

Tyalla Capital Private Credit Mortgage Fund

29 May 2024

Any offer contained in this Information Memorandum is only available for acceptance by 'Wholesale Clients' (as defined in the Corporations Act) and is not available to 'Retail Clients' (as defined in the Corporations Act).



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Important Information

The information in this Information Memorandum is general information only and does not take into account your personal financial situation, objectives or needs. The information can change and may be updated or replaced from time to time.

The Trustee may not always update or replace this Information Memorandum to reflect the changed information. Updated information can be obtained by contacting the Trustee or your adviser. You should check if there is any updated information before you make any decision to invest.

This Information Memorandum is issued by Polar 993 Limited (ACN 642 129 226) (AFSL 525458) (**Trustee**), the trustee of the Tyalla Capital Private Mortgage Fund (Fund). This Information Memorandum is provided to potential investors on a personal and private basis. It is indicative only and may be subject to change by the Trustee.

Polar 993 Advisory Pty Ltd ACN 649 554 932 (AFSL 531197) (**Polar Advisory**) has appointed Tyalla Capital Private Credit Management Pty Ltd (ACN 674 222 970) (Corporate Authorised Representative No. 001307711) (**Tyalla Capital**) as a corporate authorised representative of Polar Advisory.

The Trustee has appointed Tyalla Capital as the exclusive investment manager of the Fund (**Investment Manager**). The Investment Manager makes all the investment recommendations to the Trustee.

The Investment Manager has prepared this Information Memorandum.

The Fund, at the date of this Information Memorandum, 29 May 2024, is not required to be, and is not, registered as a managed investment scheme pursuant to section 601ED of the *Corporations Act 2001* (Cth) (**Corporations Act**). This Information Memorandum is not a product disclosure statement for the purposes of Part 7.9 of the Corporations Act. Interests in the Fund will be issued as units in the Fund (**Units**). The Fund's trust deed (**Trust Deed**) provides for different Unit classes and series. Under the Trust Deed, the different Unit classes or series may have different rights and obligations.

Interests in the Fund will be issued only on acceptance of a validly completed application form issued together with this Information Memorandum (**Application Form**), and the receipt of cleared funds. The offer or invitation to subscribe for interests in the Fund is subject to the terms and conditions described in this Information Memorandum and the Application Form.

Any offer contained in this Information Memorandum to subscribe for Units is only available for acceptance by Wholesale Clients and is not available to Retail Clients (as defined in section 761G of the Corporations Act).

The distribution of this Information Memorandum and the offering of Units may be restricted in certain jurisdictions. No recipient of this Information Memorandum in any jurisdiction may treat it as constituting an invitation or offer to them to apply for interests in the Fund unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that recipient in compliance with applicable law.

Prospective applicants should inform themselves as to the legal requirements and consequences of applying for, holding, transferring and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or place of business. It is the responsibility of a prospective investor outside Australia to obtain any necessary approvals in respect of applying for, or being issued with Units.

Unless otherwise agreed with the Trustee, any person applying for Units will by virtue of the person's Application Form be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Information Memorandum, and are not acting for the account or benefit of a person within such jurisdiction.

In particular, this product has not been and will not be registered under the United States (**US**) Securities Act of 1933 (**Securities Act**) or the securities laws of any state of the US and may not be offered, sold, delivered or transferred in the US or to, or for the account of, any "US Person" (as defined in Regulation S under the Securities Act). Neither this Information Memorandum nor any Application Form or other material relating to this product may be distributed in the US.

The Trustee, Polar Advisory and the Investment Manager do not bear any liability or responsibility to determine whether a person is able to apply for Units pursuant to this Information Memorandum.

This Information Memorandum does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund.

This Information Memorandum includes forward looking statements that may contain the words “target”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning. All statements other than statements of historical facts included in this Information Memorandum, including, without limitation, those regarding the Fund’s financial position and business or investment strategy, plans and objectives are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

Any forward-looking statements are based on numerous assumptions regarding the Fund’s operations and present and future business and investment strategies and the markets in which the Fund will operate in the future. These forward-looking statements are current only as at the date of this Information Memorandum. Accordingly, there can be no assurance that such statements, targets, estimates or projections will be realised.

The Trustee, Polar Advisory and the Investment Manager reserve the right to evaluate any applications for Units and to reject any or all application for Units submitted, without giving reasons for rejection. The Trustee, Polar Advisory and the Investment Manager are not liable to compensate the recipient of this Information Memorandum for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in submitting an application or otherwise.

No cooling off applies to the issue of Units.

This Information Memorandum must be read in conjunction with the Trust Deed and the Application Form. Prospective investors should review the Trust Deed for further information regarding the rights and obligations of Unitholders in the Fund. To the extent there are any inconsistencies between the Trust Deed and this Information Memorandum, the Trust Deed will prevail.

In providing this Information Memorandum, none of the Trustee, Polar Advisory or the Investment Manager has taken into account the recipient’s objectives, financial situation or needs and accordingly the information contained in this Information Memorandum does not constitute personal advice for the purposes of section 766B(3) of the Corporations Act. None of the Trustee, Polar Advisory or the Investment Manager and none of their related parties, officers, employees, consultants, advisers or agents warrant that an investment in the Fund is a suitable investment for the recipient.

Neither the Trustee or Polar Advisory nor any of their related parties, officers, employees, consultants, advisers or agents have carried out an independent audit or independently verified any of the information contained in this Information Memorandum which has been provided by the Investment Manager, nor do the Trustee or Polar Advisory give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this Information Memorandum, nor do any of them, to the maximum extent permitted by law, accept any liability however caused to any person relating in any way to reliance on information contained in this Information Memorandum or any other communication relating to the issue of Units.

The Trustee, Polar Advisory and the Investment Manager strongly recommend that potential investors read this Information Memorandum in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this Information Memorandum.

None of the Trustee, Polar Advisory or the Investment Manager nor their related parties, officers, employees, consultants, advisers or agents, guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund or an investment in the Fund generally. As with any investment there are inherent risks in investing in the Fund, including the risk that an investment in the Fund is speculative, that the investment may result in a reduction in, or total loss of, the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital.

See Section 12 (*Risks*) for further information about the risks involved in making an investment in the Fund. The contents of this Information Memorandum are:

- not intended to be disclosed to any person other than the person to whom this Information Memorandum has been provided by the Trustee or the Investment Manager;
- strictly confidential; and
- not to be reproduced, either in whole or in any part or parts, without the Trustee's prior written consent and, if such written consent is given, only in accordance with that consent.

It is important that potential investors read the entire Information Memorandum before making any decision to invest in the Fund. In particular, it is important that potential investors consider the risks outlined in Section 12 (*Risks*) that could affect the performance of an investment.

None of the Trustee, Polar Advisory or the Investment Manager has authorised any person to give any information or make any representations in connection with the Fund which are not in this Information Memorandum and if given or made such information or representations must not be relied upon as having been authorised by the Trustee, Polar Advisory or the Investment Manager. Any other parties distributing this product to potential investors are not the Trustee's, Polar Advisory's or Investment Manager's agent or representative and are doing so on their own behalf. The Trustee, Polar Advisory and the Investment Manager are not responsible for any advice or information given, or not given, to potential investors by any party distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from potential investors relying on any information that is not in this Information Memorandum when investing.

The primary language of this document is English. This document may be translated into different languages. Any translations provided are for reference purposes only. If there is any inconsistency or conflict between the English version of this Information Memorandum and versions of this Information Memorandum in any other language, the English version prevails.

All references to \$ amounts are references to Australian Dollars.

A glossary of terms used in this Information Memorandum is included in Section 13 (*Glossary*).

Dear Investor,

We are delighted to invite you to invest in the Tyalla Capital Private Credit Mortgage Fund (“the Fund”).

The Fund has been established with the goal of generating regular income, with a strong focus on preservation of capital.

Tyalla Capital Private Credit Management Pty Ltd (“Tyalla Capital”) seeks to identify attractive opportunities to invest in private loans to SMEs (small-to-medium enterprises), investors and other corporate entities with strong credit characteristics who require short to mid-term liquidity secured by quality Australian real estate. We believe that the opportunities for generating attractive risk-adjusted returns in private lending is expected to persist due to embedded structural and regulatory issues in the traditional banking sector. With a considered and market tested credit policy adopted, Tyalla Capital and its Investment Committee rigorously assess new transactions and invest in lending opportunities seeking to deliver the target returns.

Tyalla Capital was founded by James Ostroburski and Albert Pekar whose careers and deep experience in loan origination, credit assessment, investment analysis, asset allocation and funds management, which collectively spans a period more than 45 years.

The Founders also enjoy the support of an extremely accomplished and diverse Advisory Board, led by Scott Tanner, Advisory Board Chairman. Scott Tanner is currently Executive Chairman of Kay & Burton and Managing Director of Greenback Capital. Scott was previously the Chief Executive Officer of Bank of Melbourne having relaunched the Bank in 2010, the Chief Digital Officer and Chief Operating Officer of Westpac and was a Director of Bain & Company for over 15 years.

Our Advisory Board has exceptional skills across banking, regulatory, corporate governance, legal, finance, start-up and human capital. This breadth and depth of complementary skills and perspectives combined with the top-tier legal, tax and fund advisors in establishing this fund highlights the commitment to quality of Tyalla Capital.

Private Credit is a growing asset class due to its the low correlation with other assets and higher returns as compared to cash or other fixed income products. Participation in our fund will benefit Investors with participation in a wide range of private lending transactions providing diversification across borrowers, geography, secured property type and loan term. Additionally, the ability to deploy available capital may lead to higher investment returns as a reward for swift execution and provision of capital, in what is a capital constrained environment.

The Founders, their families and related entities have been participating as private lending investors for many years and will maintain investment in the Fund. We believe this provides something that Investors value, namely strong alignment of the Investment Manager with the Investors in this Fund.

This Information Memorandum contains important information about the Fund including details of the risks involved in an investment in the Fund. This Offer is only made to Wholesale Investors only and does not take into account your individual investment objectives, financial situation and particular circumstances.

We welcome you as an investor in this fund.

Scott Tanner

Chairman, Advisory Board
Tyalla Capital Pty Ltd

James Ostroburski OAM

Chief Executive Officer &
Managing Director

Albert Pekar

Chief Investment Officer &
Executive Director

1. Fund Summary and Key Features

The table below is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. Potential investors should read the whole of this Information Memorandum to obtain more detailed information before making a decision to invest in the Fund.

Feature	Description
Key features of the investment	
Fund name	Tyalla Capital Private Credit Mortgage Fund.
Type of Fund	Open-ended, unregistered wholesale unit trust.
Who can invest?	To invest in the Fund you need to be a 'Wholesale Client' within the meaning of the Corporations Act. Subject to this, the Fund is available to all types of investors, including individuals, superannuation funds and family trusts/companies, as well as professional investors and family offices.
Issue Price	The Issue Price of Units issued on the Commencement Date is \$1.00 per Unit. For all subsequent Units issued in the Fund after the Commencement Date, the Issue Price for Units will be calculated by reference to the Net Asset Value of the Fund at the last Valuation Day.
Subscription frequency	Monthly, on submission and acceptance of a validly completed Application Form. It is expected that Units will be issued to Unitholders within the same calendar month in which the investor's Application Form has been accepted by the Trustee.
Redemption frequency	Following the expiry of an initial one-year lock-up period (being the first 12 months of the Unitholders investment in the Fund), the Trustee intends to facilitate quarterly redemptions for Unitholders on 45 days' written notice to the Trustee, subject always to the Trustee's discretion to refuse a Redemption Request in accordance with the terms of the Trust Deed (and described below in Section 7 (<i>Withdrawing from the Fund</i>)).
Distribution frequency	It is the Trustee's intention that, where available, distributions will be paid quarterly in arrears. The Trustee intends for distributions to be reinvested in the Fund, unless instructed otherwise by the relevant Unitholder.
Unit pricing frequency	Monthly.
Minimum initial investment	\$500,000 The Trustee may, at the advice of the Investment Manager, accept lower amounts in its absolute discretion.
Minimum additional investment	\$100,000 The Trustee may, at the advice of the Investment Manager, accept lower amounts in its absolute discretion.
Minimum redemption	\$100,000 The Trustee may, at the advice of the Investment Manager, accept lower amounts in its absolute discretion.
Minimum balance	\$250,000 The Trustee may, at the advice of the Investment Manager, accept lower amounts in its absolute discretion.

Key features of the Fund	
Trustee	Polar 993 Limited (ACN 642 129 226) (AFSL 525458)
Investment Manager	Tyalla Capital Private Credit Management Pty Ltd (ACN 674 222 970) (Corporate Authorised Representative No. 001307711)
Investment objective and strategy	<p>The Fund aims to provide Unitholders with regular income (with asset-backed security) secured against Australian real estate.</p> <p>Private loans will generally be provided to SMEs, investors and entrepreneurs for business or investment use with an aim of providing investors with an attractive quarterly distribution that meets the Investment Manager's strict criteria.</p> <p>The Investment Manager will be responsible for selecting loans that are suitable for each underlying SME, investor or entrepreneur using the Investment Manager's internal credit policy (Credit Policy) and by reference to defined parameters. Please refer to Section 3.2 (<i>Investment Selection</i>) for further details.</p>
Target return	The Fund aims to provide Unitholders with a return of 10.00% per annum, net of fees.
Management fee	1.50% plus GST per annum of the Net Asset Value of the Fund, accrued, calculated and payable monthly in arrears.
Performance fee	<p>20% (excluding net GST) of the net income and capital of the Fund (after deduction of management fees, Fund expenses and capital impairments (if any)) above the Hurdle Rate.</p> <p>The performance fee will be calculated and accrued on a monthly basis and will be payable quarterly in arrears based on the Fund's performance during the preceding period.</p>
Investment Manager Establishment Fee	<p>The Investment Manager may be entitled to additional fees paid by the Fund's Borrowers in connection with the establishment, due diligence, origination, management and discharge of the loans provided by the Fund. Such fees will be paid directly by the Borrower to the Investment Manager and will not be paid out of the assets of the Fund.</p> <p>Further details are set out in Section 10.5 (<i>Investment Manager's Additional Fees</i>).</p>
Borrowings of the Fund	There is no intention for the Fund to be geared.
Valuation Policy	<p>All debt assets of the Fund (i.e. loans, debenture notes and securities) will be valued at cost plus accrued interest, unless it is determined that there is asset impairment. In such cases the loan will be re-valued by the Trustee at its probable recoverable value.</p> <p>Further details regarding the Fund's valuation policy are set out in Section 6.2 (<i>Valuation Policy</i>).</p>
Risks	<p>All investments are subject to risks. It is important that potential investors read and consider the risks associated with an investment in the Fund before deciding whether to invest. For example, distributions or capital returns are not guaranteed.</p> <p>Further details regarding the risks associated with investing in the Fund are included in Section 12 (<i>Risks</i>), however this list is not exhaustive. If risks eventuate, they may require reduced or suspended distributions.</p>
Administrator	993 Fund Services Pty Ltd (ACN 665 089 421)
Auditor	Ernst & Young Australia Limited

2. The Fund

This Information Memorandum offers investors who are Wholesale Clients, the opportunity to invest in the Tyalla Capital Private Mortgage Fund (Fund).

The Fund is an unregistered wholesale Australian resident unit trust established as a trust pursuant to the Trust Deed. The Trustee is the trustee of the Fund. The governing rules of the Fund are detailed in the Trust Deed. A copy of the Trust Deed is available from the Trustee upon request.

Investors will receive Units in the Fund and will become Unitholders. Each Unit gives Unitholders an entitlement to a beneficial interest in the capital and income of the Fund. However, a Unit does not entitle Unitholders to any specific assets of the Fund. The value of a Unitholder's Units in the Fund may rise or fall depending upon the market value of the assets held by the Fund. The Fund will not use external leverage.

This Information Memorandum includes summaries of certain provisions of the Trust Deed. Potential investors should review the Trust Deed for full details. If there are any inconsistencies between this Information Memorandum and the terms of the Trust Deed, the terms of the Trust Deed will prevail.

The Investment Manager has been appointed by the Trustee as the exclusive investment manager of the Fund. The Investment Manager is responsible for making investment decision recommendations to the Trustee.

Ernst & Young Australia Limited have been appointed as the auditors of the Fund.

3. Investment Objective and Strategy

3.1 Overview

The unprecedented growth in private credit within the Australian debt market presents a significant opportunity for the Fund and its Unitholders.

Private lending offers more flexibility in terms of loan approval criteria and repayment terms compared with traditional lending sources, which are typically more rigid in their requirements. Private lending is also an attractive alternative for borrowers who may not qualify for loans from traditional lenders due to factors such as limited or irregular income, delays in tax lodgment, timing and complex structures.

The Fund will seek to take advantage of market conditions that present attractive returns for Unitholders by providing secured lending to select individuals or entities seeking funds for business and investment purposes (Borrowers), where established Australian real estate is provided as collateral.

The Investment Manager's private credit strategy provides Unitholders in the Fund with access to the SME and private investor market.

The Fund aims to be selective in providing capital via debt instruments to Borrowers.

3.2 Investment Selection

a. Portfolio

The Fund will extend capital to businesses and investors for the primary purpose of business or investment.

The Fund will provide loans with terms of 3 to 24 months in return for the provision of registered security interests over Australian real estate. Examples of business or investment uses for the loans the Fund will provide include the purchase of property, plant or equipment, the purchase of property as an investment, the purchase of a business, or equity investment.

It is expected that a significant proportion of loans will be secured by first registered mortgage with the remainder second mortgages or a registered caveat. The Fund will deem residential, commercial, industrial, and vacant land as acceptable security for each loan transaction.

The Investment Manager has developed a proprietary network of high-quality referrers who will refer potential loan transactions to the Fund. The Investment Manager employs a highly disciplined and comprehensive credit review process with Investment Committee oversight to determine the suitability and attractiveness of every proposed loan transaction.

Based on management estimates, the Fund will invest in approximately 1 in 10 of the loan enquiries it receives (including through referrals as described above).

The graphics below provide a summary of the Investment Manager's current intended investment guidelines. The investment guidelines are subject to change and are not fixed investment parameters.

Loan to Value Ratio (LVR) Maximum			
Property Type	Property Class		
	A	B	C
Residential	75%	70%	60%
Commercial	70%	65%	50%
Industrial	65%	60%	50%
Construction	60%	50%	45%

Property Types	
Property Type	Description
A	Within 35kms of Melbourne, Sydney & Brisbane CBD
B	Between 35-60kms of Melbourne, Sydney & Brisbane CBD
C	60kms+ from Melbourne, Sydney & Brisbane CBD

(SA, WA, TAS, NT & ACT subject to individual assessment)

The Investment Manager and/or the Investment Committee may vary these parameters in their discretion based on individual transaction strength and circumstances.

Depending on market conditions and the investment opportunities available, the Trustee and the Investment Manager may change the investment objectives and investment parameters of the Fund. Changes in the Fund's investment objectives or investment parameters may be made to tailor investments to the amount of capital raised, to take advantage of investment opportunities or to minimise risk to the Fund.

If the Trustee and the Investment Manager decide to make a change, notice will be provided to Unitholders.

¹ Productivity Commission 2021, Small business access to finance: The evolving lending market, Research Paper, Canberra.

² Australian Bureau of Statistics (2023), Table 17 Businesses by Annual Turnover Size Range, June 2019 – June 2023¹, Counts of Australian Businesses, June 2019 to June 2023, accessed 15 March 2024.

³ Productivity Commission 2021, Small business access to finance: The evolving lending market, Research Paper, Canberra.

⁴ SME Growth Index by ScotPac, September 2023.

⁵ Tyalla Capital estimates based on a database base of loan queries submitted by finance brokers, lawyers, accountants and other contacts.

b. Borrowers

The Fund will provide debt by way of loans to Borrowers who are corporate entities. The loan proceeds will generally be used wholly or predominantly for business or investment purposes. The loans will be secured against Australian real estate. This real estate may take the form of residential, commercial or industrial property or vacant land.

The loans that are affected by the Fund are outside the *National Consumer Credit Protection Act 2009* (Cth) and are governed by the contract signed by all relevant parties.

The Fund's focus on SMEs and business and property investors is differentiated from other comparative funds in the market.

The Investment Manager employs a comprehensive due diligence process to assess:

- the credit worthiness of each borrower;
- the valuation of the underlying real estate being secured; and
- the financial ability of the borrower to meet all repayment obligations on time and in full.

c. Risk Management

The Investment Manager aims to manage risk at all stages of the investment process.

At a high level, the Investment Manager's approach to risk management includes the following key considerations:

Credit Analysis

- Qualitative assessment of the borrower is conducted, the information provided is verified and AML/KYC checks conducted.
- In the case of a borrower that is a corporate entity, this will involve an analysis of each person behind that corporate entity (including directors and officers).

d. Pricing

The Investment Manager's pricing policy is based on a range of factors, including but not limited to:

- the 'loan to value' ratio;
- the type of security (e.g. first or second mortgage, or caveat);
- property type;
- geography;
- term of the loan; and
- any other factors the Investment Manager considers relevant.

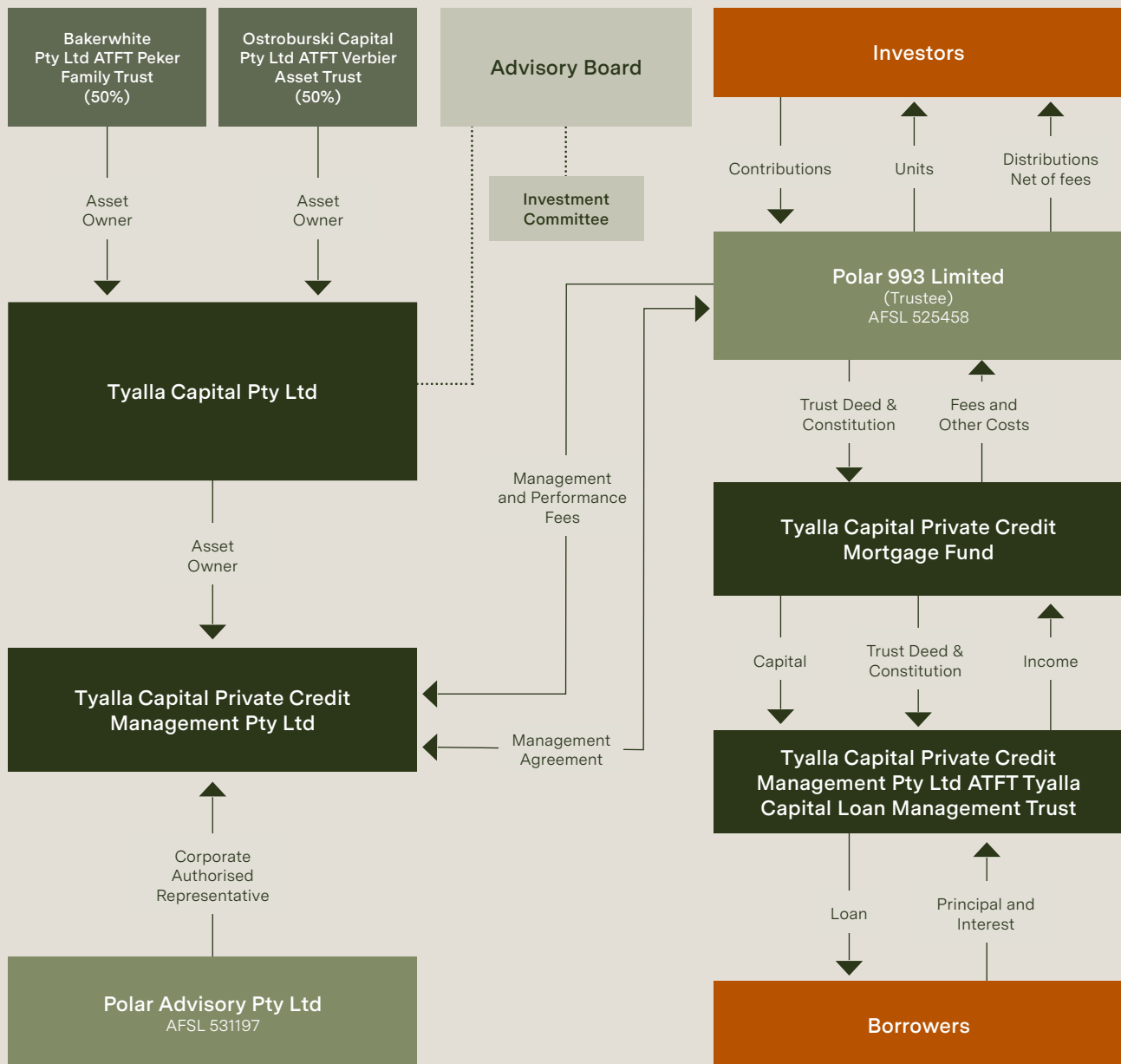
All loans are priced to reflect the assessed risk of the relevant investment. Each Fund investment is assessed on its own merits and is priced based on all the available factors.

3.3 Target Return

The Investment Manager expects the Fund to earn a target return of 10.00% per annum, after fees, over the medium term through the application of its investment process.

The Fund expects to maintain its focus on loans predominantly in the range of \$250,000 to \$2.5 million.

3.4 Fund Structure



As shown in the structure diagram above, the Tyalla Capital Loan Management Trust has been established and the Investment Manager appointed as trustee (together, the Sub-Trust Entity). The Sub-Trust Entity has been established to be the lender on record with Borrowers of the Fund.

4. The Team

4.1 About Tyalla Capital

Tyalla Capital is a boutique private investment company and family office committed to generating profits with purpose. Tyalla Capital has decades of investment and credit experience, providing a strong foundation for risk management, growth and fund performance.

Tyalla Capital's founders have over 15 years of credit experience, writing over \$1.65 billion in loans, and over 40 combined years of investment experience, including management of over \$2 billion in institutional and family office capital across multiple asset classes in Australia and offshore.

Tyalla Capital's core values include:



Trust

We work with integrity while operating ethically.



Leadership

We lead by example, establishing innovative investment products that align with our values and generate sustainable returns for our clients.



Performance

A sustained track record of success through a willingness to go the extra mile.



Expertise

A level of knowledge that allows us to clearly see opportunities where others don't.



Generosity

We are generous with our time, our commitment and importantly, in our support for the communities we live in.

4.2 Investment Team

James Ostrobrski – Founder, Chief Executive Officer & Managing Director



James Ostrobrski OAM is an experienced banking executive & entrepreneur, with a significant interest in social responsibility and philanthropy.

Prior to founding Tyalla Capital, James spent 15 years working with some of the world's leading private banks and lenders, as well as leading and investing in several successful start-ups across multiple sectors. This includes Kooyong Group, one of Australia's leading specialist lenders for doctors, where James was the Founder, CEO and Managing Director between 2016 and 2023. Kooyong Group was acquired by Avant Mutual in December 2023. Under his tenure, Kooyong Group provided over \$1.68 billion dollars of lending, donated over \$1.2 million dollars to Australian not-for-profits, and planted over 10,000 trees in partnership with Carbon Neutral Australia. James has also held leadership roles with Investec Bank, Grimsey

Wealth and Credit Union Australia.

Through-out his career, James has taken on Chair, Director, Trustee and Governor roles for organisations he is passionate about – including Dancehouse Incorporated, Nexus Global Youth Summit, the Australian Chamber Orchestra, the Institute of Creative Health, the Jewish Museum of Australia, Bundanon Trust, the Surgeon's Impact Fund (now the HOPE Fund) and the Arts Centre Melbourne Foundation.

He is currently Chair of the James & Leo Ostrobrski Foundation, Deputy Chair of the Festival of Jewish Arts & Music, Director of Carbon Positive Australia Limited, Director of the Australian National Memorial Theatre Limited and Ambassador of Australians for Mental Health.

In 2021, James was awarded the Medal of the Order of Australia (OAM) in the Queen's Birthday Honours List for distinguished services to the community through philanthropy.

James is also a pilot-in-training, having served as a civilian member of AirAcademy with the Royal Australian Air Force (RAAF) for four years. James graduated from the Victorian College of the Arts Secondary School with a dance major. He also holds a Graduate Diploma in Corporate Finance from New York University and a Diploma in Financial Planning from TMG College Australia. In 2023, he commenced a Masters of Business Administration with the London School of Economics.

Albert Pekar – Founder, Chief Investment Officer & Executive Director



Albert Pekar has been a respected investment manager, analyst and advisor for over 25 years. He has a proven track record in managing public and private capital in Australian and global asset classes, achieving significant compound returns above benchmarks.

For 15 years, Albert was the Associate Director of Global Investments at the Gandel Group, a private investment group founded by Australian billionaire John Gandel. Albert established and managed the Gandel Group's extensive investment platform, which included managing numerous active Australian equity portfolios, as well as sourcing and allocating to global managers in fixed income, credit, global equities, hedge funds and private equity. He was also an asset allocation advisor for the Gandel Charitable Foundation. Prior to working at the Gandel Group, Albert

held leadership roles at HSBC Asset Management, Jardine Fleming Capital Partners and ANZ Funds Management.

Albert is also active in his community, where he applies his business acumen to help local organisations thrive. During the six years he was President of the Maccabi Victoria Basketball Club, one of the largest junior basketball clubs in the southern hemisphere, Albert helped grow the club's memberships from 300 to over 600 players. He also undertook a strategic review to ensure the success of the club into the future. He is currently on the Executive of the AJAX Football Club.

Albert holds a Bachelor of Commerce from the University of Melbourne and a Masters of Finance from the Royal Melbourne Institute of Technology, where he also worked as a Senior Lecturer and co-authored several finance articles in peer-reviewed journals.

4.3 Investment Committee

As at the date of this Information Memorandum, the Investment Committee is comprised of:

- **Scott Tanner**, Chairman of the Tyalla Capital Pty Ltd Advisory Board;
- **James Ostroburski**, Chief Executive Officer & Managing Director;
- **Albert Peker**, Chief Investment Officer & Executive Director.

The Investment Committee's role will be to act as a decision-making body for all loan transactions entered into by the Fund above certain thresholds. The Investment Committee will consider its investment decisions in accordance with the Investment Manager's Credit Policy Delegated Lending Authority.

The Investment Committee will conduct quarterly reviews of the Tyalla Capital Credit Policy to ensure its policies and process continue to deliver robust risk management oversight and governance, as well as strong risk-adjusted returns for Unitholders.

4.4 Advisory Board

Scott Tanner – Advisory Board Chairman



As Chairman for the Tyalla Advisory Board, Scott Tanner brings with him more than 40 years' experience in leading roles across the financial services industry. His experience spans digital transformations, company turnarounds, M&A and growth strategies in banking, wealth management, insurance, retail and professional services.

Scott is currently the Managing Director of GreenBack Capital, a high net worth and commercial loan brokerage firm.

He was previously the Chief Operating Officer and Chief Digital Officer of Westpac Consumer Bank and the Chief Executive of Bank of Melbourne, where Scott and his team relaunched the company and grew its market share in Victoria to 7.5% over six years. For 15 years Scott was a Director of Bain & Company, a global strategy consulting firm, where he worked with banks and other financial entities across the Asia Pacific region.

Scott holds multiple Chairman and Executive Chairman roles including Kay & Burton, the Committee for Melbourne, GrowthOps, NEEON, IMRA and PropertyShares.

Scott has an MBA from the Melbourne Business School and is a Fellow of the Australian Institute of Company Directors.

Sarah Tinsley – Advisory Board Director



Sarah Tinsley's expertise in corporate law, governance and high growth companies makes her a valuable asset to the Tyalla Advisory Board. She has extensive Board experience advising and consulting for technology companies, startups, fintechs and broadcasters.

Sarah is the General Counsel and Company Secretary at Culture Amp Pty Ltd, a technology start-up that actively engages with employees to improve workplace culture across more than 7,500 companies worldwide. Founded in Melbourne in 2009, Culture Amp now has employees based in San Francisco, New York, Chicago, Berlin and London and is currently valued at USD\$1.5 billion.

She also has more than 15 years' media experience in senior roles. Sarah was the General Counsel & Business Affairs Director for the Australian Radio Network, Senior Counsel at Fairfax Media, and General Counsel and Company Secretary at Nova Entertainment.

She is a practising lawyer, a Graduate of the Australian Institute of Company Directors, and a Fellow of the Governance Institute of Australia.

Adrian Fox – Advisory Board Director



Adrian Fox is a hepatobiliary surgeon working from his own specialist practice, the Melbourne Surgical Group, as well as St Vincents Private Hospital and Epworth Eastern Private Hospital.

Following a two year Australian fellowship at Box Hill Hospital and St Vincent's Hospital, Adrian worked as a clinical fellow in hepatobiliary surgical oncology and abdominal organ transplantation at Toronto General Hospital in Canada. This competitive fellowship, which is accredited by the Fellowship Council, trains hepatobiliary surgeons with some of the most complex cases of any training program worldwide.

Adrian is an elected member of the Victorian State Committee for the Royal Australasian College of Surgeons, a Fellow of the Royal Australasian College of Surgeons, and a recipient of both the Gordon Gordon-Taylor Medal and the Paddy Lewis Award.

Adrian is also a Founder and Vice Chairperson of the HOPE Fund, a charity that supports life changing research and education aimed at improving outcomes for patients with malignant and benign upper gastrointestinal, liver and pancreatic disease.

Adrian has been prominent investor and advisory board member to Timbermaster Pty Ltd, Kooyong Group (now owned by Avant Mutual), Dedicated Medical Care Pty Ltd & Element Fox Pty Ltd.

Blake Rodgers – Advisory Board Director



Blake Rodgers is an Associate Director at SW Accountants & Advisors. He specialises in advising high net worth individuals and large privately owned businesses that are predominantly in the property industry.

Prior to joining SW Accountants & Advisors (formerly known as ShineWing Australia), Blake was a manager in the Private Clients tax division of PwC where he advised on a broad range of accounting, taxation and commercial matters for clients in industries including property, construction, agriculture, manufacturing, wholesale and retail.

He has also held senior roles at Daniel Allison & Associates and BDO.

Blake is a Chartered Accountant, a Chartered Tax Advisor, and a member of both the Tax Institute of Australia and the Institute of Chartered Accountants Australia.

Tom Hywood – Advisory Board Director



Tom Hywood is the Co-Founder and Group General Manager of AD Group, a property technology and marketing company.

Founded in 2014, Tom and his partner grew AD Group from a startup to Australia's leading provider of advertising, sales and technology platforms for property developers. More than \$15 billion of property sales has been transacted through the company's Development ID platform since its launch, with the platform integrated into the workflow of many multi-national property developers and residential sales businesses. AD Group was acquired by View Media Group (VMG) in 2022 for \$32 million. Post acquisition, Tom is now on the Executive Leadership Team at View Media Group.

Prior to founding AD Group, Tom worked in publishing and digital marketing roles in Metro Media Publishing & the Domain Group.

5. How to Invest in the Fund

5.1 General Information

Applications to invest in the Fund may be made online at <https://www.registrydirect.com.au/offer/Tyalla-Private-Credit/> or by completing the Application Form attached to this Information Memorandum in accordance with its instructions. When completing the Application Form, potential investors will be asked to provide certain customer identification materials.

Once completed, an executed copy of the Application Form, together with the supporting material, must be provided to the Fund's Administrator, with a copy to be emailed to the Investment Manager. Contact details for each of the Administrator and the Investment Manager are set out in Directory in Section 13 of this Information Memorandum.

In addition to the client identification material and documents required to be sent with an investor's Application Form or submitted online, the Trustee and the Investment Manager may require further information or documentation from an investor in order to satisfy obligations under Anti-Money Laundering / Counter-Terrorism Financing laws (**AML/CTF Law**). This additional information may be requested by the Trustee or the Investment Manager at any time.

The Application Form, once submitted, cannot be withdrawn without the consent of the Trustee and constitutes a binding application for, and acceptance of, the number of Units specified in the Application Form on the terms set out in this Information Memorandum. Refer to Section 5.4 (*Applications and Issue of Units*) for further details.

No offer for the issue of Units in the Fund is made or intended to be made by the Trustee or the Investment Manager to any person who would be deemed by virtue of section 761G of the Corporations Act to be a 'Retail Client' or would result in the requirement to issue a Product Disclosure Statement pursuant to Division 2 of Part 7.9 of the Corporations Act. Any offer contained in this Information Memorandum to subscribe for Units in the Fund is only available for acceptance by 'Wholesale Clients', and is not available to 'Retail Clients', as those terms are defined in the Corporations Act.

As permitted under the terms of the Trust Deed, additional Unitholders may be admitted to the Fund on such terms and conditions as permitted by the Trustee and the Investment Manager (without the consent of any other Unitholders). The terms and conditions relating to additional Unitholders may differ from those applicable to existing Unitholders on matters relating to, without limitation, notice periods, fee waivers, rebates or reductions and information rights.

5.2 Minimum Initial Investment

The minimum initial investment is \$500,000. The Trustee may itself or on the advice of the Investment Manager reject an application or accept only part of an application, in accordance with the terms of the Trust Deed.

The Trustee and the Investment Manager may vary the minimum investment amount on a case-by-case basis for different investors in accordance with the terms of the Trust Deed.

Additional Investments

Unitholders may make further investments in the Fund at any time, subject to submission and acceptance of a valid Application Form. There is a minimum additional investment amount of \$100,000. The Trustee and the Investment Manager vary the minimum additional investment amount on a case-by-case basis, in accordance with the terms of the Trust Deed.

5.3 Applications And Issue Of Units

a. Applications for Units

In respect of each initial and additional investment, an investor must qualify as a Wholesale Client. Applications for Units will be accepted at the absolute discretion of the Trustee and may not be withdrawn without the consent of the Trustee. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on any Application Money that are ultimately rejected due to the application being invalid or incomplete.

Applications for Units can be made by completing the Application Form online or in hard copy (as attached to this Information Memorandum) together with any AML/CTF documents and payment of any Application Money (if applicable).

In relation to payment of the relevant issue price for Units (**Issue Price**), the Trustee will only accept electronic funds transfers from a bank, building society or credit union account in the name of the potential investor or Unitholder (as the case may be). The Trustee may, in its absolute discretion, permit an investor intending to subscribe for Units to transfer property (other than money) in consideration for those Units and in accordance with the terms of the Trust Deed.

As discussed above in Section 5.1, additional Unitholders may be admitted to the Fund upon such terms and conditions as are permitted by the Trustee (without the consent of any other Unitholders).

Applications for Units will usually be processed on the first Business Day of each month (each, a **Subscription Day**). In order for an application to be accepted, the investor's Application Form must be received by the Trustee, together with any Application Money (in cleared funds), at least 3 Business Day before the relevant Subscription Day.

All Application Forms will be considered and accepted by the Trustee in the order in which they are received.

b. Issue of Units and Issue Price

The Issue Price of Units issues on the Commencement Date will be \$1.00 per Unit.

The Issue Price of all Units issued after the Commencement Date will be calculated based on the Net Asset Value of the Units on issue on relevant issue date (each, an **Issue Date**). In most cases this will be based on the Net Asset Value calculated in the calendar month of the Issue Date (given the monthly valuation schedule for Units), however the Issue Price may also be based on the Net Asset Value of the previous month if the Trustee determines to accept applications for Units in the first few days of a calendar month (i.e. before the monthly Net Asset Value calculations have occurred).

The Issue Price for Units is determined by dividing the Net Asset Value for Units, plus any transaction costs, by the number of Units on issue on the relevant Issue Date.

The number of Units ultimately issued to a Unitholder is determined by dividing the amount of the Unitholder's Commitment received by the Trustee by the Issue Price for the Unit.

6. Unit Pricing

6.1 Unit Pricing

In accordance with the terms of the Trust Deed, Unit pricing occurs on a monthly basis on the last Business Day of each month (each a **Valuation Day**). The Net Asset Value of the Fund includes the value of the Trust's assets (including all Commitments, rights and income of the Fund) less any liabilities of the Fund.

The Administrator acting reasonably will determine the Net Asset Value of the Fund. In determining the Net Asset Value of the Fund, the Administrator will follow the valuation policies and procedures summarised below.

For the purpose of calculating the Net Asset Value of the Fund, the Administrator will, and will be entitled to, rely on, financial data furnished to it by market makers and/ or independent third party pricing services. The Administrator may also use and rely on industry standard financial models in pricing any of the Fund's assets.

6.2 Valuation Policy

The Fund's investments will generally be valued in accordance with the Investment Manager's Valuation Policy (**Valuation Policy**). Any loan or debenture note will be valued at cost plus accrued interest, unless it is determined that there is asset impairment. If there is an impairment, the loan will be re-valued by the Fund at its probable recoverable value. At the end of each reporting period, the Investment Manager will provide to the Trustee its valuation of the Fund and detailed considerations in respect of any investment impairment (if applicable) for that period.

It is the Investment Manager's and Trustee's intention to carry investments at cost for the first 12 months following the investment unless a significant event occurs which the Investment Manager believes justifies a revaluation. The value of any construction work and associated value change will be regarded. These valuations are no guarantee of, and may differ from, the actual realisable value of an investment.

The Trustee may appoint an independent valuation expert to review the carrying value of an investment if deemed necessary by the Investment Committee.

The Trustee may, at its discretion, change the valuation methods and policies for assets of the Fund. However, the valuation methods and policies applied by the Administrator (as determined by the Trustee) must be capable of being independently verifiable and must be in accordance with generally acceptable accounting principles.

7. Withdrawing from the Fund

7.1 Redemptions

Subject to the terms of the Trust Deed and the matters described below, the Trustee intends to provide regular liquidity opportunities to Unitholders.

Following an initial lock-up period of 12 months from the date of the Unitholder's investment in the Fund and subject to Fund liquidity, redemptions will be permitted on the last Business Day of each quarter (each a **Redemption Day**). Unitholders seeking to redeem their Units must complete and provide to the Trustee a redemption request notice (**Redemption Request**). Redemption Request notices are available from the Trustee, upon request. Unless the Trustee otherwise determines, Redemption Requests must be for a minimum of \$100,000.

The Trustee may redeem the Units the subject of a Redemption Request if it believes that redemption will not be detrimental to the Fund (including by reference to the Fund's liquidity as at the relevant Redemption Day).

In order for the Redemption Request to be processed it must be received by the Trustee at least 45 days prior to the proposed Redemption Day. If a Redemption Request is received after the deadline for receipt of requests for any particular Redemption Day, it will be treated as a Redemption Request in respect of the next Redemption Day. The Trustee may, in its discretion and in accordance with the terms of the Trust Deed, allow redemptions at other times and in other manner and with longer or shorter notice periods.

Upon the receipt of a Redemption Request the Trustee may satisfy the Redemption Request in part or in full, subject to Fund liquidity. Under the Trust Deed, the Fund is considered 'Liquid' if both of the following limbs are satisfied:

- where the liquid assets of the Fund account for at least 20% of the value of the Trust Property; and
- where the Units the subject of all Redemption Requests received by the Trustee in respect of the relevant Redemption Date do not exceed 15% of the Net Asset Value of the Fund calculated as at the last Valuation Time prior to the relevant Redemption Day.

The redemption price for Redemption Requests processed on each Redemption Day will be based on the Unit price for that Redemption Day. The Unit price is calculated based on the Net Asset Value of the Units on issue.

If the Trustee has elected to process a Redemption, the Trustee intends to process Redemption Requests, including paying of the relevant redemption price, within 21 Business Days of the relevant Redemption Day.

7.2 Transfers

Unitholders may transfer their Units in certain circumstances with the written consent of the Trustee (which may be withheld in its absolute discretion) and in accordance with the Trust Deed. The Trustee is not obliged to register a transfer where the transferee does not meet the criteria for a Unitholder (e.g. a Wholesale Client), the transfer instrument is not duly stamped (where required) and any amount payable by the transferee to the Trustee in respect of the transferor's Units remains unpaid.

7.3 Suspensions

In certain circumstances including where the Fund ceases to be liquid, or as otherwise provided for in the Trust Deed, the Trustee is permitted to suspend for a reasonable period (**Suspension Period**) the calculation of the Net Asset Value, the redemption or issue or both of Units and the payment for the redemption of Units during the Suspension Period. The issue and redemption price for Units the subject of an application or a redemption request received or deemed to be received during the Suspension Period will be the value of the issue or redemption price next determined after the end of the Suspension Period, on the assumption that the Application Form or Redemption Request is accepted following the conclusion of the Suspension Period.

An Application Form or Redemption Request that has been lodged during the Suspension Period but which has not yet been processed is taken to be lodged the day after the end of the relevant Suspension Period.

7.4 Compulsory Withdrawal

The Trustee may, in its absolute discretion and at any time, upon reasonably notice to a Unitholder, compulsorily redeem all or a portion of the Units held by that Unitholder provided certain circumstances set out in the Trust Deed are met. These circumstances include (amongst other things) where the Trust Deed allows or contemplates the redemption or where the Trustee:

- believes that the Units are held in breach of the Trust Deed;
- believes that the Units are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
- determines that the continued participation of a Unitholder might cause the Trustee or any Unitholder to violate any law or if any litigation is commenced or threatened against the Trustee or any Unitholder arising out of the participation of the Unitholder in the Fund;
- suspects that the law prohibits the person from legally being a Unitholder;
- reasonably believes the Unitholder made a misrepresentation in acquiring its Units;
- reasonably believes the Unitholder has breached its obligations to the Trustee;
- is required to satisfy any amount of money due by the Unitholder to the Trustee (in its capacity as trustee of the Fund);
- is required to satisfy any amount of money the Trustee (in its capacity as trustee of the Fund) owes someone else in relation to the Unitholder;
- the Holder is a registered holder of Units having an aggregate holding of Units (by number or value) of less than the Minimum Balance;
- determines that the Fund is uneconomical to operate;
- considers it to be in the best interests of Unitholders as a whole to do so;
- determines that the investment objectives in respect of the Fund cannot be met;
- the terms of issue contemplate the redemption;
- reasonably believes the Unitholder fails to comply with the reasonable request of the Trustee which results, or may result, in the Trustee or the Fund breaching an applicable law;
- has reasonable grounds to suspect that the Unitholder does not meet, or is likely not to meet, any criteria for being a Unitholder as determined from time to time by the Trustee; or
- the Units are required to satisfy the entitlement for the Trustee to be indemnified by the Unitholder in connection with the operation of the attribution managed investment trust (**AMIT**) regime.

The Fund may deduct from the total amount payable to a Unitholder in the event of a compulsory redemption from the Fund any legal, accounting, administrative or other amounts associated with a compulsory redemption, as determined by the Trustee in accordance with the Trust Deed.

8. Distributions

The Fund intends to distribute all net income received by the Fund (**Distributable Income**) to Unitholders and intends to make a quarterly cash distributions to Unitholders. The Trustee has discretion to make distributions more frequently.

The Distributable Income will be calculated by the Trustee on the last day of each calendar month (or any other date as the Trustee nominates) (Distribution Calculation Date). The period between each Distribution Calculation Date is defined under the Trust Deed as a 'Distribution Period'. A Unitholder's entitlement to the Distributable Income is then calculated by reference to the Distributable Income for the relevant Distribution Period, multiplied by the number of days in the relevant Distribution Period, and divided by the number of days in the relevant Distribution Period in which the Unitholder was registered or entitled to be registered as a Unitholder.

It is generally expected that Unitholders should allow up to 30 Business Days after the date which distributions are calculated to pay distributions to Unitholders.

Distribution payments (if applicable) will be made by direct credit to a Unitholder's nominated account with a financial institution. No distribution payments will be made to third parties or by cheque.

Unitholders may reinvest distributions, subject to the Trustee's consent.

Neither the Trustee nor its related parties, officers, employees, consultants, advisers or agents guarantees the declaration and amount of any distribution.

9. Tax

9.1 General Taxation Considerations

There are Australian tax implications when investing in, receiving income from the Fund and exiting from the Fund. The Australian tax treatment of individual Unitholders may differ, and it is recommended that all applicants considering an investment in the Fund seek their own professional advice on their personal taxation implications prior to investing in the Fund.

The Trustee cannot give tax advice. Accordingly, what follows is not tax advice but is a general outline of some key Australian tax considerations for Australian resident who hold their investment on capital account and who are not subject to the taxation of financial arrangements (TOFA) regime. This information is based on current interpretations of the relevant Australian taxation laws and does not consider investors' specific circumstances. As such, investors should not place reliance on this as a basis for making their decisions as to whether to invest. No inference should be drawn from this document regarding any taxation matter and its applicability to any prospective investor – the material in this document should not be regarded in any way as taxation advice.

The Trustee and the Investment Manager of the Fund make no representations that the Australian tax implications outlined in this Information Memorandum will arise for any investor and disclaims all liability whatsoever to the maximum extent possible in relation to the tax implications arising for individual investors.

9.2 Income Tax Treatment of the Fund

The income tax treatment of the Fund and its Unitholders will depend on whether the Trustee elects, and is eligible to apply, the Attribution Managed Investment Trust (AMIT) rules. The AMIT rules are an elective income tax regime for qualifying managed investment trusts (MIT) that provide for flow through taxation to Unitholders on an attribution basis. Where the AMIT rules do not apply, the ordinary trust taxation provisions will apply to the Fund.

The Trustee is considering making an irrevocable election to apply the AMIT rules. However, there is no guarantee that the Fund will qualify to apply the provisions in any particular year of income. If the Fund does not or no longer qualifies as an AMIT, it will be taxed under ordinary trust provision. Therefore, the section below outlines both the general income tax treatment where the AMIT rules do not apply and the income tax treatment applying to an 'ordinary trust'.

9.3 AMIT Rules

The AMIT rules contain specific income tax provisions dealing with the income tax treatment of the Fund and its Unitholders. The provisions can apply where the Fund satisfies the qualifying condition to make an election to be treated as an AMIT for the income year, and the Fund makes an irrevocable election to apply the regime.

The AMIT rules require the taxable income of the Fund to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. If the AMIT rules apply, the Trustee will seek to allocate on a fair and reasonable basis how much of the determined trust component of a particular character should be attributed to each member, based on their membership interests in the Fund. This is expected to mirror the proportion of income distributed to Unitholders in a financial year. Where the AMIT rules apply to the Fund, the Fund will effectively be a flow-through vehicle for income tax purposes. Under the AMIT rules, a Unitholder may be taxable on their share of the Fund's taxable income prior to receiving distributions from the Fund.

Resident Unitholders will be subject to tax on the assessable income components of the Fund that is attributed to them under the AMIT rules each year ending 30 June. If there are assessable income components that are not attributed to a Unitholder, the Fund will be subject to tax at the highest marginal rate (plus the Medicare levy) on those non-attributed assessable income amounts. The AMIT rules do not require full distribution of income for the attribution of assessable income to Unitholders. Accordingly, it is possible that the amounts that are attributed to a Unitholder, and which must be included in its income tax return will exceed the total distribution (including reinvested amounts) you receive.

The Capital Gains Tax (CGT) cost base of a Unitholder's Units will be adjusted by the 'net cost base adjustment' amount. Broadly speaking, the net cost base adjustment is the net of the:

- cost base increase amount. This is the total of taxable and non-assessable non-exempt income attributed to the Unitholder of the applicable Units, plus a gross up for certain discounted capital gains; and
- cost base decrease amount. This is the total cash distribution received/reinvested, plus a gross up for any tax offsets attributed to the Unitholder of the applicable Units.

If the cost base increase amount exceeds the cost base decrease amount, there will be a net cost base increase amount. As a result, the cost base of the applicable Units will be adjusted upwards. Conversely, if there is a net cost base decrease amount, there will be a decrease in the cost base of the applicable Units. If the cost base is decreased to nil, any further cost base decreases will result in a deemed capital gain in relation to the Unitholder's Units in the Fund under CGT event E10.

The cost base adjustments will impact upon the CGT position of the Unitholders upon the eventual disposal of the applicable Units. The details of the cost base increase and decrease will be advised in the AMIT Member Annual (AMMA) Statement which will be provided to unitholders after the end of the income year.

9.4 Ordinary Trust Rules

If the Fund does not, or is ineligible to elect to be treated as an AMIT or becomes ineligible to be so treated, it will be taxed under the ordinary trust provisions. Under the ordinary trust provisions, Unitholders must include in their assessable income a share of the net (taxable) income of the Fund. This share (i.e. proportion) is determined by reference to a Unitholder's share of the income of the Fund to which they are entitled as at 30 June of each financial year. This will generally be the amount which is distributed or reinvested.

If the cash distribution to a Unitholder exceeds a Unitholder's allocation of the Fund's net (taxable) income, the excess is tax deferred and will generally not be assessable to the Unitholder. Similarly, a return of capital by the Fund will not be assessable to the Unitholder.

Distributions of tax deferred or capital will generally reduce the Unitholder's CGT cost base of their Units in the Fund. Once the cost base of a Unitholder's Units has been reduced to nil, any additional tax deferred or capital distributions will be assessable to an investor as a capital gain under CGT event E4.

9.5 Tax Losses

If the Fund incurs a tax loss, these do not flow-through the Fund to Unitholders. However, subject to the trust satisfying the relevant trust loss provisions, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

9.6 Disposal of Units

To the extent that a Unitholder disposes of their Units (e.g. by way of a transfer or withdrawal) a gain or loss may arise. A Unitholder that holds their Units on capital account will derive a capital gain or incur a capital loss.

The capital gain or loss is to be determined by comparing the capital proceeds received in respect of the disposal, to the tax cost base of the Units (taking into account adjustments from tax-deferred distributions (if any) as outlined in the AMMA Statement provided to Unit Holders (see above)).

A Unitholder may be eligible for the discount capital gains tax concession if the Units are held for 12 months or more and the Unitholder is an individual, trustee or complying superannuation Fund.

9.7 Annual Reporting

Unitholders will receive an annual tax distribution statement for an ordinary trust or an AMMA Statement for an AMIT. This will assist Unitholders in the completion of their Australian income tax returns. The statement will set out details of any taxable income components, non-assessable components and capital gains (if any) paid by way of distribution from the Fund in the financial year. Furthermore, if an AMMA Statement is issued this will contain the details of any cost base increase or decrease required for a Unitholder.

9.8 Tax File Number (TFN) and Australian Business Number (ABN)

As the Fund will be an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (**TFN**) or Australian Business Number (**ABN**) in certain cases from its Unitholders.

It is not compulsory for a unitholder to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from unitholders will result in the Fund being required to withhold at the top marginal rate with respect to distributions to the unitholder (which may be creditable in their tax return). Non-residents are generally exempt from providing a TFN.

9.9 Goods and Services Tax (GST)

The acquisition and disposal of units in the Fund by the Fund's Unitholders will not be subject to GST.

9.10 Non-Resident Unitholders

If you are not an Australian resident for tax purposes, please ensure you have appropriately disclosed this in the Application Form as well as your country of tax residence(s).

The taxation implications of non-resident investors are not considered as part of this summary. Unitholders in the Fund that are residents of another country for tax purposes will need to consider taxation consequences under the tax laws of that other country, in addition to the Australian taxation consequences.

Australian tax law imposes withholding tax obligations on the Fund to withhold tax on distributions paid to non-residents for Australian tax purposes. The rate of tax required to be withheld from distributions will usually depend on the character of the distribution, the type of investor and the country in which the investor is a resident.

Regardless of whether the Fund elects to the AMIT regime or not, distribution of interest income by the Fund will be subject to interest withholding tax. Generally, a withholding tax of 10% applies to interest income distributed to non-residents.

The rate of tax required to be withheld from other distributions will depend on the character of the distribution, the type of investor and the country in which the investor is a resident.

Non-resident investors may also be subject to tax in the country they reside in but may be entitled to a credit for some or all of the tax paid in Australia.

If a non-resident Investor disposes of their investment in the Fund, the disposal would generally be a CGT event. The capital gain or loss that arises in relation to the CGT event may or may not be disregarded depending on whether the Units meet or do not meet the definition of taxable Australian property (**TAP**). We recommend that such Unitholders consult their tax adviser about the Australian capital gains tax implications from a disposal of Units as a foreign tax resident of Australia.

10. Fees and Costs

10.1 Entry Fee

The Fund does not charge an entry fee.

10.2 Exit Fee

The Fund does not charge an exit fee.

10.3 Management Fee

A Management Fee of 1.50% plus GST per annum on the Net Asset Value of the Fund is payable by the Fund to the Investment Manager each month. The Management Fee is accrued, calculated and paid monthly in arrears based on the value of the Fund (before deduction of any accrued Management Fee) and reflected in the Unit Price of the Fund.

10.4 Performance Fee

The Investment Manager is entitled to a Performance Fee equal to 20% (excluding net GST) of the net income of the Fund (after deduction of management fees, Fund expenses and capital impairment (if any)) above the Hurdle Rate. This amount (plus GST) accrues monthly and is payable quarterly at the end of each quarter in arrears.

10.5 Investment Manager's Additional Fees

The Investment Manager, or its related entities, may from time to time engage in the provision of services, or derive other revenue streams, from clients related to the Fund. These fees will not be on behalf of or for the benefit of the Fund.

This may include the receipt of fees paid by the Borrower in connection with the establishment, due diligence, origination, management and discharge of the loans provided by the Fund (**Establishment Fee**).

In addition to the Establishment Fee, the Investment Manager or its related entities may also charge Borrowers legal, referral, introducer and/or valuation fees which may be passed on directly to the relevant lawyers, brokers or valuers (as the case may be), as well as due diligence and other fees.

Such fees will be paid directly by the Borrower to the Investment Manager or its related entities and will not be paid out of the assets of the Fund.

10.6 Trustee Fee

Subject to the minimum annual trustee fee of AU\$25,000 per annum (plus GST), the fee for the Trustee providing the trustee services for the Fund will be:

- for GAV up to \$100 million the fee will be 0.10% per annum of the GAV of the Fund (calculated to include capital commitments and the gross asset value of any sub-entities); and
- for GAV of the Fund exceeding \$100 million to \$250 million the fee will be 0.05% per annum of the GAV (calculated to include capital commitments and the gross asset value of any sub-entities); and
- for GAV of the Fund exceeding \$250 million the fee will be 0.03% per annum of the GAV (calculated to include capital commitments and the gross asset value of any sub-entities).

The trustee fee is a fee paid for by the Fund and it becomes payable from the first application of units in the Fund. No separate custodian fee is charged as it is incidental to the Trustee services. The fee is payable each month.

The Investment Manager may, in its absolute discretion, elect to pay certain fees of the Fund, including the trustee fee, during the early stages of the Fund's term in order to preserve Fund returns to Unitholders.

Tyalla Capital will compensate the Fund for trustee fees for the amount exceeding the equivalent of 0.10% per annum of the GAV where the GAV is less than \$25 million.

10.7 Trustee Removal Fee

The Trustee is entitled to be paid a removal fee if:

- it is removed as trustee of the Fund within 3 years of the date of the Trust Deed, other than for the Trustee's actual fraud, gross negligence in the management of the Fund or for a breach of a fiduciary duty to Unitholders which causes them substantial loss, or
- it retires as trustee of the Fund within 3 years of the date of the Trust Deed at the request of the Unitholders or the Investment Manager in accordance with the Trust Deed and/or Investment Management Agreement.

The amount of the fee is the amount that the Trustee would have received if it had remained the trustee of the Fund for 3 years from the date of the Trust Deed. It is determined based on the gross value of the assets of the Fund (including the gross value of the assets of any sub entities, if relevant, plus any pending applications to the Fund and further plus any undrawn Committed Capital) at the time that the Trustee is removed or retires at the request of the Unitholders or the Investment Manager in accordance with the Trust Deed and/or Investment Management Agreement.

If this fee becomes due, then it will be immediately due and payable to the Trustee from the assets of the Fund.

10.8 Additional Fees and Expenses

The Trustee has the right to recover all expenses incurred in the performance of its duties in respect of the Fund. These expenses include, but are not limited to costs, disbursements and expenses associated with:

- the establishment and termination of the Fund and amending or replacing the Trust Deed;
- audit fees;
- the production and circulation of this Information Memorandum or other disclosure and marketing documents of the Fund;
- AML/CTF and KYC checking fees, CRS checking fees, Fund assets and income calculation;
- convening and holding meetings of Unitholders and implementing any resolutions passed at meetings;
- registry and accounting services, Fund tax returns, postage, confirmation advices, notices, reports and other documents;
- complying with any law and request, policy or requirement of ASIC or any other regulatory authority; and
- an agent or delegate of the Trustee (including associates) appointed by the Trustee in accordance with the Trust Deed.

10.9 GST

Unless otherwise stated, all fees quoted in this Information Memorandum are quoted exclusive of GST. Where applicable GST will be applied.

10.10 Fee Changes

As discussed in Section 10.8 (*Additional Fees and Expenses*), the Trust Deed provides that the Trustee can recover all expenses reasonably and properly incurred in the performance of its duties in respect of the Fund. The Trustee will provide Unitholders with at least 90 days' written notice of any fee imposition or increase, subject to the amounts set out in the Trust Deed which differ from those stated in this Information Memorandum.

The Trustee and the Investment Manager reserve the right to negotiate fee arrangements with individual Unitholders. Discounts, rebates or fees for special services may be applied to individual Unitholders outside of the arrangements stated above based on the nature and amount of a Unitholder's investment.

10.11 Establishment Costs

Any establishment costs in respect of the Fund will be paid by the Investment Manager personally. It is expected that the Fund's establishment costs will be approximately \$100,000 and will include, without limitation, legal, accounting, and tax fees.

11. Other Information

11.1 Privacy Policy

In applying to invest, you are providing the Trustee (or its representatives or agents) with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you.

Under the *Privacy Act 1988* (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the ATO or the Australian Transaction Reports and Analysis Centre (**AUSTRAC**).

By applying to invest, you give the Trustee and its representatives and agents, permission to pass on information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with AML/CTF Law or in connection with the holding of application money. The Trustee may also use your information to provide you with details of future investment offers made by it.

11.2 Trust Deed

The Fund's Trust Deed sets out the terms and conditions under which it operates, as well as many of the rights, liabilities, duties and obligations of Unitholders and the Trustee. It also sets out the manner in which Unitholder meetings will be convened and conducted. The Trustee may amend or change the Trust Deed in accordance with the Trust Deed.

a. Termination of Fund

The Fund will terminate 80 years after its start date but may be terminated by the Trustee at an earlier date where the Trustee determines that changes in any applicable law or regulation would have a material adverse effect on the continuation of the Fund, termination is necessary or desirable in order for the Fund not to be in material violation of any material law or regulation or where the Fund becomes economically unviable. If the Trustee determines to terminate the Fund prior to the 80th anniversary it will notify Unitholders in writing of the new date of termination.

b. Trustee's role, powers, obligations and rights

The Trustee's duties and obligations to Unitholders are imposed, and functions and powers conferred, by the Fund's Trust Deed, the Corporations Act and general law.

Examples of the Trustee's powers include acquiring and disposing of the Fund's assets, entering into agreements, and borrowing and raising money.

c. Trustee's indemnity and limitation of liability

The Trustee has the right to be indemnified out of the assets of the Fund on a full indemnity basis in respect of any matter incurred by it, in its own capacity or through an agent, manager, advisor or delegate, unless it has acted fraudulently, with gross negligence, wilful default or has materially breached the Trust Deed.

The Trustee is not entitled to be indemnified out of the assets of the Fund for its overhead expenses.

11.3 Anti-Money Laundering Law

The Trustee is required to comply with the AML/CTF Law. This means that the Trustee (or its representatives or agents) will require potential investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Trustee (or its representatives or agents) may need to obtain additional information and documentation from Unitholders to process applications or subsequent transactions or at other times during the period of the investment.

The Trustee (or its representatives or agents) may need to identify:

- an investor prior to being issued Units in the Fund. The Trustee will not issue Units until all relevant information has been received and an investor's identity has been satisfactorily verified; and
- anyone acting on behalf of an investor, including a power of attorney.

In some circumstances, the Trustee may need to re-verify this information.

By applying to invest in the Fund, investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of Units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to investors if it does so.

11.4 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States tax legislation that enables the US Internal Revenue Service (**IRS**) to identify and collect tax from US residents that invest in assets through non-US entities.

Obligations arising under the FATCA have been incorporated into Australian law, so that, in order to comply with FATCA requirements, the Trustee:

- may require potential investors to provide certain information regarding their identification and will undertake certain due diligence procedures with respect to Unitholders in the Fund to determine their status for FATCA reporting purposes. This information may be required at the time an application is made for the issue of Units in the Fund or at any time after the Units have been issued; and
- will report annually to the IRS, via the ATO, in relation to relevant Unitholders' financial information required by the ATO (if any) in respect of any investment in the Fund.

The Trustee is required to identify where a Unitholder in the Fund and its controlling persons (where the Unitholder is an entity) is resident for tax purposes and report information about the investment of foreign tax residents to the ATO. The ATO may then exchange this information with other participating countries that have signed up to the global standards.

Accordingly, by making an application to invest in the Fund, prospective investors agree to provide the Trustee (or its representatives or agents) with certain identification and related information in order to enable it to comply with its obligations in connection with FATCA.

11.5 Common Reporting Standard (CRS)

CRS is the single global 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.

Obligations under CRS have now been made subject to Australian law. The Trustee is a 'Reporting Financial Institution' under CRS and complies with its CRS obligations, including obtaining and disclosing information about certain Unitholders to the ATO. To facilitate these disclosures, Unitholders 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).

The ATO may pass this information onto tax authorities in other jurisdictions who have adopted CRS. The Trustee's requirements are similar to those which exist under FATCA, however, there are a greater number of countries in respect of which the ATO may provide information to the respective tax authorities. By making an application to invest in the Fund, prospective investors agree to provide the Trustee with certain identification and related information in order to enable it to comply with its obligations in connection with CRS.

11.6 Unitholder's Authorised Representative

The Trustee will accept instructions from a Unitholder's authorised representative if the Unitholder provides the authorised representative's details on the Application Form. A Unitholder can cancel the appointment of its representative at any time by providing the Trustee with 14 days' written notice.

A Unitholder's authorised representative can do everything that the Unitholder can do in relation to its investment in the Fund, including appointing another authorised representative.

If a Unitholder instructs the Trustee to accept instructions from its authorised representative, the Unitholder releases the Trustee and its related parties, officers, employees, consultants, advisers and agents from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any payment or action those parties make based on instructions (even if not genuine) that any of those parties receive from the Unitholder's authorised representative and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Unitholder also agrees that neither the Unitholder, nor anyone claiming through the Unitholder, has any claim against the Trustee and its related parties, officers, employees, consultants, advisers and agents in relation to acting on instructions received (authorised by the Unitholder or otherwise).

The Trustee may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.

11.7 Electronic Instructions

Unitholders can provide instructions on their account and investment to the Trustee by electronic communications via email. Fax is not accepted. In respect of electronic instructions, the Trustee will not accept an instruction unless it is accompanied by the scanned signature(s) of the Unitholder(s).

The Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not be responsible for any loss or delay that results from a transmission not being received by the Trustee and will only process electronic instructions received in full and signed by authorised signatories of the Unitholder.

Only instructions received from a Unitholder or a person authorised by the Unitholder will be accepted by the Trustee. Unitholders must comply with any security or verification procedures required by the Trustee from time to time.

The Trustee may refuse to act on any instruction until the validity of the instructions have been confirmed, and the Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not have any liability to the Unitholder or any other person for any consequences resulting from not acting on the instruction.

If a Unitholder chooses to provide electronic instructions, the Unitholder releases the Trustee and its related parties, officers, employees, consultants, advisers and agents from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any payment or action those parties make based on instructions (even if not genuine) that any of those parties receive and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Unitholder also agrees that neither the Unitholder, nor anyone claiming through the Unitholder, has any claim against the Trustee and its related parties, officers, employees, consultants, advisers and agents in relation to acting on instructions received (authorised by the Unitholder or otherwise).

Please be careful. There is a risk that fraudulent requests can be made by someone who has access to a Unitholder's account information.

The Trustee may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.

11.8 Trustee

Polar 993 is the trustee of the Fund and is an Australian proprietary limited company. The Trustee holds Australian Financial Services License numbered 525458 issued by ASIC, which authorises it to provide financial services. Polar 993 specialises in licensing, corporate trustee services and distribution. The asset classes covered by Polar 993's AFSL includes private equity, venture capital, property, credit, debt, equities, real estate and agriculture.

The Trustee is responsible for the operation of the Fund and has the power to delegate any of its duties that it may lawfully delegate in accordance with the Trust Deed. The responsibilities of the Trustee include:

- administering the issue, transfer and redemption of Units by Unitholders;
- Fund asset valuation and Unit pricing;
- managing investor applications and redemptions;
- calculation and distribution of Fund income;
- acquisition, disposal and management of Fund assets;
- monitoring service provider adherence to contracted service standards; and
- Unitholder reporting.

The Trustee may appoint agents to perform aspects of its role including custody, investment management, and Fund administration, and has appointed 993 Fund Services Pty Ltd as the Administrator of the Fund.

The Trustee has also appointed Ernst & Young Australia as the Fund's Auditor.

The Trustee may elect to retire on 90 Business Days' written notice to Unitholders (unless a shorter notice is agreed by Unitholders).

As discussed above, the Trustee is entitled to be indemnified in full out of the assets of the Fund's assets for any liability properly and reasonably incurred by it in the performance of its duties or powers in relation to the Fund.

Under the Investment Management Agreement, the Investment Manager indemnifies the Trustee for any liability reasonably incurred arising out of or in connection with the breach of the Investment Management Agreement by the Investment Manager or any negligence, fraud or dishonesty of the Investment Manager or its officers, employees, agents or contractors, except to the extent that the liability is caused by a breach of the Investment Management Agreement by the Trustee or by any fraud, dishonesty or gross negligence by the Trustee or any of its officers, employees or agents.

The Trustee is not bound to make any payments to Unitholders except out of the Fund or to be liable to Unitholders in excess of the assets of the Trust, to the fullest extent permitted by law.

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Trust Deed, ASIC policy and the law.

The Trustee may from time-to-time enter into transactions with related entities. All transactions will be effected at market rates or at no charge to the Fund.

11.9 The Investment Manager

The Trustee, on behalf of the Fund, has appointed the Investment Manager to provide investment management services to the Fund under an Investment Management Agreement. The main duties of the Investment Manager under the Investment Management Agreement are to:

- invest and manage the Trust assets in accordance with the Fund investment strategy and investment objective;
- undertake marketing and distribution of the Fund;
- manage portfolio risk; and
- service and exercise rights in respect of Trust assets.

The Investment Manager must provide a suite of monthly, quarterly and annual reporting to the Trustee that covers, amongst other things:

- details of all transactions executed by the Investment Manager;
- portfolio value and composition;
- derivative positions;
- total return calculations; and
- fees, income and accruals.

11.10 Fund Administrator

The Trustee on behalf of the Fund, has entered into an Administration Agreement with the Administrator. The Administrator is a related party of the Trustee. The Trustee has appointed the Administrator in consultation with, and with the agreement of the Investment Manager. The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Fund, subject to the overall supervision of the Trustee.

Under the Administration Agreement, the Administrator is responsible, under the overall supervision of the Trustee, for matters pertaining to the day-to-day administration of the Fund, namely:

- calculating Net Asset value of the Fund in accordance with the Fund's valuation policies and procedures;
- maintaining the Fund's financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Fund; and
- providing registrar and transfer agency services in connection with the issuance, transfer and redemption of Units.

The registrar and transfer agency services to be provided by the Administrator will include:

- verifying the identity of prospective investors in accordance with applicable anti-money laundering policies and procedures;
- maintaining the Fund's register of Unitholders;
- generally performing all actions related to the issuance, transfer and redemption of the Units;
- disseminating the Net Asset Value of the Units to Unitholders;
- furnishing annual financial statements, as well as Unitholder statements to Unitholders; and
- performing certain other administrative and clerical services in connection with the administration of the Fund as agreed between the Fund and the Administrator.

The Administrator may utilise the services of its affiliates in connection with the services provided by the Administrator to the Fund.

For the purposes of determining the Net Asset Value of the Fund and the Net Asset Value per Units of the Class, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out in Section 6 (*Unit Pricing*) of this Information Memorandum. In calculating the Net Asset Value of the Fund, the Administrator will, and will be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by independent third party pricing services. The Administrator may also use and rely on industry standard financial models or other financial models approved by the Trustee in pricing any of the Fund's securities or other assets. If and to the extent that the Trustee or the Investment Manager are responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator may accept, use and rely on the prices in determining the Net Asset Value of the Fund and will not be liable to the Fund as a result.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement.

The Administration Agreement is for an indefinite term; provided, however, that the Administration Agreement is subject to termination by the Administrator or by the Trustee upon ninety (90) days' written notice, or immediately in certain other circumstances specified in the Administration Agreement.

Under the Administration Agreement the Trustee in its capacity as trustee of the Fund has:

- agreed to indemnify and hold harmless the Administrator against any liability, actions, proceedings, claims, demands, costs or expenses in connection therewith which may be incurred by the Administrator or which may be made against the Administrator for the same sustained or suffered by any third party, except that the Administrator will not be indemnified against any liability to which it would be subject by reason of its gross negligence, fraud or wilful misconduct; and
- In the absence of gross negligence (as defined in the Administration Agreement), fraud or wilful misconduct in the performance of its duties under the Administration Agreement, the Administrator will not be liable to the Fund on account of anything done, omitted or suffered by the Administrator in good faith under the Administration Agreement in the performance of the services to be performed by the Administrator under the Administration Agreement.

The Administrator in no way acts as guarantor or offeror of the Fund's Units or any underlying investment, nor is it responsible for the actions of the Fund's sales agents, custodian(s), any other brokers or the Investment Manager.

The Administrator is not responsible for any trading decisions relating to the Fund (all of which will be made by the Investment Manager). The Administrator will not provide any investment advisory or management services to the Fund and therefore will not be in any way responsible for the Fund's performance. The Administration Agreement does not create any contractual rights against or reliance on the Administrator by any person not a party thereto including, without limitation, any Unitholder or counterparty appointed by the Fund. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and will not be liable for any breach thereof.

12. Risks

12.1 General

As with all investments, an investment in the Fund carries risk. Many of these risks can be managed but cannot be completely eliminated and may be outside of the control of the Trustee and/or the Investment Manager.

Before deciding whether to invest in the Fund, it is important to understand that:

- investment returns will vary and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that a Unitholder may lose some or all of the money invested; and
- laws affecting investment in a managed investment scheme may change over time.

The appropriate level of risk for a Unitholder will depend on the Unitholder's age, investment time frame, where and how other parts of the Unitholder's wealth are invested, and how comfortable the Unitholder is with the possibility of losing some of the Unitholder's money. It is important to note that investment decisions, although taken carefully are not always successful and further that investing in the Fund may give different results compared to investing directly.

The risks discussed below are not an exhaustive list. Prospective investors should read this Information Memorandum in full before deciding whether to invest in the Fund.

12.2 Capital Not Guaranteed

The return of capital invested in the Fund and income earned is not guaranteed.

12.3 Default and Credit Risk

This is the risk that a Borrower or Borrower's guarantor (where applicable) may not be able to meet their financial obligations. This may be for a wide range of reasons, including:

- a change in the individual financial or other circumstances of the Borrower; or
- a change in the economic climate generally that adversely affects all Borrowers.

Investments in the Fund do not guarantee a return of capital to Unitholders. During the life of a loan, factors outside the control of the Trustee and the Investment Manager, such as economic cycles, government policy, inflation and general business confidence, can affect a Borrower's ability to continue to service a loan, which in turn will impact the returns available to Unitholders.

Where a loan is not renewed, the return of invested capital may be delayed until the loan is either refinanced or repaid. Interest will be charged up to the time of repayment of the loan. The Trustee will seek to manage capital risk by applying lending policies, efficient collection and management systems, and the Fund's compliance processes and procedures as determined or approved by the Trustee. All investments will be subject to on-going review.

12.4 Documentation Risk

A deficiency in loan or security documentation could adversely affect the Investment Manager's ability to enforce the payment obligations of a borrower. This could negatively impact the return on and ability to recovery of a loan. The Investment Manager mitigates this risk by obtaining an external legal sign-off confirming that all loan and security documentation is in order prior to releasing funds to the borrower.

12.5 Security Risk

Debt securities are subject to the risk of an issuer's or a guarantor's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general liquidity.

Loans made by the Fund may be unsecured, although some loans will be supported by guarantees. This means that there will be no guarantee that losses can be recovered from the assets of a project. For example, if a Borrower defaults under a loan, the Fund may need to take enforcement action against the personal assets of the Borrower, or any director who has given a guarantee, to recover amounts owing under the loan.

Where loans made by the Fund are secured, there is a risk that the security will be inadequate to cover losses made by the Fund. In addition, there is also a risk that the security asset is damaged or destroyed and the insurance cover proves to be insufficient to cover the full amount invested in the loan.

12.6 Market Risk

This refers to a risk that negative movements in the overall money market and real estate market may impact on the capacity to recover fully the amount invested in these markets.

A downturn in the property market could adversely affect the value of a property or investment to which the Fund has exposure. For example, in respect of a loan made by the Fund or loan notes acquired by the Fund, if the Borrower is unable to realise a property for a favourable return, this may adversely affect its ability to repay the loan or the loan notes.

12.7 Due Diligence / Credit Assessment

The Investment Manager will seek to carry out appropriate due diligence on all investments. However, there is a risk that the Investment Manager may not identify all major risks or that services provided by third parties (for example, independent property valuers and legal counsel) will be inadequate.

Additionally, the security position or counterparty financial positions may worsen after due diligence was undertaken or during the loan term. This may lead to a reduced probability of full loan recovery.

12.8 Recovery

A borrower may default in paying interest or repayment of loan principal for a variety of reasons. In such circumstances the Investment Manager will rely on the value of collateral to recover the full amount of the loan balance and interest outstanding.

Changing real estate market conditions may negatively affect the value of the security and the recovery process may take longer and incur more cost than initially expected. Accordingly, the Investment Manager may not be able to recover the full amount of loan balance outstanding and/or interest due.

12.9 Valuation Risk

This is the risk that the valuation of a security or mortgage asset is inaccurate at the time of making the investment such that the amount realised from the investment is less than was expected. This is a particular risk with respect to the valuation of a security asset which proves to be inaccurate at the time of making a loan so that the amount realised on a forced sale is less than would have been expected had the valuation been correct.

There is also a risk that the valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the lender relies. In the event that the valuations obtained by purchasers to secure finance are below the purchase price, this may adversely impact their ability to settle.

12.10 Liquidity Risk

There is a risk that the investments made by the Fund, or the Fund itself, may become illiquid. This could have a detrimental effect on the value of the investments or may impact a Unitholder's ability or the timeframe in which the Unitholder may withdraw from the Fund.

12.11 Management

The degree of success of the Fund will depend on the expertise and experience of employees of the Investment Manager and the Trustee. There can be no assurance that employees will continue to be employed by the Investment Manager or the Trustee or will be dedicated to the activities of the Fund.

12.12 Operational Risk

Investment management risk exists in all managed funds.

The Investment Manager may fail to properly execute the strategy of the Fund or have inadequate systems and processes in place to monitor the investments or the Fund, or the Investment Manager may fail to manage accounting and distribution processes effectively. Departure of key personnel is always an inherent operational risk.

12.13 Investment Sourcing

Unitholders will rely on the ability of the Investment Manager to identify investment opportunities either itself or through its networks. No assurance can be given that the Investment Manager will be able to source suitable investment opportunities in which to deploy all of Fund's capital.

12.14 Fund Risk

These are risks specific to managed funds. These risks include that the Fund could terminate, the fees and expenses of the Fund could change, the Trustee may be replaced as trustee, and/or the Investment Manager may be replaced as the investment manager of the Fund.

12.15 Blind Pool

Unitholders are investing in a 'blind pool' of assets. The common risk associated with investing in a blind pool fund includes (but is not limited to):

- inability for potential investors to undertake their own due diligence on Fund investments;
- delay in securing investments (which is likely to negatively affect investment returns);
- investments may not achieve target returns, or deployment of capital can fall short of the target amount.

12.16 Passive Investment

Unitholders will not be able to control or participate in the management and day-to-day operations of the Fund including decisions regarding the making and disposition of investments or other decisions on behalf of the Fund. Accordingly, Unitholders must be willing to rely on the ability of the Investment Manager to manage the Fund and its investment judgment and management skills.

12.17 Limited Diversification

The Fund may at any time have only a limited number of investments and all investments will be in a similar asset class with similar risks in the event of a material systemic economic change.

12.18 Limited Information

Generally, Unitholders will not receive any financial information or other information provided to the Trustee by entities in which the Fund is or may become invested.

Unitholders will not have the opportunity to consider the type, location and terms of, and other information relevant to, investments of the Fund. However, persons who become Unitholders at a later stage may have more information regarding investments of the Fund than the other Unitholders.

12.19 Mandate Risk

The Investment Manager will be sourcing investments in accordance with the investment objectives and parameters. Unitholders will have no direct control over the investments to which the Fund will be exposed.

12.20 Absence of Recourse

The Trust Deed and this Information Memorandum limits the circumstances under which the Investment Manager and the Trustee and their respective officers, directors, partners, employees, shareholders, affiliates and other agents can be held liable to the Fund. As a result, Unitholders may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

12.21 Inter-Creditor Arrangements

An inter-creditor agreement is an agreement between two or more creditors agreeing in advance how their competing interests in their common borrower will be dealt with. An inter-creditor agreement usually determines the relative rights of multiple creditors and establishes priorities in payments in the event of a default or a breach by the borrower. In essence it establishes a set of pre-agreed rules regarding the various lien positions and the rights and liabilities of each creditor and its impact on the other creditors.

The specifics of an inter-creditor agreement will vary from transaction to transaction. For example, an inter-creditor agreement might provide that only the senior lender has the right to commence proceedings or take action in the event of default. Accordingly, the Fund's ability to take action on any default may be limited to the terms of the inter-creditors agreement. The Fund may at times not have the right to rectify defaults and take action against the borrower when the borrower is in default or breach as these will rights held by the senior lender who may exercise their rights, from time to time, to the detriment of the Fund.

12.22 Indemnity

The Fund will indemnify certain persons in respect of any claims, losses, liabilities, costs or expenses incurred in connection with the Fund (to the extent that it is not the result of negligence, wilful misconduct or fraud by the indemnified persons), which may result in a loss of capital for Unitholders.

12.23 Side Letters

The Trustee may in accordance with the Trust Deed enter into other written agreements (**Side Letters**) with one or more Unitholders without the consent or approval of any other Unitholders. These Side Letters may supplement the terms of the Trust Deed and this Information Memorandum, with respect to such Unitholders and may entitle a Unitholder to make an investment in the Fund on terms that vary from those described herein.

12.24 Service Provider Risk

The performance of the Fund's portfolio relies on the successful performance of the Trustee's contracts with external parties. The Fund could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Trustee would be successful in enforcing its contractual rights. In the case of a counterparty default, the Fund may also be exposed to adverse market movements while the Trustee sources replacement service providers.

12.25 Regulatory Risk

The value or tax treatment of the Fund or its investments, or the effectiveness of the Fund's investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws affecting managed investment schemes, or change in accounting policies or valuation methods.

12.26 Interest Rate Risk

Fluctuations in market interest rates may impact on a Unitholder's investment. For example, rising market interest rates may increase a variable loan borrower's interest costs, making it more difficult to make regular payments. Similarly, falling interest rates may lead a fixed rate borrower to repay the loan amount in order to refinance at a cheaper rate.

Although the Fund is not a bank or financial institution, the interest rate borrowers are willing to pay will be influenced by market interest rates. Changes in interest rates will have a positive or negative impact directly or indirectly on investment opportunities, returns and consequently the amount of income paid to Unitholders.

12.27 Regulatory Risk

The value or tax treatment of the Fund or its investments, or the effectiveness of the Fund's investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws affecting managed investment schemes, or change in accounting policies or valuation methods.

12.28 Conflict of Interest

The Trustee, the Investment Manager and their respective associates may encounter conflicts of interest in connection with the activities of the Fund. For example, the Fund may invest in existing positions related to an Investment Committee member. By investing in the Fund, each Unitholder will be deemed to have consented to any such conflicts of interest and other rights of the Trustee and/or the Investment Manager. Further, Unitholders waive any claim regarding any liability of the Trustee and/or the Investment Manager and their respective associates in connection with any such conflicts of interest, to the extent permit by law.

12.29 Forward Looking Statement

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates in this Information Memorandum are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Trustee or the Investment Manager.

12.30 Reliance on Past Performance

The past performance of the Investment Manager or their staff is not necessarily indicative of future performance. There can be no assurance that the investment objectives of the Fund will be achieved.

12.31 Performance Fee

The Investment Manager's entitlement to a performance fee may create an incentive for the Investment Manager to make riskier or more speculative investments than would be the case absent such performance fee. The Hurdle Rate will impact the calculation of Performance Fees. The Hurdle Rate can be varied by the Investment Manager at any time. If the Investment Manager elects to decrease the Hurdle Rate it will reduce the return that investors may receive from the Fund. Investor must note and understand that there is no restriction or limit on how the Investment Manager may vary or set the Hurdle Rate.

12.32 Compulsory Withdrawal

Unitholders may have their Units compulsorily withdrawn from the Fund in accordance with the Trust Deed including in circumstances where the Unitholder is in breach of the Trust Deed or made a misrepresentation in acquiring their units.

12.33 Limited Diversification

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to a Unitholder's personal information because of a threat or failure to protect the information or personal data stored within the Investment Manager's or the Trustee's IT systems and networks or our service.

12.34 Cyber Risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to a Unitholder's personal information because of a threat or failure to protect the information or personal data stored within the Investment Manager's or the Trustee's IT systems and networks or our service.

13. Directory

In this Information Memorandum, unless the context otherwise requires:

ABN	means Australian Business Number.
Administration Agreement	means the agreement entered into between the Trustee and the Administration in respect of the provision of fund administrative services.
Administrator	means 993 Fund Services Pty Ltd (ACN 665 089 421).
AFSL	means Australian financial services licence.
AIIR	means the Annual Investment Income Report required to be lodged with the ATO.
AMIT	means an attribution managed investment trust.
AML/CTF Law	means the <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth) and the <i>Anti-Money Laundering and Counter Terrorism Financing Rules Instrument 2007</i> (No. 1).
Application Form	means an application form for interests in the Fund.
ASIC	means the Australian Securities and Investments Commission.
ASX	means the Australian Stock Exchange.
ATO	means the Australian Taxation Office.
Auditor	means Ernst & Young Australia Limited.
AUSTRAC	means the Australian Transaction Reports and Analysis Centre.
Borrower	means an entity that has been approved by the Investment Manager and Trustee to become a borrower of the Fund primarily for the purposes of business or investment use.
CGT	means Capital Gains Tax.
Business Day	means any day excluding a Saturday, Sunday or a day which is a public holiday in Melbourne.
Commencement Date	means the date on which the first Units are issued.
Commitment	means, in respect of a Unitholder, the total amount of capital committed by the Unitholder in an Application Form and which is accepted by the Trustee.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Credit Policy	means the Investment Manager's internal credit policy.
Distributable Income	means the net income of the Fund available for distribution to Unitholders and calculated in accordance with clause 22.3 of the Trust Deed.

Distribution Calculation Date	means the last day of each calendar month or any other dates the Trustee nominates.
Establishment Fee	has the meaning given to it in Section 10.5 (<i>Investment Manager's Additional Fees</i>).
Fund	means the Tyalla Capital Private Credit Mortgage Fund.
Hurdle Rate	means the Performance Margin above the RBA Cash Rate, calculated monthly.
Information Memorandum	means this information memorandum in respect of the issue of interests in the Fund.
Investment Management Agreement	means the agreement entered into by the Trustee and the Investment Manager in respect of the provision of investment management services.
Investment Manager	means Tyalla Capital Private Credit Management Pty Ltd (ACN 674 222 970) (Corporate Authorised Representative No. 001307711).
IRR or Internal Rate of Return	means, at any date, the discount rate (accruing daily and compounding annually), expressed as an annual percentage, which when applied to cash flows and distributions in specie results in a net present value of zero as at the date of calculation.
IRS	means the US Internal Revenue Service.
Issue Date	has the meaning given to it in Section 5.4(b) (<i>Issue of Units and Issue Price</i>).
Issue Price	means the price at which a Unit is created and issued, calculated in accordance with the Trust Deed.
MIT	means a managed investment trust.
Net Asset Value	means assets less the liabilities of the Fund.
OECD	means the Organisation for Economic Co-operation and Development.
Performance Margin	means 4.00% per annum, or such other percentage as determined by the Investment Manager.
RBA Cash Rate	means the 'Target Cash Rate' set by the Reserve Bank's Board at each Board meeting.
Redemption Day	has the meaning given to it in Section 7.1 (<i>Redemptions</i>).
Redemption Request	has the meaning given to it in Section 7.1 (<i>Redemptions</i>).
Retail Client	has the meaning given in section 761G (Meaning of retail client and wholesale client) of the Corporations Act.
Securities Act	means the US Securities Act of 1933.
Side Letters	has the meaning given to it in Section 12.23 (<i>Side Letters</i>).
SME	means small and medium sized entities.

Special Resolution	means a resolution passed by at least 75% of the votes cast by Unitholders entitled to vote on the resolution.
Subscription Day	means the first Business Day of each month, or such other day as the Trustee determines.
Sub-Trust Entity	has the meaning given to it in Section 3.4 (<i>Fund Structure</i>).
Suspension Period	where the Trustee and the Investment Manager determines that it is in best interest of Unitholders and as otherwise provided for in the Trust Deed, the Trustee is permitted to suspend withdrawals for a reasonable period.
TAP	means taxable Australian property.
TFN	means Tax File Number.
TOFA regime	means the taxation of financial arrangements regime.
Trust Deed	means the deed of trust establishing the Tyalla Capital Private Credit Mortgage Fund dated 27 May 2024, as amended or replaced from time to time.
Trustee	means Polar 993 Limited (ACN 642 129 226) (AFSL 525458).
Tyalla Capital	means Tyalla Capital Private Credit Management Pty Ltd (ACN 674 222 970) (Corporate Authorised Representative No. 001307711).
Unit	means a unit in the Fund of any class, giving its holder an entitlement to a share of the capital and income of the Fund (or a class in the Fund).
Unitholder	means the holder of a Unit of any class in the Fund.
US	means the United States of America.
Valuation Day	has the meaning given to it in Section 6.1 (<i>Unit Pricing</i>).
Valuation Day	has the meaning given to it in Section 6.1 (<i>Unit Pricing</i>).
Valuation Policy	has the meaning given to it in Section 6.2 (Valuation Policy).

Directory

Investment Manager		<p>Tyalla Capital Private Credit Management Pty Ltd Level 3, 505 Toorak Road Toorak, Victoria 3142</p> <p>Website: www.tyallacapital.com.au</p> <p>Email: albert@tyallacapital.com.au</p>
Trustee		<p>Polar 993 Limited Level 5, 476 St Kilda Road Melbourne, Victoria 3004</p> <p>Website: www.polar993.com</p> <p>Email: compliance@polar993.com</p>
Administrator		<p>993 Fund Services Pty Ltd Level 5, 476 St Kilda Road Melbourne, Victoria 3004</p> <p>Website: www.polar993.com</p> <p>Email: TyallaIR@polar993.com</p>
Legal Adviser		<p>Arnold Bloch Leibler Level 21, 333 Collins Street Melbourne, Victoria 3000</p>
Auditors		<p>Ernst & Young Australia Limited 200 George St, Sydney, NSW 2000, Australia</p> <p>Website: http://www.ey.com</p>

14. How to Apply

14.1 Application Form

Applications for Units may be made online at <https://www.registrydirect.com.au/offer/Tyalla-Private-Credit/> or by completing the Application Form attached to or accompanying this Information Memorandum.

The Application Form should be completed in accordance with its instructions. Prospective investors will need to provide the required customer identification documentation described in the Application Form.

Detailed information on how to invest in the Fund is contained in Section 5 of the Information Memorandum.

If a hard copy Application Form is completed, please forward the completed sections and the required certified identification evidence to the Administrator using the following details:

Attention: 993 Fund Services Pty Ltd
Level 5, 476 St Kilda Road
Melbourne, Victoria 3004

Email: TyallaIR@polar993.com

Phone: +61 3 9507 2544

You must pay your application money by electronic transfer to the following bank account:

Applications Account

Account Name:	Polar 993 Limited atf Tyalla Capital Private Credit Mortgage Fund
Bank:	ANZ
BSB:	012-003
Account number:	8386-20684

Please always phone your Tyalla Capital Relationship Manager to confirm bank details prior to making a deposit.

14.2 How Do You Qualify As A Wholesale Client

If you are applying for Units in the Fund having an overall price or value of \$500,000 or more, you will be automatically deemed a Wholesale Client for the purposes of the Corporations Act and no additional documentation is required.

If you are a prospective investor seeking to invest less than \$500,000, additional documentation will be required to certify that you are a Wholesale Client. This additional information must be:

1. An accountant's certificate of not more than 6 months old certifying that the proposed Unitholder, including a trustee of a self-managed superannuation fund but not any other type of superannuation fund) has or controls:
 - net assets of at least A \$2.5 million; or
 - gross income for each of the last two financial years of at least \$250,000; or
2. A statutory declaration that the proposed Unitholder:
 - is an entity controlled by a person with such an accountant's certificate;
 - is a trustee of a superannuation fund (either being a self-managed superannuation fund or any other type of superannuation fund) within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth) with net assets of at least \$10 million;
 - controls at least \$10 million (including any amount held by an associate or under a trust that the investing entity manages);
 - is a business (being a manufacturer and employs 100 or more people, or not being a manufacturer and employs 20 or more people) which acquires the Units for use in connection with its business;
 - holds an Australian Financial Services Licence; or
 - is a 'professional investor' as otherwise defined in the Corporations Act.

Please contact the Trustee if you need us to assist you in providing the appropriate documentation to certify that you are a Wholesale client.

14.3 If You Have Any Questions

If you have any queries with completing the Application Form please contact the Administrator or the Investment Manager using the contact details set out in Section 14 (**Directory**) of the Information Memorandum.

If you have any questions about any other matter relating to the Fund, please contact the Investment Manager.



Tyalla Capital Pty Ltd Advisory Board Directors, June 2024.