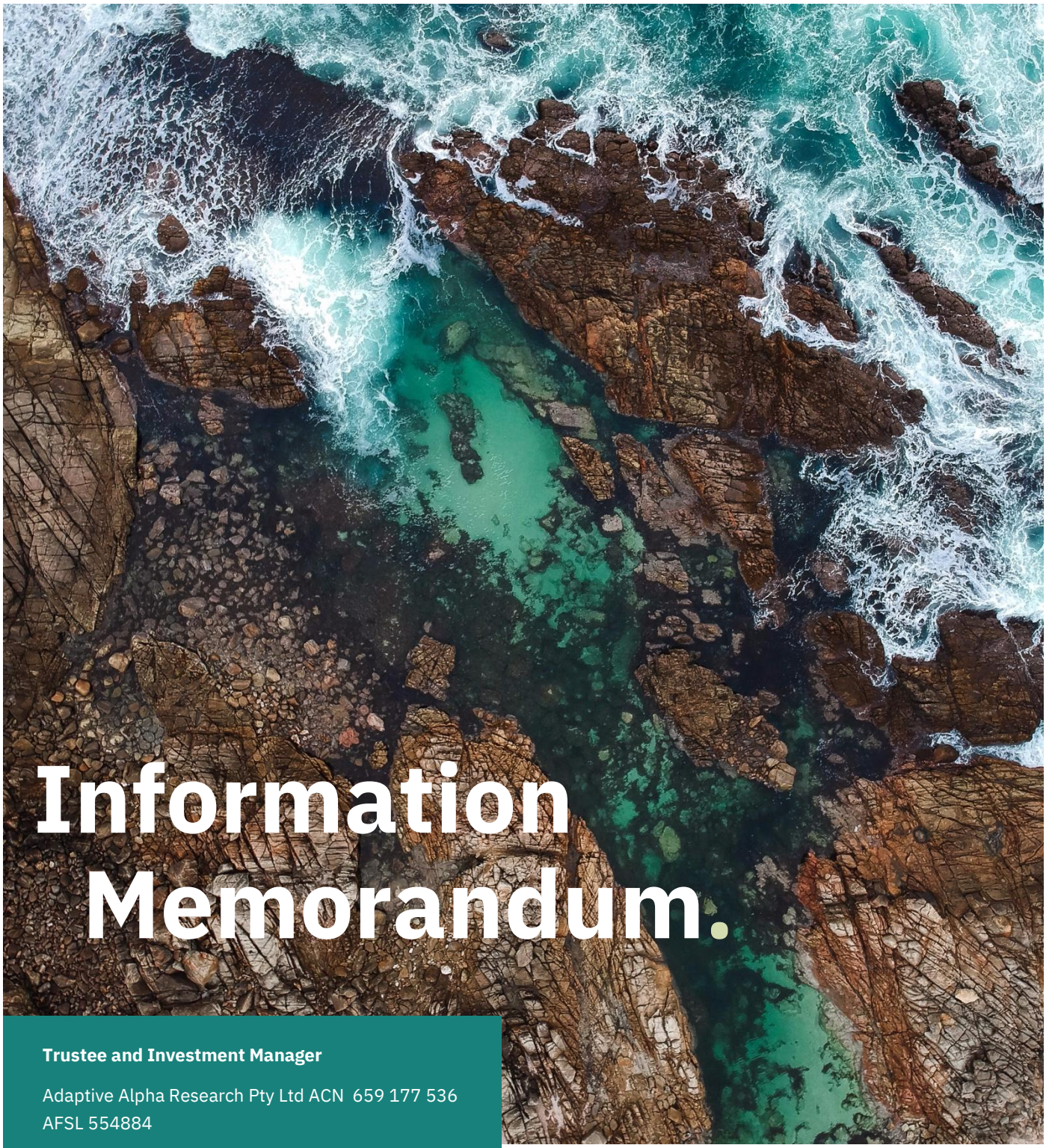
adaptive alpha.

STARLING FUND

July 2026



Information Memorandum.

Trustee and Investment Manager

Adaptive Alpha Research Pty Ltd ACN 659 177 536
AFSL 554884



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This Information Memorandum

IMPORTANT INFORMATION

This Information Memorandum ("IM") is dated 01 July 2026and relates to the offer of units (Units) in the Adaptive Alpha Research Starling Fund (Fund). This IM is issued by Adaptive Alpha Research Pty Ltd ACN 659 177 536 (**AAR**, or **Trustee**, **We**, **us** or **our**) in its capacity as Trustee of the Fund. The Trustee issues the Units in the Fund.

The Trustee holds Australian Financial Services Licence (**AFSL**) number 554884 issued by ASIC. AAR's responsibilities and obligations as a Trustee are governed by the Trust Deed, the Corporations Act, and general trust law. As Trustee of the Trust, AAR is solely responsible for the management of the Trust, however it intends to operate the Trust through delegation of some functions to service providers.

AAR is also the Investment Manager of the Fund. In some regards AAR is acting in its capacity as Trustee and sometimes in its capacity as Investment Manager.

This is an important document, and you are encouraged to read it carefully. Because it does not consider your personal circumstances, you are encouraged to seek professional advice before investing. The IM is not intended to be a recommendation by the Investment Manager nor its associates, nor any other person to invest in the Fund.

Information in this document is subject to change from time to time and, provided the changes are not materially adverse to investors, may be updated by the Trustee publishing such information at www.adaptivealpharesearch.com. A paper copy of any updated information will be provided upon request and is free of charge. If the Trustee or the Investment Manager issues a new IM, a copy will be made available to all current investors. You should read it carefully. Copies are available by contacting the Trustee or the Investment Manager directly.

The IM (as updated, supplemented or replaced from time to time) governs your investment, together with the Trust Deed (the "**Key Documents**").

The current Key Documents supersede all representations and communications (including any investor presentations or communications) in respect of the Fund and all prior Key Documents, if any. Any representations not contained in the Key Documents may not be relied upon as having been authorised by the Investment Manager or Trustee and should be disregarded.

Unless otherwise stated, all figures are in Australian dollars and exclude the impact of GST, including any reduced input tax credits.

Who can invest

The offer described in this IM is available only to persons receiving the IM within Australia who qualify as wholesale investors under sections 761G and 761GA of the Corporations Act 2001 (Cth) (**Corporations Act**). This IM does not constitute an offer of the Trust in any jurisdiction or to any person where it would be unlawful to make such an offer.

The distribution of this IM outside Australia may be restricted by law, and any person who resides outside Australia and comes into possession of this IM should seek legal advice and observe any applicable restrictions.

Structure

The Fund is structured as an Australian wholesale (**unregistered)** unit trust and is an unregistered managed investment scheme for the purposes of the Corporations Act. The Fund is not currently registered with the Australian Securities and Investments Commission (**ASIC**) but may become registered in the future.

By investing in the Fund, you consent to the Fund being registered in the future should the Trustee (in consultation with the Directors and Managers) consider it appropriate. You also consent to registration taking place without the Trustee holding a meeting of investors to amend or replace the Trust Deed to make it suitable to be registered and to approve the application for registration.

Not a regulated disclosure document

The Investment Manager has authorised the use of this IM as disclosure to those persons who qualify as “wholesale clients” only (as the Corporations Act defines this term). 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.

This document is not a disclosure document or product disclosure statement for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. ASIC takes no responsibility for the contents of this IM. This IM has not been prepared to the same level of disclosure required for a product disclosure statement or prospectus.

If you are not a wholesale client, please do not read this IM. Please return it immediately to the Trustee or the Investment Manager.

Confidentiality and restrictions on distribution

This IM is confidential. You must not copy or circulate it, in whole or in part, to any other person unless they are within your organisation and directly involved in your consideration of the proposed offer.

This IM (including any copy of it) may not be distributed, directly or indirectly, outside Australia, where it may be unlawful to do so. Any reproduction of all or part of this IM is strictly prohibited without the written consent of the Trustee.

In the event that the recipient does not participate in the Fund, this IM, along with all related materials, must be returned to the Trustee immediately upon demand.

Independent financial advice

You should obtain independent professional advice specific to your circumstances and requirements from a licensed investment advisor.

No liability

The Trustee and the Investment Manager have prepared this IM based on information available to it at the time of preparation and from sources believed to be reliable.

The Trustee and the Investment Manager do 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 IM or any other information the Investment Manager otherwise provides to you.

To the maximum extent permitted by law, the Trustee and service providers, and 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 IM or otherwise in connection with it.

QUESTIONS

If you have questions about this IM, please contact the Trustee using the details listed in the **Corporate Directory** at the back of this document.

Letter from the Investment Manager

Dear Potential Investor,

On behalf of the team at Adaptive Alpha Research Pty Ltd, it is my pleasure to present an opportunity to invest in the Adaptive Alpha Research Starling Fund (**the Fund**).

The Fund aims to generate returns by employing disciplined risk-managed data-driven systematic strategies ("**algorithms**") to profit from reliably repeating patterns in a diversified range of securities. In general terms, the algorithms aim to profit from mean-reverting markets, with different parameter settings for different market regimes. The Fund seeks short to medium term trading profits with positions lasting from a day to several months, typically averaging 5-20 business days.

The Fund's singular objective is to generate **high expected returns for the defined level of risk**, which is manifested in the following ways:

- **Timing the Market**, not "Time in the Market", which is a catch cry used to promote funds which merely facilitate a return earned by any passive long-term equities investor ("**market beta**"). By contrast, the Investment Manager's skill in Timing the Market is intended to generate higher returns with lower risk than market beta. By providing this valuable service, the Fund charges premium fees in the form of a Performance Fee.

  At any given time, the Fund's equities market exposure could be either long or short, depending on the market regime and the current signals. Over an extended period, the Fund's return is expected to be mildly positively correlated with the equities market because the average market regime is generally favourable to equities.

- **Isolate Alpha Effects**. The Investment Manager may employ hedging against currency effects and equities market beta to isolate risk exposures that are expected to be the most profitable per unit of risk.

- **Ongoing Research**. The Investment Manager will continue to research and introduce new algorithms and securities and will scale back allocations to algorithms and securities where profitability has declined.

- **Dynamic Risk Management**: The algorithms may dynamically adjust position sizing so that alpha is harvested steadily in accordance with market opportunities; smaller positions to avoid excess risk during volatile periods, and larger positions to maintain profit opportunities during periods where market moves are smaller.

By investing in the Fund, investors gain access to a **proven team with decades of experience** who have successfully managed funds across complete market cycles.

- The Managing Director, Tom Surman has a long track record of delivering strong returns through investing in emerging companies in Australia.
- Brian Miller, Co-Founder & Chief Investment Officer / Head of Research, leverages his extensive experience and innovation across quantitative finance to drive the Fund's strategy. Since starting his journey during the 2008 market crash, Brian has specialised in adaptive models, machine learning, and multi-layered strategic concepts aimed at enhancing diversification and managing risk. His expertise in quantitative and technological domains is directed at crafting advanced solutions for institutional and wholesale clients, focusing on creative approaches to produce the most consistent performance outcomes.
- David Toohey, Investment Consultant, is a quantitative hedge fund manager with 20+ years of experience developing and running portfolios of systematic macro strategies using futures, FX forwards, CFDs and ETFs. For 8+ years he was co-founder, Chief Investment Officer, pioneer developer, and (sometimes) Portfolio Manager of the Access SRA-16 Fund, which was the #1 ranked retail fund in Australia in 2008[1], and was the Multi-Strategy Hedge Fund of the year at the Australian industry awards in 2012[2].

The Fund presents a compelling opportunity for investors because:

- The Fund is expected to provide diversification benefits for any investor's established portfolio of equities and other actively managed strategies. In addition, based on performance to date, the algorithms have typically been more profitable in volatile markets than stable markets, so the diversification benefits may be particularly noticeable from the perspective of downside risk metrics.
- The Fund's regime identification process ensures that the Fund has profit opportunities regardless of the market environment, so there's no need for an investor to be concerned about economic and financial market variables that might be a concern to an investor who is contemplating an investment in a market-based investment.
- The Fund's Dynamic Risk Management adjusts the position sizing based specifically on profit opportunities aiming at a targeted level of risk over the long term, and unlike market index funds is much less subject to variable risks that occur when markets become volatile.
- The Fund uses only the most liquid securities with reliable pricing and small transactions costs, thus ensuring that:
    - Investors enter and exit the Fund using reliable market valuations, and
    - Large investment and redemption requests remain available with the notice outlined in this IM.

I urge you to read this IM carefully, including section 4 on risks, and consider obtaining independent professional advice to allow you to make an informed decision before investing in the Fund.

[1] Morningstar Australia database.

[2] Hedge Fund Rocks industry awards.

If you would like to discuss this document or have any further questions, please contact the Trustee on 0415 86 27 39 or email enquiries@adaptivealpharesearch.com

On behalf of the Trustee and the Investment Manager, I look forward to your potential participation with us in this outstanding investment opportunity.

Yours Sincerely,

Managing Director

Tom Surman

1. Key Features

Fund Name	Adaptive Alpha Research Starling Fund
Trustee	Adaptive Alpha Research Pty Ltd ACN 659 177 536 (AFSL 554 884)
Investment Manager	Adaptive Alpha Research Pty Ltd ACN 659 177 536 (AFSL 554 884)
Investment Strategy	The Fund uses Adaptive Alpha's advanced data-driven models to trade very liquid securities, targeting diversified and dynamic exposures through quantitative signals designed to capitalise on market opportunities.
Investment Objective	**'A' Unit Class:** Targeted return of 8%pa above the RBA Cash rate (after fees). A small correlation to equities markets over a complete year, approximately 0-0.3. Standard deviation of 12%pa (after fees), subject to market volatility and the attractiveness of market opportunities.
Investment Timeframe	3 years
Benchmark	The indexed accumulation of the average daily nominal RBA Target Cash Rate in nominal terms for each month
Unit Pricing	Frequency: Weekly. The unit price is calculated as at 5:00pm AEST each Wednesday, with corresponding administrator reports provided within three business days (T+3). Weekly unit pricing commences on Wednesday 8 July 2026, being the first weekly Unit Pricing Date. The unit price as at 30 June 2026 is struck as the financial year-end price for distribution purposes, and around each financial year-end the weekly unit price may be deferred until the year-end distribution calculations have been completed.
Application/Redemptions	Monthly cut-off 5:00 pm (AEST) on the last Wednesday of each calendar month (being a weekly Unit Pricing Date). For an application to be accepted, it requires the Trustee to receive before the cut-off time both:

	- full documentation, and - cleared funds in the Trustee's Bank Account.
Custodian	Interactive Brokers Australia Pty Ltd ACN 166 929 568, AFSL 453554
Who Can Invest	To invest in the Fund, you need to be a "**wholesale client**" as defined by the Corporations Act. Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.
Fees and Expenses	Full details of Fees and Expenses are in Section 5, which are summarised below (excluding GST, as a %pa of the NAV of the Fund, except where noted). **Trustee Fees** A tiered fee ("Trustee Fee Rate"), between 0.075-0.100% pa. (Refer to Section 5.6 for full details.) **Expenses**: Estimated ordinary expenses of 0.15% pa, subject to a maximum of 0.40% pa. (Refer to Section 5.7 for full details.) 'A' Unit Class: **Management fee**: 1.25% pa. (Refer to Section 5.4 for full details.) **Performance Benchmark**: The indexed accumulation of the average daily nominal RBA Target Cash Rate in nominal terms for each month. **Performance Fee**: (Refer to Section 5.5 for full details.) Calculated on the total NAV of the Unit Class before dividing by number of units to calculate the unit price. This ensures that there is a single unit price for all investors at all times. 20% of the total return of the Unit Class in excess of the return of the Performance Benchmark after deducting all accrued fees and expenses and after deducting any underperformance from previous periods. Performance Fees vest unconditionally in favour of the Investment Manager with no clawback for subsequent underperformance:

	- in full on Performance Fee Dates (the last day of each calendar quarter), and - pro rata in respect of units that are redeemed in between Performance Fee Dates.
Minimum Application Amount	The minimum initial application is $100,000 (unless otherwise agreed with the Trustee). Additional applications are subject to a minimum of $25,000 (unless otherwise agreed with the Trustee).
Minimum Withdrawal Amount	The minimum withdrawal request is $25,000 (unless otherwise agreed with the Trustee). Investors need to keep a minimum of $25,000 invested, otherwise the Trustee may redeem your investment.
Buy/Sell Spread	+/- 0.25% This will be revised periodically, in accordance with the anticipated transactions costs of buying/selling the securities that comprise the portfolio, as a % of NAV. The current Buy/Sell Spread will be advised on the Trustee's website.
Distributions	Annual frequency. Interim distributions may be made at the discretion of the Trustee. Distributions will generally be reinvested in the Fund unless you instruct otherwise. Please see the Application Form for information concerning reinvestment of any distributions.
Cooling Off	There is no cooling-off right for investors. An Application cannot be withdrawn once it has been accepted and the relevant cut-off time has passed.

2. About the Fund

Overview

The Adaptive Alpha Research Starling Fund presents a compelling opportunity for investors seeking a diversifying exposure to their existing portfolios consisting of market beta and actively managed strategies.

The Fund's active, research-intensive strategy aims to deliver attractive returns beyond those of traditional market indices, by targeting higher returns with lower risk.

In contrast to benchmark-bound funds, the Fund’s flexible approach and proprietary algorithms aim to provide it with a significant edge in capturing market trends and protecting capital during periods of volatility.

For investors, this Fund offers both the potential for returns driven by scientifically chosen trading criteria, with the dynamic adaptability to adjust to changes in the market environment, paired with a rigorous risk-management process and ethic.

Fund Structure

The Fund is registered as a unit trust stamped in the state of South Australia dated 26 August 2024 and is established by a Trust Deed (as amended from time to time), which defines the rights, obligations, and entitlements between the Trustee and Investors, thus ensuring a clear and regulated relationship framework.

The Fund is governed as an unregistered managed investment scheme under the Corporations Act.

The Fund operates as a pooled fund where capital contributions from investors are collectively invested to enhance diversification and maximise potential returns.

In any given application period, investors’ funds are deposited into the Trustee’s Bank Account. Upon satisfaction of the applications terms such as a valid application form and investor

identification, the Trustee will formally accept the applications into the Fund and the money will be transferred to the Custodian, at which point the money will be counted towards the NAV of the Fund and the applicable Unit Class. Further details are in Section 6 of this IM.

After any withdrawal period, the amount due to the withdrawing units will be calculated and this amount of money will be transferred to the Trustee's Bank Account from which the investors who made valid withdrawal requests will be paid. Further details are in Section 8 of this IM.

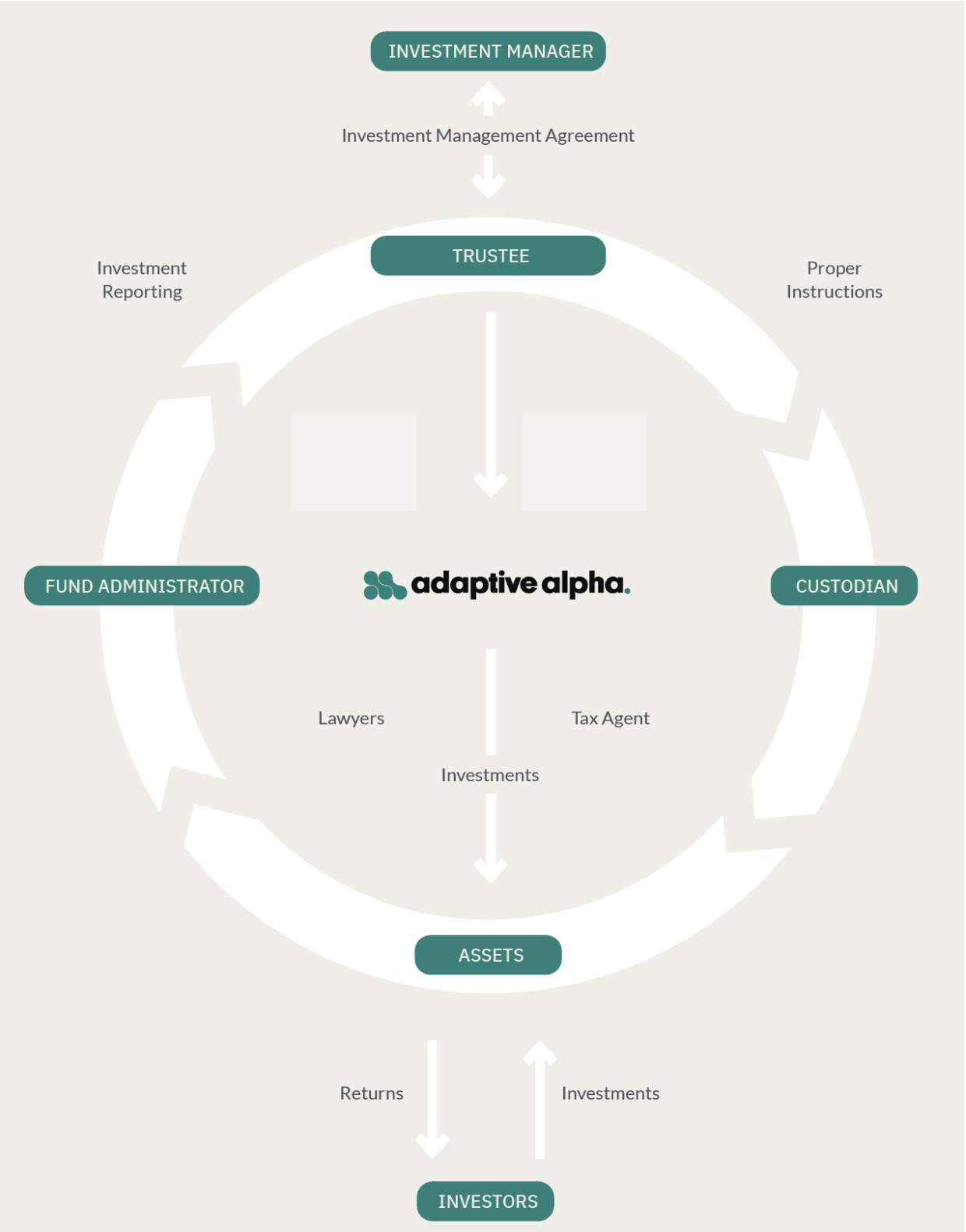
Different investors' interests in the Fund are managed equitably by the Trustee.

Fair mark-to-market valuations are used to calculate the Net Asset Value (NAV) of each Unit Class.

The NAV Unit Price is calculated by dividing the NAV by the number of units on issue for each Unit Class.

The Trustee ensures that Transactions Costs made in rebalancing the Fund's portfolio back to its target weights caused by investors entering and leaving the Fund are not borne by the investors who remain in the Fund. See Section 5.9 of this IM for details.

Further details are in the Trust Deed.


INVESTMENT MANAGER
Investment Management Agreement
TRUSTEE
Investment Reporting
Proper Instructions
FUND ADMINISTRATOR
adaptive alpha.
CUSTODIAN
Lawyers
Tax Agent
Investments
ASSETS
Returns
Investments
INVESTORS

Investment objective

The Investment Objective might be different for different unit classes.

‘A’ Unit Class

- The return objective is to maximise the return for the given level of risk.
- The return is expected to be mildly positively correlated (0.0–0.3) with equities markets, as measured by the S&P 500 index hedged to Australian dollars.
- The Fund’s risk objective is a long-term average volatility of 12% per annum.
- The targeted return is 8% per annum above the return of the RBA Cash rate.

Investment philosophy

The investment philosophy of the Investment Manager is built on three key pillars, considered in this sequence:

Belief that markets behave differently at different times

By identifying the prevailing market regime, the Investment Manager can adapt the strategy’s settings to profit from market movements that are more likely to occur during the prevailing market regime than would occur on average.

Belief that the optimal way to exploit the behaviour of markets is a systematic quantitative approach

An idea that has worked in live trading is superior to an idea that has worked in paper trading, which is superior to an idea that has worked in a backtest, which is superior to an idea which should work in theory.

The ideas that should work in theory are filtered into the ideas that actually work in practice by:

- programming theoretical ideas into backtested automatic trading algorithms,
- paper trading the best of those,
- live trading the best of those, and
- using the best of those in the Fund’s strategies.

Belief that a sustainable investment management business is built on a culture of continuous research and refinement

The relentless competition of investment markets is likely to erode the profitability of most strategies over time. While the backtests and live trading confer a certain degree of belief that their profitability will continue, there is no expectation that it will remain profitable forever.

The ongoing role of the Investment Manager is to:

- continuously test the beliefs,
- tinker with the settings, and
- expand the opportunity set.

Investment process

The Portfolio Manager determines the portfolio settings through a rigorous process of back testing and parameter optimisation.

The Investment Consultant sets up the risk limits and settings in separate risk and portfolio management software which is inaccessible to the Portfolio Manager. The trades are executed by this software.

There are circumstances under which the Investment Consultant may reduce risk across the portfolio or in certain circumstances relating to stock-specific risk or events.

Portfolio construction

Holdings

- The portfolio aims to hold positions in around 20 securities, with individual weightings typically ranging from 5–15% and a strict cap of 40% of the Net Asset Value per position.
- The portfolio may also hold up to 50 individual stock positions, with weightings ranging from 1% to 5%, and a strict cap of 10% of the Net Asset Value per position.

Market risk and hedging

This portfolio construction is designed to maximise the expected portfolio return for the given level of total risk.

In effect, this means that exposure to any one single risk will be measured and managed in the context of:

- its marginal impact on the overall risk of the portfolio, and
- the return expected to be earnt by taking on that risk.

Without limiting the risks that may be hedged, the following risks are likely to be hedged frequently in the Fund:

- The portfolio may transact and hold futures positions to partially or completely hedge the overall equities risk, or sub-categories of equities risks.
- The portfolio may transact and hold FX futures and forwards to partially or completely hedge currency risks.

Liquidity

- The Portfolio holds only liquid securities which are reliably priced by exchanges and third-party data providers continuously during market hours.
- Portfolio liquidity is regularly monitored to ensure the ability to adjust quickly in response to emerging opportunities or market shifts.
- The Fund is also positioned to hold cash or cash-equivalent instruments, such as exchange-traded funds (ETFs) and cash management trusts, with major Australian banks during periods of market stress.

Qualifying investors

Wholesale Investors Only

This Offer is generally only available to wholesale clients within the meaning of the Corporations Act.

Details on meeting the wholesale investor test can be found in Section 6.4 of this IM.

Trustee's Discretion

The Trustee has the discretion to accept applications from people who are not Qualifying Investors, provided these people are otherwise permitted by law to participate in the Offer.

- The Trustee may reject applications or compulsorily redeem units in respect of its obligations to comply with the identification and verification requirements imposed under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
- The Trustee reserves the right to reject an application without providing a reason.
- If there is any doubt as to whether an Investor qualifies as a Qualifying Investor, the Trustee will assist and verify that potential Investor.
- The Trustee has the ultimate decision as to whether to admit an Investor.

3. Meet the Team

Roles and backgrounds of key staff

Tom Surman

Founder, Managing Director, Chair of Investment Committee, Responsible Manager, Member of Compliance Committee

(a) Tom Surman brings over 15 years of expertise in financial services to his role as Managing Director of Adaptive Alpha Research. A seasoned financial advisor and chartered accountant, Tom's dedication to innovation and adaptability has positioned Adaptive Alpha Research as a forward-thinking leader in investment management.

Throughout his career, Tom has played a critical role in establishing and managing investment schemes, where he provided comprehensive financial product advice and oversaw essential operational, compliance, and reporting functions. Collaborating closely with fund managers, he was instrumental in developing investment mandates and risk management strategies, ensuring that operational compliance and reporting obligations were met with precision.

His extensive experience includes guiding clients in superannuation, managed investment schemes, and strategic equity and investment allocation. As a financial planner and tax agent, Tom constructed client portfolios aligned with financial goals, conducted rigorous due diligence, and incorporated tax assessments into his client advice.

Tom's academic and professional qualifications underscore his commitment to excellence in financial services. He holds a Bachelor of Commerce (Accounting) from the University of Adelaide, a Graduate Diploma in Chartered Accounting from the Institute of Chartered Accountants Australia & New Zealand, and a Diploma in Financial Planning (RG146). He has completed the Responsible Manager Fundamentals course through Financial Education Professionals. He is also a member of the Institute of Chartered Accountants Australia & New Zealand, reflecting his ongoing commitment to upholding the highest standards in the financial industry.

Qualifications

- Bachelor of Commerce (Accounting), University of Adelaide
- Graduate Diploma in Chartered Accounting, Institute of Chartered Accountants ANZ
- Diploma in Financial Planning (RG146)
- Responsible Manager Fundamentals course, Financial Education Professionals
- Member, Institute of Chartered Accountants ANZ

Brian Miller

Co-Founder & Chief Investment Officer / Head of Research

Brian holds an Associate qualification in Electrical Sciences and has focused his career on quantitative model development and systematic research design. Over the past decade, he has undertaken extensive independent study across data science, statistics, machine learning, behavioural finance, quantitative finance, market structure and game theory.

His early professional development included close mentorship with a retired floor trader, focusing on market structure, institutional order flow dynamics and trading behaviour, as well as a retired software engineer specialising in data modelling, predictive analytics and systems architecture.

Since 2015, Brian has provided consulting services in quantitative model development, strategy design and portfolio construction, working with CTAs, family offices, hedge funds and fintech research firms. His work focuses on adaptive model architecture, risk mitigation frameworks, diversification methodologies and systematic research processes.

Brian's ongoing research and development efforts underpin the proprietary research and model design framework at Adaptive Alpha Research. His focus remains on disciplined system design, statistical robustness and continuous refinement of investment processes.

Qualifications

- Bachelor of Science in Finance, West Virginia State University
- Associate of Science in Electrical and Electronics

David Toohey

Investment Consultant, Member of Investment Committee

David Toohey is a highly accomplished investment professional and the Investment Consultant at Adaptive Alpha Research. With over 20 years of top-tier investment experience, David has consistently delivered exceptional results, achieving top 1 percentile rankings academically and professionally. He has also held a series of distinguished roles in portfolio management, asset consulting, and investment strategy.

His career has been marked by a commitment to mastery in portfolio construction and decision-making, driven by foundational skills in mathematics, statistics, risk management, programming, and actuarial science. With a deep professional commitment to modern data science, machine learning, cloud computing, and advanced quantitative techniques, David is dedicated to delivering cutting-edge investment strategies and robust portfolio performance to investors.

David’s impressive business experience includes co-founding Investment Science Pty Ltd, where he served as Chief Investment Officer, growing the firm from a startup to managing AUD 300 million in Funds Under Management (FUM). Under his leadership as CEO, Investment Science was acquired by an ASX-listed company, exemplifying his strategic acumen and business foresight.

In a formative role as Portfolio Manager at Funds SA, David directly supported the CIO, pioneering portfolio innovations that contributed to #1 rankings in multiple categories in Australia’s Selecting Super surveys, such as pioneering Funds SA’s initial forays into global fixed interest, credit, and hedge fund investments.

David's portfolio construction expertise shines in his achievements as Portfolio Manager of Investment Science’s flagship multi-asset portfolio (APIR: COL0007AU), where his manager selection and tactical asset allocation led to benchmark outperformance of +4.4% p.a. Additionally, as a quant researcher and PM for Investment Science’s hedge fund (SRA-16, APIR: COL0008AU), he led it to become #1 ranked among 10,000+ funds on the Morningstar Australia database during the financial crisis, with a +51.8% return in calendar 2008. The SRA-16 Fund achieved returns of +12.1% p.a. over its 8+ years.

David's academic and professional credentials are extensive. He was awarded a First Class Honours degree in Applied Mathematics from the University of Adelaide and is a long-standing Fellow of the Institute of Actuaries of Australia (FIAA). His other current professional accreditations are Chartered Alternative Investment Analyst (CAIA), Certified Investment Management Analyst (CIMA), and he is a CFA Level 2 candidate and completed a Graduate Diploma in Applied Finance and Investment.

Qualifications & Accreditations

- First Class Honours, Applied Mathematics, University of Adelaide
- Fellow, Institute of Actuaries of Australia (FIAA)
- Chartered Alternative Investment Analyst (CAIA)
- Certified Investment Management Analyst (CIMA)
- CFA Level 2 candidate
- Graduate Diploma in Applied Finance and Investment

Oliver James Ciancio

Responsible Manager, Member of Compliance Committee

Oliver Ciancio serves as a Responsible Manager for Adaptive Alpha Research, bringing significant experience in equity crowdfunding and financial services. He has managed day-to-day operations of equity crowdfunding platforms, offered financial advice, and played a key role in compliance processes, including eligibility assessments and investor engagement.

Oliver's background includes leading capital raises, ensuring regulatory compliance, and structuring equity crowdfunding platforms. His work with investment committees and in conducting due diligence has reinforced his strong grasp of compliance and financial structuring.

Oliver has demonstrated leadership across marketing, technology, finance, and client support. He is experienced in communicating with both retail and wholesale clients, achieving investment objectives, and ensuring compliance. His well-rounded expertise highlights his strategic contributions to the financial services sector.

Oliver holds a Bachelor of Engineering, a Bachelor of Science, and a Master of Applied Finance from the University of Adelaide. He has also completed ASIC Compliance RG 146 Tier 1

qualifications in General Knowledge, Securities, and Managed Investments, as well as a Course Certificate in Crowdfunding from the University of Pennsylvania.

Qualifications

- Bachelor of Engineering, University of Adelaide
- Bachelor of Science, University of Adelaide
- Master of Applied Finance, University of Adelaide
- ASIC RG146 Tier 1 (General Knowledge, Securities, Managed Investments)
- Certificate in Crowdfunding, University of Pennsylvania

The Investment Manager

Vision and strategy

Adaptive Alpha Research Pty Ltd (AFSL 554 884) is a data-driven investment management firm that applies advanced AI and machine learning to identify innovative investment opportunities.

Its proprietary strategies optimize portfolios of algorithmic models that combine multiple alpha sources, with a focus on low correlation to traditional markets and enhanced risk-adjusted returns. These smart beta approaches empower clients to outperform benchmarks through smarter diversification and modern analytics.

The firm serves high-net-worth individuals, financial planners, and family offices with sophisticated, forward-thinking investment solutions.

Governance

The Board of Directors has delegated investment management authority to the Investment Committee under a formal Investment Committee Charter. This includes responsibility for investment guidelines, portfolio manager appointments, reporting, quorum formation, and other governance duties.

Current Investment Committee members:

- Tom Surman
- Brian Miller

- Oliver James Ciancio
- David Toohey

Risk management

The Investment Committee is responsible for risk oversight, with **David Toohey** designated as the primary individual responsible for overseeing risk controls.

AFSL compliance

As the holder of an Australian Financial Services Licence (AFSL), the Trustee and Investment Manager maintains rigorous compliance and risk frameworks in line with ASIC standards. Responsibilities include safeguarding client assets, managing trust accounts (e.g., Section 981B), and undergoing regular audits.

Key persons on AFSL:

- Tom Surman
- Oliver Ciancio

Compliance Committee members:

- Tom Surman
- Oliver Ciancio

(The Committee meets at least quarterly.)

Independent audits and financial prudence

Independent audits will be conducted regularly to ensure financial integrity and regulatory compliance. These audits reinforce transparency and build investor trust.

The Fund is one of several portfolios under the Investment Manager's strategies. Additional Unit Classes beyond those offered in this Information Memorandum may be issued by the Trustee.

4. Risks

All investments involve varying degrees of risk. While there are many factors that may impact on the performance of any investment, the section below summarises some of the major risks that investors should be aware of when investing in the Fund.

Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, and particular needs and circumstances. Investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature, and their investment time horizon. Investors should seek professional advice in setting their investment objectives and strategies.

Significant risks associated with an investment in the Fund; and investments made by the Fund are discussed below.

The lists do not purport to be a complete or conclusive examination of the applicable risks. Potential investors should read this IM in its entirety and seek professional advice before deciding to invest. Performance of the Fund is not guaranteed.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND

Type of Risk	Description of Risk
Investment risk	The value of an investment may rise or fall, distributions may or may not be paid and an Investor's capital may or may not be returned. No guarantees are made by the Trustee, the Investment Manager, and any of their directors, associates or consultants on the performance of the Fund, or its ability to generate income or return of capital.
Fund risk	The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of possible impairment charges in the Fund and the potential consequences of withdrawal by other Investors.

Type of Risk	Description of Risk
Key personnel risk	The Trustee and Investment Manager both rely on a small number of professionals, mentioned in Section 3, in particular Brian Miller and David Toohey. If these people or any other key personnel from the Trustee or the Investment Manager resigned or were terminated, a suitable replacement may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.
Manager risk	The Fund is relying on the ability of the Investment Manager and its investment professionals to achieve the Fund's Investment Objectives. If the Investment Manager and/or its investment professionals were not to continue in their respective roles, the Fund may not be able to achieve its Investment Objectives. There is always a risk that the Trustee and Investment Manager may fail to identify and adequately manage the investment risks in the Fund's portfolio and thus affect the ability to pay distributions or reduce the value of the units. Operational risks of the Trustee, the Investment Manager and include the possibility of systems failure, regulatory requirements, documentation risk, fraud, legal risk and other unforeseen circumstances.

Type of Risk	Description of Risk
Algorithm risk	The investment strategies depend on the continued profitability of the algorithms, and the Fund's returns depend on the investment team's ability to dial down or turn off unprofitable strategies and replace them with new profitable ones.
New manager risk	As at the date of this Information Memorandum, the Investment Manager has no directly comparable track record of running an investment portfolio like the Fund. It is possible that the operational infrastructure might not operate smoothly, or the Fund's returns might not reflect the returns achieved in the managed accounts prior to commencing the Fund.
Limited liquidity risk	Access to your money can be delayed in some circumstances (see section 8.4 "Delaying access to your investment"). Overall, market liquidity can make it difficult to trade profitably and to realise assets in a timely manner to meet any withdrawal requests. Liquidity risk is particularly relevant in smaller company securities. Units in the Fund are not quoted on any stock exchange and cannot be sold through a stockbroker.
Cyber security risk	Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or IT systems) such IT systems may still be subjected to malicious attack, damage, or unauthorised access. Such IT systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund. In the event serious harm is a likely outcome of a breach of the Trustee's IT systems, the Trustee or Investment Manager (as may be required) will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.
Legal, regulatory and compliance risk	Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund. Although unable to predict future policy changes, the Investment Manager intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.

Type of Risk	Description of Risk
	The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation the Australian Securities and Investments Commission, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Consumer and Competition Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and this may result in the loss of authorisations of the Australian Financial Services Licence held by the Trustee thereby preventing the continued operation of the Fund.

RISKS ASSOCIATED WITH THE INVESTMENTS MADE BY THE FUND

Type of Risk	Description of Risk
Market and economic risk	Economic, technological, climate, political or legal conditions, unexpected major world events, interest rates and even market sentiment can (and do) change, and these changes may have a negative impact upon the operation and performance of the Fund. These factors are outside the control of the Trustee and the Investment Manager.
Fees and expenses	Fees and expenses are explained in detail in Section 5. The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay Management Fees, Trustee fees, administration fees and other expenses whether or not it receives its returns. The Fund must therefore ensure that sufficient liquidity is maintained to meet these and other expenses. The amount of Performance Fee is not known in advance. It is not considered a risk to the Fund because it will only be paid if the Fund receives returns. However, if the Fund's returns are subsequently negative after it has paid a Performance Fee and the investor withdraws, then the investor may have paid a Performance Fee despite receiving negative returns.

Type of Risk	Description of Risk
	The Performance Fee is not directly attributable to each investor in the Unit Class, nor to each unit in the Unit Class. Due to the timing of outperformance and underperformance and applications and redemptions, then it is possible that the Performance Fee effectively applied to a given investor or unit will not be exactly equal to the Performance Fee if it were applied as if the investor or unit were the only investor or unit in the Unit Class. **Direct out-of-pocket expenses** incurred by the Trustee during normal operations of the Fund are separately listed in the Fees section. However, there may arise instances in which it is in the best interests of investors in the Fund to incur **extraordinary out-of-pocket expenses**. These expenses are payable by the Fund directly, or the Fund recompenses the Trustee or the Investment Manager for paying these costs. These expenses may arise from default by a counterparty, or an asset being liquidated, or security being enforced to protect investor's interests. The costs may include, but are not limited to liquidators, receivers, investigators, search, and legal. These amounts may be significant and could be perceived to have an adverse impact on the return that investors might otherwise realise, but in all cases, these will only be incurred by the Trustee in the belief that the investors would be worse off if these expenses were not incurred given the extraordinary circumstances.
Interest rate risk	Interest rates fluctuate from time to time, depending on a range of circumstances wholly outside the control of the Investment Manager and the Fund. Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.
Counterparty risk	Any returns to investors may be affected by a default by any of the Fund's counterparties. For example, a counterparty to a transaction or contract (such as a broker, the custodian or other agent of the Fund) may fail to perform their obligations in the manner anticipated by the Fund or may experience financial difficulty, which may result in a reduction in expected returns to the Fund. Fees and expenses incurred by the Trustee in recovering amounts due to the Fund from defaulting counterparties will be paid by the Fund.

Type of Risk	Description of Risk
Related party transactions risk	The Fund's assets may be subject to actions taken on its behalf by individuals who stand to be better off from those decisions to the possible or potential detriment of the investors of the Fund. The Trustee, the Investment Manager and the Custodian have obligations to manage Conflicts of Interest as part of their Australian Financial Services Licence obligations. This includes a separate program of compliance monitoring over all employees, officers and contractors.
Valuation risk	The ongoing value of the assets held by the Fund may be influenced by changes in market conditions. Given that the assets and liabilities of the Fund are very liquid, then the valuation policy assumes that the last traded price or a proxy thereof is the basis for calculating the Net Asset Value. Should a security become illiquid, then this valuation may not be reliable.
Foreign exchange rate risk	The Fund may be subject to foreign exchange rate risks due to its exposure to investments in international markets or assets denominated in currencies other than the base currency of the relevant unit class. Fluctuations in foreign exchange rates can significantly impact the value of these investments, potentially leading to losses even if the underlying assets appreciate in their local currencies. Exchange rates are inherently volatile and influenced by numerous unpredictable factors, including economic conditions, geopolitical developments, and central bank policies. Such fluctuations can create additional uncertainty and volatility, which may adversely affect the Fund's performance and overall returns. Investors should be aware of the potential impact of currency movements on the Fund's value when considering their investment.
Portfolio construction risk	While seeking to optimise the portfolio to maximise returns, there is no guarantee the Fund's portfolio will be always optimal.
Capacity and transaction restrictions	Due to the nature of some of the Fund's investments, it may not always be possible for the Fund to transact on those investments (for example, due to limited capacity or restricted transaction dates). Therefore, the Fund may, from time to time, hold or invest in cash (or other assets) until capacity and/or transaction date restrictions can be overcome.

Type of Risk	Description of Risk
Disputes and defaults risk	In the ordinary course of its operations, the Fund may be involved in disputes and possible litigation with service providers. There exists a risk that a material or costly dispute or litigation could affect the amount of expected income of the Fund, and if this situation were to unfold then the Trustee may: - Withhold a certain amount of money unavailable to pay redemptions pending the result of such litigation. - Estimate the losses and the associated probabilities from a range of scenarios of each contingent liability, and use the probability-weighted average loss under these scenarios as a liability of the Fund or a mark-down in the valuation of the relevant asset(s) in the calculation of the Net Asset Value of the Fund.
Tax risk	There is a risk that the Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the ATO, could change. Investors are responsible for monitoring tax reform developments that may impact their investment in the Fund. Prospective Investors should consider their own circumstances before investing.
Other risks	It is important to note that not all risks can be foreseen. It is therefore not possible for the Trustee or the Investment Manager to protect the value of the Fund's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs. Whilst the Trustee and Investment Manager have taken steps to ensure that the information presented in this IM is correct, it is possible that due to factors such as the passage of time or the uncertainty in forecast details that the information contained in this IM may be inaccurate on or after its date of release. Neither the Trustee nor Investment Manager guarantees the repayment of investments or the performance of the Fund or of any Unit Class within the Fund. We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

MANAGEMENT OF RISKS

The Investment Manager is committed to rigorous risk management across all aspects of the investment process, employing a structured approach to identifying, assessing, and monitoring risk. This includes quantitative and qualitative assessments, ongoing portfolio reviews, and proactive adjustments as market conditions change.

However, it is important to acknowledge that certain risks may be difficult or impractical to mitigate fully and, in some cases, lie outside the Investment Manager's control, such as unexpected economic or geopolitical events.

While the Investment Manager seeks to manage the risks of the Fund where possible, it is the responsibility of investors to understand the risks of the Fund in the context of their own portfolio. The Trustee recommends that each investor:

Consult with a financial adviser to define investment goals and risk tolerance, build a diversified portfolio, monitor the portfolio, and manage their portfolio accordingly.

Monitor the Fund's progress and stay informed with the updates and changes made since their initial investment.

Share the updates and changes of the Fund with their adviser, preferably by requesting to the Trustee that the financial adviser is added to the relevant mailing lists for updates and changes.

5. Fees and Costs

SUMMARY

Fee (excluding GST)	**Amount** (% per annum of Unit Class NAV, unless noted otherwise)	**Paid to and when**
Entry Fee	Nil	
Management Fee Rates	'A' Unit Class: 1.25% pa	Investment Manager, monthly
Performance Fee	For each unit class, is the Performance Fee Rate applied to the total profit of the unit class (after deduction of the Management Fees and expenses) that is in excess of the return of its Performance Benchmark during a relevant performance period, and provided any previous underperformance has been recovered.	Investment Manager, effective on a Performance Fee Date
Performance Fee Rates	'A' Unit Class: 20%	
Performance Benchmark	RBA Cash Rate	
Trustee fees	A tiered fee: - 0.10%pa up to $100 million; and - 0.085%pa on amounts greater than $100 million and less than $200 million; and - 0.075%pa on amounts greater than $200 million.	Trustee monthly in arrears from execution of the Trust Deed.

	These fees are subject to a minimum annual fee (see section below).	
	The Trustee is entitled to charge a regulatory levy recovery fee of $2,500 plus $75 per $1 million of the Gross Asset Value (GAV) of the Fund.	Trustee annually on the first of January each year for recovery of any required ASIC industry regulatory levy, capital cost, insurance and complaints body requirements.
Ordinary Expenses	Administration fees, audit fees, bank fees, audit fees, ASIC Funding levy. Estimated ordinary expenses of 0.15%pa; limited to a maximum of 0.40%pa for each financial year ending 30 June; expenses more than this maximum will be paid by the Investment Manager.	Trustee, or the relevant party appointed by the Trustee as and when incurred from the assets of the Fund.
Extraordinary Expenses		Trustee, or the relevant party appointed by the Trustee as and when incurred from the assets of the Fund.
Entry Fee, Exit Fee	Nil	There is no additional fee paid to any other party. However, an investor will be effectively charged an entry and exit fee by the Fund because of the spread in the Buy / Sell Unit Price. This is not a fee, instead its effect is to compensate the existing investors for the Transactions Costs involved with investors entering and exiting the fund.

Goods and Services Tax ("GST")

The amounts shown in this IM are exclusive of GST.

GST payable by investment funds is complex due to the availability of Reduced Input Tax Credits ("RITCs") on some expense items and not others, which means that the effective GST net of RITCs is between 2.5% and 10%, and this amount will vary from year to year.

The Net Asset Value of Unit Classes will be calculated net of GST (net of RITC) on an accrual's basis.

Unit classes in the Fund

The Fund will issue different classes of units to investors from time to time. The treatment of each Unit Class is specified in the Trust Deed. In general, the Trustee is obliged to treat each Unit Class fairly and equitably with regard to segregating and apportioning assets, liabilities, expenses and distributions to each Unit Class.

The specific parameters such as % fees and expenses will be specified in the offering document for each unit class, such as for the Unit Classes covered by this IM. There may be other offering documents issued in respect of other Unit Classes in addition to this IM.

The Unit Classes may differ in terms of (but not limited to):

- investment objectives and risk settings
- Management Fee Rate
- Performance Fee Rate
- Performance Benchmark
- currency hedging
- base currency
- voting rights
- allowable/prohibited investments
- application/redemption terms
- leverage
- shorting
- buy/sell spread

This IM describes the operation of the Fund. However, the proper context is that this IM offers investments in the respective Unit Classes covered by this IM.

Where this IM mentions the Fund, it is referring to either the Unit Class specifically or the Fund as a whole, depending on the context. Where this IM mentions the Unit Class, it is referring to the relevant Unit Class specifically.

Management fees

The Management Fee provides commercially reasonable recompense for the normal services provided by the Investment Manager, who expects to incur appreciable costs and expenses in maintaining a viable business and in managing the investments on behalf of the Fund.

The Investment Manager is entitled to a Management Fee in respect of each Unit Class, calculated by reference to the Management Fee Rate for the respective Unit Class multiplied by the NAV of the Unit Class (as calculated at the end of the relevant period after any current accrued fees and expenses, but before any applications, redemptions, distributions and performance fee accrual change are calculated).

The Management Fee is:

- calculated and accrued monthly at a rate of 1/12 of the Management Fee Rate
- a liability of the Fund and reduces its NAV
- payable monthly in arrears from the assets of the Fund

If the Fund's unit price is calculated more frequently than monthly, then the Management Fee is calculated on the basis of:

- An accrual equal to 1/12 × n/N, where:
    - **N** is the number of calendar days in that month
    - **n** is the number of calendar days since the last calculation of the Management Fee

The accrued Management Fee is the sum of the accruals since the last Management Fee was paid.

Performance fees

In addition to the Management Fee, the Investment Manager may be entitled to a Performance Fee for a given Unit Class.

In broad terms, the Performance Fee is calculated by reference to the Performance Fee Rate for the respective Unit Class multiplied by the total return of the Unit Class (after any fees and expenses have been deducted but before any accrued Performance Fee) that is in excess of the return of the Performance Benchmark.

The Performance Fee is calculated on a dollar basis as a liability of the Unit Class, which is a component of the Net Asset Value calculation. It is not directly attributable to each investor nor is it directly attributable to each unit.

By calculating the Performance Fee this way, then:

- There is always a single NAV Unit Price for each Unit Class at each Unit Pricing Date.
- The value of the sum of the units at the Sell Unit Price owned by an investor is the entire amount to be paid to the investor by the Trustee and the Investment Manager. See Section 8 of this IM for more details on the Withdrawal Price.

The Performance Fee Liability in the Net Asset Value calculation of each Unit Class is the sum of:

- Vested Performance Fees from prior periods, if any, and
- either:
    - the Cumulative Performance Fee Accrual, if it is positive, or
    - zero, if it is negative.

The Cumulative Performance Fee Accrual:

- Is calculated each time the NAV is calculated, thus:
    - the Cumulative Performance Fee Accrual Carried Forward at the start of the period between NAV calculation dates,
    - plus the Current Performance Fee Accrual.
- Can be positive or negative.

The Current Performance Fee Accrual is calculated in respect of each period between NAV calculation dates as:

- the total of:
    - the dollar profit of the Unit Class for the period, calculated on a mark-to-market basis,
    - minus all accrued fees and expenses (including extraordinary expenses, if any) for the period,
    - minus the dollar profit of the Performance Benchmark for the period,
    - multiplied by the Performance Fee Rate.

The dollar profit of the Performance Benchmark for a period is calculated as:

- the % return of the Benchmark for the period,
- multiplied by the NAV of the Unit Class at the start of the period.

Example scenario:

Inputs:

- NAV was $10,000,000 as at the previous NAV calculation date after processing applications and redemptions effective at the start of the period,
- The Performance Benchmark returned 0.5% between NAV calculation dates, so the dollar profit of the Performance Benchmark is $50,000,
- Fund profit between NAV calculation dates is $1,000,000 (after deduction of all accrued fees and expenses)
- $80,000 Cumulative Performance Fee Accrual Carried Forward from the previous NAV calculation date,
- 5,000,000 units on issue during the period.
- 50,000 units are being redeemed at the end of the period.

Then:

- the Current Performance Fee Accrual for the period would be **+$190,000** (calculated as $10,000,000 x [10% - 0.5%] x 20%)

- the Cumulative Performance Fee Accrual at the end of the period would be **+$110,000** (calculated as -$80,000 + $190,000)
- the Vested Performance Fee would be:
    - **$110,000** if the NAV calculation date is a Normal Performance Fee Date or a Final Performance Fee Date
    - **$1,100** otherwise (calculated as 50,000 / 5,000,000 x $110,000)

If the Cumulative Performance Fee Accrual is positive on any of the following dates, it **vests** to the benefit of the Investment Manager:

- Every 31 March, 30 June, 30 September, and 31 December (Normal Performance Fee Dates)
- Upon wind-up of the Fund (Final Performance Fee Date)
- Upon unit redemptions on other dates (Redemptions Performance Fee Dates)

The ratio of:

- the number of units that are redeemed,
- to the number of units that were on issue during the previous NAV calculation period (including the redeeming units),
- multiplied by the Cumulative Performance Fee Accrual.

Performance Fee Dates refer to one or more of the Normal Performance Fee Dates, Final Performance Fee Date, and the Redemptions Performance Fee Dates.

The sum of Vested Performance Fees are payable by the Trustee to the Investment Manager within 30 days of the Performance Fee Date.

For example, consider the above scenario has these extra assumptions:

Inputs:

- 5,000,000 units on issue during the period.
- 50,000 units are being redeemed at the end of the period.

Then the Vested Performance Fee would be:

- $110,000 if the NAV calculation date is a Normal Performance Fee Date or a Final Performance Fee Date,
- $1,100 otherwise, (calculated as 50,000 / 5,000,000 x $110,000).

The Cumulative Performance Fee Accrual Carried Forward:

- Is calculated effectively at the start of the period between NAV calculation dates.
- Starts at zero upon inception of the Unit Class.
- After inception of the Unit Class, is set equal to:
    - the Cumulative Performance Fee Accrual as at the NAV calculation date just completed, and
    - if the Cumulative Performance Fee Accrual is positive, then minus any Vested Performance Fees as at that date, (so if the Cumulative Performance Fee Accrual is vested in full as at the NAV calculation date, then the Cumulative Performance Fee Accrual Carried Forward is thus reset to zero), or
    - if the Cumulative Performance Fee Accrual is negative, then minus the Redemption Shrinkage, which will reduce the negative value of the Cumulative Performance Fee Accrual Carried Forward closer to zero.
- Is never reset to zero, except if all units are redeemed from the Unit Class, by application of the Redemption Shrinkage with a ratio of exactly 1.

If the Cumulative Performance Fee Accrual is negative and units are redeemed on the NAV calculation date, then the Redemption Shrinkage applied in the calculation of the Cumulative Performance Fee Accrual Carried Forward is equal to:

- the ratio of:
    - the number of units that are redeemed,
    - to the number of units that were on issue during the previous NAV calculation period (including the redeeming units),
    - multiplied by the Cumulative Performance Fee Accrual.

For example, consider this scenario at a given date:

Inputs:

- Cumulative Performance Fee Accrual was calculated as at the end of the period to be -$80,000.
- 5,000,000 units on issue during the period.
- 100,000 units are being redeemed at the end of the period.

Then:

- The Redemption Shrinkage for the next period is 100,000 / 5,000,000 × -$80,000 = -$1,600.
- And the Cumulative Performance Fee Accrual Carried Forward is -$80,000 + $1,600 = -$78,400.

Note: The examples given are not a representation of likely future performance. The actual performance fee and total management costs will depend on the performance of the Fund and may vary from these examples. Neither returns nor your capital invested are guaranteed.

TRUSTEE FEES

The Trustee Fee provides a commercially reasonable recompense for the normal services provided by the Trustee who expects to incur appreciable costs and expenses in maintaining a viable business and in operating the Fund on behalf of the investors.

The Trustee is entitled to a tiered annual fee ("**Trustee Fee Rate**") based on the NAV of the Fund, structured as follows:

- **0.10%** per annum of the NAV for assets up to $100 million
- **0.085%** per annum of the NAV for assets greater than $100 million and less than $200 million
- **0.075%** per annum of the NAV for assets exceeding $200 million

These fees are subject to a **minimum monthly fee of $2,000** for the year ending 31 December 2025, which will increase by **2.5% each year on 1 January**. The Trustee's engagement is contracted for a **minimum term of four years**.

The Trustee Fee is calculated and accrued monthly at a rate of **1/12 of the Trustee Fee Rate**. If the Fund's unit price is calculated more frequently than monthly, then the Trustee Fee is calculated on the basis of:

- an accrual equal to **1/12 × n/N** of the Trustee Fee Rate
    - **N** = number of calendar days in that month
    - **n** = number of calendar days since the last calculation of the Trustee Fee

Trustee fees are payable **monthly in arrears** from the date of execution of the Trust Deed.

The Trustee fees will be **apportioned pro-rata across all Unit Classes** in the Fund, based on the respective NAV of each Unit Class, ensuring fair distribution of costs according to asset size.

Expenses

Estimated ordinary expenses of 0.15% per annum include:

- administration, legal, audit, accounting and taxation preparation costs
- custodial fees, insurances, government charges, ASIC funding levies
- AML/CTF checking fees, Common Reporting Standard (CRS) checking fees
- general expenses

Some of these fees are fixed and will fall as a proportion as Fund assets grow.
Ordinary expenses will be deducted from the assets of the Fund as and when they are incurred.

If ordinary expenses exceed 0.40% per annum in any given financial year ending 30 June, the Investment Manager will take a reduction in its fee to ensure that investors' expenses are limited.

Abnormal expenses are expected to occur infrequently and may include (without limitation):

- costs of litigation to protect investors' rights
- costs to defend claims in relation to the Fund
- legal fees
- once-off or non "business as usual" fees
- termination and wind-up costs

If abnormal expenses are incurred, they will also be deducted from the assets of the Fund as they arise.

Changes in fees and costs

All fees and expenses can change. Reasons might include:

- changing economic conditions
- changes in regulations

The trust deed for the Fund sets the maximum amount that can be charged for all fees.

The Trustee and Investment Manager currently charge fees at less than the maximum amounts allowed for in the Fund's trust deed or waive those rights to fee payment and expense recovery.

If either the Trustee or the Investment Manager wishes to raise management and/or performance fees above the maximums allowed for in the trust deed, then the trust deed would need to be amended.

There is no specific limit in the trust deed on the level of expense recovery.
A copy of the trust deed is available free on request.

Transaction costs – buy spread and sell spread

Transaction Costs are the cost of maintaining the portfolio's target weights compared to if the Fund was able to transact at the prices obtained by a market data service. Transaction Costs are the sum of:

- explicit costs such as brokerage, commission, and exchange fees; and
- implicit costs such as the difference between the price obtained by taking the bid/offer in the market queue versus the price used in calculating the NAV (usually the last price or the mid-point between the bid/offer price).

Transaction Costs are incurred when:

- **Reweighting** – the portfolio's positions are adjusted to reflect the changes in the algorithms' net target weights.
- **Rebalancing** – the portfolio's positions are scaled up when new units are issued and scaled down when existing units are redeemed, to maintain the target weights determined by the algorithms.

Under the principles of fairness, the Transaction Costs from Rebalancing should be borne by the investors who apply for new units or redeem existing units. Consequently, the NAV Unit Price is adjusted by a small amount, known as a 'spread', for buying and selling units. The adjustments are:

- Down for the Sell Unit Price – currently a Sell Spread of -0.25% of the NAV Unit Price; and
- Up for the Buy Unit Price – currently a Buy Spread of +0.25% of the NAV Unit Price.

These spreads are paid to the Fund, and not to the Trustee nor the Investment Manager, so they are not an expense nor a fee.

If there are offsetting amounts of units being issued and redeemed on the same date, then the amount of Transaction Costs from Rebalancing would be lower than the amount effectively charged to the units that were issued and redeemed by the application of the spreads. The difference effectively benefits the Fund's investors.

The amount of the Buy Spread and the Sell Spread are the Trustee's estimate of the expected Transaction Costs borne by the Fund when it is forced to enter into Rebalancing trades for a typical set of portfolio weights.

These spreads may change without prior notice if expected Transaction Costs from typical Rebalancing trades change.

Bank and government charges

All government fees, duties and bank charges will apply to your applications and withdrawals as appropriate.

Goods & services tax

Quoted fees and other costs exclude the impact of GST and any reduced input tax credits.

Change to fees and expenses

The Trustee may change the fees and expenses. The Trustee will provide at least 30 days' notice to Unitholders of any proposed increase in fees or expense recoveries or introduction of new fees.

Waiver, deferral or rebate of fees

The Trustee may, in its discretion:

- accept lower fees and expenses than it is entitled to receive; or
- agree to defer payment of those fees and expenses for any time.

If payment is deferred, then the fee or expense will accrue until paid. In addition, the Investment Manager or Trustee may waive, negotiate or rebate their fees, for example, in the case of a large investment amount.

The Investment Manager has agreed to pay the Trustee's fees until such time as these fees are able to be paid from the Fund's assets. The Trustee has agreed to reimburse the Investment Manager any fees paid by it to the Trustee from the Fund's assets at such time when the Fund is able to do so.

All deferred fees and expenses will also be paid upon any retirement or removal of the Trustee.

6. Investing in the Fund

Application forms

For questions about completing application forms, please contact the Trustee in accordance with the Corporate Directory at the back of this IM.

You will receive confirmation of receipt within one business day after your application form has been received.

Applications cannot be withdrawn once they have been accepted by the Trustee and the cut-off time has passed.

Initial applications

- The minimum application is $100,000 (unless otherwise agreed with the Trustee).
- Use the **Initial Investment Form** available from the Trustee.
- This includes extensive instructions for satisfying compliance with the identification and verification requirements imposed under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as well as proof of Qualifying Investor status.
- This may take several days for investors to fill out and complete the documentary requirements.
- In turn, the Trustee may not be satisfied with the application and request more information.
- It is thus recommended that the investor allow at least a week before the intended cut-off date to send the first set of documents and application forms.

Subsequent applications

- The minimum amount for additional investments into the Fund is $25,000 (unless otherwise agreed with the Trustee).
- Use the **Additional Investment Form** available from the Trustee.
- For subsequent applications, there is generally no repeat of the extensive instructions required for Initial Applications.

How do you qualify as a wholesale client?

If you are applying for **$500,000 or more**, then you will be automatically deemed a wholesale client, and **no additional documentation is required**.

If you are investing **less than $500,000**, then the trustee must be satisfied under at least one of the following conditions:

- Provision of an Accountant's Certificate that is less than 24 months old, certifying that:
    - The investor themselves has the Required Net Assets or the Required Gross Income; or
    - Together with any trusts or companies the investor controls, the investor has the Required Net Assets or the Required Gross Income; or
    - The investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.

Required Net Assets means net assets of at least $2,500,000.
Required Gross Income means for each of the last two financial years, at least $250,000 a year.

- Based on your investing experience (the 'sophisticated investor' exemption) – the Investment Manager has an Adviser's or Accountant's Certificate that you can arrange to be completed to attest to this – contact the Trustee for a copy
- You hold an Australian financial services licence
- Provide a statutory declaration (or other satisfactory evidence) that you meet any of the other categories of wholesale client. These include that you:
    - Are a person regulated by the Australian Prudential Regulation Authority (other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme);
    - Are a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth) with net assets of at least $10 million;
    - Control at least $10 million for the purposes of investment in financial products (including any amount held by an associate or under a trust that the investing entity manages);
    - Are a manufacturer and employ 100 or more people, acquiring units in the Fund in connection with your business;
    - The investing entity is not a manufacturer but employs 20 or more people and is acquiring units in the Fund in connection with its business; or
    - Are a listed entity, or a related body corporate of a listed entity.

Please contact the Trustee if you need assistance in providing the appropriate documentation to certify that you are a wholesale client.

How to pay

You can pay for your investment by **electronic funds transfer (EFT)** from your financial institution account to the Trustee's Bank Account, by following the details on the relevant Application Form, obtainable from the Trustee on request in accordance with the contact details in the Corporate Directory of this IM.

- Please obtain the Application Forms from the Trustee directly to ensure that the details are up to date, and that you are not receiving a counterfeit application form with scam bank account details.
- All EFT payments must be accompanied by a notification email to **enquiries@adaptivealpharesearch.com** to ensure that the investor account is properly credited.

You **cannot pay via direct debit**. If you require recurring payments to the Fund then:

- Arrange payments via your own bank account, and
- Fill out the relevant application form indicating the frequency and amounts of regular applications.

You will receive confirmation within one business day when your money has been received.

Processing

Applications are processed monthly.
The Investment Manager may refuse investment applications and may not provide reasons for this.

Completed Applications received by 5:00pm (AEST on the last Wednesday of each calendar month (being a weekly Unit Pricing Date) will be processed using the unit price determined on the valuation day, which is that same Wednesday Units will then be issued at the applicable Issue Price (inclusive of the buy/sell spread) within three Business Days after that valuation day, reflecting the administrator's T+3 reporting. Subscription Monies should be deposited at least 3 Business Days before that Wednesday.

Application price

The Trustee applies the Buy Unit Price of the Unit Class to units that are issued on any given date. See Section 5.9 of this IM for the details of the calculation of the Buy Unit Price.

Application confirmation

Following acceptance of your application, you will be sent an Application Confirmation.
You should check the details on the Confirmation carefully and contact the Trustee if you have any questions.

Cooling off

There is no cooling off rights in relation to an investment in the Fund once the application has been accepted by the Trustee and the cut-off time has passed.

If you have any further questions

If you have any questions about the Fund's strategy, people, process, forms, applications, redemptions, confirmation notices, tax statements or unit pricing, please contact enquiries@adaptivealpharesearch.com.

7. Distributions of Income

Distributions

It is intended that no income tax will be payable by the Fund. As such, in each financial year ending on 30 June the full amount of taxable income available for distribution from the Fund will be distributed to investors. This income will generally be distributed to investors annually in June, with the payment expected to be made within six weeks after 30 June.

Notwithstanding the end-of-financial-year distribution, the Trustee may declare one or more interim distributions on any date prior to 30 June.
This is likely to happen if there is a large redemption request when there is a large profit liable to be declared on 30 June. By making an early distribution, then the redeeming investor is approximately apportioned their profit distribution even though they will not be a unit holder on 30 June. When doing this, the Trustee will be aiming to mitigate against the inequitable effects noted in the points below.

The distribution declared on 30 June is thus effectively the final distribution on profits subsequently earned by the remaining unitholders after any interim distributions.

Any date in respect of which a Distribution is declared is a “Distribution Date”.

Distributions are not pro-rated for investors who were not unit holders for the whole period, meaning that if you invest in the Fund just before a Distribution Date then you may receive some of your investment back almost immediately as income.

This applies conversely, too: if you withdraw from the Fund just before a Distribution Date, you might have a higher capital gain (or a smaller capital loss) than if you had waited until on or after the Distribution Date.

Distributions will generally be reinvested in the Fund at the Buy Unit Price on the Distribution Date unless you instruct otherwise at least 1 month before the Distribution Date, or a later date as advised by or agreed with the Trustee.

Should you elect not to reinvest distributions:

- Then distributions are paid to your nominated bank account from the Fund's Applications account. Please see the Application Form for information concerning distributions instructions including bank account details.
- For any repeated failure of the payment of distributions under these instructions, the Trustee reserves the right to reinvest the distribution at a future application date at the Buy Unit Price on that future date. (The reinvestment price will likely be different had the distribution been reinvested at the Distribution Date along with the other automatically reinvested distributions.)

An investor can expect to see the following sequence of declared unit prices and distributions around each Distribution Date:

- Unit prices declared in respect of the Distribution Date and subsequent unit pricing dates will be on a "cum distribution" basis.
- Immediately after a distribution is declared, "ex distribution" unit prices will also be declared on those dates. The "ex distribution" unit prices on the Distribution Date will be lower than the "cum distribution" price by the amount of the distribution, ignoring any tax components that may be for the benefit or detriment of the investor when they submit their tax return.
- The "ex distribution" unit prices will be lower than the "cum distribution" unit prices because the distribution reduces the Fund's assets in respect of cashed distributions and the remaining assets are shared amongst a greater number of units, counting those issued in respect of reinvested distributions.
- If there are any more "cum distribution" unit prices already declared before the declaration of the distribution, then these will be re-computed on an "ex distribution" basis using the NAV and the number of units as at those dates.

Any investor receiving a distribution, whether interim or final, will receive a distribution statement enabling them to complete their tax return.
All distributions will have the same proportion of tax effects, regardless of whether they were interim or final distributions.

AMIT

The *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 (Cth)* governs the Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

The Trustee has made the election for the Fund to operate as an AMIT.

The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund. The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

8. Accessing Your Monies

How to withdraw

The minimum withdrawal amount is $25,000 (unless otherwise agreed by the Trustee), and you need to keep a minimum of $25,000 invested otherwise the Trustee may redeem your entire investment. The Trustee may waive these requirements generally, or on a case-by-case basis.

To withdraw part or all your investment in the Fund, complete the Withdrawal Form available from the Trustee.

Send your Withdrawal Form by mail or email to the Trustee as shown in the Corporate Directory at the end of this IM.

For questions about completing application forms please contact the Trustee.

Once lodged, withdrawal requests cannot generally be withdrawn.

Your withdrawal will be paid by transfer to your nominated account, generally within 10 business days of a unit price being calculated for the relevant withdrawal processing day (which is generally the last Wednesday of the calendar month, a weekly Unit Pricing Date). There can be delays in certain circumstances, as set out below.

Withdrawal price

The Trustee applies the Sell Unit Price of the Unit Class to units that are redeeming on any given date. See Section 5.9 of this IM for the details of the calculation of the Sell Unit Price.

Deductions

The Trustee may deduct from any money payable to an investor (including winding up) or otherwise recover from an investor, including:

- Any moneys due to the Trustee by the investor; and
- Any money the Trustee (as trustee or in any other capacity) owes someone else relating to the investor (for example, to the Investment Manager or to the Australian Taxation Office (ATO)).

Delaying access to your investment

Access to your money can be delayed in limited circumstances.

Most commonly, access to your money is likely to be longer than 10 Business Days pending the calculation of the Final Distribution each 30 June.

The Trustee can also delay access to your money in accordance with the trust deed for the Fund, including where:

- There is a circumstance outside the Trustee's reasonable control which it considers impacts on its ability to properly, accurately or fairly calculate a unit price; or
- The Trustee has received redemption requests in relation to a particular valuation time, and the total redemption monies which would be payable in respect of this time (the relevant time) represent more than 20% of the Value of the Net Assets of the Fund. In this case, the Trustee can redeem the units at such future time, or at times over such period, as the Trustee reasonably determines, giving consideration to minimising the transaction costs relating to the sell down of the assets, and calculating and applying the applicable Sell Spread.

Sell Unit Prices are generally calculated at the time the delay ends.

The trust deed for the Fund sets out the wide range of circumstances in which the Trustee can delay withdrawal of your money. A copy of the trust deed is available free of charge on request from the Investment Manager.

Compulsory redemptions

The Trustee may redeem units without an investor asking in limited circumstances, including:

- If you have breached 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) owes someone else relating to your investment (for example, to the Investment Manager or to the ATO);
- Where the Trustee suspects that the law prohibits you from legally being an investor in the Fund; or
- Such other circumstance as the Trustee determines to be appropriate in its absolute discretion.

The trust deed sets out other circumstances where compulsory redemptions may apply. A copy of the trust deed is available free of charge on request from the Trustee.

9. Reporting

Regular reports

As an investor in the Fund, you will receive the following regular reports by email:

- Transaction statements (each time you invest, or your monies are redeemed);
- Distribution / income statements (each time the Fund makes a distribution);
- Monthly reports (with the unit price, net asset value of your holding and updates);
- Annual tax statements (after the end of the financial year); and
- The Investment Manager will provide investors with a report in respect of the Fund's investments on at least an annual basis.

The Investment Manager usually communicates with you by email. Paper copies of documents sent to you by email are available on request.

For more information, please visit the Trustee's website given in the Corporate Directory at the end of this IM.

Privacy

The application process requires you to provide personal information to the Trustee or any person engaged by the Trustee for the purpose of facilitating the application process.

The Trustee collects personal information so that it can process and administer any application for investment in the Fund you make. Additionally, the Trustee collects this information in order to administer, manage, and generally service your investment in the Fund. The Trustee also may collect personal information about you from third parties, such as the Investment Manager or other third-party service providers of the Trustee.

If you do not provide the personal information requested by the Trustee or provide incomplete or inaccurate information, the Trustee may not be able to accept or process your application for an investment in the Fund or may be limited in the services or assistance the Trustee can provide with respect to the administration of any investment you subsequently make in the Fund.

The Trustee may disclose your personal information to organisations such as:

- the Investment Manager
- any third-party service provider may engage to provide custody, administration, technology, auditing, mailing, printing or other services
- professional advisers (including legal and accounting firms, auditors, consultants and other advisers)

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement, which may involve the transfer of your personal information outside of Australia (including to countries where there may be less stringent data protection laws) to process personal information on our behalf. Where this is the case, it may not be possible to ensure that the overseas recipient does not breach the Australian Privacy Principles (APP) in relation to your personal information.

By providing us with your personal information, you consent to the possibility that your personal information and acknowledge that the overseas recipient may not be subject to the Australian Privacy Principles. To the extent permitted by law, the Trustee will not be accountable for any acts or practices of the overseas recipient that would breach the Australian Privacy Principles. .

The Trustee may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the Trustee may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth). For certain investors, the Trustee may also be required to collect and disclose certain personal information to the ATO in order to comply with the Foreign Account Tax Compliance Act.

If you notify the Trustee that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the Trustee disclosing to that financial adviser details of your investment in the Fund and/or other related personal information.

The Trustee will take reasonable steps to ensure that the personal information about an investor or other relevant person that it collects, uses, or discloses is accurate, complete, and up to date. You or another relevant person can request access to your personal information or a copy of the Trustee's Privacy Policy by telephone or by writing or emailing the Trustee, with the words **"Privacy Officer"**:

- in the subject line of the email, or
- in the address on the envelope and in the letter.

The Trustee's Privacy Policy is also available on its website.

AML/CTF and sanctions

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (**AML/CTF Act**) and other applicable anti-money laundering and counter-terrorism laws, regulations, rules and policies which apply to the Trustee (**AML/CTF Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**).

In order to comply with the AML/CTF Requirements, the Trustee is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if the Trustee considers it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation.

The Trustee and any agent acting on its behalf reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Trustee may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML/CTF Requirements applicable to them.

Neither the Trustee nor its agents shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Trustee has implemented several measures and controls to ensure it complies with its obligations under the AML/CTF Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where the Trustee has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML/CTF Requirements;
- where transactions are delayed, blocked, frozen or refused, the Trustee or its agents are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML/CTF Requirements as they apply to the Fund; and
- the Trustee or any agents acting on its behalf may from time to time require additional information from you to assist it in this process.

The Trustee has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, the Trustee may disclose the information gathered to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC). Neither the Trustee nor its agents are liable for any loss you may suffer as a result of the Trustee's compliance with the AML/CTF Requirements.

The Trustee is committed to adhering to Australian and international sanctions regulations to prevent financial transactions that may support sanctioned entities or activities. In compliance with sanctions laws, the Trustee will screen all transactions against relevant sanctions lists and reserves the right to delay, block, or refuse transactions if they involve sanctioned individuals, entities, or countries. By enforcing these sanctions requirements, the Trustee enhances the Fund's integrity and ensures alignment with global financial security standards.

Information from you

You must provide the Trustee in a timely way all information that it (or the Fund's service providers, including the Investment Manager) reasonably requests or which you suspect that it should know to perform its functions (for example, regarding your identity or the source or use of invested moneys – if you do not, the Investment Manager (in consultation with the Trustee) may refuse to issue units to you and/or redeem your investment).

Inconsistency

If there are any inconsistencies between the IM and Trust Deed, the Trust Deed will prevail.

Transfer of units

Investors can transfer the ownership of their Units at any time provided that the transferee meets the requirements of an Investor in the Fund and the transfer has been approved by the Trustee and Investment Manager.

Under the Trust Deed, the Trustee has the discretion to refuse the transfer of Units in its sole discretion.

Investors should obtain professional taxation advice in relation to the taxation implications of any transfer of Units as the individual tax position of Investors can vary depending on their circumstances.

There will not be any established secondary market for the sale of Units.

10. Taxation Information

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

This information in this section provides a general summary for Australian resident and non-resident investors (the Investors) who subscribe for units pursuant to the IM and hold the units on capital account for Australian income tax purposes. It does not attempt to address all of the Australian tax consequences that may be relevant to the Investors.

The opinion is general in nature because the tax implications for each Investor may vary depending on their particular circumstances. Neither the Trustee nor the Investment Manager provide taxation advice. This section is a general summary only and does not take into account the circumstances of any particular investor.. Accordingly, it is recommended that each Investor seeks their own professional advice regarding the taxation implications before making any investment or other decision in relation to the units in the Fund. This taxation opinion is not, and is not intended to be, taxation advice to any particular Investor.

1.1 Generally

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

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

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

Fund structure

The Fund is an unlisted, unregistered managed investment scheme governed by its trust deed established in the state of South Australia.

As the Fund is a unit trust, it will be treated as a "flow through" entity for Australian income tax purposes. That is, the taxable income of the Fund will be subject to Australian tax in the hands of Investors, not the Fund on the basis that:

- The Investors are made "presently entitled" to all the income of the Fund at the end of each income year; and
- The activities of the Fund are limited to "eligible investment businesses" such that the Fund is intended not to constitute a public trading trust.

Tax on distributions

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

- Income (for example, dividends and interest);
- Net capital gains (from the realisation of portfolio investments);
- Tax credits (for example, franking credits attached to dividend income and credits for tax paid on foreign income); and
- Tax deferred income.

Tax when you withdraw

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

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

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to 50%.

Tax treatment of Australian tax resident investors

From time to time, Investors who are made presently entitled to the distributable income of the Fund will receive trust distributions from the Fund, in proportion to their entitlements to that distributable income.

In this regard, Australian resident Investors should recognise their share of the distributable income, which is likely primarily in the form of interest income, to be included in their assessable income.

The redemption or transfer of units will constitute a disposal by an Investor for tax purposes. If the Investor holds their units on capital account, any gain made by the Investor on disposal will be subject to capital gains tax (CGT). If the Investor makes a capital loss, it may be used to offset capital gains derived in the current or a future tax year. While it is intended by the Trustee that the initial NAV Unit Price is to be $1.00 per unit, this will not always be the case in the future as the unit price is based on the underlying net asset value of the assets referring to the class of units.

A CGT discount may be available on the capital gain on units held for 12 months or more by individuals, trusts or complying superannuation entities. Companies are not eligible for CGT discount.

- For individuals and trusts, the discount is 50%.
- For complying superannuation entities, the discount is 33.33%.

The high turnover and negligible usage of Australian shares means that the tax nature of the returns are predominantly trading profits and short-term capital gains with no franking credits.

Tax treatment of investors not residing in Australia

Given the intention is that the distributable income of the Fund will primarily represent interest income, non-resident investors should primarily be subject to 10% final interest withholding tax (IWHT) on any income distribution received. This tax treatment applies irrespective of whether the Fund is classified as a Managed Investment Trust (MIT) for tax purposes.

The Trustee is required to withhold a 10% IWHT to the Australian Taxation Office (ATO) and non-resident Investors are not required to lodge an Australian income tax return if interest income is the only source of income as the IWHT is treated as a “final” tax liability in Australia.

If any income from the Fund is not interest, dividend or royalty income, non-resident Investors may either be subject to the general trust withholding provisions (whereby tax may be deducted at the non-resident withholding rates) or the MIT withholding provisions. Investors should seek their own advice on these matters.

Any capital gain or capital loss resulting from a disposal or redemption of units in the Fund by a non-resident Investor will generally be disregarded for Australian income tax purposes where the units are not "taxable Australian property" within the meaning of Australian tax law. Units will generally not constitute taxable Australian property where, among other things, the non-resident Investor holds less than 10% of the units in the Fund and the Fund does not derive the majority of its value directly or indirectly from Australian real property..

Each non-resident Investor however, should seek their own advice when they seek to dispose or redeem the units.

ABN and TFN

It is not compulsory for an Investor to quote a Tax File Number (TFN), claim a valid exemption for providing a TFN, or (in certain circumstances) provide an Australian Business Number (ABN). However, if an Investor does not provide a TFN, exemption or ABN, tax will be required to be deducted from the Investor's distributions at the highest marginal tax rate plus Medicare levy and any other applicable Government charges (currently 47%).

By quoting your TFN or ABN, you authorise the Trustee to apply it in respect of all your investments with the Fund.

Stamp duty on the transfer of units

As the register of the Fund will be maintained in South Australia, no marketable securities duty is payable on the transfer of Units in the Fund. Land rich or landholder duty may be payable in the issue, redemption or transfer of Units in any Australian jurisdiction where the Fund owns or has an interest in land.

Australian goods and services tax (GST)

GST should not be payable on the issue or redemption of Units nor on any of the distributions to Investors. GST may apply to the fees charged to the Fund by the Investment Manager and in relation to other expenses of the Fund. The Fund may be entitled to claim input tax credits and/or reduced input tax credits for any GST paid.

Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents who invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA, and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA.

Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office (ATO). In order for the Fund to comply with its obligations, the Trustee will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). The Trustee will only use such information for this purpose from the date the Fund is required to do so.

Common Reporting Standards (CRS)

CRS is the standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts.

The Trustee is a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

Automatic Exchange of Information (AEOI)

The Trustee intends to meet any requirements imposed on the Trustee or the Fund under Australian legislation designed to give effect to the AEOI regimes.

Australia's obligations under AEOI regimes include legislation designed to give effect to FATCA and CRS. As such, the Trustee may collect certain information from Investors; report payments made in respect of an investment, report details of certain investors to the ATO and retain information to meet record keeping requirements. It is recommended Investors consult with their tax adviser to discuss the impact of these AEOI regimes may have on them.

US Tax

Certain US legislation will target US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (IRS). The Trustee is required to comply with certain requirements including the provision of information to the IRS. The information will only relate to investors who are or are assumed to be US residents for tax purposes. See the Application Form.

Those identified may be subject to a 30% withholding tax on part or all of the payments they receive from US sources.

Offshore investors

If you are not an Australian resident for tax purposes, please state in the Application Form your country of residence for tax purposes. If you are not an Australian resident, tax will be withheld from distributions of Australian sourced income at the prescribed rates. You may be subject to the tax laws in the country in which you are tax resident and should consult a taxation adviser before investing.

11. Additional Information

Key documents

The Key Documents relevant to the Fund are:

- Trust Deed; and
- Information Memorandum (“IM”, this document).

You should consider whether it is necessary to obtain independent advice on any of the Key Documents.
Any publication or written or verbal communication from the Trustee or its appointed agents (such as the Investment Manager) that is not a Key Document, is produced on a commercial best endeavours basis and is subject to revisions for accuracy and completeness.

The Trust Deed

The Trust Deed is the primary document that governs the way the Fund operates and sets out the rights, liabilities and responsibilities of both the Trustee and Investors.
The Trustee's legal relationship with you is governed by the Fund's trust deed together with this IM and certain financial services laws. Some provisions are discussed elsewhere in this IM, and others include:

- The nature of units of the Fund (units can be divided into classes and may have different rights associated with them);
- The Trustee's powers and how and when they can be exercised;
- When and how the Trustee can retire or be removed;
- When the Fund terminates (if it does the relevant investors share the net proceeds on a pro-rata basis, adjusted for any liabilities);
- Changing the trust deed (how and when this can occur); and
- Calling investor meetings.

The investments of the Fund can be combined with other assets.
The Investment Manager will send you a copy of the trust deed free on request.

The Trustee's duties

All obligations that might otherwise be implied or imposed on the Trustee by law or equity are expressly excluded to the extent permitted by law, except in the case of fraud, negligence or wilful default..
If the Trustee acts in good faith and without gross negligence it will not be liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

The Trustee's liability to any person other than an investor in respect of the Fund is limited to its actual indemnification from the assets for that liability.
The Trustee has entered into the trust deed in its capacity as trustee of the Fund and not in its personal capacity.
The Trustee is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in relation to the Fund, including any liability incurred because of a delegate or agent.

The Trustee may take and may act (or not act as relevant) on any advice, information and documents that it has no reason to doubt as to authenticity, accuracy or genuineness.

The Trustee and the Investment Manager may:

- Deal with itself (as trustee or investment manager of the Fund or in any other capacity), any associate or any investor;
- Be interested in any contract or transaction with itself (as Trustee or Investment Manager of the Fund or in any other capacity), any associate or investor;
- Act in the same or a similar capacity in relation to any other trust or managed investment scheme; or
- Deal with any other entity in which the Trustee holds an investment on behalf of the Fund or deal with any units and retain for itself (or any associates may retain) any benefit or benefits from doing so.

Each investor indemnifies the Trustee and the Investment Manager for all liability incurred by it arising directly or indirectly from the investor's breach of its obligations to it. This indemnity is in addition to any indemnity under law and continues to apply after the investor ceases to be an investor.

The Trustee can amend the Trust Deed without Investors' approval provided it reasonably considers the change will not adversely affect Investors' rights.
The Trust Deed can also be amended by a special resolution passed by Investors.

The Trustee may appoint delegates, attorneys, or agents (including custodians) to perform any act, carry out any obligation or exercise any of its powers, as well as advisers to assist it with its duties and functions.

The Trustee has a right to be fully indemnified out of the assets of the Fund in respect of all expenses, liabilities, costs and other matters incurred by it in connection with the Fund and against all actions, proceedings, costs, claims and demands brought against it in its capacity as Trustee of the Fund except in the case of its own fraud, negligence or wilful default or in respect of overhead expenses of the Trustee. The Trustee is indemnified and entitled to be reimbursed out of the assets of the Fund for all expenses properly incurred in connection with the Fund or in performing its obligations under the Trust Deed.

A copy of the Trust Deed is available to Investors from the Trustee free of charge.

Client money held in trust

The Trustee ensures that all client money is held in a designated trust account in accordance with Part 7.8 of the Corporations Act (including section 981B), as required by regulatory standards. This approach protects investor funds, keeping them separate from the operational accounts of the Trustee and providing added security and transparency.

Client money held in these accounts:

- Is held in respect of amounts owned or due to the investors in the Fund which are not referenced by ownership of units in the Fund. These amounts arise for short periods when an investor applies for units in the Fund, when an investor has redeemed units in the Fund, and when investors have elected to be paid distributions in cash.
- These amounts represent assets and liabilities of the Fund of equal magnitude so do not affect the Net Asset Value of the Fund nor any Unit Class.
- The bank fees paid and interest earned on these accounts are not directly attributed to the investors whose monies give rise to the fees and interest, and are instead attributed to Unit Classes by the Trustee on a fair and equitable basis.

Policies and procedures

The Trustee has established comprehensive policies and procedures to govern all aspects of fund management and custodial duties. These policies are designed to support regulatory compliance, safeguard investor interests, and maintain high operational standards across all activities.

Professional indemnity insurance

Although the Fund is an unregistered managed investment scheme and is not required to hold professional indemnity (PI) insurance, the Trustee maintains PI coverage to protect against potential liabilities arising from its duties, as required by its Australian Financial Services Licence obligations. This insurance aligns with industry standards and enhances investor confidence in the Trustee's commitment to risk management.

Periodic independent audits

Although the Fund is an unregistered managed investment scheme and is not required to conduct audits, the Trustee may commission independent audits from time to time. These audits, which may cover various operational and compliance areas, reinforce the Fund's adherence to industry standards and offer an additional layer of assurance to investors.

Transferring your units

Units in the Fund are transferable. However, the Trustee has the right under the trust deed to refuse a request to transfer units at its absolute discretion.

Terminating the Fund

The Trustee (in consultation with the Investment Manager) can decide to terminate the Fund at any time.

After termination, the Trustee will wind up the Fund: generally, the Trustee will suspend applications and redemptions; realise all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as appropriate as soon as it considers practicable.

The Trustee can distribute assets rather than cash to some investors and not to others. The Trustee would first deduct any moneys an investor owes. It can take some time to finalise this process if assets of the Fund become illiquid or difficult to value, so the Trustee may pay several tranches of distributions.

Limits on your responsibility

The trust deed limits your liability to any unpaid part of the issue price of your units and provides that you need not indemnify the Trustee if there are not enough assets to meet the claim of any creditor of the Trustee's.

In the absence of a separate agreement with an investor, the Trustee's recourse and any creditor is limited to the Fund's assets.

However, the Trustee cannot give you absolute assurance about these things – Australian courts have not finally determined the issue.

About the Trustee

Adaptive Alpha Research Pty Ltd is the Trustee for the Fund. The Trustee holds an AFSL number 554884 issued by ASIC, which authorises it to operate the Fund, which includes the power to delegate various functions and responsibilities to service providers, the main service providers are named in this IM.

Investment Manager

The Trustee is the Investment Manager of the Fund, Adaptive Alpha Research Pty Ltd ACN 659 177 536, AFSL 554884.

Custodian

The Trustee has appointed Interactive Brokers Australia Pty Ltd ACN 166 929 568 AFSL 453554 (IBA) as Custodian of the Fund. There is a signed written agreement in place between Trustee and the Custodian.

Changing service providers

The service providers who assist the Trustee to operate the Fund may be changed and added to at any time and without prior notice to you.

Enquiries

For enquiries regarding your investment or the management of the Fund, please contact the Trustee using the details in the Corporate Directory at the end of this IM.

Complaints

The Trustee has established procedures for dealing with complaints. If you have a complaint, you can contact the Trustee during business hours using the details at the end of this IM.

The Trustee will endeavour to resolve your complaint fairly and as quickly as possible. If the Trustee is unable to respond within the maximum response time of 30 days, then the Trustee will contact you to let you explain the reasons for the delay.

12. Glossary

Application	An application to invest in a Unit Class.
AFSL	Australian Financial Services Licence.
ASIC	Australian Securities and Investments Commission.
Business Day	A day on which Australian banks are open for business in Adelaide, South Australia.
Class	A class of Units in the Fund.
Corporations Act	The Corporations Act 2001 (Cth).
ETF	Exchange Traded Fund.
Information Memorandum (or IM)	This IM in respect of the issue of Units in the Fund.
Investment Manager	The Investment Manager of the Fund is Adaptive Alpha Research Pty Ltd, ACN 659 177 536 AFSL 554884.
Investor	A person who holds Units in the Fund.
Minimum Term	The minimum period after which an Investor will be able to withdraw from the Fund.
Offer	Offer of Units in the Fund pursuant to this IM.
Trust Deed	This means the Trust Deed for the Fund, including any supplementary or replacement Trust Deed, which is available free of charge upon request.
Trustee	The Trustee of the Fund is Adaptive Alpha Research Pty Ltd, ACN 659 177 536 AFSL 554884.
Units	A unit in the Fund, referable to a particular class of units, with the rights and obligations outlined in the Trust Deed and terms of issue, as appropriate.

Withdrawal Request	A written request by an investor in a form approved by the Trustee to withdraw Units from the Fund.
Wholesale Client	Has the meaning given in section 761G of the Corporations Act.

13. Corporate Directory

TRUSTEE	Adaptive Alpha Research Pty Ltd ACN 659 177 536 AFSL 554884 Website: www.adaptivealpharesearch.com Email: enquiries@adaptivealpharesearch.com Phone number: Address: Level 4, 15 Featherstone Place, Adelaide, SA 5000
INVESTMENT MANAGER	Adaptive Alpha Research Pty Ltd ACN 659 177 536 AFSL 554884 Website: www.adaptivealpharesearch.com Email: enquiries@adaptivealpharesearch.com Phone number: Address: Level 4, 15 Featherstone Place, Adelaide, SA 5000
CUSTODIAN	Interactive Brokers Australia Pty Ltd ACN 166 929 568 AFSL 453554
LEGAL COUNSEL	Tecne Lawyers Address: Level 4, 15 Featherstone Place, Adelaide, SA 5000: 4, 15 Featherstone Place, Adelaide, SA 5000

FUND ADMINISTRATOR	ASCENT Fund Services (Australia) Pty Ltd Address: Level 6 – Suite 604, 127 York St, Sydney, NSW 2000