



Totus Alpha Fund

INFORMATION MEMORANDUM

PRIVATE & CONFIDENTIAL

ISSUED BY: TOTUS CAPITAL PTY LTD
ACN 151256772 AFSL 409468

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IMPORTANT INFORMATION

This Information Memorandum dated 18 May 2020 issued by Totus Capital Pty Ltd ACN 151 256 772 (“**Totus Capital**” or “**Trustee**”) AFSL 409468. This offer to subscribe for Units in the Totus Alpha Fund (**Fund**) is only made to professional investors or people who are Wholesale Clients (as defined under the Corporations Act). Totus Alpha Management Pty Ltd ACN 155 226 734 Authorised Rep Number 419151 (**Totus Alpha or Investment Manager**) is the Investment Manager of the Fund.

This Information Memorandum is for use by Platform Class investors in the Fund.

This Information Memorandum is not a product disclosure statement and therefore may not contain all the information that a prospective investor and the investor’s adviser may expect or require in order to make an informed decision as to whether to subscribe for Units in the Fund. The information contained in this Information Memorandum is believed to be correct by the Trustee, but no warranty is made with respect to its completeness or accuracy. This Information Memorandum has not been and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act. The Fund is not required to be, and is not, registered as a managed investment scheme under the Corporations Act. The offer does not constitute an offer of Units in any jurisdiction in which, or to any person to whom, it would be unlawful to make an offer or invitation.

The investment objectives, investment needs, and the particular financial position of investors have not been taken into account in preparing this Information Memorandum. This Information Memorandum is not a recommendation of an investment in the Fund. The Memorandum is general in nature and is not to be considered as financial, legal or tax advice. There are risks associated with an investment in the Units in the Fund such as a loss of income or principal amount invested. See Section 5 for details. Investment in the Fund should be regarded as speculative. None of the Trustee, the Investment Manager and their related bodies corporate, associates, officers or affiliates, guarantee the performance of the Fund or the repayment of capital from the Fund.

This Information Memorandum does not constitute a recommendation by the Trustee, the Investment Manager or any person named in this Information Memorandum to invest in Units in the Fund. This document should be read in its entirety before you make any decision to invest. Investors should obtain their own legal, tax, accounting or commercial advice.

Investments in the Fund are not deposits with or liabilities of the Trustee, Investment Manager, nor any associated company. Investments in the Fund are subject to investment and other risks, including possible delays in repayment and loss of income and capital invested. Recipients of this Memorandum should ensure they are fully aware of these risks before investing in the Fund. Please see section 5 for further details on the risks of investing in the Fund.

The offer in this Information Memorandum is personal to the person to whom it has been sent and the information contained in the Information Memorandum is provided on a confidential basis and must not be disclosed by any person or used except to professional advisers on a confidential basis for the purpose of making a decision whether to invest.

The Trustee may at its discretion withdraw this Information Memorandum at any time. No cooling-off regime applies to the offer contained in this Memorandum. No information or representations in connection with the offer of Units, which is not contained in this Memorandum, should be relied upon in making an investment decision about the offer.

The Trustee has authorised this Information Memorandum (IM) for the use of investors who invest directly in the Fund, as well as for investors who invest indirectly (Indirect Investor) through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (“IDPS”). The operator of an IDPS is referred to in this IM as the “IDPS Operator” and the disclosure document for an IDPS is referred to as the “IDPS Guide”. The Trustee consents to the use of this IM by IDPS Operators who include the Fund on their investment menus, but accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this IM or to withdraw the IM from circulation if required by the Trustee.

All information included in this Information Memorandum is current as at the date of issue. This Memorandum and the Trust Deed supersede all previous representations and communications (including investor presentations) for the Fund and the offer in this Memorandum.

This Information Memorandum must be read in conjunction with the Fund Constitution. Investors should review the Fund Constitution for further information regarding their rights and obligations as Unitholders in the Fund and the rights and obligations of the Trustee. To the extent that there are any inconsistencies between the Fund Constitution and this Information Memorandum, the Fund Constitution prevails.

Some important terms used in this Information Memorandum are defined in the Glossary in Section 13. References to “dollars” or “\$” are to Australia dollars, unless otherwise indicated. References to “you” or “your” are to Unitholders (and when the context requires, prospective investors) in the Fund.

1. KEY FEATURES

Offer	This Information Memorandum is an offer to Wholesale Clients to subscribe for Platform Class Units in the Fund
Investment objective	The Fund aims to maximise returns for Unitholders through fundamental industry and company research and active portfolio management (Section 4)
Distribution frequency	Annually – 30 June each year (Section 10)
Minimum initial investment	\$250,000 ¹ (Section 6.1)
Minimum additional investment	\$50,000 ¹ (Section 6.2)
Minimum withdrawal amount	\$50,000 (Section 6.3)
Minimum investment balance	\$250,000 (Section 6.3)
Entry fee	Nil (Section 9.1)
Management fee	1.5% p.a. (excluding GST and any reduced input tax credits) of the Net Asset Value of the Fund calculated daily and payable monthly in arrears (Section 9.2)
Performance fee	20% (excluding GST and any reduced input tax credits) of the increase in Net Asset Value of Units after the hurdle has been applied (RBA cash rate) subject to high water mark in the Units, calculated daily and payable monthly (Section 9.3)
Buy spread/sell spread	Nil (Section 8)
Risks	Investment in the Fund involves significant risk such as the loss of income or capital invested. Each prospective investor should carefully review this Information Memorandum before deciding whether to invest in the Fund (Section 5)
Reporting	Confirmations are sent to Unitholders following approval of their application (Section 6.1) Monthly reports are provided to Unitholders (Section 8)

¹The Trustee may, in its sole discretion, accept a lower minimum initial and additional investment amount from Wholesale Clients.

2. OVERVIEW

This Information Memorandum is issued by Totus Capital Pty Ltd (**Totus Capital** or **Trustee**) to selected individuals who are Wholesale Clients to offer Units in the Totus Alpha Fund (**Fund**). Totus Capital is the trustee of the Fund.

Totus Alpha Management Pty Ltd (**Totus Alpha** or **Investment Manager**) is the investment manager of the Fund.

The Fund is an Australian unlisted unit trust which has been established with the sole purpose of offering individuals and entities the opportunity to invest in an investment fund with the objective of maximising returns to Unitholders through active company and industry research.

3. TRUSTEE AND INVESTMENT MANAGER

Totus Capital is the trustee of the Fund (AFSL 409468). Totus Alpha Management Pty Ltd (Authorised Representative 419151) has been appointed by the Trustee as Investment Manager of the Fund.

Ben McGarry, the founder and Portfolio Manager of Totus Capital and Totus Alpha, has over 20 years of financial markets experience on both the buy and sell side of the industry. As an analyst at UBS, Morgan Stanley and Ausbil Dexia, Ben covered a broad range of companies and sectors. Ben also qualified as a Chartered Accountant with PriceWaterhouseCoopers in Sydney. He holds a Bachelor of Commerce and Bachelor of Economics from the University of Queensland.

4. INVESTMENT STRATEGY

The Fund is a long/short investment fund principally investing in listed equities and index futures in Australia and internationally. The Fund also uses short sales and derivatives with the objective of generating absolute returns and to hedge the exposure of the portfolio.

The Fund may also invest in commodities, options, futures, bonds and various debt instruments. The Fund is not a market neutral fund and accordingly may switch between net long positions and net short positions.

The investment strategy is based on identifying medium to longer term trends in the economy and equity markets. The Fund Manager will use top down analysis to identify trends and detailed bottom up analysis to select individual investments that are positioned to benefit from those trends in order to build a diversified portfolio.

4.1. Gearing

The Fund has the ability to utilise debt to maximise return to the Unitholders. Loan facilities are provided by Credit Suisse Group AG (Credit Suisse) and Morgan Stanley & Co. International Plc (Morgan Stanley), the Prime Brokers of the Fund.

Gearing may be used to enhance returns and the Fund may be geared in excess of 100% of the Fund's Net Asset Value. There is currently no maximum limit on how much the Fund may borrow but it is envisaged that the gross exposure will generally not be more than 350% of the Fund's net assets. The Trustee and the Investment Manager will closely monitor the Fund's gearing levels.

As a consequence of gearing, significant volatility in the Unit price is to be expected.

5. RISKS

All investing involves risk. Generally, investors only receive higher expected returns with higher risk or volatility.

As with most investing, it is not guaranteed that Unitholders will make money from the Fund. The value of an investment can go up or down with the value of investments of the Fund. The risks may result in loss of income, principal invested and possible delays in repayment. Unitholders could receive back less than they invested and there is no guarantee that a Unitholder will

receive any income. The Trustee, the Investment Manager and their related bodies corporate, associates, officers and employees do not guarantee the performance of the Fund or the repayment of the Fund or the repayment of capital from the Fund, or that the Fund will achieve its investment objective or any investment targets. You should seek your own professional advice on the appropriateness of this investment to your circumstances.

Some risks of investing in the Fund include, but are not limited to:

5.1. Market risk

Investment returns are influenced by market factors. These factors include changes in the economic (e.g. changes in interest rates), legislative and political environment, as well as changes in investor sentiment. In times of market volatility, there is a risk that the value of the securities held by the Fund will fall in value, resulting in a reduced Net Asset Value per Unit and reduced returns on investment.

5.2. Equity risk

Individual investments made by the Fund will fluctuate in value, meaning that the price may go up or down. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial, management or operating circumstances, and may also face broader influences such as political and industry changes. The Trustee and the Investment Manager aim to reduce these risks with thorough analysis and research of securities held by the Fund.

5.3. Investment manager risk and key person risks

The investment style of an investment manager can have a substantial impact on the investment returns of a fund. No single investment style performs better than all other investment styles in all market conditions. Investment performance will also depend on the investment manager's skill in selecting, combining and implementing investment decisions and in particular on Ben McGarry, as Portfolio Manager.

5.4. Volatility risk

Generally, the higher the potential return for a Fund means there is a higher risk and a greater chance of substantial return fluctuations (including the possibility of losses) that may occur. In addition to the loss of returns, there is a risk that the value of a Unit may decline considerably.

As the Fund has the ability to achieve high levels of gearing, the Fund will be subject to increased volatility. Returns from a leveraged investment will generally be more volatile than returns from an unleveraged investment.

5.5. Counterparty or credit risk

Counterparty risk is the risk that a counterparty to a contract will fail to perform contractual obligations (eg default in either whole or part) under the contract. This is also sometimes referred to as 'credit risk'. The Fund may be subject to the default of a counterparty. The institutions (such as brokerage and trading firms and banks) with which the Fund does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a Fund or create unanticipated trading risks.

5.6. Derivative risk

The value of a derivative may fail to move in line with the underlying asset. In addition, the derivative may be illiquid or either the Fund or the counterparty to the derivative contract may not meet their contractual obligations. This may have an adverse effect on the value of the Fund's investments. While using derivatives for hedging can reduce the risk associated with an investment, it cannot be guaranteed that hedging will always be successful. The Fund may use derivatives for both hedging and speculative purposes.

5.7. Regulatory and government policy changes

Legal, tax, regulatory and government policy changes in the Australian and international investment environment may occur during the term of investment in the Fund. These changes may have negative impacts on both income and capital returns from an investment.

5.8. Country and political risk

The Fund may hold shares in companies and other investments that are domiciled in a country other than Australia. The economic, technological, political, legal and market conditions in these other countries may affect the operations of these companies which may, in turn, have an indirect impact upon the value of the Fund's assets.

5.9. Exchange rate fluctuations

Changes in exchange rates between the Australian dollar and foreign currencies can have a positive or negative impact on investment value or returns, which will affect the Unit price.

5.10. Interest rate risk

Changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns.

5.11. Fund risk

Risks particular to the Fund include the risk that it could be terminated or that the fees and expenses could change. The Trustee of the Fund, Totus Capital, could be replaced. There is also a risk that investing in the Fund may give different results than investing directly in securities because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Unitholders.

5.12. Liquidity risk

As the Fund will primarily invest in listed securities, if there is an interruption of regular trading of the market, or for a particular asset of the Fund (or if official quotation of securities is denied), there may be delays in processing withdrawal requests. Similarly, for some securities in the Fund where the volume of trading is low, the ability to liquidate those securities in a timely manner may be affected. The Trustee may suspend redemptions and the payment of withdrawal proceeds during periods where the Fund's investments cannot be realised at an appropriate price or on adequate terms.

5.13. Short selling risk

The Fund may sell securities short. Selling securities short creates the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which can reduce profits or create losses in particular positions.

5.14. Prime Broker risk

The Fund has appointed the Prime Brokers and Custodian. As is typical for most prime brokerage agreements, under the Prime Broker agreements as agreed upon between the parties. Totus may post collateral with the Prime Brokers in respect of certain transactions. The Prime Brokers may deal with the collateral for its own purposes as though the assets of the Fund were its own assets, subject to an obligation to return equivalent securities or cash value and in the event of insolvency of the Prime Broker, Totus will rank as an unsecured creditor of the Prime Broker and may not be able to recover the entire value of the collateral posted.

6. HOW TO MAKE AN INVESTMENT OR WITHDRAWAL

6.1. Initial investment

Investors interested in investing in the Fund must complete the application form attached to this Information Memorandum and return it to Citco Fund Services (Australia) Pty Ltd (the Administrator).

By signing the application form investors agree that neither the Fund nor the Administrator will be responsible for any mis-delivery or non-receipt of any instruction sent to the Fund or the Administrator but for which no acknowledgment is received. If for any reason the Trustee refuses or is unable to process your application to invest in the Fund, you will have your application money returned to you, less any bank fees in connection with the application.

Payment for Units in the Fund must be made by direct deposit to the account shown on the application form.

Indirect Investors should use the Application Form attached to their IDPS Guide to invest in the Fund. You will need to contact your IDPS Operator for the cut-off times for pricing purposes and investment amounts.

Completed application forms (together with the required Know Your Customer documents) should be sent to:

Citco Fund Services (Australia) Pty. Ltd:

Scan and email – sydcfsorders@citco.com; or

Fax number +61 2 9005 0444

The Administrator will acknowledge receipt of any subscription, redemption or transfer request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator within 5 Business Days of submitting the request, the Unitholder should assume that the transaction request has not been received and they should contact the Administrator via telephone +61 2 9005 0400 to confirm the status of their request.

Notwithstanding the method of communication, the Fund and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Please note that messages sent via email must contain a duly signed document as an attachment.

If your correctly completed application form (together with relevant Know Your Customer documents) is received and accepted and cleared funds are received in the Fund's subscription account prior to the commencement of a calendar month, your application will be processed for the issue of Units as of the first Business Day in that month. Applications received after this time will be carried forward and processed in the following month. For example, accepted applications received on 29 January would be processed for the issue of units as of the first Business Day in February.

No interest will be paid to investors on application amounts received. Application monies will be held in a trust account until they are invested in the Fund and any interest earned will not be paid to applicants but will be retained for the benefit of the Fund.

6.2. Additional investments

Additional investments will be accepted monthly and may be made by completing an application form attached to a current Information Memorandum. The minimum additional investment is \$50,000, or a lesser amount as agreed by the Trustee. Payment for additional investments must be made by direct deposit in the same manner as payment is made for an initial investment (see "Initial Investment" above).

If your correctly completed application form is received and accepted and cleared funds are received in the Fund's subscription account prior to the commencement of a calendar month, your application will be processed for the issue of Units as of the first Business Day in that month. Applications received after this time will be carried forward and processed in the following month.

6.3. Withdrawals

Requests for withdrawals may be made in writing, or by completing the prescribed redemption form, to the Administrator (sent by email or to the fax number set out in the directory) setting out the Unitholder's name, investor number, the number of Units or amount to be withdrawn and details of the bank account into which the proceeds can be directed.

Withdrawal requests are to be signed by the Unitholder or authorised signatory. Withdrawals are subject to a minimum withdrawal amount and to the minimum investment balance requirement. The minimum withdrawal amount is \$50,000. The minimum investment balance is \$250,000, namely the total amount of the Unitholder's investment must not be less than \$250,000. The Trustee may at its discretion waive any minimum investment requirements.

If your completed written withdrawal request is received and accepted by the Administrator before 5.00 p.m. at least three (3) Business Days prior to the end of a calendar month your withdrawal request will be processed at the withdrawal price calculated as at the last Business Day of that month (Withdrawal Date). Withdrawal requests received after this time will be processed at the withdrawal price calculated for the subsequent month.

For example, if a signed and completed withdrawal request is received on 20 January, the withdrawal request will be processed at the withdrawal price calculated as at the last Business Day in January.

Withdrawal proceeds will generally be payable within 10 days after the withdrawal price has been calculated. However, the Trustee is permitted under the Fund Constitution to pay withdrawal proceeds up to 60 Business Days after the Withdrawal Date.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

It should be noted that withdrawals at 30 June Net Asset Value will not be payable until the distribution for the year ended on that date is finalised. Withdrawal proceeds for June and July are therefore likely to be delayed.

The Administrator will acknowledge receipt of any redemption request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator within 5 days of submitting the request, the Unitholder should assume that the redemption request has not been received and they should contact the Administrator via telephone +61 2 9005 0400 to confirm the status of their request. No redemption proceeds will be paid to the redeeming Unitholder until the Administrator has received the redemption request signed by the Unitholder or an authorized signatory of the Unitholder.

Neither the Fund nor the Administrator will be responsible for any mis-delivery or non-receipt of any fax or email. Faxes or emails sent to the Fund or the Administrator will only be effective when actually received by the Fund or the Administrator. Unitholders are advised to contact the Administrator by telephone on +61 2 9005 0400 to confirm that the Administrator has received the fax or email redemption request.

The Fund Constitution provides the Trustee with the ability to stagger withdrawals on a pro-rata basis if the Trustee receives withdrawal requests for a Withdrawal Date equal to more than 25% of the Net Asset Value referable to the Class (or other percentage as the Trustee may in its discretion determine). It also provides the Trustee with the ability to suspend withdrawals if the Trustee believes that it is in the best interest of the Unitholders as a whole, for example if it is impracticable to calculate the Net Asset Value of the Fund's assets due to the closure of or trading restrictions on, a security or other exchange.

6.4. Minimum subscriptions, redemptions and minimum balance

It is confirmed that the Trustee has delegated, by way of written Trustee Resolution, to the Investment Manager the ability to waive the minimum subscription, minimum redemption and minimum holding amounts.

Additionally, the Trustee has delegated to the Investment Manager by way of written Trustee Resolution the ability to accept transfers that do not involve a change of beneficial owner. It is confirmed that all waivers are subject always to applicable law and best interests of the Fund.

7. ISSUE OF UNITS

Units will be issued at the Issue Price for Platform Class Units. This is determined by dividing the Fund Net Asset Value for Platform Class Units by the number of Platform Class Units on issue on the last Business Day of a month for an application accepted for the month (see section 6.1).

Additional Unitholders may be admitted to the Fund upon the terms and conditions as are permitted by the Trustee (without the consent of any other Unitholders), which terms and conditions may differ from those applicable to other Unitholders on matters relating to, without limitation, lock up/commitment periods, notice periods, management/incentive fees and information rights. The Trustee will have the discretion to waive or modify the application of any provision of the Memorandum or grant special or more favourable rights with respect to any provision, including, without limitation, the provisions for fees, allocations, redemptions, transfers, notices and transparency into the Fund's portfolio, with respect to any Unitholder, without notice to, or the consent of, other Unitholders.

8. VALUATIONS

The Fund's Net Asset Value and the Net Asset Value per Unit of the Platform Class Units will be determined on a daily basis. The Net Asset Value of the Fund will generally be equal to the total assets minus the total liabilities of the Fund, including accruals for all fees and expenses. The Net Asset Value per Unit of the Class will be calculated based on the Net Asset Value of the Class (after allocation of profits, losses and performance fee when applicable) divided by the number of Units on issue in that Class. (The expenses incurred are charged at the Fund level and apportioned between the classes prior to the allocation of profits, losses and performance fee (if any) for each class).

Each Platform Unit represents a proportional interest in the Net Asset Value of the Fund for the Class, having regard to the total number of issued Platform Units. This value will change from time to time as the value of the Fund's assets rises or falls.

Unitholders will be advised of the Net Asset Value of their Units monthly in the monthly statement.

The Fund Constitution allows Unit prices to be adjusted for a buy/sell spread at the Trustee's discretion. However, the Fund currently does not charge any buy/sell spread for Units in the Fund.

Valuation of the Fund's Assets

Assets of the Fund will be valued in accordance with the following policies and principles:

- A. Any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on the day, at the closing bid price if held long by the Fund and at the closing offer price if sold short by the Fund, as at the relevant Valuation Day, and as adjusted in the manner as the Trustee, in their sole discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for the security or the one which the Trustee in their sole discretion determine provides the fairest criteria in ascribing a value to the security;

- B. Investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution, will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no quoted price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which the investments are or can be dealt in or traded, provided that where the investments are dealt in or traded on more than one market, the Trustee may determine at their discretion which market prevails;
- C. Deposits will be valued at their cost plus accrued interest;
- D. Any value (whether of an investment or cash) otherwise than in AUD will be converted into AUD at the rate (whether official or otherwise) which the Trustee in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Trustee may, at their discretion, permit any other method of valuation to be used if they consider that method of valuation better reflects value and is in accordance with good accounting practice.

The Trustee has delegated to the Administrator the determination of the Net Asset Value of the Fund and the Net Asset Value per Units of each Class, subject to the overall supervision and direction of the Trustee. In determining the Net Asset Value of the Fund and the Net Asset Value per Units of each Class, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out above. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will, and will be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Fund's prime broker(s), market makers and/ or independent third party pricing services. The Administrator may also use and rely on industry standard financial models or other financial models approved by the Trustee in pricing any of the Fund's securities or other assets. If and to the extent that the Trustee or the Investment Manager are responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator may accept, use and rely on these prices in determining the Net Asset Value of the Fund and will not be liable to the Fund in so doing.

9. FEES AND EXPENSES

The Trustee is entitled in accordance with the Fund Constitution to be reimbursed for all expenses reasonably incurred by it for the proper performance for the Fund. The Trustee obtains reimbursement from the Fund for the custody, administration, brokerage, legal, accounting, marketing and audit expenses incurred for the Fund on an on-going basis.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. The Administrator is also entitled to be reimbursed by the Fund for all out-of-pocket expenses properly incurred in their provision of services to the Fund.

An outline of the fees charged for the Fund are set out below. The fees remain current for the life of this Information Memorandum.

9.1. Entry fees

Although the Trustee has the right to charge the Fund fees such as entry fee under the Fund Constitution, it will not do so during the life of this Information Memorandum.

9.2. Management fees

The Trustee is entitled to receive a management fee (excluding GST and any reduced input tax credit) of 1.5% (one and a half percent) per annum of the Net Asset Value of the Class. This management fee is calculated daily and is payable monthly in arrears. Under the Investment Management Agreement under which the Investment Manager is appointed as investment manager, the Investment Manager is entitled to receive a fee. The Trustee intends to pay the Investment Manager's fee out of the Management Fee to which the Responsible Entity is entitled, direct from the Fund.

9.3. Performance fees

A performance fee is payable to Totus Capital in respect of each monthly period (or part period where relevant) (a Performance Period) when the investment performance of the Fund has exceeded the benchmark, being the performance of the Reserve Bank of Australia's cash rate assuming the high-water mark has been met.

The performance fee is equal to 20% (excluding GST and any reduced input tax credits) of the total return of the Fund (after management fees and expenses have been deducted and after adjustments for any income or capital distributions) that is in excess of the benchmark return, and is calculated daily and payable monthly in arrears. Performance fees are paid subject to the high-water mark being met in the relevant calculation period. The high water-mark is the highest NAV per Unit in the Class at the end of a prior Performance Period in which a performance fee has been paid, adjusted for any income or capital distributions. The Performance Fee may be paid in part or full to Totus Alpha Management as Investment Manager of the Fund under the Investment Management Agreement.

Totus Alpha and/or Totus Capital may elect to have its management and performance fees paid directly to a nominated bank account or have them reinvested as Units in the Fund. Any fees reinvested in the Fund will be reinvested at the ex-distribution price of the separate management class, calculated as at the end of the previous month.

The Trustee may at its discretion issue a Class of Units to individuals and entities associated with the Trustee not subject to the management and performance fees described above.

9.4. Differential fees

The Trustee may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors.

9.5. Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Trustee out of its management fees and is not an additional cost to the investor. If the payment of annual fees to IDPS Operators is limited or prohibited by the law, the Trustee will ensure the payment of the fees is reduced or ceased.

10. INCOME DISTRIBUTIONS

Income of the Fund is usually distributed annually after financial year end, in proportion to each Unitholder's holding in the class of Units issued to them, at the end of the distribution period (being 30 June in each year), subject to the Trustee's discretion regarding redeeming Unitholders as described below.

Where the Fund is an AMIT the Trustee may choose not to distribute cash annually as discussed below.

Distributions will be automatically reinvested as additional Units in the Fund unless elected to be paid out. Units will be reinvested in the Class at the ex-distribution Unit price for the Class calculated as at the end of the distribution period.

If Units are withdrawn part way through a distribution period, the value of accumulated income is included in the withdrawal price. The Trustee may advise the redeeming Unitholder that part of the withdrawal proceeds reflects the Unitholder's share in the net/ taxable income of the Fund and therefore is assessable income. The balance reflects the capital proceeds on disposal and may, dependent upon the Unitholder's tax circumstances, be subject to the capital gains tax provisions.

11. TAX INFORMATION

Investing in the Fund will have tax implications and may have social security implications, depending upon the investor's particular situation. The Australian income tax and GST implications applicable to the Fund and its Unitholders are broadly summarised below and are based on the Australian tax laws in effect as at the date of this information memorandum.

This tax information does not consider the position for Unitholders who are subject to the taxation of financial arrangements (TOFA) rules.

We recommend Unitholders obtain professional advice on the tax implications of investing. This Information Memorandum provides general tax information only and does not purport to be exhaustive and comprehensive. It should not be relied upon as it may not relate to each investor's particular situation. Tax laws for the taxation of trusts are complex and are subject to change.

11.1. Taxation of Resident Unitholders

Tax File Numbers and Australian Business Numbers

It is not compulsory for Unitholders to disclose their Tax File Number (**TFN**), or Australian Business Number (**ABN**) (where applicable). However, if a TFN or ABN is not provided and the Unitholder has not quoted a relevant exemption, then the Trustee is required to withhold PAYG withholding tax at the highest marginal rate plus Medicare levy (currently 47%) from that Unitholder's distribution entitlement. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Non-resident Unitholders do not need to quote a TFN or ABN.

Income and capital gains made by the Fund

The Fund is resident in Australia for Australian tax purposes. As the Trustee has made the irrevocable election for the Attribution Managed Investment Trust ("AMIT") regime to apply from 1 July 2018, the income tax treatment of the Fund and its investors will be affected by the rules of the AMIT regime and whether the Fund meets the specified requirements for each income year.

The Fund has made an irrevocable election to apply the Capital Gains Tax (CGT) provisions as the primary code for assessing gains and losses on the disposal of certain assets, including for example shares and units. This means that the Fund will be deemed to hold these assets on capital account and Unitholders may be entitled to receive the benefit of the CGT discount on distributions of capital gains (the requirements for accessing the CGT discount concession are discussed below).

Where the Fund is an AMIT

Where the Fund meets the AMIT requirements for a particular income year, it should generally not be liable to pay income tax where the Trustee properly attributes all of the Fund's taxable income and tax offsets (described in the AMIT rules as "Trust Components") on a fair and reasonable basis in accordance with the Fund's constituent documents. It is the intention of the Trustee to ensure that this is the case.

Unitholders will be required to include amounts in their assessable income or include tax offsets in the calculation of their tax liability according to the attribution of Trust Components made by the Trustee. Amounts are likely to include the following:

- Australian income derived by the Fund (such as dividend, interest and other income)
- Capital gains
- All franking credits on any franked distributions received by the Fund
- All foreign source income
- Foreign withholding taxes for which the Trustee is liable in relation to income received by the Fund.

Unitholders should be subject to tax on assessable Trust Components attributed to them irrespective of whether a cash distribution is made for the period.

Unitholders should be required to adjust their cost base in the units that they hold in the Fund where they:

- (a) become entitled to cash distributions or are attributed tax offset amounts and the sum of these amounts exceeds the attribution of assessable income (including grossed-up net capital gains) and non-assessable non-exempt amounts to the relevant unit holder – the unit holder should be required to reduce their cost base in the units to the extent of the excess or recognise a capital gain to the extent that the excess exceeds the unitholder's cost base in the units; or
- (b) are attributed assessable income (including grossed-up net capital gains) and non-assessable non-exempt amounts and the sum of these amounts exceeds the sum of the cash distributions to which the unit holder becomes entitled and the amount of tax offsets which the unit holder is attributed – the unit holder should be required to increase their cost base in the units to the extent of the excess.

The Trustee will provide an Attribution Managed Investment Trust Member Annual statement (AMMA Statement) to Unitholders annually with the details of the Trust Components attributed to the Unitholder for inclusion in the Unitholder's tax return. The AMMA Statement will also include the amount of any net cost base increase or decrease the unitholder is required to make.

Where the Fund is not an AMIT

Where the Fund is not eligible to be an AMIT for a particular year, it should generally not be liable for income tax if the Unitholders are made presently entitled to all of the income of the Fund. It is the intention of the Trustee to ensure this is the case such that the Fund will distribute all the income of the Fund each year.

The Unitholder's share of taxable income of the Fund for each year ended 30 June should generally be included as assessable income in the Unitholder's tax return for such year, even if distributions are reinvested (for example, in additional Units in the Fund in the next year).

Unitholders will be sent an annual taxation statement from the Fund following the end of a financial year that will detail the composition of the distributions arising from their investment in the Fund including details of assessable income, tax credits and any other relevant tax information to include in the Unitholder's income tax return. The distribution will be likely to include, amongst others, the following:

- Australian income derived by the Fund (such as dividend, interest and other income)
- Capital gains
- Franking credits on any franked distributions received by the Fund
- Foreign source income
- Foreign withholding taxes for which the Trustee is liable in relation to income received by the Fund.

Certain tax deferred distributions that are not assessable to an investor may result in a reduction in the cost base of units held by the Unitholder. A capital gain will arise where tax deferred distributions exceed the cost base of a Unitholder's units.

Irrespective of whether or not the Fund is an AMIT, a Unitholder may be entitled to offset, against tax payable, franking credits and foreign income tax offsets on dividends received by the Fund. Unitholders receiving distributions or being distributed amounts of franked dividends and foreign income tax offsets will be required to include their share of dividend income, franking credits and foreign income tax offsets in their assessable income. However, Unitholders may be denied franking credits for distributions on units which the Unitholder has not owned "at risk" generally for a continuous period of forty-five (45) days (ignoring the day of acquisition and disposal).

If a Unitholder has excess franking credits, the Unitholder may, in certain circumstances (eg an individual or complying superannuation fund), be entitled to a refund. Corporate Unitholders may be entitled to convert excess franking credits into tax losses.

Tax implications on withdrawal

Withdrawal of a Unit from the Fund is a taxable event for CGT purposes and will require the Unitholder to calculate their capital gain or loss. To the extent that the withdrawal proceeds (less any amount referable to net/taxable income) exceed the cost base on the Unit, the Unitholder will make a capital gain. However, if the proceeds on redemption are less than the Unitholder's reduced cost base, the Unitholder will make a loss.

The Unitholder may be entitled to a 50% CGT discount (where the Unitholder is an individual or trust (conditions apply)) or a 33 1/3% CGT discount (where the Unitholder is a complying superannuation fund) if the Unitholder has held the Unit for at least 12 months prior to disposal. A realised capital loss can only be used to offset against capital gains.

Gains realised by a Unitholder holding their Units on revenue account will be taxable as ordinary income and will not qualify for the CGT discount. Losses realised by a Unitholder holding their units on revenue account will be able to offset against assessable income (including net capital gains).

You must receive this Information Memorandum within Australia, however, if you are not an Australian resident for tax purposes, please state in the application form your country of residence for tax purposes.

11.2. Taxation of non-resident Unitholders

The tax rules applying to a non-resident investor differ to those applying to a resident investor. Non-resident investors may also be subject to tax in the country in which they reside, but may be entitled to a credit for some or all of the tax deducted in Australia.

Appropriate deductions of Australian withholding taxes will be made from distributions of Australian sourced taxable income for non-resident Unitholders. The rate of withholding tax will depend on the composition of the distribution and on whether the non-resident Unitholder is a resident of a country with which Australia has a Double Tax Agreement or has an address which is in an exchange of information country. Distributions to non-resident Unitholders from sources wholly outside Australia will generally be exempt from Australian withholding tax.

You may be subject to the tax laws in the country in which you are tax resident but may be entitled to credits for tax deducted in Australia. You should consult a taxation adviser before investing.

Non-residents seeking to invest in the Fund should obtain tax advice in relation to their specific circumstances.

11.3. Goods and Services Tax

No GST should be payable for the application or withdrawal of Units, nor for any distributions paid for Units.

GST may apply to fees charged to Unitholders. Unitholders should obtain their own advice as to whether an input tax credit is available for any GST, as it will depend on their personal circumstances.

12. ADDITIONAL INFORMATION

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. The Trustee will be providing the reports described above to relevant IDPS Operators. Indirect Investors should refer to their IDPS Guide.

12.1. Fund Constitution

The Fund is governed by the Fund Constitution. The operation of the Fund, the duties and obligations of the Trustee and the rights of Unitholders are governed by the Fund Constitution together with applicable law. The Fund Constitution covers a number of matters including:

- Determination and payment of distributable income

- The Trustee's powers
- The Trustee's indemnity for all liabilities incurred in the proper performance of its duties
- Unitholder meetings
- Retirement of the Trustee
- Termination of the Fund
- Ability to amend the Fund Constitution.

Interests of Unitholders

The beneficial interest in the Fund is divided into Units. A Unitholder holds Units subject to the rights, restrictions and obligations attaching to the Units. A Unit does not provide an interest in any particular part of the Fund or in any particular asset or property. Units may be issued in fractions.

Classes

The Trustee is permitted to issue different Classes of Units in the Fund having attached different rights, obligations and restrictions. As at the date of this Information Memorandum, there are three Class of Units: Platform Class, PDS Platform Class and Management Units.

Issue of Units

The Trustee will issue Units under this Information Memorandum at the Issue Price (discussed in Section 7). Under the Fund Constitution, the Trustee has absolute discretion to accept or reject any application for investment in the Fund.

The Trustee's indemnity

The Trustee is entitled to be continually indemnified against all expenses, losses and liabilities that are incurred in the proper performance of its duties as trustee of the Fund.

Unitholder liability

The Fund Constitution provides that a Unitholder's liability to the Trustee is limited to their investment in the Fund.

Retirement of the Trustee

If the Trustee wishes to retire, it must call a Unitholders' meeting to explain its reason for wanting to retire and to enable the Unitholders to vote on a resolution to choose a company to be the new Trustee.

Binding effect

The Fund Constitution is binding on all Unitholders.

Amendments to Fund Constitution

The Trustee may amend or replace the Fund Constitution in certain circumstances including if the amendment will not adversely affect the rights of Unitholders or if the amendment is approved by a special resolution of the Unitholders.

A copy of the Fund Constitution is available free of charge on request by contacting the Trustee.

12.2. Investment management agreement

The Trustee has entered into an investment management agreement with Totus Alpha Management Pty Ltd. As investment manager of the Fund, Totus Alpha Management will manage the Fund in accordance with the investment objectives and guidelines, set out in the investment management agreement.

12.3. Soft dollar commission

Trades will be placed with a variety of brokers. Totus Capital, Totus Alpha Management or its delegates may engage in dealings with soft dollar brokers as part of its normal operations. These arrangements are undertaken in accordance with Totus Capital policies and are generally used to enhance and assist with the decision making process.

12.4. Prime Brokerage agreement

The Fund has appointed two Prime Brokers, Morgan Stanley & Co. International Plc (“Morgan Stanley”) & Credit Suisse AG (“Credit Suisse”) (together the “Prime Brokers”). The Prime Brokers have been appointed to provide clearing and settlement of transactions, securities lending and to act as custodians of the Fund’s assets. Additional information on each Prime Broker and their relationship with the Fund is listed below:

Morgan Stanley and Credit Suisse

Morgan Stanley is a member of the Morgan Stanley Group of companies, based in London, will provide prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (the “Agreement”) entered into between the Fund and the Prime Broker for itself and as agent for certain other members of the Morgan Stanley Group of companies (the “Morgan Stanley Companies”). These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise the Prime Broker, other Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker is authorised by the Prudential Regulatory Authority (“PRA”) and regulated by the Financial Conduct Authority (“FCA”) and the PRA.

The Prime Broker will also provide a custody service for all the Fund’s investments, including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the FCA. The Prime Broker may appoint sub-custodians, including the Morgan Stanley Companies, for the investments.

The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker will not participate in the investment decision making process.

The Fund has also appointed Credit Suisse as Prime Broker and Custodian pursuant to the Master Prime Broker Terms (“MPBT”) supplemented by Credit Suisse’s standard Terms and Conditions of Business, and Listed Derivatives Transactions Clearing Agreement. Under the terms of the MPBT the services provided by Credit Suisse will include the clearing and settlement of transactions, and securities lending and in connection with providing these services Credit Suisse will act as custodian of the Fund’s assets. Credit Suisse AG, Sydney Branch, which is an affiliate of Credit Suisse, is also a party to the MPBT and will provide financing services to the Fund under the terms of the MPBT.

Credit Suisse will, in accordance with the rules of the Financial Services Authority (“FSA”), identify, record and hold the Fund’s investments held by Credit Suisse in such a manner that the identity and location of the investments can be identified at any time and so that such investments are readily identifiable as belonging to a customer of Credit Suisse and are separately identifiable from Credit Suisse’s own investments, and should therefore be unavailable to the creditors of Credit Suisse. Similarly, the Hong Kong Securities and Futures Commissions (“SFC”) has implemented rules surrounding to anti-money laundering, position limits and large open position rules with which the Credit Suisse and Fund will comply.

Neither of the Prime Brokers nor any of their related entities will be liable for any loss to the Fund resulting from any act or omission

in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of the Prime Brokers or related entity. The Prime Brokers will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Prime Brokers and related entities accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Fund has agreed to indemnify the Prime Brokers and related entities against any loss suffered by, and any claims made against, them arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

12.5. Fund Administrator

The Fund has entered into an Administration Agreement (the "Administration Agreement") with Citco Fund Services (Australia) Pty. Ltd. (the "Administrator"). The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Fund, subject to the overall supervision of the Fund's Trustee.

Under the Administration Agreement, the Administrator is responsible, under the overall supervision of the Fund's Trustee, for matters pertaining to the day-to-day administration of the Fund, namely: (i) calculating net asset value of the Fund in accordance with the Fund's valuation policies and procedures; (ii) maintaining the Fund's financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Fund; and (iii) providing registrar and transfer agency services in connection with the issuance, transfer and redemption of Units.

The registrar and transfer agency services to be provided by the Administrator will include including (i) verifying the identity of prospective investors in accordance with applicable anti-money laundering policies and procedures, (ii) maintaining the Fund's register of Unitholders, (iii) generally performing all actions related to the issuance, transfer and redemption of the Units, (iv) disseminating the Net Asset Value of the Units to Unitholders, (v) furnishing annual financial statements, as well as Unitholder statements to Unitholders, and (vi) performing certain other administrative and clerical services in connection with the administration of the Fund as agreed between the Fund and the Administrator.

The Administrator may utilise the services of its affiliates in connection with the services provided by the Administrator to the Fund.

For the purposes of determining the Net Asset Value of the Fund and the Net Asset Value per Units of the Class, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out in the section entitled "Net Asset Value". In calculating the Net Asset Value of the Fund, the Administrator will, and will be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Fund's prime broker(s), market makers and/or independent third party pricing services. The Administrator may also use and rely on industry standard financial models or other financial models approved by the Trustee in pricing any of the Fund's securities or other assets. If and to the extent that the Trustee or the Investment Manager are responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator may accept, use and rely on the prices in determining the Net Asset Value of the Fund and will not be liable to the Fund as a result.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement.

The Administration Agreement is for an indefinite term; provided, however, that the Administration Agreement is subject to termination by the Administrator or by the Fund upon ninety (90) days' written notice, or immediately in certain other circumstances specified in the Agreement.

Under the Administration Agreement:

- (a) the Fund has agreed to indemnify and hold harmless the Administrator against any liability, actions, proceedings, claims, demands, costs or expenses in connection therewith which may be incurred by the Administrator or which may be made against the Administrator for the same sustained or suffered by any third party, except that the Administrator will not be indemnified against any liability to which it would be subject by reason of its Gross Negligence, fraud or wilful misconduct; and

(b) in the absence of Gross Negligence (as defined in the Administration Agreement), fraud or wilful misconduct in the performance of its duties under the Administration Agreement, the Administrator will not be liable to the Fund on account of anything done, omitted or suffered by the Administrator in good faith under the Administration Agreement in the performance of the services to be performed by the Administrator under the Agreement.

The Administrator in no way acts as guarantor or offeror of the Fund's Units or any underlying investment, nor is it responsible for the actions of the Fund's sales agents, its prime broker(s), custodian(s), any other brokers or the Investment Manager.

The Administrator is not responsible for any trading decisions of the Fund (all of which will be made by the Investment Manager). The Administrator will not provide any investment advisory or management services to the Fund and therefore will not be in any way responsible for the Fund's performance. The Administration Agreement does not create any contractual rights against or reliance on the Administrator by any person not a party thereto including, without limitation, any investor or counterparty appointed by the Fund. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and will not be liable for any breach thereof.

12.6. Your personal information

The application form accompanying this Information Memorandum requests personal information. The Trustee collects personal information so that it may provide you with the products and services associated with this Fund. The law may also require the Trustee to collect personal information.

The Trustee may disclose personal information to other parties (confidentiality arrangements apply) that provide services to the Fund, including to the Investment Manager and the Administrator. The Trustee also seeks expert help from time to time to help it improve its systems, products and services. Your personal information may be disclosed to these third parties in these circumstances. We may disclose your personal information to recipients located outside Australia. These entities may include our service providers.

Your personal information will not otherwise be shared with other third parties.

Your personal information may also be used by the Trustee to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist you with any queries and take measures to detect and prevent frauds and other illegal activity. The Trustee may also be allowed or obliged to disclose information by law and to report on prudential or risk management matters.

The Trustee aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking.

In accordance with the Notifiable Data Breaches scheme under the Privacy Act, we are obliged to notify individuals whose personal information is involved in a data breach that is likely to result in serious harm (these are referred to as 'eligible data breaches'). This notification must include recommendations about the steps individuals should take in response to the breach. The Australian Information Commissioner must also be notified of eligible data breaches.

Each investor will be required to acknowledge in its application form that the Trustee, Investment Manager and the Administrator may disclose to each other, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction copies of the applicant's application form and any information concerning the applicant provided by the applicant to the Trustee and/or the Administrator and any disclosure will not be treated as a breach of any restriction upon the disclosure of information imposed on the person by law or otherwise.

If you have concerns about the completeness or accuracy of the information the Trustee holds about you or would like to access or amend your information, or if you would like a copy of our Privacy Policy simply email the Trustee (ir@totuscapital.com.au).

You will be taken to agree to the collection, use and disclosure of your personal information as set out above when you make an investment in the Fund.

12.7. Anti-money laundering

As part of the Trustee's responsibility for the prevention of money laundering and counter terrorism, the Trustee and the Administrator or any of their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will require a detailed verification of the applicant's identity and the source of the payment from any person delivering a completed application form.

In Australia money laundering and terrorist financing is a criminal offence. The Administrator will request verification of identity from all prospective investors to the extent required under the Trustee's Know Your Customer (KYC) identification policy. Investors are required to send the completed application form and KYC identification information to the Administrator. The Administrator will notify you if additional proof of identity is required. Failure to provide the necessary evidence may result in applications being rejected or in delays in the issuance of Units. The Fund and the Administrator and each of their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will be held harmless and will be fully indemnified by a potential investor against any loss arising as a result of a failure to process an application if the information as has been requested by any of them has not been satisfactorily provided by the applicant.

By subscribing, applicants acknowledge that the Trustee may be required by law to provide information about them or to file suspicious transaction reports to regulators.

12.8. Email and facsimile instructions

The Administrator will process application and withdrawal requests which are received by email or facsimile. Neither the Trustee nor the Administrator will be responsible for any mis-delivery or non-receipt of any email or facsimile. Emails and facsimiles sent to the Trustee or the Administrator will only be effective when actually acknowledged by the Trustee or the Administrator. If no acknowledgement is received from the Administrator within five (5) Business Days of submission of the request, you should contact the Administrator on telephone number +61 2 9005 0400 to confirm receipt by the Administrator of the request.

12.9. Fees to financial advisors and IDPS

Additional fees may be payable by you to your financial adviser. The Statement of Advice issued by your financial adviser will set out details of those additional fees. We do not pay any commissions to financial advisers. If you invest in the Fund via an IDPS, additional fees may be charged by the IDPS operator for investing in the Fund.

12.10. Indirect investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire Units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator. This will mean that you are an Indirect Investor in the Fund and not a Unitholder of the Fund. Indirect Investors do not acquire the rights of a Unitholder as the rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem.

12.11. Enquiries

If you have any queries in relation to this offer of the Fund please contact Totus Capital via email ir@totuscapital.com.au

13. GLOSSARY

Administrator	Citco Fund Services (Australia) Pty. Ltd.
AFSL	Australian financial services licence issued under the Corporations Act.
Business Day	Any day other than a Saturday, Sunday or public holiday in New South Wales.
Class or Platform Class	Platform Class Units as issued under this Information Memorandum.
Corporations Act	The <i>Corporations Act 2001</i> (Cth), as amended from time to time.
Credit Suisse	Credit Suisse AG.
Fund	The Totus Alpha Fund.
Fund Constitution	The trust deed for the Fund dated March 12th 2012 as amended from time to time.
Gross Asset Value	At any time, the total value of the Fund assets as determined under the Fund Constitution.
High Watermark	The previous highest NAV per Unit in the Class at the end of a prior Performance Period in which a performance fee has been paid, adjusted for any income or capital distributions.
IDPS	Investor directed portfolio service or similar schemes including master trusts and wrap accounts.

Indirect Investor	A person who invests in the Fund through an IDPS.
Information Memorandum	This Information Memorandum issued by the Trustee.
Investment Manager or Totus Alpha Management Pty Ltd	Totus Alpha Management Pty Ltd ACN 155226734 (Authorised Rep 419151), as investment manager of the Fund.
Morgan Stanley	Morgan Stanley Co. International PLC.
Net Asset Value	The Gross Asset Value of the Fund less any expenses and liabilities of the Fund.
Prime Broker(s)	Morgan Stanley and Credit Suisse, or such other prime broker or prime brokers as are appointed from time to time.
Totus Capital or Trustee	Totus Capital Pty Ltd ACN 151 256 772 AFSL 409468.
Unit	A unit in the Fund representing an undivided beneficial interest in the assets of the Fund.
Unitholder	A person recorded on the register of unitholders as a holder of Units from time to time.
Wholesale Client	Persons or entities defined as wholesale clients under sections 761G and 761GA of the Corporations Act.

14. DIRECTORY

Investment Manager	<p>Totus Alpha Management Pty Ltd Level 8 139 Macquarie Street Sydney NSW 2000 Australia Tel: 8072 9945 Email: ir@totuscapital.com.au</p>
Trustee	<p>Totus Capital Pty Ltd Level 8 139 Macquarie Street Sydney NSW 2000 Australia Tel: 8072 9945 Email: ir@totuscapital.com.au</p>
Prime Brokers	<p>Credit Suisse Level 31, Gateway 1 Macquarie Place Sydney NSW 2000 Australia</p> <p>Morgan Stanley Chifley Tower 2 Chifley Square, Sydney NSW 2000 Australia</p>
Administrator	<p>Citco Fund Services (Australia) Pty. Ltd. Level 22, 45 Clarence Street Sydney, NSW 2000 Australia Fax: 9005 0444 Tel: 9005 0400 Email: sydirteam1@citco.com</p>
Auditor	<p>Ernst & Young The EY Centre 200 George Street Sydney NSW 2000 Australia</p>
Legal Counsel	<p>PMC Legal 11 Cairo Street South Coogee NSW 2034 Australia</p>

