

MAGNETCAPITAL

Magnet Trust 1.0 Information Memorandum

April 2024

Magnet Capital Pty Ltd
ABN: 28 621 324 534
CAR: 001258408
APIR: MGT2283AU
ISIN: AU60MGT22839

Email: applications@magnetcapital.com.au

Issuer

This Information Memorandum has been prepared by Magnet Capital Pty Ltd (ACN 621 324 534, CAR 001258408 of AFSL No 238198) (Investment Manager, Magnet Capital, we or us) in its capacity as Investment Manager of the Magnet Trust 1.0 (the Trust).

This Information Memorandum relates to the offering of units in the Trust (Units). Units are issued by Chapter Zero Holdings Pty Ltd (ABN: 73 627 710 409, CAR 0012383936 of AFSL of 238198) (Trustee).

Structure and authorisation

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

The Trustee has appointed Lanterne Fund Services Pty Ltd (ACN 098 472 587, AFSL No 238198) (Lanterne) as its agent for the purposes of arranging to issue, vary or dispose of Units in the Trust pursuant to section 911A(2)(b) of the Corporations Act. The Trustee may only issue, vary or dispose of such Units in accordance with Lanterne's offers, provided they are accepted.

The Trustee is an authorised representative of Lanterne and is authorised to provide financial product advice about Units, deal in the assets of the Trust and provide a custodial or depository service in connection with the Trust to wholesale clients only.

Magnet Capital is also a corporate authorised representative (Authorised Representative No. 001258408) of Lanterne and is authorised to provide advisory and dealing services in connection with the Trust to wholesale clients only.

No guarantee

This Information Memorandum has been prepared with the best intentions and to the best knowledge of Magnet Capital.

Investors should consider all the key risks outlined below. An investment in the Trust does not represent a deposit with the Trustee or Magnet Capital. Nor does it represent liability. Investments are subject to risks including possible delays in repayment and loss of income and capital invested.

Past performance is not indicative of future performance and neither the Trustee nor Magnet Capital guarantees the performance of the Trust, the repayment of capital or any particular rate of return.

Certain information contained in this Information Memorandum constitutes forward-looking statements, which can be identified by the use of forward-looking terminology such as "may", "will", "should", "could" or "might" or comparable terminology. Due to various risks and uncertainties, including but not limited to, those set out in section 7, actual events or results or the actual performance of the Trust may differ materially from those reflected or contemplated in such forward-looking statements.

Neither the Trustee, Magnet Capital nor their directors give any warranty as to the accuracy, reliability or completeness of information which is contained in this Information Memorandum. To the maximum extent permitted by law, neither the Trustee, Magnet Capital nor their directors accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this

Information Memorandum or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this Information Memorandum or any other person.

No liability

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

To the maximum extent permitted by law, neither the Trustee nor Magnet Capital or any of their officers, employees and advisors are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this Information Memorandum or otherwise in connection with it.

General information only

In preparing and formulating the Trust's investment objectives and strategy, Magnet Capital has not considered any individual investor's financial objectives, investment strategy, financial situation or particular needs.

Before any decision to commit capital to invest in the Trust, each prospective investor should consult their own professional advisers as to the legal, tax, financial or other matters which may be relevant to the suitability and propriety of an investment in the Trust for them individually.

Restrictions on distribution

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

It may only be used outside Australia with the Investment Manager's consent.

Confidential

This Information Memorandum is confidential and has been provided to recipients for their sole and exclusive use in determining if they wish to invest in the Trust. It may not be used for any other purpose or provided to any other person other than, on a confidential basis, to such recipient's officers, employees and advisers.

Solely for wholesale clients

This Information Memorandum is intended only for wholesale clients (as defined under sections 761G and 761GA of the Corporations Act).

It is provided to you as a person to whom an offer of the Units would not require a disclosure document under Part 7.9 of the Corporations Act because you are a wholesale client. If you are not a wholesale client, please do not read this Information Memorandum and return it immediately to Magnet Capital.

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1 Key Information

The table below sets out some of the key information and investor requirements of the Trust. All prospective investors should read and consider all the information presented in this Information Memorandum prior to making a decision to invest in the Trust.

Key Information	
Trust Name	Magnet Trust 1.0
Trust Description	The Trust invests in digital assets, cryptocurrencies, crypto protocols, coins, tokens and new token/coin offerings. The Trust uses a long term focused value investment strategy applying a highly disciplined and fact-based investment process, which focuses on adoption.
Investment Vehicle	This information in this document relates to an offer to invest in the Magnet Trust 1.0 (the Trust)
Investment Structure	The Trust is an unregistered wholesale Australian resident unit trust
Investment Assets	Liquid or illiquid digital assets, cryptocurrencies, crypto protocols, coins, tokens and initial token/coin offerings (crypto assets, crypto) At any given time, any portion of the Trust portfolio could be allocated to cash.
Authorising Licensee	Lanterne Fund Services Pty Limited (ACN - 098 472 587) AFSL – 238198
Trustee	Chapter Zero Holdings Pty Ltd ABN: 73 627 710 409 (the Trustee) CAR: 001283935
Investment Manager	Magnet Capital Pty Ltd ABN – 28 621 324 534 (Magnet Capital, the Investment Manager, us, we, our) CAR: 001283936
Minimum Initial Investment per investor	A\$250,000 or the equivalent in assets subject to the Trustee's discretion
Initial Unit Issue price	A\$1.00
Initial Issue Date	7 November 2017
Recommended minimum investment period	5 years

Minimum Investment Period	Investors will have a minimum 12 month investment period and will not be eligible to request redemption of their Units until at least 12 months after the date of issue.
Distributions	For a summary of the Trust's distribution and reinvestment procedures please refer to section 5.
Fees and costs	<p>The Investment Manager is entitled to a base Management Fee of 2% p.a. of the Net Asset Value of the Trust, payable monthly in arrears.</p> <p>A Performance fee of 20% of the increase in the Net Asset Value of Units in the Trust in excess of the relevant High-Water Mark will be payable to the Investment Manager. Performance is measured on each 30 June and 31 December and, if the Investment Manager is eligible to receive a performance fee, the performance fee is payable in arrears.</p> <p>Certain costs and expenses required in the operations of exchanging crypto assets are payable out of the assets or income of the Trust. These costs may include, but are not limited to, brokerage fees, international exchange fees, audit fees and administration fees.</p>
Key Investment Risks	For a summary of Key Investment Risks please refer to section 6.
How to Apply	<p>Applications submitted by the Application Deadline are accepted or declined by the Trustee prior to Issue Price Calculation.</p> <p>Only wholesale clients as provided for in the Corporations Act may apply for Units in the Trust. Investors who are relying on their gross income or net assets to satisfy the wholesale client test should attach a completed Accountant's Certificate, provided with this Information Memorandum, to their Application Form.</p>
GST	All amounts referred to in this document are exclusive of GST unless stated otherwise. See section 7.6.

Key Dates	
Asset Valuation, Issue Price and Redemption Price Calculations	Valuation of the assets of the Trust occurs at 1200 (Sydney time) on the first business day of every month for the purpose of reporting and calculating the issue price and redemption price of Units. The value of the Trust's assets may be determined more frequently, including more than once on each day.
Applications – Monthly	
Application Deadline	Monthly applications are due by 1700 (Sydney time) 10 business days before the first business day of the next month (typically before the 15th of every month).
Unitholder Certificates	Unitholder Certificates are typically issued within 14 days of the Issue Price Calculation.

Redemptions - Monthly	
Redemption Deadline	10 business days before the first business day of the next month (typically before the 15th of every month).
Redemption Certificate	Redemption Certificates are typically issued upon the processing of the redemption.
Redemption Payment	Redemptions are typically processed 10 business days after the Redemption Price Calculation and the redemption proceeds are paid to the Unitholder's nominated bank account, typically within 15 business days of processing.

2 Investment Objective and Strategy

2.1 Magnet Trust 1.0 Strategy Overview

The Trust was established for the sole purpose of holding a diversified portfolio of crypto assets.

The Trust has a large investment universe due to the broad range of crypto assets in existence and the various global exchanges they are listed on. The Trust may also invest a small portion of funds under management in new token launches, which are pre-liquidity as founding teams look to raise capital to fund their blockchain / blockchain application development.

Since the launch of Bitcoin in 2009 the world has been fascinated with this new and innovative technology. Blockchain technology has given rise to a new wave of modernisation that aims to improve many of the traditional world systems we know. The purpose for launching Bitcoin was to create a new sound money that cannot be controlled by one party.

The birth of Bitcoin and rise of blockchain technology could be the biggest shift in wealth and power our generations may ever see. Bitcoin is the first blockchain technology and continues to be the largest, most distributed, most valuable crypto asset.

Bitcoin characteristics:

- Immutable
- Decentralised
- Transparent
- Secure
- Portable
- Fast
- Finite
- Trustless
- Permissionless

The Trust has only one class of Units for all investors, whether they are members of the investment management team, the founders or their family members or our clients.

2.2 Objective

Our objective is to deliver investment net of fee returns that are superior to returns associated with traditional investment classes available to investors, such as listed Australian shares, bonds and commodities.

We also strive to deliver greater returns than can be achieved through investing solely in the most readily available crypto asset, Bitcoin.

We may not be successful in meeting these objectives. Returns are not guaranteed and our objective does not take into account an investor's tax position or the impact of fees on returns. Due to the nature of cryptocurrencies, these types of investments have historically had volatile investment returns which are uncorrelated to other asset classes. Accordingly, they should not be expected to perform similarly to any other asset class.

2.3 Strategy

We employ a targeted growth strategy. Despite our investment universe spanning all crypto asset classes and global geographies, as a high-conviction fund, our aim is to focus on investing in a concentrated selection of crypto assets.

Investment decisions are made after conducting detailed due diligence and analysis to identify assets we believe are currently undervalued and can provide investors with the best long term opportunities.

During times of extreme uncertainty or during periods of high regulatory intervention, we may also choose to move the Trust's assets entirely to cash if we consider that it is preferable not to be invested in the crypto asset market at that time.

While the Trust retains the ability to leverage or short sell, this is not part of the core investment thesis and will only be used in opportunistic circumstances.

2.3.1 Investment Thesis

Fundamentally, Blockchain and Smart Contract technology has the power to disrupt global industries in a way that historically has not been possible. This type of innovation can only exist in digital assets and will be the future of a new and exciting asset class. In order for innovation to occur and the asset class to gain momentum, businesses around the world, industries and ecosystem participants will need to become comfortable with Blockchain enabled applications as the new normal. We believe that the key to success here is seamless integration with existing systems and user adoption, likely without recognition that Blockchain is the underlying technology being used. Only with significant awareness and education of the benefits and improved functionality will come significant shifts in users towards these Blockchain enabled ecosystems.

This is why the Trust maintains an adoption first strategy, meaning it will invest in any crypto asset or project that is positioning to win its category. For example, the Cryptocurrency category is dominated by Bitcoin and the Smart Contract category is dominated by Ethereum. It is reasonable to expect an allocation of Bitcoin and Ethereum in the Trust should they stay active and relevant.

As the asset class develops so will the crypto assets held by the Trust. Existing and developing positions are discussed with Unitholders on a monthly basis through the monthly reports.

2.3.2 Types Of Assets And Categories

It is up to the Investment Manager's absolute discretion as to what investments the Trust makes.

2.3.3 Adoption Metrics

Current metrics for measuring adoption as part of the Trust's investment thesis are set out below:

- Active addresses/wallets
- Daily active users
- On-chain transactions, smart contracts executed, tokens transferred
- Total Value Locked within the Protocol (the number of tokens in smart contracts which are locked and do not move)
- Transferable, locked, issued and issuing tokens/coins

- Project contributors, commits, updates and releases
- Price, trading volume, liquidity and market capitalisation
- Project leaders, team, development and strategy
- Project principle, defining features, build, reason for blockchain

Metrics used may change over time as new tools become available.

2.3.4 Crypto Shorting, Futures, Options And Derivatives

Ordinarily the Trust does not plan to gain exposure using short selling, futures, options and other derivative products, however, the Investment Manager reserves the right to use these products and methods where it deems appropriate.

2.3.5 Staking

The Trust may allow staking of assets from time to time.

Assets can be staked into the network or smart contracts to help secure the blockchain, earn a reward, validate transactions and other services. For providing these services, stakers receive a yield on their assets staked, paid in kind (i.e. in ETH, SNX, RUNE).

As the asset class develops, the Investment Manager in its absolute discretion reserves the right to stake by

- Either running their own nodes and validators, or,
- entering into an agreement with a third party staking provider, or,
- using an on-chain solution that has a limited risk profile.

The Investment Manager reserves the right to stake assets as a form of accruing interest to generate a return for Unitholders.

The Investment Manager can allocate up to 100% of the assets of the Trust for staking purposes.

2.3.6 Lending

The Trust may lend assets from time to time.

As the asset class develops the Investment Manager in its absolute discretion reserves the right to generate a return for Unitholders by lending crypto assets by either entering into an agreement with a third party borrower or using an on-chain solution that has a limited risk profile and is insured or collateralised.

The Investment Manager can allocate up to 60% of the assets of the Trust for lending purposes.

2.3.7 Catastrophic Events

Only under extreme catastrophic events or closure of the Trust, the Trustee reserves the right to convert crypto assets into cash. If cash is not available Unitholders will receive crypto assets in proportion to their holding of Units in the Trust. More details can be found under the Key Risks in section 6.

2.3.8 Bank Accounts

The Trust maintains an Australian dollar denominated bank account, primarily for the purpose of accepting application monies.

The Trust's primary bank account is denominated in Australian dollars and held with a recognised Australian financial institution. The purpose of this account is primarily for liquidity purposes, the acquiring of crypto assets and/or the payment of fees.

2.3.7 Currency Exposure

The Investment Manager does not intend to hedge the foreign currency exposure of the Trust. The primary crypto markets are traded against the US\$, accordingly, Unitholders are exposed to movements in A\$/US\$ exchange rate. This could magnify returns or losses.

2.3.8 Liquidity Providers And Exchanges

We have institutional accounts on all of the major crypto asset exchanges and dedicated institutional accounts with Over-The-Counter (OTC) brokers, which allow for large acquisitions of assets.

2.4 Investments of the Trust

The types of investments we undertake reflect the objective of the Trust and the investment strategy described above. The Trust only invests in crypto assets and cash.

The Trust may short sell and may utilise leverage for investments.

2.5 Crypto Asset Classification

The types of crypto assets in which the Trust may invest include but are not limited to blockchain technology, cryptocurrencies, crypto platforms, decentralised digital assets, digital currencies, digital crypto technologies, cryptographic technologies, blockchain(s), digital platforms, tokens, coins, projects and Initial Coin Offerings (ICOs). As this is a relatively new asset class we expect this list to grow over time.

2.6 Investment Manager

Magnet Capital is majority owned by its directors Egor Sidelska and Benjamin Celermajer as well as other professional investors. Magnet Capital has a corporate board which consists of Egor, Benjamin, Matthew Rockman and David Gordon (as an observer). Magnet Capital also owns Nine One Three Investments, which is the investment manager for multiple passive crypto asset trusts.

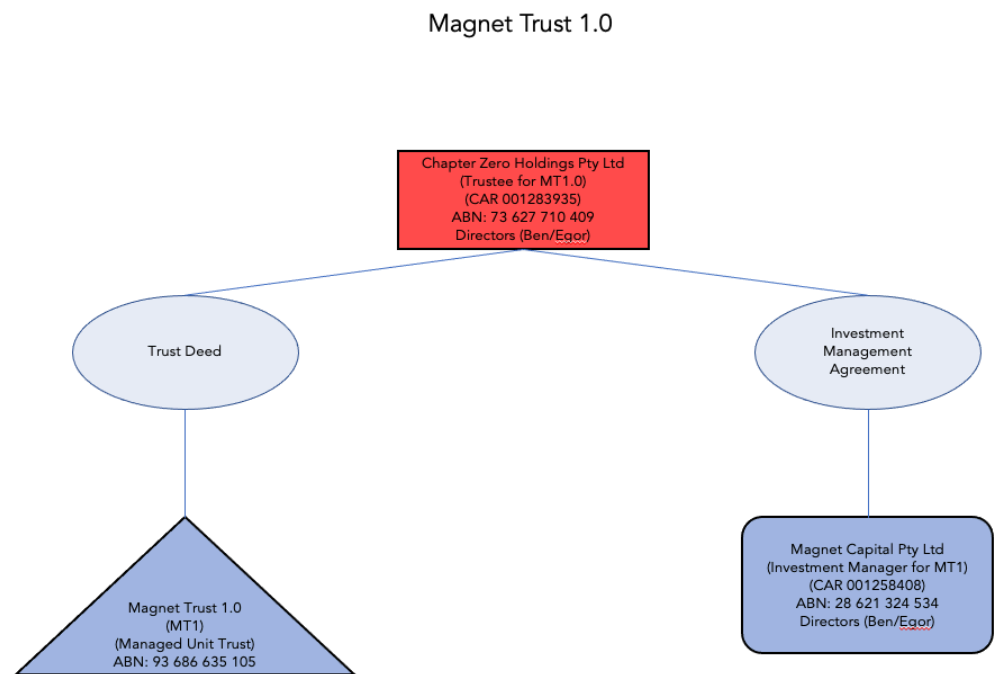
Both Egor and Benjamin launched the Trust, which was the first ever managed crypto fund in Australia, in 2017. Over the years, Magnet Capital has invested across a diverse range of crypto assets with varying degrees of complexity. Throughout the process, Benjamin and Egor have gained experience in managing a multi-million dollar portfolio on behalf of investors, catering specifically to the unique and complicated aspects of crypto asset investment. The directors have had exposure to the crypto asset market since 2013 and have built global relationships with institutions to allow for seamless crypto asset transaction integration and execution.

Magnet Capital has been a trusted crypto asset investment manager to institutional and high net worth investors since 2017. Across both the Magnet Trust 1.0 and the Magnet Foundation Trust, the directors manage tens of millions of dollars.

2.7 Magnet Trust 1.0 Purpose

The Trust was designed to provide wholesale investors with an easy way to obtain exposure to an array of crypto assets. The Investment Manager manages acquisition, storage and custody on behalf of the Unitholders to provide a seamless way to build exposure to crypto assets. We also provide monthly reporting and end of financial year statements.

2.8 Trust Structure



3 Investing

3.1 Minimum Investment

- The minimum initial investment in the Trust is A\$250,000.
- The minimum additional investment in the Trust is A\$50,000.
- The Trustee has the discretion to accept initial and additional investments below these minimum amounts.
- The Trustee has the discretion to raise or lower the minimum initial investment amount and the minimum additional investment amount.

3.2 Subscription Acceptance

In respect of each initial and additional investment, a prospective investor must qualify as a wholesale client as defined by the Corporations Act. An investor will be treated as a wholesale client if they can demonstrate that they have earned A\$250,000 gross income annually for the previous two financial years or have greater than A\$2.5m in net assets, or if they invest at least A\$500,000 in the Trust.

Investors who wish to rely on the gross income / net assets test must attach a completed Accountant's Certificate, included with this Information Memorandum, to their Application Form. An Accountant's Certificate must be 24 months old or less and simply state that the investing entity satisfies the minimum gross income or net assets test (as applicable), and in working this out, some aggregation is allowed. There are some other categories of wholesale client: if in doubt, seek advice.

The Trustee reserves the right to reject any application for Units. In the event that an application is rejected, or an Application Form is invalid or incomplete, any amount paid in respect of that application will be returned to the relevant investor.

3.3 Subscription process

If you wish to invest, please complete the Application Form included in this Information Memorandum and forward it via email to:

applications@magnetcapital.com.au or directly to either Director (Egor Sidelska, Benjamin Celermajer)

Bank	Commonwealth Bank of Australia
Account	Magnet Trust 1.0 Applications
BSB	062 000
Account #	2004 4824
Reference	MT [Unitholder Name]

The completed Application Form must include the investment amount.

Cleared funds must be received in the bank account by the Application Deadline prior to the next Issue Price Calculation date. In certain circumstances, non-cash consideration may be considered, such as crypto assets. Any crypto asset accepted as non-cash consideration will become an asset of the Trust.

Please note: Funds must be transferred from a bank account in the name of the applicant(s) as appears in the registration details on the Application Form. No payments from third party accounts will be permitted.

The Trustee has the discretion to accept or reject (in whole or in part) any application received. By providing a completed Application Form and application, you are making an offer to become a Unitholder and you are agreeing to be legally bound by the terms of this Information Memorandum and the deed establishing the Trust dated 18 October 2017 (Trust Deed).

All electronic funds transfer (EFT) payments must be accompanied by a notification email to applications@magnetcapital.com.au or directly to either Director (Egor Sidelska, Benjamin Celermajer) in order to ensure that your account is properly credited.

You will receive confirmation from when your application is accepted, typically before the next upcoming Issue Price Calculation date.

Early applications are recommended to ensure the Application Deadline is met, as applications received after the Application Deadline may not be processed until the Issue Price Calculation date after the next Application Deadline. The Trustee will be entitled to receive any interest earned on unallocated application monies.

Relevant dates are set out in section 1.

3.4 Subsequent Additional Investments

Subsequent additional investments may be made by completing the Additional Investment Form (available from the Investment Manager).

Applications for additional investments can be made using an Additional Investment form which can be obtained from the Investment Manager and will be processed in the same manner as applications from new investors.

3.5 Issue Prices for Units in the Trust

The issue price of Units is calculated in accordance with the Trust Deed and based on the Net Asset Value and the number of Units in the Trust on issue at the time of valuation, adjusted for the spread (if any). See section 5 for further detail about how the price of Units is calculated.

The issue price will be determined with reference to the most recently calculated Net Asset Value of the Trust as at the time when Units are issued.

3.6 No cooling off rights

Unitholders are not entitled to cooling off rights.

4 Redeeming Units

4.1 Minimum redemption amount

The minimum redemption amount is A\$25,000. A requested partial redemption which would cause a Unitholder's investment to fall below the minimum holding of A\$100,000 will not be permitted.

4.2 Redemption request process

After the minimum investment period has ended, Unitholders may request redemption of some or all of their Units, provided redemptions of Units in the Trust are not suspended and the Trust has not been terminated.

Unitholders may not request redemption of Units within the first 12 months of the date of issue.

Redemption requests are to be emailed to applications@magnetcapital.com.au or directly to either director (Egor Sidelska, Benjamin Celermajer). Redemption requests must be signed by the Unitholder or an authorised signatory of the Unitholder and must specify the investor number and amount to be redeemed (in Australian dollars or number of Units). Unitholders should note that redemption proceeds will only be paid into the original bank account in the name of the Unitholder from which the application monies were derived or, upon approval by the Investment Manager, to another account in the name of the Unitholder. Note that normal bank charges apply. Redemptions will be paid in Australian dollars.

4.3 Processing redemptions

The redemption price of Units is calculated at 1200 (Sydney time) on the first business day of each month. Redemption requests must be received at least 10 business days prior to this date in order to be processed in that month (for example, to have your redemption request processed in November, you will need to submit it in October, at least 10 business days before the first business day of November).

Redemptions are typically processed 10 business days after the Redemption Price Calculation and confirmed by a Redemption Certificate. The redemption proceeds are paid to the Unitholder's nominated bank account.

In the ordinary course of business, it is expected that proceeds from redemptions will be paid within 15 business days after the redemption is processed. However, this may be delayed in certain circumstances in line with Restriction on Redemptions (below) and our key risks in section 6.

4.4 Restriction on Redemptions

In certain situations, the Trustee may delay redemptions and/or the calculation of redemption prices of Units (for such period as we determine), including where:

- the redemptions would prejudice the Trust's or our compliance with any applicable law;
- there would be insufficient cash retained in the Trust after complying with a redemption request to meet other liabilities and in the Trustee's opinion it is not in the best interests of Unitholders to process the redemption;

- sufficient Trust assets cannot be realised at an appropriate price or on adequate terms or otherwise due to one or more circumstances outside the Trustee's control;
- investments cannot be redeemed on exchanges due to one or more circumstances outside the Trustee's control;
- there have been, or the Trustee anticipates that there will be, redemption requests which will involve realising a significant amount of the Trust's assets and the Trustee considers that if those redemption requests are all satisfied immediately, Unitholders who continue to hold Units may bear a disproportionate burden of capital gains tax or other expenses; or
- the Trustee determines that it is in the interests of the Unitholders.

4.5 Compulsory Redemptions

The Trustee may redeem your Units without you asking in limited circumstances, including:

- if you are in breach of your obligations to the Trustee;
- to satisfy any amount of money due to the Trustee (as trustee or in any other capacity) by you;
- to satisfy any amount of money the Trustee (as trustee or in any other capacity) owe to someone else relating to your investment (for example, to the tax office or fees);
- where the Trustee suspects that law prohibits you from legally being an investor in the Trust; or
- such other circumstances as the Trustee determines to be appropriate in its absolute discretion.

4.6 Redemption Price for Units

The redemption price of Units is calculated in accordance with the Trust Deed and based on the Net Asset Value and the number of Units in the Trust on issue at the time of valuation, adjusted for the sell spread (if any).

The redemption price of Units will be determined with reference to the most recently calculated Net Asset Value of the Trust on the first business day of the month, outlined in more detail in section 5.

Relevant dates are set out in section 1.

5 Valuation and Unit Price Calculation Process

5.1 Valuation

In determining the Net Asset Value of the Trust, we will follow the valuation policies and procedures outlined in the Trust Deed. For the purpose of calculating the Net Asset Value of the Trust, we shall, and shall be entitled to, rely on the fair market value of assets as published by independent, professional third party crypto asset data service providers. Small market cap assets may not be within the coverage universe of professional services, in which case we may be required to rely on reputable public data sources to determine a specific asset's fair market value. Magnet Capital will not be responsible for the accuracy of independently provided fair asset values.

Crypto assets are generally valued at their recoverable value through exchanges on which they are traded. Any income entitlements and cash at bank are also included in asset values used to calculate the issue price and redemption price of Units.

Since the most liquid global markets and most robust pricing methodologies quote crypto assets in US\$, Magnet Capital will determine the portfolio valuation in US\$ first before converting to AUD through applying a 0.30% spread to the AUD/USD foreign exchange rate as sourced through an independent service provider.

Each Unit represents an equal share of the portfolio of investments in the Trust. The price of each Unit is denominated in Australian dollars and is determined by:

- calculating the value of the investments of the portfolio and subtracting the value of any liabilities – this gives us the Net Asset Value in US\$;
- determining the Net Asset Value in A\$;
- dividing the Net Asset Value by the number of Units on issue; and
- applying an adjustment of around 0.5% for the buy/sell spread.

As crypto markets are very volatile and open 24 hours, 7 days a week, the issue price will be calculated at the time of issuing Units. Each investor who has paid their application money and had their application accepted and processed will be allocated a number of Units based on the issue price calculated on the relevant Asset Valuation day.

All Unit prices will be calculated to the nearest 4 decimal places of a dollar and the number of Units issued will be calculated and allocated to the nearest whole number.

5.2 Unit Price Calculation

For the purpose of calculating the Net Asset Value of the Trust, for each type of crypto asset we take the total number held and multiply that number by a fair market price obtained from an independent data source aggregator (adjusted for fees).

The Net Asset Value is then divided by the total number of Units in the Trust to obtain a Unit price. A buy/sell spread will be applied when determining the issue price or the redemption price.

We rely on the relevant market and our suppliers to determine market price, and will not be responsible for the accuracy of financial data furnished to us by market makers and/or independent third-party pricing services.

Crypto assets are generally valued at their recoverable value through exchanges on which they are traded. Any income entitlements and cash at bank are also included in asset values used to calculate the issue price and redemption price of Units.

Each Unit represents an equal share of the portfolio of investments in the Trust. The price of each Unit is denominated in Australian dollars and is determined by:

- calculating the value of the investments of the Trust and subtracting the value of any liabilities and fees – this gives us the Net Asset Value;
- dividing the Net Asset Value this by the number of Units on issue; and
- applying an adjustment of around 0.5% for the buy/sell spread.

As crypto markets are very volatile and open 24 hours, 7 days a week, Units will be issued immediately following the Asset Valuation (which will occur at 1200 Sydney time on the first business day of each month).

All Unit prices will be calculated to the nearest 4 decimal places of a dollar and the number of Units issued will be calculated and rounded to the closest Australian dollar.

5.3 Distributions

Any income distributions will be calculated and paid semi-annually (as at 30 June and 31 December each year) and can be reinvested in full to acquire additional Units in the Trust or paid out entirely to the account nominated on your Application Form. You can indicate your preference on the Application Form. If you do not otherwise indicate in writing at least 20 business days before the scheduled distribution, any distribution entitlements payable to you will be reinvested in additional Units in the Trust. Any distributions reinvested are reinvested at the Unit price calculated ex-distribution.

Distributions will not be paid by cheque.

Distribution payments are typically made within 30 business days after the end of the relevant distribution period.

Generally income distributions are calculated based on the Trust's total distributable income at the end of the distribution period divided by the number of Units on issue as at the distribution calculation date, multiplied by the number of Units you hold on that day.

The Trustee intends to distribute all taxable income of the Trust to Unitholders each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits.

Immediately after a distribution is declared, the value of your Units will usually fall by the amount of the distribution. This is because the distribution reduces the Trust's assets.

Please note that there is no guarantee that you will receive any distribution from your investment in the Trust. You will only receive a distribution if the Trust earns sufficient income.

6 Key Investment Risks

There are inherent risks associated with all types of investments, including the Trust. Investors should be aware that there is no guarantee that the implementation of the Investment Manager's strategy will yield returns and should acknowledge that potential losses could be incurred. Each Unitholder of the Trust should fully understand the associated risks of investing and as required, seek professional advice as to the sustainability of investing in the Trust.

Risk can be interpreted differently by each investor. It can mean but is not limited to:

- failure to achieve expected returns;
- declines in value of assets;
- failure to meet investment goals aligned with the rest of their portfolio; and
- investment volatility.

The risks set out below are by no means exhaustive, rather just those which the Investment Manager considers to be the most prevalent at this time. Many of the risks are outside of the Investment Manager's and the Trustee's control.

6.1 Changing Economic Conditions

Changes to economic situations including interest rates, inflation rates, exchange rates, political intervention, new laws and restrictions, new government regulation and changes to tax laws can substantially affect the value of the global crypto assets market and the value of the assets of the Trust.

None of the above conditions are controllable by the Investment Manager or the Trustee and it is not their responsibility to foresee such changes to external economic conditions.

6.1 Market Risk

Market risk is impacted by multiple factors including interest rates, availability of credit, economic uncertainty, changes in laws and regulations, currency exchange controls and market sentiment. These factors may affect the level and volatility of the prices of the assets in which the Trust invests.

6.3 Volatility Risk

The Trust's investments involve the purchase and sale of historically volatile assets when compared with more traditional asset class investments. Large fluctuations in value and volatility of the market can adversely affect the value of the assets of the Trust.

The most recently calculated Net Asset Value will be used when Units are issued to ensure that the amount paid for each Unit reflects the Net Asset Value at the time of issue.

You should be aware that the value of assets the Trust holds could increase or decrease materially between the time you submit your redemption request, and the time at which the Redemption Price Calculation occurs, and therefore the redemption price you receive for your Units will be impacted and

could differ significantly from the redemption price applicable for redemptions processed in the preceding month.

6.4 Short Selling

The Investment Manager may short sell crypto assets as part of the investment strategy. Short selling can act as a hedge in a downward market but also holds significant risks. Short positions involve selling an asset that is not owned by the Trust in anticipation that it can then be acquired at a lower price. Unlike buying assets, losses on short selling are not limited to the amount of capital invested.

Short selling can also incur fees associated with borrowing assets to meet the obligation to deliver the asset that is being sold.

6.5 Leverage

The Investment Manager may leverage the capital of the Trust if the Investment Manager believes that the use of leverage can benefit Unitholders by achieving a higher rate of return. Leverage can increase volatility and magnify both the gains and losses experienced by the Trust.

6.6 Regulatory Risk

Crypto assets are relatively new to the economy and governments. Government agencies and regulators are still determining how to deal with this new asset class. Actions by these bodies to increase regulation, amend taxation or amend existing crypto asset laws could materially affect the state of the crypto market and thus the value of the assets of the Trust.

6.7 International Investing

There are risks associated with investing in global markets, including political or economic uncertainty, new regulations and legislations, government intervention, foreign exchange controls and foreign investment restrictions. Such situations could adversely affect the performance of the Trust and investment returns.

For example, China has banned Bitcoin multiple times, which typically creates negative sentiment, adds to volatility and adversely impacts the price for a short period of time. This has no direct impact to Bitcoin's core function, its development or any of the fundamentals. These events are sporadic and cannot be planned for.

6.8 Counterparty Risk

The Investment Manager is not restricted when investing Trust assets and the Trustee may contract with any global counterparty. There is the risk that any counterparty will not fulfil its responsibility to settle transactions in a timely manner, perform its obligations in accordance with contractual terms and conditions or make due payment. The Investment Manager seeks to ensure that the Trustee invests, transacts and contracts with the most reliable and proven counterparties to avoid this risk and endeavours not to leave funds exposed with counterparties for longer durations than required.

6.9 Liquidity

Under certain conditions, liquidity in crypto asset markets may be restricted, thus affecting the Trust's performance and the availability of Trust assets to meet Unitholders' redemption requests. Lack of liquidity can impact the value of Trust assets as large trades can move markets during times of low liquidity.

6.10 Limited Diversification Risk

The Investment Manager intends not to diversify into any other asset class. This may lead to investment in only a select few crypto assets if that is deemed the appropriate way to meet objectives. A smaller number of investments can lead to increased portfolio volatility.

6.11 Speculative Nature of crypto assets

Crypto asset trading has specific risks not associated with trading in markets for equities, currencies or commodities. Examples of the risks that are specific to the crypto asset market include:

- **FIAT** - unlike currencies that are governed and regulated by government bodies or legal entities, to date, crypto assets are only backed by mathematics, technology and trust; and
- **SECURITIES** - unlike equities or commodities (values of which are underpinned by tangible goods and services), the underlying value of crypto assets is determined by the market of buyers and sellers, and miners who produce blocks.

In most instances, crypto assets are partially or completely decentralised, meaning that no government or regulatory authority can intervene and/or take corrective measures to protect investors in a crisis.

In the case of Bitcoin, the coin is classified as decentralised and not subject to any one country's laws or regulatory framework.

6.12 Foreign Exchange

The assets of the Trust can be purchased through global entities on different markets which trade in different currencies, which will therefore give rise to foreign currency exposure for the Trust.

The two primary currencies in which transactions occur will be United States (US\$) and Australian (A\$) dollars.

Fluctuations in either currency can have both a positive and negative impact on investments of the Trust. If the value of the Australian dollar depreciates against the United States dollar it will cost more Australian dollars to buy and sell crypto assets and vice versa.

The Investment Manager has no influence over the interbank exchange rate but uses its best efforts to always transact in and prefer Australian dollars.

6.13 Asset Security Risk

Due to their decentralised nature, crypto assets do not have a regulatory governing body to protect investors. This is a well-known and common risk in the crypto asset industry.

There are multiple methods of storing crypto assets, including on exchanges, in online wallets, in offline wallets, on blockchains, in hardware wallets and in paper wallets. The Investment Manager aims to implement global best practices to endeavour to keep the Trust's investments secure. Each crypto asset is different and therefore requires different types of storage and security mechanisms.

The Investment Manager stores the majority of the Trust's assets either in offline wallets or on blockchains to minimise security risks and loss of assets.

6.14 Crypto asset Forking Risk

Cryptocurrencies operate based on a consensus of the network (nodes), and these nodes agree on a common code that makes the blockchain. The longest of these chains is typically classified as the main asset. At times there are upgrades to the code that the nodes must agree to and, if there is a majority agreement, the changes are made with no disruption to the asset. However, if there is an event where a significant subset of nodes don't implement the new code, a hard fork will occur. Hard forks are often positive but there is a risk that the original crypto asset is split into two different assets, one running on the old rules and one with the updated rules. This can lead to increased volatility as users try to split the value across both assets. When hard forks occur, there is often an unknown delay in investment activity including purchasing, withdrawing, selling, shorting and valuing.

6.15 Whale risk

Crypto asset markets can be influenced by holders of large positions. For example, Bitcoin is limited to 21 million coins, and as of February 2021, the circulating supply is over 18,628,256. There are 2357 wallets that control more than 1000 Bitcoins, up to 94,506 for a single wallet. Therefore a large coin holder has the ability to move markets in either direction, by selling on market, causing the price to flash crash, or by using Bitcoin to buy another crypto asset and causing a price spike.

This risk is slowly getting eroded over time as the total volume of Bitcoin and other crypto assets traded on exchanges increases.

These figures are constantly changing and the latest on-chain information can be found here: <https://bitinfocharts.com/top-100-richest-bitcoin-addresses.html>

6.16 Miner risk

Crypto assets operate by pools of miners all working together to solve a mathematical problem, which once solved, gives them the ability to produce a block on the blockchain. Blocks contain P2P transactions, this is the only way to transfer crypto assets. Blocks are generated on average every 10 minutes. There are a series of risks associated with this process:

- Miner failure - a large miner may turn off equipment for any reason which could result in the network being slowed.

- Mempool/fee risk - if the transaction fee of a transaction is too small, a miner may choose to ignore it, causing transactions to be heavily delayed.
- Attacks - miners can attack the network by printing empty blocks without any transactions, effectively rendering the blockchain useless.
- Concentration - Mining pools can be created at any time with enough money and hardware, as such concentration can appear if a large majority hashing power is owned by a single entity causing a single point of risk.

Miner risk exists but is quite rare. Currently, mining operations are of the same size, scale and complexity as the largest data centres in the world. Many of the risks above are threshold and not catastrophic.

6.17 Smart Contract risk

Many of the new and innovative protocols/applications being developed using blockchain technology are experimental. In designing these systems for the first time, the technical and non-technical smart contract or logic vulnerabilities can be unknown.

Smart Contract risk exists in many forms and has resulted in several high profile projects falling victim to attacks. Magnet Capital does everything within its power to avoid this risk by investing primarily in professionally audited, peer reviewed and personally reviewed code.

6.18 COVID-19 impact

Crypto asset market prices dipped in line with equities markets in March 2020 during a panic sell-off globally. Since then sharp drop prices in crypto asset markets have recovered. However, like all markets, the crypto asset markets may exhibit increased volatility due to global uncertainty related to the COVID-19 pandemic.

6.19 Limitations on management of risk

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

You can help manage your own risks too by:

- knowing your investment goals and risk tolerance;
- understanding potential risks and returns and being comfortable that an investment may not give you the outcomes you hope for;
- diversifying your investments (that is, don't invest all your monies in the Trust or in similar investments);
- investing for at least the minimum recommended timeframe;
- keeping a track of your investment; and
- speaking with a financial advisor and considering whether the Trust is an appropriate investment for you at the particular time having regard to your individual financial situation, objectives and needs.

6.20 Catastrophic risks associated with Bitcoin

The kinds of crypto assets held by the Trust may include Bitcoin. There are a small number of extreme risks which the Investment Manager anticipates could have a catastrophic impact on Bitcoin and (where it is holding Bitcoin assets) the Trust:

- **Internet failure** - Bitcoin works on the premise that it is continually connected to the internet (so much so that a satellite now has a copy of the whole blockchain). Should there be a global event where the internet is suspended or turned off, Bitcoin transactions will grind to a halt and then start up again once the internet is reinstated.
- **Bitcoin code flaw** - a vulnerability is found and exploited causing the value of Bitcoin to go to \$0 (this is currently the world's largest bug bounty). If this was to occur, the Trust's Bitcoin assets could become worthless and Unitholders would lose some of their money.

The Investment Manager considers that the above events are unlikely to occur, though the possibility cannot be completely ruled out.

7 Taxation and Accounting

Given the complex and highly personalised nature of the Australian taxation system, we highly recommend that you seek professional advice from a suitable qualified adviser as to the tax implications of their proposed investment in the Trust. Investors who are residents of a country other than Australia (foreign residents) should also seek professional advice from a suitable qualified adviser in that country.

7.1 Accounting

The Trustee has appointed an accounting firm to manage the Trust's tax obligations on behalf of the Unitholders.

7.2 Trust Taxation

The Investment Manager does not expect the Trust to be subject to Australian income tax in relation to the Trust's realised profits, subject to the comments below regarding foreign residents. It is intended that each individual Unitholder will be entitled to their share of distributable income at the end of each financial year. Therefore the net taxable Income of the Trust will be subject to tax at the Unitholder level, regardless of whether or not Unitholders receive cash distributions, subject to the comments below regarding foreign residents.

7.3 Taxation of Australian Resident Unitholders

Distributions

Australian resident Unitholders should be taxed on the net taxable income of the Trust in proportion to their entitlement to distributable income, less deductions allowed against that income. The determined share of a Unitholder's net taxable income forms part of their assessable income in the financial year that it is realised.

The Trust's income may take different forms, including interest income, revenue gains and capital gains. Revenue losses and capital losses made by the Trust will be available to Unitholders but may be carried forward by the Trust to offset future income of the Trust.

A Unitholder may be entitled to claim a foreign tax income offset for any foreign taxes paid or deemed to have been paid by them in relation to income (including capital gains) with a foreign source that the Unitholder is required to include in its assessable income.

7.4 Taxation of Foreign Resident Unitholders

Distributions

The Trustee is likely to be taxable on certain income of the Trust to which a foreign resident Unitholder is presently entitled. The Trustee will deduct an amount on account of such taxes from any distributions to the foreign resident Unitholder.

Withdrawal

On disposal or redemption of Units, Unitholders will most likely realise a capital gain or loss. Unitholders should not be subject to Australian tax on such gains.

7.5 Tax File Number / Australian Business Number

There is no regulatory requirement for you to disclose your Tax File Number (TFN) or Australian Business Number (ABN). However, unless you are exempt, if these details are not provided, tax may be deducted from distributions payable to you at the highest personal marginal rate, including the Medicare levy. TFN and ABN details can be disclosed on the Application Form attached.

7.6 Goods and Services Tax

Goods and Services Tax (GST) will not be payable on the issue or redemption of Units in the Trust. However, certain expenses of the Trust are subject to GST. The Trust may be able to claim input tax credits, which effectively reduce the GST payable.

7.7 Tax office views

The tax office's views on investments in Digital Assets continues to evolve. It may change its views on the treatment of Digital Assets during the course of a Unitholder's investment.

8 Fees

8.1 Management Fees

The Investment Manager is entitled to a management fee of 2.00% per annum (excluding GST) of the Net Asset Value of the Trust. This fee is calculated and payable to the Investment Manager monthly in arrears within 10 business days of the end of each month.

8.2 Performance Fees

The Investment Manager is entitled to a performance fee of 20.00% (excluding GST) of the increase in the Net Asset Value of each Unitholder's Units after adjusting for further investments, redemptions, distributions and management fees in a given performance period, on the basis set out below.

Each performance period will be six months and the performance fee will be calculated and payable in arrears to the Investment Manager biannually after each 30 June and 31 December.

Unitholders will only be charged performance fees when the Net Asset Value of their Units in the Trust at the end of the performance period exceeds the High-Water Mark. For the first performance period, the High-Water Mark was the Net Asset Value of Units in the Trust at inception (which was \$1 per Unit). For any subsequent performance period, the High-Water Mark is the greater of \$1 per Unit and the highest Net Asset Value of Units measured at the end of any previous performance period.

In most situations, performance fees will be payable from available assets of the Trust. The Investment Manager may waive its entitlement to collect the performance fee out of the Trust assets for any performance period, in which case the performance fee owing to it will remain within the Trust and be recorded as a liability owing to the Investment Manager until such time as it is paid out.

The Investment Manager may also be entitled to a performance fee in the following additional circumstances:

- where Units are redeemed: a 20% performance fee on the increase in the Net Asset Value of the Unitholder's Units above the High-Water Mark in place for the previous performance period between the end of the preceding performance period and the date of calculation of the redemption unit price will be calculated and payable at the time of redemption; and
- where the Investment Manager ceases to manage the Trust or the Trust is terminated: any unpaid performance fees will become payable at the time of termination of the Investment Manager's appointment or the Trust (as applicable).

8.3 Entry and Exit Fee

The Trust does not currently charge any entry or exit fees.

8.4 Buy and Sell Spread

A buy spread of 25 basis points (0.25%) and a sell spread of 25 basis points (0.25%) are applied at the time of application and redemption of Units. This means that when you pay for your Units, 0.25% would

be allocated to the buy spread rather than to your holding of Units, and when you redeem Units, 0.25% would be deducted from your redemption proceeds and the net amount remaining would be payable to you.

This spread covers transaction costs associated with entry into and exit from the crypto asset market arising from applications and redemptions (including foreign currency exchange costs, applicable brokerage, duty and additional costs).

This spread is to protect existing Unitholders and ensure they are not disadvantaged at the time when other Unitholders have Units issued to them or redeemed.

8.5 Other Fees and Expenses

The Trustee will incur other expenses associated with the proper performance of its duties. Some of these costs include audit fees, legal fees and storage fees. The Trust Deed allows for the Trustee to reimburse itself from the assets of the Trust for such expenses.

9 Additional information

9.1 Reporting

You will normally receive the following reports from the Investment Manager:

Documentation	Date	Report description
Monthly Report	No later than 4 weeks from the end of the previous month	Unitholders will receive a report from the directors of the Investment Manager and key messaging for the month, including the issue price and redemption price as at the end of the relevant month.
Unitholder Certificate	Typically in line with the Monthly Report at the time of issuance	Certificate will include entity name, address, Unitholding, date of investment, Unit Valuation and Investor Number.
Distribution Statements	After each biannual distribution period	Following each 30 June and 31 December, statements will be provided to each Unitholder identifying the distribution amount paid to the Unitholder or informing the Unitholder that no distribution is payable for the preceding distribution period (as applicable).
Tax Statements	No later than 30 September following the end of the income tax year	Annual taxation statements will be provided to each Unitholder.

The Investment Manager and the Trustee will usually communicate with you by email (but paper copies of documents sent to you by email are available on request).

9.2 Trust Structure

Trust Deed

The Trust is governed by a Trust Deed which sets out the powers, duties and obligations of the Trustee and the rights and liabilities of Unitholders. The Trust Deed also provides the operational framework for the management of the Trust including:

- when the Trust begins and terminates;
- how the price of Units is calculated;
- application and redemption procedures;
- distributions from the Trust assets;
- meetings of Unitholders;
- fees and expenses that may be paid out of or reimbursed out of Trust assets;

- change of Trustee;
- procedures for winding up the Trust; and
- amendments to the Trust Deed terms.

Holding any number of Units in the Trust does not give Unitholders the right to participate in the management of operations of the Trust.

The Trust Deed is available by contacting the Investment Manager.

9.3 Investment Manager

Magnet Capital provides investment management and administration services for the Trust.

The Investment Manager is responsible for services including but not limited to:

- preparing of this Information Memorandum;
- establishing and executing the Investment Objective and Strategy for the Trust;
- administering and redeeming Units of the Trust as requested;
- purchasing and selling of crypto assets on behalf of the Trust; and
- managing and maintaining the Trust's Unitholder register and all account information for the Trust.

9.4 Transfer of Units

No Units may be transferred without the prior written consent of the Trustee. The Trustee has the right to refuse any transfer of Units and is not required to give any reason for its decision.

Unitholders may request the transfer of Units in the Trust by returning a completed and signed Transfer Form which can be obtained upon request from the Investment Manager.

9.5 No Cooling Off Period

There will be no cooling off period in respect to any subscription for Units in the Trust. All Application Forms are irrevocable except as required by law.

9.6 Amendment or Withdrawal of this Information Memorandum

We may amend or withdraw information from this document at any time. A new or amended Information Memorandum will be issued as and when this document is replaced or amended.

9.7 Rounding

The number of Units in the Trust issued in response to an application will be calculated by dividing the relevant subscription amount by the issue price of Units (rounded down to the nearest whole number).

9.8 Privacy policy

Personal information provided by applicants on the Application Form is collected for the primary purpose of verifying your identity, deciding whether to accept your application and, if your application is accepted, issuing Units in the Trust to you.

The personal information will also be used to forward periodic information to you relating to your investment in the Trust (as referred to above in section 9.1) and from time to time provide to you information of a generic or marketing nature relating to the Trust.

We will update our records containing your personal information when you inform us of any changes (for example, a change of your address for correspondence).

Your personal information will be stored securely at all times and we will permanently destroy records of personal information in a secure manner when we are no longer required by law to retain them.

Your personal information will not be made available to any third party, other than as required by law and to service providers for permitted related purposes (for example, auditors, consultants and advisers) for the purpose of administering your investment.

We will not be providing your personal information to anyone located outside Australia.

By executing the Application Form, you provide your consent to the Investment Manager and the Trustee to disclose your personal information to such service providers and to use your information for the purposes referred to above. If you wish to request access to your personal information or if you have any complaint in relation to the manner in which the Investment Manager has handled your personal information, please contact us. Our contact details are on the front cover of this Information Memorandum. We will respond to your request for access or complaint within a reasonable time. If we refuse to allow you to access your personal information, we will provide you with the reasons for this. If we decide to give you access to personal information about you that we or the Trustee hold, we may first ask you to verify your identity to ensure that your personal information is not disclosed to an unauthorised person.

9.9 Confidentiality

Confidential materials provided to prospective investors may not be disclosed to any persons except:

- with the consent of the Investment Manager; or
- where the law requires disclosure.

This Information Memorandum has been provided to prospective investors on a confidential basis for their sole and exclusive use in assessing an investment in the Trust. It is not to be used for any other purpose or to be reproduced and/or distributed, in whole or in part, to any person.

9.10 Anti-Money Laundering and Counter-Terrorism Financing

Applications to invest in the Trust are subject to the requirements of applicable anti-money laundering and counter terrorism financing laws and the Trustee's requirements.

Investors must provide verification of their identity. Please refer to the Application Form to determine which documents you will need to provide.

Applications will not be accepted until identity verification has been completed. In some instances, such as the case of determining the beneficial owner of the investor, the Investment Manager may request additional information. This must also be provided to proceed with the application.

Application monies must be given by EFT. If you wish to transfer funds from a foreign bank, additional documentation may be requested, and your application will not be processed until satisfactory documentation has been provided. The Trustee reserves the right to reject an application.

If you apply through a financial planner or other advisor, they may assist you to obtain the necessary documentation and provide it to the Investment Manager. If you apply directly and need assistance with the Application Form or understanding the documentation requirements, you may contact the Investment Manager at applications@magnetcapital.com.au.

9.11 FATCA and CRS

The Australian Government has enacted laws and entered into international agreements. These laws implement automatic exchange of information with:

- the US under a system known as the Foreign Account Tax Compliance Act (FATCA). This is for US citizens and tax residents only and applied from 1 July 2014; and
- other countries under the Common Reporting Standard (CRS). The CRS applies to all foreign tax residents from 1 July 2017.

The CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under the CRS, banks and other financial institutions will collect and report financial account information on non-residents to the local tax authority, and in the case of the Trust, that will be the Australian Taxation Office (ATO). The ATO will exchange this information with the participating foreign tax authorities of those non-residents. In parallel, the ATO will receive financial account information on Australian residents from other countries' tax authorities.

Each investor must certify their residence for tax purposes. You may be required to complete additional documentation. If you are a foreign tax resident, you will need to provide your taxpayer identification number or an equivalent. This is the number used to identify you to the tax authority in the foreign country. If you don't have one, you will be asked to provide a reason.

FATCA is a US regulatory requirement that aims to deter tax evasion by US taxpayers. The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the US Government for the exchange of US tax payer information. Under the IGA, financial institutions (including managed investment schemes) must report US tax payer information via the ATO to the US Inland Revenue Service.

To meet these obligations, each investor must complete and sign the FATCA Self-certification Declaration form included in the Application Form.

The Investment Manager and the Trustee are unable to provide you with any tax or professional advice in respect of CRS, FATCA or the IGA and you are encouraged to seek the advice of a tax or professional advisor in relation to completing the relevant parts of the Application Form.

10 New Investor Application Form

Please complete the [online registration form](#) or reach out to applications@magnetcapital.com.au to request an application form.