

THE AIRLIE CONCENTRATED SHARE FUND

INFORMATION MEMORANDUM

ISSUED BY
MAGELLAN ASSET MANAGEMENT LIMITED
ACN 120 593 946
AFSL 304301

The Airlie Concentrated Share Fund is an unregistered managed investment scheme.

This offer is limited to wholesale clients as defined by the Corporations Act 2001 (Cth).

This offer is only open to investors who receive this Information Memorandum in Australia and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

DATED 1 December 2019

ABOUT THIS INFORMATION MEMORANDUM

This Information Memorandum contains information about The Airlie Concentrated Share Fund (“**Fund**”) and is dated 1 December 2019. This Information Memorandum is issued by Magellan Asset Management Limited ACN 120 593 946 AFSL 304301 (“**we**”, “**Trustee**” or “**Investment Manager**”). This Information Memorandum is intended solely for the use of the person to whom it has been delivered (“**Recipient**”) for the purpose of evaluating a possible investment in the Fund. It is not to be reproduced or distributed to any other person (other than professional advisers of the Recipient).

Offers made under this Information Memorandum are made exclusively to wholesale clients, as defined by the Corporations Act 2001 (Cth) (**Act**). This Information Memorandum is not, and is not required to be, a disclosure document or product disclosure statement within the meaning of the Act. This Information Memorandum may not contain the same level of disclosure as those documents and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. This Information Memorandum is not a recommendation to invest in the Fund and may not include all of the information that an investor needs to make an investment decision. The Trustee does not take into account the individual circumstances of any investor, nor does it give financial product advice. Accordingly, investors should make their own enquiries and obtain professional legal, financial, tax and accounting advice before making an investment decision. An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. Investors should read carefully the 'Key Risks' on pages 5 and 6 of this Information Memorandum.

The information in this Information Memorandum is up to date at the time of preparation. The Trustee may amend or withdraw this Information Memorandum at any time and may issue a new or amended Information Memorandum from time to time. A copy of the constitution for the Fund is available from the Trustee. If you are unsure about anything contained in this Information Memorandum or have questions, please contact the Trustee via email at investors@airlifm.com.au.

Neither the Trustee nor its respective affiliates, related bodies corporate, directors, officers, employees, representatives or advisors (“**Specified Persons**”) accepts any liability for any loss or damage suffered or incurred by the Recipient or any other person or entity however caused (including negligence) relating in any way to this Information Memorandum including, without limitation, the information contained in it, any errors or omissions however caused by the Recipient or any other person or entity placing any reliance on this Information Memorandum, its accuracy or reliability.

Other than to the extent required by law, neither the Trustee nor any of its Specified Persons makes any representations or warranties, express or implied, as to the accuracy or completeness of any of the information contained in this Information Memorandum or any other information (whether written or oral) made available to investors, and each of such parties expressly disclaims any and all liability relating to or resulting from the use of this Information Memorandum or such other information by the Recipient. This Information Memorandum may contain assumptions, opinions, estimates and forecasts. Except to the extent implied by law, no representation or warranty as to the validity, certainty or completeness of any of the assumptions or the accuracy of the information, opinions, estimates or forecasts contained in this Information Memorandum is made by the Trustee nor any of its Specified Persons.

Neither the Trustee nor any of its Specified Persons guarantees the rate of return of any investment in the Fund, the meeting of the investment objectives of the Trustee, the performance of the Fund nor repayment of capital.

THIS INFORMATION MEMORANDUM IS AN IMPORTANT DOCUMENT THAT SHOULD BE READ IN ITS ENTIRETY. INVESTORS SHOULD OBTAIN PROFESSIONAL ADVICE BEFORE MAKING AN INVESTMENT DECISION IN RELATION TO THE FUND.

KEY FEATURES

Fund	The Airlie Concentrated Share Fund
Trustee	Magellan Asset Management Limited
Investment Manager	Magellan Asset Management Limited trading as Airlie Funds Management
Administrator and Unit Registry	Mainstream Fund Services Pty Ltd
Custodian	The Northern Trust Company
Investment strategy and objective	<p>The Fund's investment objective is to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods. The Fund will actively invest in Australian equities and will look to build portfolios based on individual company analysis. Only investments in Australian listed securities will be considered. In building the investment portfolio, the Fund will seek out companies with strong balance sheets, able management, and durable businesses. Up to 50% of the Fund's assets may be held in cash.</p>
Key risks	<p>The key risks include:</p> <ul style="list-style-type: none">• <u>withdrawal risk</u>: the risk that the ability to withdraw may be impacted by market events or other factors which reduce the liquidity of the Fund's assets• <u>market risk</u>: the risk that the market value of a security may move up or down• <u>fund risk</u>: the risk that the Fund may terminate or the Investment Manager may no longer perform its investment management role or its investment professionals may change• <u>counterparty risk</u>: the risk that the counterparty to a transaction or contract may default on their obligations• <u>regulatory risk</u>: the risk that the value or tax treatment of an investment or the Fund's trading strategy may be adversely affected by regulatory (including taxation) changes• <u>key man risk</u>: the Fund is dependent on a relatively small and focussed investment team• <u>conflicts of interest risk</u>: the Trustee and its various service providers may from time to time have potential conflicts of interest with the Fund.• <u>distribution policy risk</u>: under the distribution policy for the Fund, there may be circumstances where the distributions received by unitholders in cash may be insufficient to cover a unitholder's tax payable on the income of the Fund attributable to the unitholder.

Applications, redemptions and distributions

- Initial applications must be for a minimum investment of \$500,000
- Additional applications must be for a minimum investment of \$50,000
- Redemption proceeds will generally be paid within 5 Business Days of the receipt of a redemption request
- Distributions will be made semi-annually as at the last day of each June and December each year

Fees and expenses

Please refer to section headed 'Fees and Expenses' on page 6

ABOUT THE FUND

The Fund is structured as a unit trust and has been established as an unregistered managed investment scheme.

Mainstream Fund Services Pty Ltd has been appointed as the administrator and unit registry for the Fund. The Northern Trust Company has been appointed as custodian of the Fund.

The investment objective of the Fund is to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods. The Fund intends to be an active investor in Australian equities that will look to build portfolios based on individual company analysis. Only investments in Australian listed securities will be considered. In building the investment portfolio, the Investment Manager will seek out companies with strong balance sheets, able management and durable businesses.

It is expected that the Fund will typically hold positions in 8-20 securities at any time, but this will depend on the availability of suitable opportunities.

The Fund may also invest in futures and options to gain market exposure and may also use futures to manage large cash flows.

Holdings in a single security will not exceed 15% of the value of assets of the Fund at the time of purchase, but are permitted to exceed this due to market movement or corporate actions.

Up to 50% of the Fund's assets may be held in cash. Between 50% and 100% of the Fund's assets may be held in Australian listed securities, either directly or through futures and options.

The Fund is not permitted to borrow funds to invest in securities or to use derivatives to leverage the value of the Fund.

ABOUT THE TRUSTEE AND INVESTMENT MANAGER

The Trustee and Investment Manager of the Fund is Magellan Asset Management Limited, a wholly owned subsidiary of Magellan Financial Group Limited, which is listed on the Australian Securities Exchange. The Trustee is responsible for the overall operations of the Fund.

John Sevier is the Portfolio Manager. John has more than twenty years' experience in managing funds on behalf of individuals, superannuation funds, public institutions and charitable organisations. John's most recent experience prior to Magellan was founder of Airlie Funds Management Pty Ltd, an Australian equities fund manager primarily for institutional and high net wealth clients. Prior to that, John was Head of Equities at Perpetual Investments from 2002 to July 2011.

ABOUT THE CUSTODIAN/ADMINISTRATOR/UNIT REGISTRY

Mainstream Fund Services Pty Ltd ("**Mainstream**") has been appointed as the Unit Registry and Administrator for the Fund. As Administrator and Unit Registry, Mainstream is responsible

for the day to day administration of the Fund. Mainstream in its capacity as Unit Registry for the Fund may contact you in relation to your investment.

The Northern Trust Company (acting through its Australian branch) ("**Northern Trust**") has been appointed to hold the assets of the Fund under a Master Custody Agreement. As Custodian, Northern Trust will safe-keep the assets of the Fund, collect the income of the Fund's assets and act on the Trustee's directions to settle the Fund's trades. Northern Trust does not make investment decisions in respect of the Fund's assets that it holds.

KEY RISKS

Investment in the Fund carries certain risks. All investments have an inherent level of risk. Generally, there is a trade-off between higher expected returns for higher expected risk (usually represented by the variability of fund returns). There is no guarantee that the Fund will achieve its investment objective and investors should fully understand and be capable of assuming the risks of investing in the Fund. In deciding whether to invest in the Fund, you should consider that you may lose some or all of your investment, the value of your investment may go down, you could receive little or no income and there may be delays in repayment.

The key risks outlined below do not purport to be a complete explanation of all the risks associated with investing in the Fund.

WITHDRAWAL RISK

Withdrawal risk is the risk that if the Fund invests in assets that cannot be readily bought and sold, or market events reduce the liquidity of a security or asset class, the generally applicable timeframe for meeting withdrawal requests may not be met. This is because it may take longer to sell these types of investments at an acceptable price. In addition, if an investor or a group of investors seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price received by the Fund for those assets. In certain circumstances it may be necessary to suspend withdrawals to allow sufficient time for liquidation of assets to meet withdrawals.

MARKET RISK

Market risk is the risk that the market value of a security may move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition as well as overall market and economic conditions and significant external events (like natural disasters). This means that investors may lose money on an investment due to unpredictable drops in a security's value or periods of below-average performance in a given security or in the securities market as a whole.

FUND RISK

The Fund may terminate or the Investment Manager may no longer perform the investment management function or the investment professionals could change. The Trustee has the discretion to compulsorily redeem units. Investing in the Fund may give different results than investing directly in the market because investing in the Fund may have a different outcome, capital gains and expense profile outcome compared to direct investment. In addition, the results of investing in the Fund may be affected by the investment and withdrawal of other investors.

COUNTERPARTY RISK

Counterparty risk is the risk that the counterparty to a transaction or contract (such as a broker or other agent of the Investment Manager) may default on their obligations and that the Fund may, as a result, experience an adverse investment outcome or liability.

REGULATORY RISK

This is the risk that the value or tax treatment of an investment, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods.

DERIVATIVE RISK

The Fund may use derivatives (in the form of futures and options) to gain exposure to investment

markets. The Fund does not intend to use over-the-counter derivatives. However, risks associated with derivatives (including futures) include volatility and issues associated with the management and maintenance of assets required to back a derivative and associated payment obligations.

KEY MAN RISK

The Fund relies on a relatively small, but focussed investment team. The reliance on key people in the investment team is an important characteristic of the Fund.

CONFLICTS OF INTEREST RISK

Either we or our various service providers may from time to time act as issuer, investment manager, custodian, unit registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Fund. It is possible that we or our service providers may have potential conflicts of interest with the Fund. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal trading. We may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Fund. We are not under any obligation to offer investment opportunities to the Fund. We maintain a Conflicts of Interest Policy to ensure that we manage our obligations to the Fund such that all conflicts (if any) are resolved fairly.

DISTRIBUTION POLICY RISK

Under the distribution policy for the Fund, there may be circumstances where the distributions received by unitholders in cash may be insufficient to cover a unitholder's tax payable on the income of the Fund attributable to the unitholder.

FEES & EXPENSES

The Trustee may receive an ongoing trustee fee from the Fund, which will amount to 0.05% per annum of the gross asset value of the Fund ("**GAV**"). This fee accrues monthly and is paid monthly in arrears. This fee is exclusive of Australian Goods and Services Tax ("**GST**"). The trustee fee will be paid out of Fund assets.

The Investment Manager will also receive a management fee in relation to the management of the Fund. The management fee will amount to 0.90% per annum of the GAV of the Fund. The management fee accrues monthly and is paid monthly in arrears. The management fee is exclusive of GST. The management fees will be paid out of Fund assets.

The Trustee will pay out of Fund assets other ordinary direct expenses such as custody, investment administration, investment and audit expenses properly incurred in respect of the Fund. Extraordinary expenses, such as the costs of convening unitholder meetings or defending a third party claim made against the Fund, will be paid by the Fund.

TAXATION

Investing in the Fund has tax implications, depending upon your particular situation. You should obtain professional advice on the tax implications of investing. This Information Memorandum provides Australian residents general information only, and should not be relied upon by you as it may not relate to your particular situation and tax laws may have changed since the issue of this Information Memorandum. You are strongly recommended to seek your own professional tax advice about the applicable Australian tax consequences and, if appropriate, foreign tax consequences that may apply to you based on your particular circumstance.

AMIT Regime

The Fund has made an election to become an Attribution Managed Investment Trust ("**AMIT**"). Accordingly, investors will be subject to tax on the income of the Fund that is attributed to them under the AMIT rules each year ending 30 June. If there is income of the Fund that is not attributed to an investor, the Fund will be subject to tax at the highest marginal rate (plus Medicare levy) on that non-attributed income. The AMIT rules will also allow the Fund to accumulate part or all of the Fund's income in the Fund, in which case the income of the Fund that is attributed to you (and which must be included in your income tax return) will be more than the total distribution you receive.

Investors will be assessed for tax on their share of the net income and net capital gains generated by the Fund that is attributed to them under the AMIT rules. Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual Statement) that will provide them with details of the amounts that have been attributed to them by the Fund to assist them in the preparation of their tax return. If the Fund was to incur a tax loss for a year then the Fund could not attribute that loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such a loss against taxable income of the Fund in subsequent income years.

Taxation of Disposal of Units

If you dispose of your units in the Fund (by way of redemption or otherwise) you may be subject to tax on any gain arising. A discount may be available on the capital gain on units held for 12 months or more by individuals, trusts or complying superannuation funds.

Taxation of non-resident investors

If a non-resident investor is entitled to taxable income of a Fund, the investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Fund in respect of your tax liability

Tax File Number

On your application form you may provide your Tax File Number (“TFN”), or advise your TFN exemption. Alternatively, if you are investing in the Fund on behalf of an enterprise, you may quote an Australian Business Number (“ABN”). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not then the Trustee is required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable government charges.

Australian Goods and Services Tax

Your investment in the Fund will not be subject to goods and services tax.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act (“FATCA”), Magellan is required to collect and report information about certain investors identified as U.S. tax residents or citizens. In order to comply with its FATCA obligations, Magellan may request investors to provide certain information (“FATCA Information”).

To the extent that all FATCA Information is obtained, the imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities shall not apply. Although Magellan attempts to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of the withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, Magellan may provide FATCA Information to the ATO. Please be aware that Magellan may use an investor’s personal information to comply with FATCA, and may contact an investor if additional information is required.

Common Reporting Standard

The Common Reporting Standard (“CRS”) is a global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The CRS requires Magellan to collect certain information about an investor’s tax residence. If an investor is a tax resident of any country outside Australia, Magellan may be required to pass certain information about the investor (including account-related information) to the ATO. The ATO may then exchange this information with the tax authorities of another jurisdiction or jurisdictions, pursuant to intergovernmental agreements to exchange financial account information.

Although the CRS does not involve any withholding tax obligations, please be aware that Magellan may use an investor’s personal information to comply with the CRS obligations, and may contact an investor if additional information is required. Note: the account opening process cannot be completed until the requested information has been provided

CONSTITUTION OF THE FUND

The Fund is governed by a constitution which binds the Trustee and the unit holders of the Fund (**Constitution**). The Constitution sets out the conditions under which the Trustee operates and the rights, responsibilities and duties of the Trustee in respect of the Fund. In particular, the right of the Trustee to retire and the ability of the Trustee to charge fees and recover expenses are included in the Constitution.

The Trustee may alter the Constitution in certain circumstances if the Trustee reasonably considers that the change will not adversely affect unit holders' rights. Otherwise, the Trustee must obtain unit holders' written consent, or approval by special resolution at a meeting convened for that purpose. The Fund may be terminated in certain circumstances stated in its Constitution.

The Constitution contains provisions limiting the requirement of the Trustee to compensate unit holders. Generally, if the Trustee complies with its duties, it will not be required to compensate a unit holder for the loss unless required by law. The Constitution also contains provisions regarding the Trustee's liabilities and rights for reimbursement out of the Fund.

Unit Holders' Rights

The rights of a unit holder in the Fund are outlined in the Constitution. These include the right (subject to the other terms of the Constitution and this Information Memorandum) to:

- withdraw units;
- receive income and capital distributions; and
- participate in distributions upon termination or winding up of the Fund.

Each unit a unit holder holds in the Fund gives that unit holder a beneficial interest in the Fund as a whole, but not in any particular asset of the Fund. Holding units in the Fund does not give a unit holder the right to participate in the management or operation of the Fund.

The Trustee may issue different classes of units and may determine the rights, obligations and restrictions which will attach to the units within each class. The Trustee may refuse to register any transfer of units by a unitholder without providing any reason.

Termination

The Trustee may terminate the Fund in a number of circumstances provided for in the Constitution including on written notice to unit holders.

Limitation of Unit Holders' Liability

The liability of unit holders is limited by the Constitution to the amount of their investment. Unit holders shall not be under any personal obligation to indemnify the Trustee (or its creditors) in respect of the liabilities of the Trustee in relation to the Fund. However, the Trustee cannot give an absolute assurance that a unit holder's liability is limited in all circumstances as the issue has not been finally determined in court.

APPLICATIONS, REDEMPTIONS AND DISTRIBUTIONS

Unit pricing

When money is invested in the Fund, a number of units are allocated in the Fund. Each unit represents an equal part of the NAV of the assets that the Fund holds with respect to the units on issue.

The unit price for each business day in New South Wales ("**Business Day**") is calculated by taking the total value of the Fund's assets as at the relevant valuation date, adjusting for any liabilities to create the NAV and then dividing the NAV by the total number of units held by investors on that day.

The 'buy/sell spread' (being an amount added to and deducted from application and redemption unit prices to account for transaction costs) will amount to +15bps/-15bps. This buy-sell spread will apply to the Fund for the life of this Information Memorandum.

Applications

We will process your application and issue units to you when we have received:

- your completed Application Form or Additional Investment Form, including any required identification documentation; and
- your cleared application monies into the Fund's application bank account.

If we receive your Application Form by 2.00pm (Sydney time) on a Business Day and your cleared funds by close of business on the same Business Day, you will receive the entry unit price applicable to that Business Day. Otherwise we will issue units to you using the entry unit price applicable to the Business Day on which we receive your completed documentation and cleared monies, subject to the applicable cut-off times.

The Investment Manager will use the application money accepted by the Trustee to purchase listed securities for the Fund. The Trustee has absolute discretion to accept or reject any application. A confirmation advice of the unit holding will be issued as soon as practicable following the determination of the applicable NAV of the Fund.

Initial applications must be for a minimum investment of \$500,000. The Trustee may waive the minimum amount requirement in respect of certain investors. Any interest payable on application monies will accrue to the benefit of the Investment Manager.

Additional Investments

Additional investments, which must be for a minimum investment of \$50,000, may also be made by completing an Additional Investment Form or using an online facility which may be offered at a point in the future and is approved for use by the Trustee.

Redemptions

The minimum redemption amount is \$50,000.

If we receive your redemption request before 2.00pm (Sydney time) on a Business Day, we will calculate the amount of your redemption using the exit unit price applicable to that Business Day. If we receive your request after 2.00pm we will use the following Business Day's exit unit price.

If a unit holder redeems units in the Fund, the Investment Manager will, to the extent necessary, sell listed securities it holds as assets. The Trustee will use the proceeds of the redemption in the assets to fund the unit holder's request. Redemption requests in relation to the Fund may only be withdrawn with the Trustee's consent.

Redemption proceeds will be paid as soon as practicable after the redemption of the units in the Fund (payment of proceeds will generally be remitted within 5 days of the date of receipt by the Trustee of the redemption request), and in any event, within 30 days.

For a partial withdrawal request, instructions must specify either the number of units or the dollar amount to be withdrawn. If after a partial withdrawal the balance will be less than the minimum investment amount of \$400,000, the Trustee reserves the right to close the account and pay the balance out.

Suspension of applications and redemptions

In certain circumstances (such as when it is in the interests of the unit holders as a whole) the Trustee may suspend the redemption of units or the payment of the proceeds of a redemption over a reasonable period. If this occurs, in determining the value of a unit, the Trustee will use the values determined after the end of the suspension period.

Income Distributions

The Fund will generally make a distribution to investors on a half yearly basis, but it may do so more frequently at the discretion of the Trustee. The distribution may comprise income earned by the Fund (such as dividends received from shares and interest) less expenses incurred by the Fund (such as management fees paid), plus net capital gains made on the sale of shares or other investments held. If there is no net income or net capital gains earned in a particular distribution period, the Fund may not pay a distribution in respect of that distribution period. In some circumstances, the Fund may distribute a payment out of capital in addition to, or instead of, a distribution of net income or net capital gains.

Any Fund income available for distribution will be distributed semi-annually as at the last day of June and December each year. Unit holders may elect in writing to the Unit Registry for their distributions to be paid to them via EFT to a nominated bank account or automatically reinvested to purchase additional units of the Fund.

ADDITIONAL INFORMATION

Personal information

Privacy laws apply to the handling of personal information by the Trustee. The Trustee may collect personal information about a unit holder from their Application Form to establish and support the ongoing administration of their investment in the Fund, comply with Australian taxation laws, the Act, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and rules (**AML Law**) and other laws and regulations. It will also be used to advise unit holders of new developments relevant to their investment in the Fund. For legal and practical reasons, the Trustee will not be able to process an application or administer an investment without certain prescribed information.

The Trustee may disclose a unit holder's personal information to external parties who provide services to the Trustee in relation to the Fund (for example, its associates, related group entities or related bodies corporate (to the extent that any of these are involved with the Fund), or other parties such as providers of printing or postal services). Otherwise the Trustee will not disclose your personal information to any other external party unless required by law.

Your personal information is disclosed, collected and used by Mainstream, who the Trustee has engaged as Unit Registry and Administrator to support the administration of the Fund. We have contractual arrangements with Mainstream to ensure that they comply with privacy laws when dealing with your personal information. A copy of Mainstream's Privacy Policy can be accessed through their website at www.mainstreamgroup.com.

You may be entitled to gain access to your personal information held by the Trustee. Unit holders have the right to ask the Trustee to correct information about them which is inaccurate, incomplete or out of date.

Unit holders who would like access to their personal information or who have questions should contact the Trustee via email at investors@airlifm.com.au.

Anti-money laundering and counter-terrorism financing laws

The AML Law regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Law is administered by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**).

Under the AML Law, the Trustee and the Administrator (**Entities**) are required to:

- verify unit holders' identity before providing services and to re-identify a unit holder if they consider it necessary to do so; and
- keep a record of any documentation unit holders supply relating to the verification of their identity for 7 years.

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

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country. Applications cannot be processed unless all the necessary information is provided; where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss unit holders suffer (including consequential loss) as a result of their compliance with the AML Law as it applies to the Entities; and
- an Entity may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Law and are prevented from

informing unit holders that any such reporting has taken place. Where required by law, an Entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

Appointment of authorised representative to operate account

You may elect to appoint an authorised representative to operate your account. The relevant sections on the Application Form need to be completed, including the name and signature of the authorised representative, the signature of the unit holder and the date. Only unit holders can appoint authorised representatives.

By completing and lodging the relevant sections on authorised representatives on the Application Form you release, discharge and agree to indemnify the Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Trustee acting on the instructions of your authorised representative.

You also agree that any instructions of your authorised representative to the Trustee, which are followed by the Trustee, shall be a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if an authorised representative's instructions are followed by the Trustee, you and any person claiming through or under you shall have no claim against the Trustee in relation to the instructions.

Powers of an authorised representative

An authorised representative can, among other things:

- apply for additional units;
- withdraw all or part of your investment; and
- enquire as to the status of your investment and obtain copies of any statements to which they are entitled.

Withdrawal payments will not be made to third parties. If a company is appointed as an authorised representative, the powers will extend to any director and authorised officer of the company. If a partnership is appointed as an authorised representative, the powers will extend to all partners.

HOW TO INVEST IN THE FUND

Read and consider this Information Memorandum before making a decision to invest.

Complete the separate application form applicable to your investment type, i.e. as an individual or joint investor, a sole trader, a company, superannuation fund or a trust.

Application forms are available from www.airlifundsmangement.com.au and as per the instructions on the application form, should be sent to Mainstream once completed.

If your entity type is not covered by the available forms, please contact us via email at investors@airlifm.com.au.