



The Conscious Investor® Fund

Your goal as an investor should simply be to purchase, at a rational price, a part interest in an easily understandable business whose earnings are virtually certain to be materially higher five, ten and twenty years from now. Put together a portfolio of companies whose aggregate earnings march upward over the years, and so also will the portfolio's market value. Though it's seldom recognized, this is the exact approach that has produced gains for Berkshire shareholders.

Warren Buffett

Chairman and CEO
Berkshire Hathaway

Information Memorandum

Investment manager and trustee

Conscious Capital Limited

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Version 4.10



Before you start:

Conscious Capital Limited (Conscious Capital or the Investment Manager) is the trustee and investment manager for the Conscious Investor® Fund (the Fund), and the issuer of this Information Memorandum.

This is an important document and we encourage you to read it carefully. Because it does not take into account your personal circumstances, we encourage you to seek professional advice before investing.

If you have questions, speak to your financial adviser or contact us — our details are shown on the last page. This investment is available to *wholesale clients* only, as the Corporations Act defines that term.

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At a glance

Snapshot	The Conscious Investor® Fund is a wholesale fund focussed on finding long-term value through investing in quality business. Its rigorous approach is scientific and conservative.		
Style	A long-term disciplined approach to investing based on a proven investment technology and a verified investment methodology.		
Objective	Consistent careful long-term wealth creation, through capital growth and income.		
Resources	Conscious Investor® software and the Teaminvest investment methodology form the quantitative and qualitative spine of our investment framework.		
Investments	The Fund's mandate is primarily investing in ASX and Internationally listed securities. It may also invest in unlisted investments. See the section <i>What we invest in</i> for details.		
Highlights	<ul style="list-style-type: none"> ■ Proprietary Conscious Investor® software rigorously scans the entire Australian share market plus 25 overseas markets to find quality businesses with a proven track record of stable business growth with clear prospects for this continuing ■ Teaminvest methodology classifies and weighs the risks of potential investments, and assesses their ongoing economic strengths. ■ Systematic methods evaluate whether the board and senior management are acting honestly, rationally and in the best interests of shareholders. ■ Scientific proprietary valuation methods calculate the price to pay, with a margin of safety, to secure an attractive return based on a full evaluation of the company. ■ Fixed dollar fees mean that as your investment balance increases, your fees as a percentage of your total investment declines: there are also no management fees based on funds under management. ■ A success fee for performance above an absolute return hurdle: our business is aligned with your success. 		
Who can invest	Individuals and super funds, companies and family offices, partnerships and not-for-profits. We accept all investor types.		
Time frame	Investing is a patient endeavour, and a time frame of five or more years is recommended.		
Risk	Although the Fund invests for the long-term, listed and unlisted investments are generally considered volatile and so carry a relatively high-risk profile compared to other asset classes, especially in the short-term.		
Fees and subscription	<ul style="list-style-type: none"> ■ Joining fee and fee for additional contributions: Nil ■ Monthly membership subscription: \$450 (includes GST) ■ Performance: 20% of performance above an absolute return hurdle. <p>See <i>Fees and expenses</i> for details.</p>		
Withdrawals and minimum	Quarterly \$50,000 minimum	Distributions	Annual reinvested, although you can elect payment
Initial investment and minimum balance	\$500,000 processed monthly (smaller amounts with special arrangements)	Additional investments and minimum	Accepted any time, processed monthly \$50,000 minimum



How we provide value

Investing in Brilliance

The Conscious Investor® Fund is a wholesale fund that scours the world looking for outstanding companies run by exceptional management selling at sensible prices, companies to provide secure and attractive returns for our members year after year.

We provide value for our members in the following ways:

Global investments	<ul style="list-style-type: none"> ■ Australia represents only 2% of world markets: the Fund makes sure its members are invested in world markets, particularly the US, not just Australia
International tailwind themes	<ul style="list-style-type: none"> ■ We invest in companies that are part of international tailwind themes such as: the move to a cashless society, deep data analysis and artificial intelligence, consequences of an ageing population and increased healthcare demands
Fastest growing companies	<ul style="list-style-type: none"> ■ The Fund has major investments in the Fortune global fastest growing companies
Fixed monthly subscription	<ul style="list-style-type: none"> ■ No fees for funds under management; instead a simple fixed monthly subscription
Global brands	<ul style="list-style-type: none"> ■ Major investments in Interbrand’s global strongest brands
Cutting-edge number crunching	<ul style="list-style-type: none"> ■ Conscious Investor® continually scans world markets for outstanding opportunities using proprietary calculations
Year after year	<ul style="list-style-type: none"> ■ The Capital Allocation Team is careful to select companies with growing earnings likely to continue year after year
Capital protection	<ul style="list-style-type: none"> ■ Detailed selection of companies shown to resist market downturns
Special opportunities	<ul style="list-style-type: none"> ■ The Fund may invest in carefully selected private companies
Quality of lives and society	<ul style="list-style-type: none"> ■ Apart from durable competitive strengths, exceptional management, high returns on equity and selling at sensible prices, the Fund focuses on companies that have services and products that add to the quality of the lives of their users and society as a whole



What is conscious investing?

Conscious investing is a unique way of bringing proven and advanced investment technology together with a verified investment process to find quality, stable investments that are likely to provide attractive returns.

Strict analysis + wisdom

Put simply, the way the Fund invests is special, involving two intertwined steps:

Quantitative analysis:	We crunch the numbers like no-one else.	➡ Conscious Investor®
Qualitative judgement:	We apply a verified investment approach.	➡ Teaminvest investment methodology

Conscious Investor® and the Teaminvest investment methodology work together to give a fresh approach to long-term returns through investing in quality companies.

Conscious Investor®

A focus on investments with a proven track record of stable business growth which show good prospects for this continuing.

Every investment decision we make for the Fund starts with a unique stringent stock selection process using the Conscious Investor® software. This is the first key step in identifying investments with a proven track record of stable business growth which show good prospects for this continuing.

Conscious Investor® is designed to identify great companies that are likely to provide attractive returns. A proven 4th generation software technology, Conscious Investor® provides analytical filtering procedures and cutting-edge tools to identify leading investments, while calculating what price to pay for them and when to sell, with an automated margin of safety.

Its developer, Dr John Price, is a member of our Capital Allocation Team.

We use Conscious Investor® to subject stocks to a carefully graduated checklist of over 100 criteria. These criteria use up to ten years of fundamental data based on company information and company reports with many involving large scale number crunching. The checklist reflects investment criteria based upon the principles used by Warren Buffett such as management's performance, growth and stability of the business, capital structure and debt levels. If an investment does not pass all the filters in the checklist, it does not pass to the next level.



Teaminvest investment methodology

Seeking out quality stable businesses by identifying and weighing their risks, assessing the strength of their competitive advantage, and determining if the board and senior management act honestly and responsibly.

For the next step we use the Teaminvest investment methodology, a powerful approach to investing that analyses the commercial features of each business along with its board and senior management.

Its founders, Howard Coleman and Mark Moreland, are members of our Capital Allocation Team.

The Teaminvest investment methodology provides critical benchmarks to understand how and why a business makes its money and to identify risks that could endanger future revenue and profit. Risks are scored in terms of the likelihood of their occurrence in the next economic cycle and the damage they would impose if they did.

With this information the Capital Allocation Team determines a rate of return that would be required before investing in the company. This is fed back into the Conscious Investor® software to calculate the maximum price to pay to achieve this return with a margin of safety. Only if shares can be bought at this price or lower will the company be considered for investment.

In the end we want to find companies in industries with tail winds that are likely to be Wealth Winners® and not Capital Killers™.

Our Capital Allocation Team

Seasoned professionals

Our Capital Allocation Team comprises investment professionals with experience, professionalism, business knowledge and analytical skills. Ultimately responsible for portfolio construction and monitoring, they meet regularly applying the Teaminvest investment methodology to the results produced by the Conscious Investor® software in order to manage the Fund consistently in terms of its investment objectives. For more information see the section *Who runs the Fund*.



What we invest in

The Conscious Investor® Fund is a wholesale fund investing in quality companies — companies likely to give attractive but safe returns over the long-term. The companies may be Australian or overseas listed securities. It may also invest in unlisted securities. One of the Fund's distinctions is that it is both conservative and innovative.

Quality companies

The Fund primarily invests in quality Australian as well as overseas listed securities. Also carefully selected unlisted investments may be considered and acquired from time to time but they are not expected to represent more than 20% of the Fund's value.

Cash holdings would usually be minimal. The intention is to be fully invested apart from a limited amount for settlement or withdrawals. If there are insufficient quality investments at suitable prices, we may have a larger cash position while waiting for investment opportunities that meet the stringent checklist of the Fund. See the section *How we invest* for more details.

Patient investing

Our goal is consistent long-term wealth creation, through capital growth and payment of income over a five-year time horizon. We are not active traders and will aim to hold stocks for the longer term.

Volatility

We seek investments with less volatile business behaviour. So the Fund has a focus on investments with a proven track record of stable business growth which show good prospects for this continuing.

Price volatility, something altogether different from a stable business and generally a function of market factors, will always be present. We see this as bringing attractive purchase opportunities by allowing desirable companies to be bought at particularly low prices.

Diversification

There is no set minimum or maximum number of stocks. We expect that the Fund will hold around 15 to 30 investments representing approximately 90% or more of the value of the portfolio.

We do not intend to compromise portfolio quality and performance potential by diversifying for the sake of diversification.

Derivatives

We do not use derivatives for investment purposes.

Borrowing

We do not borrow for investment purposes.



How we invest

Investment decisions for the Fund are based on a diligent, methodical and stringent process in four stages. A two-part checklist is used to record the results of the process. The first part of the checklist consists of over 100 items relating to all aspects of each company being considered. The second part consists of in-depth details of those items needing further clarification and expansion.

1. Filtering using Conscious Investor®

The first stage is designed to identify great companies. This is done through the Conscious Investor® software which performs large scale number crunching on company databases. Part of this filtering also involves preliminary calculations where the return is likely to be attractive. This will be calculated with more precision in the third stage when we have more information about the company.

Conscious Investor® is uncompromising in the way it subjects stocks to a carefully graduated set of filters using up to ten years of fundamental data. A number of these filters are proprietary such as the measurement of the stability of the growth of the company, a key indicator of future reliable growth.

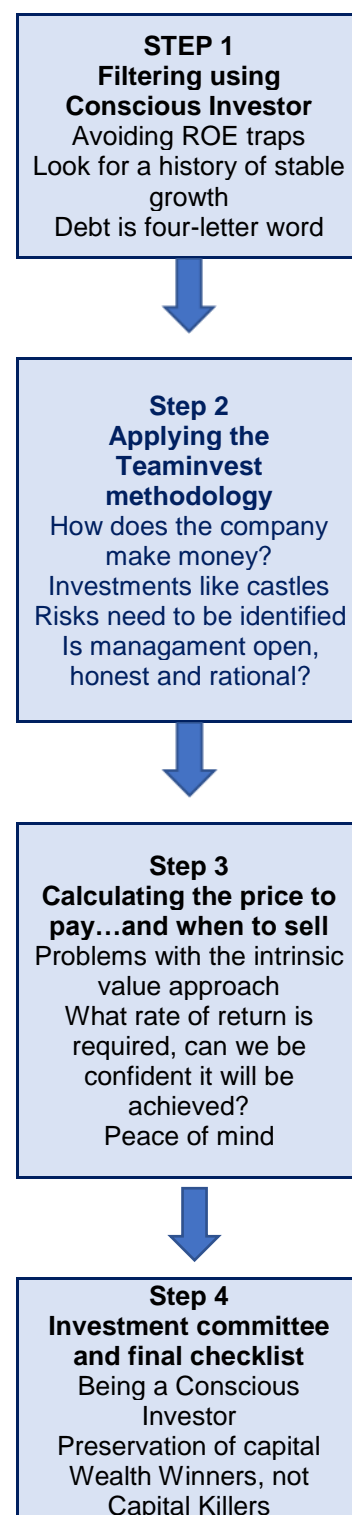
The filtering process in Conscious Investor® involves three steps:

- scanning the market to identify the small minority of stocks that meet our stringent financial criteria
- analysing in detail the companies that have passed initial filters
- calculating the right price to pay using the expected return method.

The first two steps include checklists in the areas of:

- ✓ performance of management
- ✓ growth and stability of the business
- ✓ capital structure and level of debt

The overall aim is to identify companies that have a proven track record of stable business growth and which show good prospects for this continuing. Some of the filters examine return on equity (ROE), stability and debt.





Avoiding ROE traps

Focussing on companies with a high and stable ROE is a common approach. That said, there are a number of traps with its use so that it may be misleading to accept it at face value. As part of the checklist the Fund breaks ROE into its components to ensure that it can be relied upon as a genuine sign of business health and not a temporary artefact of short-term restructuring.

Why we look for a history of stable growth

Various proprietary filters are used to scan for companies that have a history of strong and stable growth of revenue and earnings. This gives added confidence that this growth continues into the future, vital for a successful investment. Conscious Investor® contains a proprietary test called STAEGR® to measure this stability.

Debt is a four-letter word

The Fund takes the view that one of the biggest dangers for the continuing success of a business is high levels of short-term or long-term debt, particularly when it is not supported by secure assets. It makes them vulnerable to damaging actions by their creditors such as demanding debt reduction (deleveraging) or increasing interest rates. This often leads to sudden actions by the board such as dropping the level of dividends turning it into an unsatisfactory investment.

Problems resulting from high debt are particularly likely at rollover times. They are also more likely during periods of general credit instability. Companies with high levels of debt or questionable debt structures will be identified during the scanning and analysis stages as companies generally not suitable for the Fund.

Only when a company passes this first stage can it move up to the next selection stage.

2. Applying the Teaminvest investment methodology

In the second stage we use the Teaminvest investment methodology to qualitatively examine which investments worth considering as additions to the Portfolio.

How does the company make money?

To ensure a thorough understanding of the business, questions that are considered at this stage include:

- what is the business of the company?
- who are its customers?
- what are its main sources of revenue?
- what drives the results of the business?
- how does the company make money for its shareholders?

Apart from the official reports provided by the company, in many cases answers to these questions are supplemented by interviews with board members and senior management of the company. As we



consider appropriate, our Capital Allocation Team will also talk with suppliers, customers and others who may have had business dealings with the company.

Castles with deep moats

We next assess any unique features of the business that separates it from its competitors both nationally and globally. These factors form the sustainable competitive advantage or economic moat of the business. The stronger and more durable this inherent ring of protection around an investment, the greater confidence we can have that the growth of the company will continue.

Risks need to be identified

All businesses face risks that could weaken the continuing success of their operations. A key role of the Capital Allocation Team is to identify and evaluate these risks. Areas of risks include political, economic, regulatory, environmental, brand, technology, competitors, sector, industrial relations, financial and ethical. They are considered in global, national, regional, and local settings.

Once the risks are identified and described, they are scored according to their likelihood of occurring over the next economic cycle and their potential damage if they did. This scoring is part of the information used in the third stage by the Capital Allocation Team to determine the rate of return that would be required before investing in the company. More details on the Teaminvest approach to risk evaluation are given later in the section titled Risks.

Enduring products, not buggy whips

The Fund aims to invest in companies with products and services that will be needed over the long-term and avoid those with products and services that are more like buggy whips — quickly outmoded. It also favours companies that are relatively simple so that any changes in management will cause minimal interruption.

Is management honest, open and rational?

As part of examining the business, the Capital Allocation Team evaluates whether the board and senior management are acting honestly, rationally and in the best interests of shareholders.

This evaluation involves giving careful attention to the various company reports. We always consider whether communications from the company are clear, candid and informative, or obscure, guarded and unhelpful. For example, does the letter from the CEO in the annual report look as if it was written by the CEO with a genuine interest in providing information to shareholders or by a public relations consultant with boilerplate paragraphs? Are there excessive or unclear related party transactions? These are companies that are viewed with disquiet as investments for the Fund.

The Capital Allocation Team also wants to feel comfortable that the board and senior management have the experience and skills to manage the risks that have been identified. We particularly like it when the board and senior management have demonstrated business savvy. Another favourable sign



is when they use their own money to buy shares in the company. This stage frequently involves speaking with company representatives.

Another factor is the remuneration structure for the CEO and senior management. The Capital Allocation Team analyses the remuneration report in the areas of clarity, alignment and quantum. The Team is particularly concerned that the hurdles for any bonuses are aligned with the interests of shareholders and do not simply reward activity as is often the case.

3. Calculating the price to pay ... and when to sell

Even for the best of companies it is still possible to pay too much. For this reason it is important to have a clear and rational approach for calculating the price to purchase equities in order for them to make the best investments.

Problems with the intrinsic value approach

The usual approach to calculating purchase prices is via the intrinsic value method. Basically this method consists of calculating the intrinsic value of a range of stocks, comparing the results with their actual prices, and choosing those with low prices compared to their intrinsic values. Unfortunately there are a number of serious problems with this approach.

One of the problems is that there are actually dozens of different methods to choose from, leading to a wide range of results. With one method a stock can be highly undervalued while with another method the complete opposite may be true. A second problem is that even if a company appears to be undervalued according to one of these methods, there is no certainty that its share price will rise.

Because of the problems of the intrinsic value approach, the Fund does not use it. Instead it uses the expected return method. (A full description of the problems of the intrinsic value approach is contained in the book *The Conscious Investor*® by Dr John Price.)

What rate of return is required? Can we be confident it will be achieved?

The final assessment for all investments is the rate of return that is achieved. Before the Fund makes a purchase, we ask two questions:

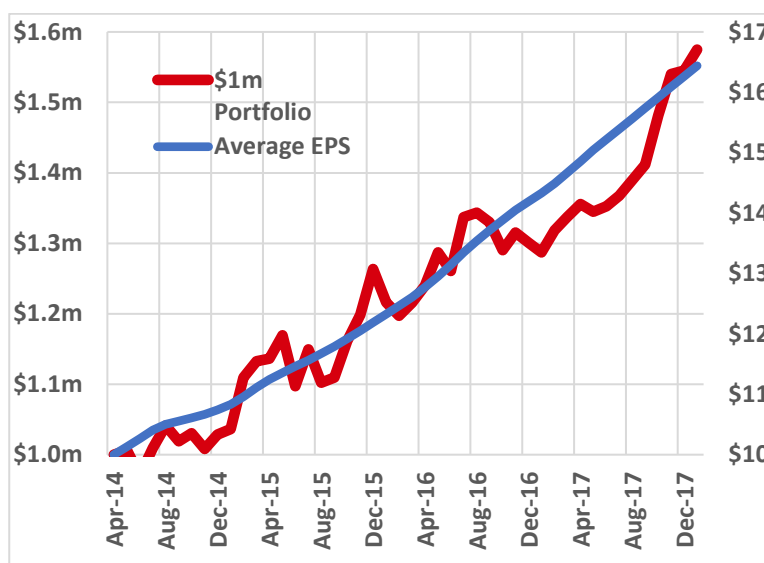
1. What rate of return is required for the company to be included in the Portfolio?
2. Can we be confident that this rate of return will be achieved at the current price with a margin of safety?

For the first question the required rate of return includes both capital gains and dividends. Using all the quantitative and qualitative information that has been collected and collated on the company, particularly its risks, the Capital Allocation Team answers the question by determining a rate of return that would be required before investing in the company.



Peace of mind

For the second question, in simple terms, the likely rate of return depends mainly on the degree of confidence in the growth rate of earnings per share and the level of dividends. To make this precise, the required rate of return is fed back into the Conscious Investor® software to calculate the upper limit for the purchase price to achieve this return. Confidence in achieving this return is gained by incorporating margins of safety into the calculations. These margins of safety are computer-generated in the areas of business performance, market sentiment and board dividend policy using extensive company and market data.



Analysis shows that over time the upward trend of annual earnings per share (EPS) drives growth in share price and dividends. This is why the Capital Allocation Team looks at a range of fundamental, business and management factors aimed at giving confidence that the EPS will be substantially higher in the future. The above chart shows how the real dollar value of an actual investment rose with growth in the average EPS of companies in the Fund.

For peace of mind these calculations *stress test* potential investments before any purchases are made. Only if shares can be bought at or below this price limit will the company be considered for investment in the Fund.

4. Capital Allocation Team and the final checklist

Our Capital Allocation Team is a compact, hands-on group of investment professionals who understand intimately the processes the Fund employs and whose judgement is trusted by many investors in Australia and internationally. In the final stage the Capital Allocation Team presents a total overview.

Being a Conscious Investor®

As well as the knowledge and checklist criteria previously outlined, in the final stage the other component to being a conscious investor relates to being aware of values. The Capital Allocation Team applies a judgement on the company’s activities, a soft screen for certain traits that are considered less desirable. As far as possible we take into account the foreseeable impact of the actions, products and services of the company on the wellbeing of society and the environment. We expect management to act in a responsible manner towards all the stakeholders: employees, customers, suppliers, creditors and shareholders.



These are not hard and fast rules. Issues such as these are subjective and rarely have definitive answers on which all will agree. Views will differ amongst the members of the Capital Allocation Team and certainly amongst the Fund's investors.

Preservation of capital

The objective of the Fund is consistent: careful long-term wealth creation through capital growth and income. The Capital Allocation Team recognises that this needs to be based on the preservation of capital. No short-term decisions will be made that might put any of the capital at risk in order to get slightly higher returns. Also companies are chosen that have been shown to resist market downturns.

Wealth Winners®, not Capital Killers™

As part of the importance of the preservation of capital we will avoid stocks with any of the signs that they might become Capital Killers™. By applying all the steps that have been out-lined, the Capital Allocation Team seeks to identify Wealth Winners®, quality companies selling at prices that will yield the required return with strong margins of safety.

The intention is to be fully invested. If there are insufficient quality investments at suitable prices, we may have a larger cash position while waiting for investment opportunities that meet the stringent checklist of the Fund.

It is the Capital Allocation Team which systematically runs the investment process. At the end of the day, it is the Capital Allocation Team which brings a final judgement to bear on whether the Fund invests in, holds or sells particular equities. It does this with the assistance of the results tabulated for each company in a final checklist of over 100 items.

The Capital Allocation Team meets regularly to monitor the stocks in the portfolio to ensure that they continue to meet prescribed expectations.

Who runs the Fund

The team managing and supporting the Conscious Investor® Fund consists of a unique blend of investment experience, dedicated professionalism, business knowledge and number-crunching research skills. It is a hands-on team.

The Capital Allocation Team

The members of the Capital Allocation Team represent a broad range of experience and skills in business development, hands-on business strategy and operation, business and financial analysis, and mathematical examination of large-scale company databases:

- **Stephen Harrison**, Chairman, is a seasoned investment professional with many years of leading financial services experience.
- **Howard Coleman**, CEO, is responsible for the development of the Teaminvest investment methodology used by the Fund.



- **Mark Moreland** is a co-founder of Teaminvest — a membership organisation for those who want to invest their own money.
- **Dr John Price**, Director of Research, is the brains behind the Conscious Investor® software used by the Fund.

Stephen Harrison BEc, CPA

Stephen has over 30 years' experience in the financial services, funds management, private equity and accounting fields. He has held director positions with Investec Funds Management and the Australian subsidiary of US based fund manager Sanford C. Bernstein. Previously he was National Director, Financial Services for BDO Nelson Parkhill, Chartered Accountants.

Stephen has held directorships and consulting positions with listed and unlisted companies both in Australia and overseas. He is currently a director of the Gruden Group, an ASX listed company.

Stephen is a founding director of the International Family Office Association and of Conscious Capital.

Howard Coleman BSc, OPM

For over 30 years Howard has started and built companies in the areas of consumer finance, education, language and mathematics in Australia, South Africa and the UK.

Howard's extensive business background and experience means that he has the ability to hone in on the strengths and weaknesses of companies. This particularly applies to identifying their future risks, and the ability and strategies of the board and senior management to deal with them.

He has regularly presented strategic business and financial workshops with a focus on CEOs and senior management of medium sized companies.

Howard is a graduate of the Harvard Owner/President Management Program and completed the Australian Institute of Company Directors' program for company directors. He is a director of a number of companies and has won many business awards including the prestigious *Speaker of The Year Award* from The Executive Connection.

Howard is a founding director of Teaminvest and of Conscious Capital.

Mark Moreland

For over 30 years Mark has started, built and sold companies in the areas of retail, sales, marketing and loyalty programs in Australia and Asia. Mark's company has built pro-cessing infrastructure in Hong Kong and Australia. For instance, he designed, set up and managed 26 credit-card reward programs for banks including ANZ, Westpac, HSBC Hong Kong, and GE Capital.

Currently his company processes over 4 million MasterCard accounts for programs including Coles and Harvey Norman.



This extensive background gives him a unique hands-on understanding of large areas of the IT and credit industry as well as business in general. When not analysing businesses, Mark can be found playing competitive tennis, trekking in Nepal or ice climbing in New Zealand.

Mark is a founding director of Teaminvest and Teaminvest Private.

John Price MSc, PhD

John started his 40-year career as a research mathematician with positions in major universities around the world. After publishing two books and over 60 papers in peer-reviewed journals in mathematics, physics, and finance, John set a research objective to understand the best investment methods of Benjamin Graham, Warren Buffett, John Burr Williams, Peter Lynch and other leading investors.

He personally programmed, tested, and compared over 30 different stock-valuation methods in his search for the best of the best. This led to the development of Conscious Investor®, which his company has sold around the world for the past eleven years and which is now part of Teaminvest. It also provided the background and research for his acclaimed book *The Conscious Investor®* and the establishment of this Fund.

To balance and help focus his number crunching, John swims in the ocean every day and practises Transcendental Meditation®.

John is a director of Teaminvest and a founding director of Conscious Capital.

Management

Anthony Fleming

General Counsel, Conscious Capital

Anthony is the principal of Launch Advisory, a specialist funds manager adviser delivering cost effective legal and business solutions to fund managers as well as other financial services players — dealer groups, investment platforms, research houses and custody houses — since 2003.

Anthony draws on more than 25 years' experience in financial services, particularly funds management, including as a financial services partner in the Sydney office of international law firm Baker & McKenzie, and before that at Mallesons Stephen Jacques, to deliver real legal and business solutions in the Sydney but also Melbourne and Brisbane market places.

The transaction platform and custodian

We have appointed Interactive Brokers as our transaction platform and the independent professional custodian to hold the Fund's assets. Interactive Brokers has been rated as a top online broker for the seventh year in a row by Barron's.

The company itself has consolidated equity capital of more than US\$5 billion and is a member of the New York Stock Exchange. It operates on approximately 100 electronic exchanges and trading venues worldwide providing quotations on approximately 965,000 securities and futures products.



For more details see the section *Custody services*.

The administrator

We have appointed Link Fund Solutions as an independent professional administrator.

Link Fund Solutions (LFS) is a specialist provider of outsourced middle and back office administration, fund accounting services and custodial services to a range of clients. It services around 70 clients and has in excess \$40bn of funds under administration.

LFS is part of Link Group, a leading global provider of registry management services and investor relations, servicing over 25 million individual share and unit holders.

The auditor

We have appointed Pitcher Partners as an independent tax advisor and auditor.

Pitcher Partners is a national association of independent firms. With over 100 years of experience, Pitcher Partners Sydney provides professional accounting and financial services to a broad range of individuals and businesses.



Risks

All investments are subject to varying risks, and the value of your investment will rise and fall over time. Changes in share prices can be significant and they can happen quickly —the greater and faster the changes, the greater the volatility of the value of your investment.

As risk cannot be entirely avoided when investing, the philosophy employed for the Fund is to identify and manage risk as far as is practicable.

We cannot promise that the ways in which risks are managed will always be successful. Neither the performance of your investment, nor capital invested in the Fund is therefore guaranteed.

Categorising risks

When investing in the Fund, risks are divided into the broad categories of business, market and structural.

- First, there is a chance an investment we choose is not as successful in its business operations as we anticipated: we call this *business risk*.
- Second, even if an investment we choose is successful as an operating business to the level we anticipated, there is a chance the share price may not properly reflect this success: we call this *market risk*.
- Finally, there are risks associated with the actual implementation of the investment process: we call this *structural* or *Fund risk*.

Business risk

The profit of a company in the Fund may be lower than anticipated or the company may even lose money.

We are cautious in our assessment of the quality of our investments as operating businesses:

- We focus on quality companies with a proven track record of stable business growth in sales and earnings showing good prospects for this continuing.
- We actively seek companies where we believe the board and senior management are honest, rational, and act in the best interests of shareholders.

There is a risk that, despite careful investment selection, one or both of these requirements is not achieved.

Whenever we consider an investment, a risk profile is developed which identifies risks and ranks them according to the likelihood of their occurrence in the next economic cycle and their severity should they occur.

Risks that would be considered for the profile of each investment include:

- departure of key management without proper succession planning
- failure to maintain its competitive advantage
- loss of market share because of a new competitor or a change of consumer buying habits



- inflated payment for an ill-fitting acquisition
- reduction in export profits because of economic difficulties in other countries or adverse exchange rate movements
- damage to the brand name due to product failure
- changes in regulation impacting on the company's business
- large expenditure to develop a new product or service which performs less well than expected
- general economic downturn

Business risk is the possibility that the risks in the company profile such as these are underestimated in terms of their likelihood or their severity. It also includes the possibility that other risks apply to the company which were not included in the profile.

As part of the Teaminvest methodology, the Fund employs a diligent, methodical and stringent process to identify business risk. Investments where risk is too high are eliminated. Finally, expectations of return are matched to risks as far as is practicable under a computer-generated margin of safety within Conscious Investor® software.

Nonetheless, companies are run by people and people are fallible, sometimes doing the unexpected and the undesirable. Companies are also impacted by events out of their control. Hence the profit of a company in the Fund may be lower than anticipated or the company may even lose money. This could lower the share price of the company which would affect the performance of the Fund.

Market risk

Share prices may not properly reflect the quality of the underlying investments in a reasonable time.

All things being equal, over time the market should reflect the quality of each investment through its share price.

However, this will not always be true: markets are imperfect and irrational. Forces outside a company such as market sentiment can have a dramatic impact on the share price of a company despite its success as a business.

Put another way, share prices may be slow in reflecting the quality within a company, and may not ever reflect it. We refer to this as market risk.

Events that cause market risk include changes in:

- supply and demand for a stock, influencing when (and how much) we can buy and sell and at what price
- changes in inflation and interest rates
- exchange rate changes (generally any foreign exposure is unhedged) political, economic, financial, technological and legal factors natural and man-made disasters, and conflicts regulator and Central Bank policies
- general market sentiment



Before investing in a company, the Capital Allocation Team studies the effect on the share price of past occurrences of market risk events. This information is combined with the computer-generated margin of safety within the Conscious Investor® software to calculate a maximum price that the Fund is willing to pay to compensate for these risks.

In this way, we seek to understand market risk and so manage its impact as far as is practicable. There is a risk that the Capital Allocation Team may underestimate the effect of market risk and pay too much for a quality investment which could affect the performance of the Fund.

Fund risk

Investing through a fund rather than directly also brings risks.

Examples of fund risk include:

- liquidity, discussed in more detail later
- investment in a limited number of shares (concentration risk), bringing greater unit price changes as stock prices move
- we may cease to be the trustee of the Fund or our management or the Capital Allocation Team could change
- the Fund could be wound up
- key relationships could change or there could be disputes
- someone involved with the Fund (even remotely) may not meet their obligations or perform as expected, for example a custodian, bank, employee or a counterparty
- assets may be lost, not recorded properly or misappropriated insurers may not pay when expected or insurance may be inadequate
- investing in the Fund may give inferior results compared to investing directly in the ASX; for example, direct investment may avoid the impact of other investors coming and going, and may enable you to manage your tax situation better

A word on liquidity

We aim to meet all withdrawal requests promptly. There may be delays, as selling investments is not always possible, practicable or consistent with the best interests of investors. Unlisted stocks may bring an increased measure of illiquidity.

The constitution for the Fund specifies limited circumstances where there could be a delay in meeting such requests. See the section *How to withdraw*.

Meeting withdrawal requests may also cause investments to be realised at sub-optimal prices.

A final word on risk

Risks change, our assessment of them may prove inaccurate, and many risks are difficult or impracticable to manage effectively. Most risks are beyond our control. In spite of all we do to manage the Fund successfully, it will be invariably true that we will not always make the best investment decisions.



Fees and expenses

Our business is aligned with your success

The Fund takes a long-term, disciplined approach to investing.

Accordingly, at Conscious Capital we have taken a long-term view on fees, one aligned with the success we aim to generate for our investors.

We look to cover our costs with modest membership subscription while we focus on generating success for you; our profit only comes with your success based on performance.

Fee structure

Our fee structure is outlined in the following table.

Fee	How much?	When is it paid?	What else should you know?
Joining fee	Nil	There is no joining fee when you set up your investment in the Fund.	There is no cost for further contributions to the Fund.
Monthly membership subscription	\$450 per month	This subscription is paid monthly from your nominated account, at the start of the month.	This subscription is fixed no matter how large your balance.
Success fee	Only payable when performance exceeds an absolute hurdle	If payable, this fee is paid each July and January from the Assets, calculated as at the end of the prior month.	A success fee may not always be payable. When it is, it will equal 20% of the increase in the unit price over an absolute return hurdle explained below.

Fixed dollar fees mean big savings

Fixed dollar fees mean that the more you invest, the cheaper it is to have your money managed by us. To give you a feel for this:

If you invested this much for one year ...	Your subscription as a rate would be ...
\$500,000	1.08% p.a.
\$1 million	0.54% p.a.
\$5 million	0.11% p.a.

The membership subscription of \$450 per month is paid monthly in advance from your nominated account. So that these examples are straightforward, they assume that the value of your investment in the Fund is constant over the full year, and figures are rounded. Performance fees would make the overall fee-level higher but, again, they would only be paid if we manage the Fund so that your return exceeds the absolute return hurdle. (Special pro-rata monthly payments may be possible for smaller investments with an accountant's certificate.)



About the success fee

We calculate whether we are entitled to a success fee based on the performance of the Fund ending each June and December.

For a success fee to be paid, the unit price must have increased by at least 2.96% over the previous six months (which is 6% annually on a compounding basis) *and* by at least 6% over the previous twelve months (rolling high-water mark). In this case, our success fee is 20% of the growth in the unit price *above* the growth rate of 2.96% over the previous six months, multiplied by the number of units on issue.

When we speak of *unit price* here, we mean the unit price before fees, and adjusted for distributions.

Through each period we make allowance for the accrued success fees (if any), which is reflected in the unit price if you enter or exit the Fund during that period.

In the unlikely event of the Fund winding up, we will calculate any final entitlement to a success fee as close as is practicable to the time that we dispose of the Fund's last investments.

Expenses

All usual expenses are paid by us from our fees. Usual expenses include Fund establishment, promotion, licensing, custodian, registry, audit, taxation advice, external consultants, accounts, stationery, postage, compliance, Fund accounting and operations costs, insurance costs and regulatory expenses.

We may determine that unusual expenses such as investor meetings, Fund termination or any dispute management may be recovered from the Fund.

Changes in fees and expenses

Fees and expenses can change, but we would think carefully before we made any increase. Reasons for changes might include changing costs, economic conditions and regulations.

The trust deed for the Fund sets the maximum amount we can charge for fees. We currently charge fees at less than the maximum amounts allowed for in the Fund's trust deed. If we wished to raise fees above the amounts allowed for in the Fund's trust deed, we would need to amend the trust deed. As is common, there is no specific limit in the trust deed on the level of expense recovery.

We will give you at least 30 days written notice of any proposed increase to fees.

Transaction costs

We adjust the unit prices by a small amount for our estimate of transaction costs. The adjustment is:

- down for the withdrawal price, currently --0.3%
- up for the issue price, currently +0.3%

This is not a fee payable to us, rather it is an amount paid to the Fund. It is referred to as a spread. The percentage is our estimate of the transaction cost per unit of buying or disposing of (as relevant) investments in the Fund when we receive money to invest or raise cash for withdrawals.



More than one related account?

We usually count an investor, their spouse or partner and their super or family trust as one investor for the purposes of fixed fees.

What else should you know?

We do not charge members for withdrawing from the Fund (although a tax liability might arise).

We may pay some of our fees to others (for example, referring investors to us).

Taxes and bank charges applicable to an investor will be deducted from their account.

Quoted fees take into consideration the net effect of GST. This includes any benefit of reduced input tax credits.

Removal of the Trustee

If investors at a meeting remove us or require that we retire other than because of a Retirement Event, a compensation fee is payable to us. See the section *Legal* for details of when we can be removed or required to retire including the definition of a Retirement Event.

That fee is a sum representing:

- any fees payable and not yet paid or which have been deferred as at the date of our retirement or removal and
- the net present value of future management fees from the date of retirement or removal to the fifth anniversary of our retirement (there is a cascade down to one year if a court strikes the period out).

Are there any hidden costs?

No, there are not.



How to invest

Applications for Units in the Fund are made on the Application form.

Getting started

This is a wholesale fund, so the usual minimum investment is \$500,000. However, the Fund may accept investments above \$50,000 which will require an accountant's certificate. In this case, the monthly subscription fee will be calculated pro-rata.

Simply complete the application and identification form and any associated forms which are right for you, and send them to us. We do not accept faxes or emails for initial applications. We also need your payment by cheque or direct deposit from your Australian financial institution account.

We will confirm when we accept your application.

Application forms may be found at www.consciouscapital.com.au/invest.html.

How to pay

Cheque

Australian cheques are acceptable, crossed "not negotiable" and payable to:

Conscious Capital Limited atf The Conscious Investor® Fund

Direct Deposit

Account Name: **Conscious Capital Limited atf The Conscious Investor Fund**

BSB: **012- 006** Account No: **8361- 88699**

NOTE: When making a direct deposit, please use the applicant's name as a reference.

Processing days

We generally process applications as at the last day each month, so we usually need to have your completed application and cleared application monies by 5pm at least five clear business days before this date.

For applications, the unit price that is used is that after 5pm Sydney time as at the last business day each month.

Unit prices

We determine the unit price as at the last day of each month based on the information we have most recently available.

To calculate the unit price, we determine the value of the investments, take away the value of the liabilities, and divide by the number of units. For applications we add an amount equal to our estimate of the transaction cost per unit of disposing of relevant investments in the Fund. This transaction cost



is also referred to as a *buy-price spread*. This is for the benefit of the Fund, not us. Link Fund Solutions will provide the unit prices on a monthly basis.

The number of units issued equals the amount of the application divided by the entry price.

Interest on monies received prior to processing days is credited to the Fund.

No buy-price spread is charged for reinvestments.

Where to send your application

You can bring your completed forms along to any Conscious Investor® Fund meeting or send them to our administrator, Link Fund Solutions, via the below address:

Conscious Capital Limited

c/o Link Fund Solutions

GPO Box 5482

SYDNEY NSW 2001

Investing more

To invest more, use a current application form or write to us and tell us your investor number and the amount. The minimum amount for further investments is generally \$50,000.

Also, tell us if you have paid by funds transfer, otherwise include your cheque. You do not need to send us any more investor identification forms, although you must sign the application form or letter.

We will confirm with you when we process your further investment.

Cooling off

There are no cooling off rights. Once lodged, applications cannot generally be withdrawn.



How to withdraw and distributions

Withdrawals

Withdrawals will normally be processed quarterly, as at 31 March, 30 June, 30 September and 31 December of each year. They will be paid by direct transfer to your nominated account, normally within 20 business days after the end of that quarter each year.

To make a withdrawal, simply contact us. You will need your investor number and inform us of the amount you wish to withdraw. The request needs to be in writing and signed by you. Once lodged, withdrawal requests cannot generally be withdrawn.

There can be delays in withdrawal payments in certain circumstances, as set out below.

We usually need to have your completed withdrawal request by 5pm at least five clear business days before this. For withdrawals, the unit price next calculated after 5pm Sydney time on the last business day of the quarter is used.

For withdrawals, we subtract an amount equal to our estimate of the transaction cost per unit of disposing of relevant investments in the Fund. This transaction cost is also referred to as a *sell-price spread*. This is for the benefit of the Fund, not us.

Delays

We can delay your access to your money if we consider it in the best interests of investors.

Examples include:

- There is a circumstance outside our reasonable control which we consider impacts on our ability to properly, accurately or fairly calculate a unit price, for so long as the circumstance continues.
For example, this might occur if the assets or relevant currencies are subject to restrictions or pricing delays or if there is material market uncertainty.
- We have received withdrawal requests in relation to a particular processing date, and the total withdrawal moneys which would be payable in respect of this time (the *relevant time*) represent more than 20% of the value of the net assets of the Fund.
In this case we can redeem the units at such future time, or at times over such period, as we determine and payments to each investor must be in the proportion that their redemption moneys bear to all other redemption moneys which were payable at the relevant time.
- The terms of the investment or of any financial accommodation practically require such delay or would be breached if there was no delay.
- The terms of issue contemplate.
For example, this document contemplates other delay circumstances.

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



Deductions

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

- any unpaid amounts due to us by the investor on any basis
- any money due to us (as trustee or in any other capacity) by the Investor
for example, unpaid calls
- any money we (as trustee or in any other capacity) owe someone else relating to their investment
for example, to the tax office or a lender to the investor

Compulsory redemptions

We may redeem Units without a withdrawal request in limited circumstances, including:

- if you agree
- if you have breached your obligations to us
- to satisfy any amount of money due to us (as Trustee or in any other capacity) by you
- to satisfy any amount of money we (as Trustee or in any other capacity) owe someone else relating to your investment for example, to the tax office or a lender to the Investor
- where we suspect the law prohibits you from legally being an investor in the Fund
- if the constitution is or would be breached, for example, where a minimum holding is or will be breached

In each case, the withdrawal price is the next calculated after we decide to redeem the unit.

Distributions

The Fund will normally make a distribution to members annually, as at 30 June of each year. The distribution will comprise income earned by the Fund (such as dividends received from shares, interest and net foreign exchange gains) less expenses incurred by the Fund, plus net capital gains made on the sale of shares or other investments held. If there is no net income or net capital gains during the year, the Fund may not pay a distribution for that year.

When the total Fund distribution for a period has been calculated, the distribution amount per unit is calculated by dividing the total Fund distribution by the number of units on issue at the distribution date. The distribution you receive will be based on the number of units you held at the end of the distribution period. It is not pro-rated according to the time you have held your units. Please be aware that distributions will be reinvested unless you instruct us otherwise on the Application form.



Reporting and transparency

Because of the *membership* orientation of the Fund, we consider reporting and transparency as vitally important. We want you to know what we invest in and why. We also believe that this is our duty as part of the responsibility of looking after your hard-earned wealth.

Investment reports

You will receive the following statements and reports from Link and from us:

- monthly statements describing your unit holdings prepared by Link Fund Services each time you invest or withdraw
- transaction statements each time you invest or withdraw
- distribution / income statements each time you receive a distribution payment
- six monthly reports detailing fund strategy and principles
- careful reports on selected investments under the headings such as Strategy, Success drivers, Management meetings, Economic moats, Main risks, and Conclusion
- tax return information as soon as we can after the end of the financial year
- earnings statements of the largest 10 holdings this is part of our focus on companies with growing earnings

The Fund's annual audited financial statements are available on request.

These are usually completed within 10 weeks of the end of the financial year.

We usually communicate by email.

Paper copies of documents are available on request and provided at cost.

For more information on unit prices and Fund performance, contact us.

Privacy

We use personal information about you to administer your investment and comply with laws. We won't tell anyone any information that we have about you unless:

- you agree
- the law requires it
- we consider that they need the information typically because they are your adviser or assist us to administer your investment
- the Investment Manager wishes to contact you regarding further investment opportunities



If you think our records are incorrect or out of date — particularly your address, email address or adviser — it's important that you contact us and we will correct them.

Useful forms, including the application forms, can be found at:
www.consciouscapital.com.au/invest.html

If you do not provide us with your contact details and other information, we may not be able to have or keep you as an investor.

Our privacy policy is available on our website.

AML

We are committed to the regulatory requirements for anti-money laundering and counter-terrorism financing (*AML*). To comply with these requirements, we may:

- require you to provide to us, or otherwise obtain, any additional documentation or other information
- suspend, block or delay transactions on your account, or refuse to provide services to you, and
- report any, or any proposed, transaction or activity to any person or body authorised to accept such reports relating to AML or any other law.

Foreign Account Tax Compliance Act (FATCA)

We are obligated to comply with FATCA. This requires you to complete a FATCA self-certification form. You can download the form at: www.consciouscapital.com.au/invest.html, or contact us.

Information from you

You must provide to us in a timely way all information that we reasonably request or which you suspect that we should know to perform our functions.

Examples include information regarding your identity or the source or use of invested moneys.



Taxation

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

Generally

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

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

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

Tax on distributions

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

- income
for example, dividends and interest
- net capital gains
from the sale of Portfolio investments
- tax credits
for example, franking credits attached to dividend income and credits for tax paid on foreign income
- tax deferred income

Tax when you withdraw

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

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

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



Legal

The Fund is an Australian resident open-ended unit trust but is not a registered managed investment scheme. Investment in the Fund is only available to wholesale clients as the Australian Corporations Act defines this.

The constitution

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

- the nature of units of the Fund
all are identical within the Fund.
- our powers
and how and when we can exercise them
- when the Fund terminates
we can terminate the Fund at any time and the relevant investors share the net proceeds on a pro-rata basis
- changing the constitution
we may amend the constitution however the approval of Investors is needed to materially increase fees

Note that the investment manager has certain rights and obligations under the trust deed as a unit holder, the main ones of which are noted in this Information Memorandum.

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

We will send you a copy of the constitution at cost if you ask.

Our duties

We must exercise all due diligence and vigilance in carrying out our functions and duties under the trust deed. If we act in good faith and without gross negligence we are not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

Subject to any liability which law might impose on the Trustee which cannot be excluded, all obligations which might otherwise be implied or imposed on us by law or equity are expressly excluded to the extent permitted by law.

Our liability to any person other than an investor in respect of the Fund is limited to our actual indemnification from the properties for that liability.

We are entitled to be indemnified out of the assets of the Fund for any liability incurred by us in relation to the Fund.

This includes any liability incurred because of a delegate or agent.



We may take and may act (or not act as relevant) on any advice, information and documents which we have no reason to doubt as to authenticity, accuracy or genuineness. We are not liable for so acting or not acting on such advice, information and documents.

We may:

- deal with ourselves (as trustee of the Fund or in any other capacity), any associate or any investor
- be interested in any contract or transaction with ourselves (as trustee of the Fund or in any other capacity), any associate or investor, and;
- may act in the same or a similar capacity in relation to any other trust or managed investment scheme, and retain any benefit or benefits from doing such dealing, interests or so acting.

Each Investor indemnifies us for all liability incurred by us arising directly or indirectly from the investor's breach of its obligations to us.

This indemnity is in addition to any indemnity under law and continues to apply after the Investor ceases to be an investor.

Investor meetings

Calling a meeting

We may at any time call a meeting of investors to consider any matter, including resolutions.

We must do so if the Investment Manager requires it.

We must convene a meeting if a "retirement event" has occurred and are requisitioned to do so. Investors have no other rights to have a meeting convened. Detail is below.

Notice

A meeting of investors must be convened by notice sent to every investor entitled to attend and vote at the meeting. Notices must be resent for meetings adjourned for more than two weeks.

We must give at least five Sydney business days' notice of a meeting to relevant investors.

Shorter notice is permitted if 25% by value of all units on issue agree.

Quorum

The quorum for a meeting of investors is at least two investors present in person or by proxy together holding at least 10% of all units, unless either of the following:

The Fund has only one investor

- in which case that investor constitutes a quorum.



- There is any proposal arising from a requisition by investors to remove us or seek our retirement, then the quorum is at least five investors present in person or by proxy together holding at least 50% of all units
or if there are less than five investors, then the quorum is at least 75% by number of investors so present.

If a quorum is not present within 15 minutes after the scheduled time for the meeting, the meeting is:

- dissolved if there is any proposal arising from a requisition by investors to remove us as trustee or seek our retirement, else
- adjourned to such time and place as we decide.
At any adjourned meeting, those investors present in person or by proxy constitute a quorum.

The chair

We may appoint a person to chair a meeting of investors. A poll cannot be called by investors on the issue of appointment of the chair unless we agree.

The decision of the chair on any matter relating to the conduct of the meeting is final.

For example, who can attend and address the meeting.

The chair has power to adjourn a meeting for any reason to such place and time as the chair thinks fit. A poll cannot be called by investors on the issue of adjournment unless the chair agrees.

Voting

Any two investors present in person or by proxy holding at least 10% by value of units and entitled to vote on the issue may demand a poll.

Unless the Fund has only one investor, in which case that one investor may do so.

On a show of hands each Investor has one vote and on a poll each Unit is worth one vote.

Generally all resolutions decided on a show of hands will be passed if at least 50% of persons entitled to vote and voting (in person or by proxy) on the matter vote in favour.

Generally all resolutions decided on a poll will be passed if at least 50% by number of Units voted (in person or by proxy) on the matter vote in favour.

Any proposal arising from the requisition of investors that we or the Investment Manager retire or be removed must be passed by special resolution.

A special resolution means units voted (in person or by proxy) in favour on the matter represent at least 75% of all units on issue.

We and any associate of either may vote on all resolutions.

The chair of the meeting has a casting vote.



Subject to the rights and obligations attaching to any class of units, the value of a vote is reduced to the extent that the Unit is not fully paid or, being partly paid, all moneys called are not paid.

If a Unit is held jointly, only the person whose name appears first in the register may vote.

A resolution binds all investors, whether or not they were present at the meeting.

Other matters

A meeting of investors, any notice of meeting or any proceeding at a meeting is not invalidated because of the accidental omission to give notice of the meeting or the non-receipt of the notice or because of any procedural irregularity.

We may hold meetings any way we determine.

Examples of different types of meetings include phone hook-up, video conference, electronic voting, circular resolution or the necessary investors agreeing in writing (this includes e-mail and fax).

Change of trustee

We may retire on three months' notice to investors and must use reasonable endeavours to find a replacement and if we do not, we may wind up the Fund.

Investors have no right to remove or require the retirement of the Trustee other than where a Retirement Event has occurred in which case at least five investors together holding at least 25% of all units may requisition a meeting to consider a Special Resolution do so.

A Retirement Event is:

we have breached our obligations in a way which may reasonably give rise to a material liability under the trust deed, and (being capable of remedy) is not remedied or remedied as far as is practicable within 30 days of receiving a written request for rectification from an investor the usual insolvency events or

it is unlawful for us to perform our obligations.

Special resolution means approval (in person or by proxy) by at least 75% by number of all Units on issue.

Investors have no other right to remove or require the retirement of the trustee.

Transferring your units

You can transfer your units and we can refuse to register transfers and need not give reasons. Contact us for the required form and remember that you will generally need to pay stamp duty.



Winding up the Fund

We can decide to wind up the Fund anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as soon as we consider practicable. It may take some time to finalise this process.

Limits on your responsibility

We have included provisions in the constitution designed to protect you.

The constitution limits your liability to any unpaid part of the issue price of your units and that you need not indemnify us if there are not enough assets to meet the claim of any creditor of ours. In the absence of separate agreement with an investor, our recourse and any creditor is limited to the assets.

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

Other matters

The Information Memorandum current from time to time is the one which governs your investment from time to time. If we issue a new Information Memorandum or supplement, a copy will be sent to you, and we recommend that you read it carefully. Copies are always available free by contacting us.

The offer made in this Information Memorandum is available only to persons receiving this Information Memorandum in Australia (electronically or otherwise). If you received this Information Memorandum electronically, we will provide a paper copy (at cost) upon request during the life of this Information Memorandum.

Teaminvest Pty Ltd ABN 32 133 389 910 AFSL 334339 has an agreement with us to use the Conscious Investor® and the Teaminvest investment methodology, but neither it, nor Link Fund Solutions or Interactive Brokers, are responsible for this Information Memorandum. Conscious Investor® and Wealth Winners® are registered trademarks used with permission.

Unless otherwise stated, all figures are in Australian dollars and are inclusive of the net impact of GST.

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

Custody services

Interactive Brokers LLC (“IB”) will provide custody services for such assets of the Conscious Investor® Fund, which are held on the books of IB as part of the brokerage function it performs for Conscious Capital Limited ATF the Conscious Investor® Fund. IB may appoint a sub-custodian (including an affiliate of it) to hold the assets of the fund.

Where IB does appoint a sub-custodian, they will hold such assets for the benefit of IB, who will in turn holds them as custodian for the benefit of its customers. In relation to customer’s positions in exchange traded derivatives (such as futures and options), positions are held by IB for the benefit of



its customers through clearing participants of the relevant exchanges, where IB is not itself a clearing participant.

IB provides brokerage and incidental custody services to Conscious Capital Limited only under an agreement with Conscious Capital Limited which, amongst other things, limits its liability to the fullest extent possible and entitles it to fees or commissions.

IB does not participate in the investment decisions or activities of the Conscious Investor® Fund and Conscious Capital Limited and in no way guarantees or warrants the performance of the Conscious Investor® Fund or the decisions of Conscious Capital Limited. IB is in no way responsible for the protection of any rights that investors may have in the Conscious Investor® Fund.

IB was not involved in the preparation of this document (or any other document accompanying this document) and IB does not warrant or represent anything herein save as to the factual statements made specifically about it. No responsibility or liability (including negligence) whatsoever is accepted or admitted by IB for any information or any statement made herein (or in any other document accompanying this document) or for the truth, accuracy or completeness of any such information or statement.



Completing the Application Forms

Before you start:

- Print** Print clearly. Choose a dark pen. Cross out and initial any changes (do not use liquid paper). Running out of room? Attach the extra information clearly.
- Faxes** We do not accept faxes or emails for initial applications but do accept originals, faxes and emails for additional investments
- Questions** Contact us. Our details are on the last page of this Memorandum.

Checklist

All members

- ✓ complete and sign the right Application and Identification Form
- ✓ attach your cheque, or transfer your application moneys online to the bank details described earlier

For new members:

- ✓ complete the FATCA Self-Certification Declaration
- ✓ complete the Common Reporting Standard (CRS) – Self-Certification Form
- ✓ attach certified copies of the correct identification documents
- ✓ complete the Direct Debit Request for the monthly subscription payments (for continuing members contact the Fund to see if there needs to be an adjustment in the monthly subscription)

Give all of this to your financial adviser or send it to our administrator:

Conscious Capital Limited
c/o Link Fund Solutions
GPO Box 5482
SYDNEY NSW 2001

Tax File Numbers

Collection of an investor's TFN is authorised and their use and disclosure strictly regulated by the Australian tax laws and the Privacy Act 1988.

Investors may quote a TFN or claim a TFN exemption in relation to their investment in the Trust when completing their application form. Investors may quote an ABN instead of a TFN if they are making this investment in the course of an enterprise carried out by them.

If an investor chooses not to quote a TFN, TFN exemption or ABN, we may be required to deduct tax at the prescribed rate from that investor's income distributions. At the date of the Information Memorandum this was the highest marginal rate plus Medicare levy.



Contacts

Trustee and fund manager

Conscious Capital Limited

E: enquiries@consciouscapital.com.au

P: 02 9954 4017

F: 02 9416 2999

Suite 9, 2 Kochia Lane

Lindfield, NSW 2070

P.O. Box 207, Pymble, NSW 2073

www.consciouscapital.com.au

Administrator and registry enquiries

Link Fund Solutions

E: LFS_registry@linkgroup.com

P: +61 2 9547 4311

GPO Box 5482

SYDNEY NSW 2001

LFS_registry@linkgroup.com

Application forms

www.consciouscapital.com.au/invest.html