors to acquire up to 15,000,000 Units of \$1.00 each, partly paid to \$0.50 per Unit to raise a total of up to \$15,000,000
Opportunities Fund	Avior Consulting Opportunities Fund No 2 Unit Trust
Performance Fee	The meaning given to that term in Fund Details
Ramp Up Phase	The period of time after First Close (which may be up to 12 months) during which the Manager will seek to reach the target portfolio construction detailed in this Memorandum
Return Hurdle	Average 90-day bank accepted bill rate over the period, plus 1%
Senior Secured	Loans that are provided to borrowers where the Credit Fund benefits from a first-ranking security interest over borrower's assets. These loans are generally the most secure form of private debt

Term	Definition
Target Total Return	The Target Total Return described in Fund Overview
Trustee	Avior Asset Management Pty Ltd (ACN: 653 778 431)
Unitholders	The holders of Units
Units	A unit in the Credit Fund