



# INFORMATION MEMORANDUM

**B+**

Basis Plus Wholesale Fund

**JB Markets Pty Ltd**

Trustee & Manager

ACN 123 876 291

AFSL 323 182

# Basis Plus Wholesale Fund

An offering for wholesale clients only.

## Important Notice

This Information Memorandum (**Information Memorandum**) dated 8 November 2019 relates to the offer to subscribe for Units in the Basis Plus Wholesale Fund (**Fund**) issued by JB Markets Pty Ltd ABN 81 123 876 291, AFSL 323 182 (**JB Markets, Trustee or Manager**) as the trustee and manager of the Fund.

The information contained in this Information Memorandum is intended for the exclusive use of selected wholesale client investors (**you or investor**) for the consideration of an investment in the Fund and may not be reproduced, used or given to any other person, in whole or in part, for any purpose other than that for which it is intended.

This Information Memorandum is not a Product Disclosure Statement as defined by the Corporations Act and therefore may not contain all the information required in order to make an informed decision as to whether to subscribe for Units in the Fund. This Information Memorandum has not been and is not required to be lodged with the Australian Securities and Investment Commission (**ASIC**) under the Corporations Act. The Fund is not required to be, and is not, registered as a managed investment scheme under the Corporations Act.

This Information Memorandum is prepared for your general information only. The information provided in this Information Memorandum is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances and needs.

The offer in this Information Memorandum is personal to the person to whom it has been sent and the information contained in it is provided on a confidential basis and must not be disclosed by any person or used except to professional advisors on a confidential basis for the purpose of making a decision to invest. JB Markets may at its discretion withdraw this Information Memorandum at any time.

To the extent permitted under the Corporations Act, the Australian Competition and Consumer Act, the Australian Securities and Investments Commission Act or any other relevant statute or other law of any kind, neither the Manager nor any other person named in this Information Memorandum will be under any liability for any claim of whatever kind (e.g. contractual, claim of negligence or other tort, equitable or otherwise), including for any consequential loss or damage (whether reasonably foreseeable or not) suffered by any applicant or any other person, to the extent the claim arises (wholly, substantially or otherwise) out of reliance on any information or other statement contained in this Information Memorandum or any error in, or omission from, the Information Memorandum or the agreements, documents, arrangements or investments contemplated by it.

### INVESTMENT RISKS

There are risks associated with an investment in the Fund such as loss of income or principal amount invested. Some of the risk factors that should be considered by potential investors are set out in this Information Memorandum. Investment in the Fund should be regarded as speculative. Neither JB Markets nor any of its related bodies corporate, associates, officers or affiliates, guarantee the performance of the Fund or the repayment of capital from the Fund. This Information Memorandum does not constitute a recommendation by JB Markets or any person named in it to invest in Units in the Fund. You should read the whole of this Information Memorandum and consider all of the risk factors that could affect the performance of the Fund and other information concerning the investment in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Fund. Investors should obtain their own legal, tax, accounting or commercial advice.

**WHOLESALE CLIENTS**

Investments may only be accepted from persons that qualify as wholesale clients under section 761G(7) of the Corporations Act and hence persons to whom the Manager is not required to give a Product Disclosure Statement under Part 7.9 of the Corporations Act.

This Information Memorandum is not an invitation to subscribe for Units in any place in which, or to any person to whom, it would not be lawful to make such an invitation. The distribution of this Information Memorandum in jurisdictions outside Australia is restricted by law. This Information Memorandum may only be distributed or released to a person that is not in the United States. Persons who come into possession of this Information Memorandum should seek advice, and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

**FINANCIAL AMOUNTS AND TIMES**

All financial amounts contained in this Information Memorandum are expressed in Australian dollars unless otherwise stated. A reference to time in the Information Memorandum is a reference to Sydney, Australia time (AEST).

**HOW TO INVEST IN THE FUND**

Applications to invest in the Fund must be for a minimum investment of AUD250,000. Applications for more than AUD250,000 must be in multiples of AUD25,000. When an Application is accepted, the Applicant will be issued Units at the Issue Price at the date the Application is accepted. The Manager reserves the right to partially accept any application to invest in the Fund. Applications are processed at the end of each week, generally on Friday that week, for applications received prior to 2.00pm. Withdrawals are processed once per month at the last business day of the month, subject to the appropriate notice period being given.

**ANTI-MONEY LAUNDERING & COUNTER-TERRORISM FINANCING ACT 2006**

Prospective investors, whether individuals, companies, partnerships or trusts, will be required to provide appropriate identification at the time when their Application is lodged, or prior to any Units in the Fund being issued by the Manager.

**PRIVACY**

When potential investors make an application to invest in the Fund, the Manager will collect personal information about investors from their Application Form and for the purposes of customer identification. The Manager may also collect additional personal information by other means in the future. If Applicants or Unit Holders have any questions about or require access to the personal information collected, they should contact the Manager.

The personal information supplied to the Manager is used for the primary purpose of establishing an investment in the Fund. The personal information will also be used for the related purposes of processing applications, administering investments, managing the Fund, and complying with applicable laws and regulations including but not limited to Anti-Money Laundering and Counter Terrorism laws. The Manager may also use the information to provide you with details of future investment opportunities.

The types of organisations to which the Manager may disclose the information provided include:

- Any service provider engaged to provide custodial, administration, technology, auditing, mailing or printer services;
- Government authorities when and to the extent required by law; and
- Any professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

By making an application to invest in the Fund, you consent to our collection and use of your personal information as stated above. If you provide incomplete or inaccurate information, the Manager may not be able to process your application and/or administer the investment use of your personal information.

**MANAGER'S CONTACT DETAILS**

JB Markets Pty Ltd  
L44, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Funds Management Team  
JB Markets Pty Ltd  
Tel: 1300 155 396  
Email: [funds@jbmarkets.com](mailto:funds@jbmarkets.com)

# 1. Summary of key features

This summary is not intended to be exhaustive. For more detailed information please refer to the relevant section of this Information Memorandum.

<b>FEATURE</b>	<b>DESCRIPTION</b>
<b>Name of Fund</b>	Basis Plus Wholesale Fund
<b>Type of Fund</b>	Open-ended unregistered managed investment scheme
<b>Fund Domicile</b>	Australia
<b>Trustee and Manager</b>	JB Markets Pty Ltd ACN 123 876 291 (AFSL 323182)
<b>Distributions</b>	<p>The Fund will target returns of 7 – 10% per annum.</p> <p>Target returns are higher than banks and lower than opportunistic funds.</p> <p>The Fund plans to make monthly distributions in cash. The payment will be processed two weeks following the last business day of the prior month. However, there is no guarantee that the Fund will achieve any particular return.</p>
<b>Applications</b>	Applications are processed at the end of each week, generally on Friday that week, for applications received prior to 2.00pm.
<b>Fund Administration</b>	JB Markets Pty Ltd or such other party engaged by the Manager from time to time.
<b>Investment Manager</b>	Henry Avery Partners Pty Ltd ACN 167 471 436
<b>Minimum Investment</b>	Minimum investment will be AUD 250,000 with additional investment in increments of AUD 25,000. <sup>1</sup>

<sup>1</sup> The Manager reserves the right on a case by case basis to allow a lower investment amount.



FEATURE	DESCRIPTION
<p><b>Issue Price</b></p>	<p>Units will be issued at an Issue Price of AUD 1.00 per Unit, until such time as the Trustee determines. At that time, a Unit will be issued at an Issue Price calculated on the basis of:</p> $\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of Units on issue}}$ <p><i>Can the Issue Price fall?</i></p> <p>Units will be issued at \$1.00 per Unit until the Fund is of a size that Trustee determines it is appropriate to calculate the Issue Price on the basis of the formula above.</p> <p>If a business borrower defaults under a loan made by the Fund, the Fund may not be paid back the entire amount lent to that borrower or may not recover outstanding interest payments. In these circumstances, the NAV would reduce, which may result in a decrease to the Issue Price of Units.</p> <p><i>Can the Issue Price increase?</i></p> <p>The Issue Price of Units will increase if the Net Asset Value of the Fund increases. This will occur as returns on loans are generated by the Fund.</p> <p>Management fees will be deducted from the income of the Fund.</p>
<p><b>Investment Products</b></p>	<p>The Fund will invest in first ranking corporate debt. It will provide corporate loans to businesses, in return for:</p> <ul style="list-style-type: none"> <li>• First ranking security over the businesses, with minimum requirements in respect of financial covenants regarding cashflow and interest cover; and</li> <li>• Fixed income and cash strategies.</li> </ul>
<p><b>Investment Strategy</b></p>	<p>In selecting appropriate businesses for lending purposes, the Fund will target:</p>

FEATURE	DESCRIPTION
	<ul style="list-style-type: none"> <li>• Businesses with regular, reliable income streams;</li> <li>• loan amounts of up to three times the cashflow and at least four times interest cover on individual businesses; and</li> <li>• only stable industrial companies with strong cashflows. The Fund will not invest in cyclical businesses such as those involved in real estate, mining or technology.</li> </ul>
<b>Redemption of Units</b>	<p>An investment in the Fund requires a minimum six-month commitment from the date of investment in the Fund. During this six-month period, Investors will not have the right to redeem their investment.</p> <p>After the minimum six-month period, investors must provide at least 90 days' notice of any withdrawal request in writing to the Manager. In addition, a withdrawal fee of 0.75% of the amount being withdrawn will apply.</p> <p>Subject to the above notice periods, withdrawals are processed once per month at the last business day of the month.</p> <p>It is important for Investors to note that the Manager reserves the right to decline any redemption request or freeze redemptions at any time at its discretion.</p>
<b>Management Fee</b>	<p>A management fee will be charged monthly in arrears, calculated as a percentage of the fund's net asset value at the time when the fee becomes payable.</p> <p>The fee will be 0.75% pa of the Fund's net asset value (NAV) at the end of each month, payable in Australian dollars. The management fee will be paid from returns on investments made by the Fund. No management fees are payable until the Fund begins to generate income.</p>
<b>Performance Fee</b>	No performance fee will be charged.

<b>FEATURE</b>	<b>DESCRIPTION</b>
<b>Buy/sell spread</b>	<p>No buy/sell spread will apply.</p> <p>However, as noted above, a withdrawal fee of 0.75% of the amount being withdrawn will apply to any withdrawals which are requested after the initial six-month investment period of an investor.</p>
<b>Benefits of investing</b>	<p>The Fund aims to provide:</p> <ul style="list-style-type: none"> <li>• regular monthly income distributions;</li> <li>• a level of capital stability;</li> <li>• the potential for returns above those offered by banks and government bonds;</li> <li>• diversification across businesses and industry sectors;</li> <li>• access to a depth of investment management experience.</li> </ul>



## 2. Investment strategy

### INVESTMENT OBJECTIVE

The Fund is a wholesale managed investment scheme, which aims to provide investors with returns of 7 – 10% per annum through investments in corporate debt with businesses in the industrial sector.

### INVESTMENT STRATEGY

The Fund seeks to make investments in Australia across a range of debt transactions with medium sized businesses.

The Fund will invest in:

- first ranking corporate debt by providing business loans in return for first ranking security over the assets of the businesses, with minimum requirements in respect of financial covenants regarding cashflow and interest cover; and
- fixed income and cash strategies.

The type of security required from borrowers may include a general security agreement over all business or company assets, specific security over particular business assets, personal guarantees, real property mortgages or any other type of security considered appropriate in the circumstances. The purpose of obtaining security is to ensure that if the borrower defaults, the Manager will be able to step in and recover any outstanding moneys using the security.

In selecting appropriate businesses for lending purposes, the Fund will target:

- stable businesses with regular, reliable and sustainable income streams;
- businesses in the industrial sector, which are easy to understand and with a proven and profitable business model; and
- loan amounts of up to three times one year's cashflow and at least four times interest cover on individual businesses.

Generally, the Fund will invest in medium-sized business with:

- EBITDA of between \$5 and 10 million;
- turnover of between \$10 million and \$150 million; and
- a market cap of less than \$100 million.

The Fund will not invest in cyclical businesses such as those involved in real estate, mining or technology.

Loan funds may be used for:

- expansion capital;
- industry consolidations;
- management buy-outs;
- public to private transactions.

The Fund will seek to hold investments for between three and five years. Investors must commit to a minimum six-month investment period in the Fund.

#### **INVESTMENT CHARACTERISTICS**

In identifying appropriate investment opportunities, the Fund will focus on businesses which demonstrate the following characteristics:



- **Potential for growth:** Target businesses will have the potential for expansion via acquisition or organic growth.
- **Resilient business model:** The Investment Manager will undertake analysis and due diligence to identify those businesses with strong and defensive models.
- **Value driven business operations:** Investment businesses must demonstrate a drive to create stakeholder value.
- **Operating within the industrial sector:** Businesses will primarily be operating within the industrial sectors.

#### INVESTMENT MARKET

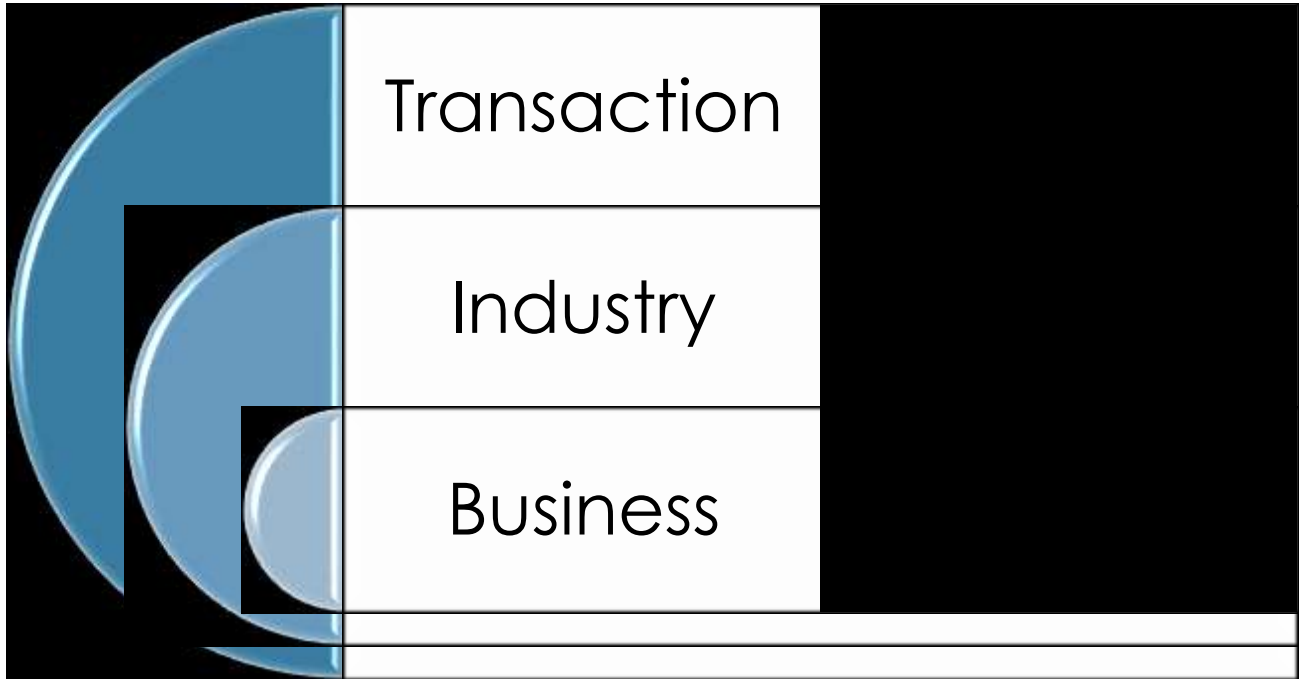
The Fund has been established in response to an identified market opportunity in respect of corporate and business lending to medium-sized enterprises, which are significant employers and contributors to the Australian economy.

Banks are the main source of lending for businesses in Australia, with 90.5 per cent of commercial finance commitments in January 2018 being made via banks. However, data from the RBA indicates that the majority of bank lending to businesses is not made to medium sized enterprises.

The Fund will therefore target medium sized enterprises, providing loan amounts of up to three times one year's cashflow and at least four times interest cover on individual businesses.

**INVESTMENT PROFILE**

The investment manager will focus on identifying the 'right' business to lend to, taking into consideration the following:



The Trustee and Investment Manager may change the Fund's investment return objective or investment approach from time to time, if they consider it to be in the best interests of investors. If they do so, they will advise investors accordingly.

## 3. Risks of investing in the Fund

All investments are subject to risk. While there are many factors that may impact on the performance of any investment, the summary below details some of the major risks that you should be aware of when investing in the Fund.

Individually, or in combination, these risk factors may affect the Fund and the ability to repay capital and income distributions. There is no guarantee that the Fund will achieve any particular return. An investment in the Fund should be considered in light of these risks.

When considering investing in this Fund, it is important to understand that:

- The value of your investment may go up and down
- Returns are not guaranteed
- You may not receive all of your money back or the return of money may be delayed if, for example, a loan defaults and security is insufficient to recover outstanding money
- Previous returns don't predict future performance

The appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some or all of your invested funds.

Before deciding to invest in the Fund, you should read this entire document, consider these factors and review how these risk factors impact your personal circumstances. Neither the Trustee nor the Investment Manager guarantees any particular rate of return or repayment of capital.

You should also seek professional advice from your lawyer, accountant or other professional adviser before deciding whether to invest. While it is not possible to identify every risk factor relevant to investing in the Fund, we have outlined some of the significant risks in this section.

Risks specific to the Fund may include:

### **CREDIT RISK**

The Fund takes credit risk to achieve its investment objectives. The value of the Fund's investments may be impacted by changes in the market's perception of credit quality.

### **INTEREST RATE RISK**

Cash and fixed income investments will be impacted by interest rate movements. While capital gains may be earned from fixed income investments in a falling interest rate environment, there is a risk of capital loss in a rising interest rate environment.

**LIQUIDITY RISK**

Liquidity refers to the ease with which an asset can be bought and sold. An asset subject to liquidity risk may be more difficult to buy or sell and it may take longer for the full value to be realised.

Where the Fund has exposure to investments which are generally considered to be illiquid, it may be subject to liquidity risk.

Where the Fund's portfolio consists of less than a large number of illiquid assets, the Trustee may not be able to meet withdrawal requests within 90 days, and may suspend processing all withdrawal requests for such period as it determines.

**INVESTMENT MANAGER RISK**

There is a risk that the Investment Manager's investment strategy may not be successful resulting in underperformance in the Fund, either in absolute terms, or relative to the market and/or its peers. Furthermore, there is a risk that the Investment Manager fails to implement the Investment Strategy successfully. In either circumstance, this may result in a loss of a significant portion of your investment in the Fund.

**COUNTERPARTY OR DEFAULT RISK**

Entities upon which the Fund's investments depend may default on their obligations, for example, by failing to make a payment due on a security or by failing to return principal. Counterparties to the Fund may default on a contractual commitment to the Fund. Default on the part of an issuer or counterparty could result in a financial loss to the Fund.

**REGULATORY RISK**

Changes in regulations (including Australian Income Tax legislation changes) may have an impact on returns from the Fund. Unit Holders are advised to form their own view on the likelihood and impact of any regulatory change.

**MAKING AN INVESTMENT DECISION**

As the risks noted in this document do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in the Fund:

- Obtain professional advice to determine if the Fund suits your investment objectives, financial situation and particular needs; and
- Regularly review your investments in light of your investment objectives, financial situation and particular needs.



## 4. Structure of the Fund

### INVESTING IN A MANAGED INVESTMENT SCHEME

The Fund is a wholesale managed investment scheme, structured as a unit trust.

A managed investment scheme is where investors' money is pooled together to purchase assets of the Fund. The Trustee of the Fund has day-to-day control of the Fund – not investors.

The Trust Deed of the Fund and other relevant laws set out the relationship between the Trustee and investors.

### INVESTMENT MANAGER

The Trustee has appointed Henry Avery Partners Pty Ltd to act as the investment manager of the Fund. Henry Avery Partners must act in accordance with its obligations under the Investment Management Agreement with the Trustee of the Fund.

### UNIT PRICING

Investors in the Fund are issued a number of Units, each of which represents a share of the value of the Fund's assets. As a result, each Unit has an AUD dollar value, or unit price.

Unit prices may rise and fall depending on a number of factors, including the market value of the Fund's assets.

Units will be issued at an Issue Price of AUD 1.00 per Unit, until such time as the Trustee determines otherwise. At that time, a Unit will be issued at an Issue Price calculated by dividing the net asset value of the Fund by the number of Units then on issue. More particularly, the following formula applies:

Net Asset Value + Transaction Costs

Number of Units on issue

### DISTRIBUTIONS

The Fund aims to pay monthly distributions of between 7 – 10% per annum. This target return is higher than what could be earned on cash at bank and lower than returns targeted by more opportunistic and higher risk funds.

However, there is no guarantee that the Fund will achieve any particular return.

### WITHDRAWALS

An investment in the Fund requires a minimum six-month commitment from the date of investment in the Fund. During this six-month period, Investors will not have the right to redeem their investment.

After the minimum six-month period, investors must provide at least 90 days' notice of any withdrawal request in writing to the Manager. In addition, a withdrawal fee of 0.75% of the amount being withdrawn will apply. Withdrawals are processed once per month at the last business day of the month.

Investors should note that the Manager reserves the right to freeze redemptions or decline any redemption request at any time, depending on the circumstances of the Fund.

#### **TAXATION**

The following information on taxation is general in nature and should not be taken by you as specific advice. You should seek independent taxation advice on your specific circumstances, facts and taxation status. Different rules may apply to resident and non-resident investor taxpayers and taxpayers of different types.

Taxation laws are subject to continual change and the following statements, although general in nature, may cease to be relevant through changes to the laws.

There are tax implications when investing, withdrawing and receiving income from the Fund. JB Markets cannot give tax advice and we recommend you consult your tax adviser.

Under normal circumstances, the Fund will not pay income tax because the net taxable income is distributed to investors. Income earned, whether distributed or re-invested, forms part of the assessable income for investors in the year of entitlement. At the end of the Fund's tax year we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

#### **CAPITAL GAINS TAX**

Depending on your taxable jurisdiction, your assessable income for each year may include net capital gains (i.e. after offsetting capital losses). The two sources of capital gains that may arise are from:

- A component of the distribution made to investors from the Fund; or
- Withdrawing units from the Fund.

#### **GOODS AND SERVICES TAX (GST)**

The issue and redemption of units in the Fund, and the receipt of any distributions, will not be subject to GST. GST is payable on our fees and certain reimbursement of expenses.

#### **NON-RESIDENT TAXATION**

Statutory deductions of Australian withholding tax and income tax will be made from any distribution of Australian-sourced taxable income for non-resident investors. The exact amount cannot be determined as the rate of withholding tax depends on the type of

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

#### **FOREIGN TAX CREDITS**

Residents of certain tax jurisdictions may be required to include in their assessable income their share of any foreign taxes paid by the Fund. This may result in the investor being entitled to a tax credit for foreign taxes paid by the Fund.

#### **TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN)**

It is not compulsory for investors to provide an Australian TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided tax will be deducted from any income distribution at Australia's highest personal marginal rate, plus the Medicare levy. The ABN, TFN or an appropriate exemption can be provided on the Application Form when making an initial investment.

## 5. Fees and expenses

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. All fees and costs described in this Information Memorandum are expressed exclusive of GST, unless otherwise stated. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

### **MANAGEMENT FEE**

The Investment Manager is entitled to a Management Fee. The Management Fee is an expense which the Trustee is entitled to pay or be reimbursed for out of the assets of the Fund in accordance with the Trust Deed for the Fund.

The total fee payable will be calculated based on the net asset value of the Fund (Portfolio Value) at the end of each month, in Australian dollars, and will apply at an annual rate of 0.75%.

The Management Fee is to be paid monthly in arrears.

### **OTHER FEES & EXPENSES**

No establishment fees, contribution fees or performance fees are payable on an investment in the Fund.

However, where an investor's application to withdraw from the Fund is approved after their initial six-month investment period, a withdrawal fee of 0.75% of the amount being withdrawn will be charged.

### **PAYMENTS TO THE TRUSTEE**

The Trustee is entitled to pay or to be paid or reimbursed out of the assets in respect of all expenses reasonably and properly incurred in connection with the Fund.

In addition to the Management Fee summarised above, expenses include the Fund Administrator's fee, accounting and audit fees, and other expenses that are recoverable under the Trust Deed of the Fund such as the cost of producing the Information Memorandum, the cost of preparing and amending the Trust Deed and the cost of holding investor meetings.

Under the Trust Deed, there is no specific limit on the level of ongoing expenses which may be recovered from the assets of the Fund. However, all expenses must be reasonably and properly incurred in the management of the Fund.

**TRANSACTION COSTS**

Transaction costs associated with the acquisition or disposal of Fund assets include fees and stamp duty, where applicable. These costs are paid by the Fund at the time the acquisition or disposal occurs.

## 6. Management profile

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### MANAGER

JB Markets is an Australian owned, licensed financial services company which operates as a securities and derivatives broker and dealer for wholesale and retail clients. The Manager's responsibilities include issuing and redeeming Units, maintaining the register of Unit Holders, managing the books and financial records of the Fund, preparing financial reports and communicating with Unit Holders.

### INVESTMENT MANAGER

Henry Avery Partners Pty Ltd is an authorised representative of JB Markets. It provides investment management services to wholesale clients across a range of financial products including cash, equity market indices, exchange-traded derivatives, government bonds and listed shares, unlisted companies and interests in managed investment schemes.

The Trustee has engaged Henry Avery Partners as Investment Manager to manage the Fund under an Investment Management Agreement. The Investment Management Agreement will continue until terminated in accordance with the Trust Deed. The Trustee may terminate the agreement if, for example, the Investment Manager goes into liquidation or ceases to be authorised to carry out its duties. The Investment Manager may terminate the agreement in various circumstances, including by three months' notice in writing or immediately if the Trustee ceases to be trustee of the Fund. The agreement contains terms and conditions which are standard for agreements of this kind.



## 7. Additional information

### WHOLESALE CLIENT INVESTORS ONLY (AUSTRALIAN APPLICANTS ONLY)

The Fund is not a registered managed investment scheme. Only wholesale clients (as that term is defined in the Corporations Act) can invest in Units in the Fund. An investor in the Fund generally needs to fall within one of the categories below.

- an investor who subscribes for Units with a minimum amount of \$500,000;
- professional investors within the meaning of section 9 of the Corporations Act;
- a person, or a company or trust controlled by a person, who has net assets of at least \$2.5 million or has gross income for each of the last two financial years of at least \$250,000 and has provided a certificate to the Manager issued by a qualified accountant no more than two years ago certifying that this is the case. This can include gross income and net assets of a company or trust controlled by that person. To rely on this provision the investor must not be acquiring Units for use in connection with a business.

To obtain a form of certificate to be provided by a qualified accountant, please contact the Manager.

### FUND TRUST DEED

The Fund was established by a Trust Deed dated 18 September 2019. The Trust Deed provides an operational framework for the ongoing management of the Fund. It sets out the rights, duties and obligations of the Trustee in respect of the Fund.

The key operative provisions outlined in the Trust Deed include:

- Applications, withdrawals, reinvestments and suspension of units;
- Rights of Unit Holders
- Valuation of assets
- Fees and expenses
- Meetings of Unit Holders
- Trustee's power and indemnity; and
- Termination of the Fund

Holding Units in the Fund does not give a Unit Holder a right to participate in the management or operation of the Fund. A copy of the Trust Deed is available by contacting the Manager.

### TRANSFER OF UNITS

Please contact JB Markets if you would like to transfer Units. Transferring Units may have tax implications and you should consult your taxation adviser before you arrange any transfer of Units.

JB Markets may in its absolute discretion refuse to register any transfer of Units without requirement to give any reasons. Where JB Markets refuses to register a transfer, it may elect to redeem those Units in accordance with the Trust Deed.

**REGISTER OF UNIT HOLDERS**

The register of Unit Holders is maintained by the Trustee.

**KEEPING INVESTORS INFORMED**

To keep Unit Holders informed in regard to their investment in the Fund, the Manager will provide a monthly report on the website [www.jbmarkets.com](http://www.jbmarkets.com).

In addition, Unit Holders will be sent an annual Tax Statement following the end of each financial year.

**RELATED PARTY TRANSACTIONS**

The Fund may, without limit, invest in other funds of which the Manager, or a related entity, is trustee, responsible entity or manager (related funds).

The Manager may appoint any of related entities to provide services or perform functions in relation to the Fund, including acting as delegate. The Manager may also enter into financial or other transactions with related entities in relation to the assets of the Fund and may sell assets or purchase assets from, a related entity. A related entity is entitled to earn fees, commissions or other benefits in relation to any such appointment or transaction and to retain them for its own account. Such arrangements will be based on arm's length commercial terms.

## 8. Glossary

**AFSL** Australian Financial Services Licence (issued under the Corporations Act), required to be held by all Australian financial service providers.

**Applicant** A person who submits an Application.

**Application** An application for Units in the Fund.

**Application Form** An application for Units in the Fund in the form attached to or accompanying this Information Memorandum.

**Application Monies** The amount paid by the Applicant to purchase Units in the Fund.

**ASIC** Australian Securities & Investments Commission

**Business Day** A day, other than a Saturday or Sunday, on which banks are open for general banking business in Brisbane, Australia.

**Corporations Act** The Corporations Act 2001 (Cth)

**Fund** Basis Plus Wholesale Fund

**IM** or **Information Memorandum** This Information Memorandum as modified or varied by any supplementary Information Memorandum issued by the Manager with respect to the Fund.

**Investment Manager** Henry Avery Partners Pty Ltd ACN 167 471 436

**Issue Price** The Issue Price of Unit as explained in Section 4.

**Management Fee** The management fee payable by the Fund to the Investment Manager.

**Manager** or **Trustee** JB Markets Pty Ltd ABN 81 123 876 291

**Minimum Investment** AUD 250,000

**Offer** The offer of Units in the Fund under this Information Memorandum.

**Performance Fee** The performance fee payable by the Fund to the Investment Manager.

**Register** Register of Unit Holders

**Trust Deed** The Trust Deed of the Fund as amended from time to time.

**Trustee** or **Manager** JB Markets Pty Ltd ABN 81 123 876 291

**Unit** A Unit issued in the Fund.

**Unit Holder** The holder of a Unit in the Fund.