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# Alpha Vista Dynamic Equity Fund

## Information Memorandum

APIR Code: QWF5685AU

Date issued 1 January 2025.

### INVESTMENT MANAGER

Alpha Vista Investment Managers Pty Limited

ABN 15 646 453 581 CAR No. 1289007 of

Quay Wholesale Fund Services Pty Ltd ABN 55 647 044 602, AFSL No. 528526

### TRUSTEE

Quay Wholesale Fund Services Pty Ltd

ABN 55 647 044 602, AFSL No. 528526

## Important Information

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This is the Information Memorandum ('IM') for Units in the Alpha Vista Dynamic Equity Fund (the 'Fund') was issued on 1 January 2025. This IM has been prepared and issued by Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL 528526) in its capacity as the Trustee of the Fund (referred to in this IM as the 'Trustee', 'Quay', 'us' or 'we').

This IM is for an offer of Units in the Fund (the 'Offer') to Investors who qualify as Wholesale Clients ('Wholesale Clients') under s761G of the Corporations Act or to any other person who is not required to be given a regulated disclosure document under the Corporations Act (the 'Act'). This IM will not be lodged with ASIC. It is not a product disclosure statement or other disclosure document within the meaning of the Corporations Act.

The purpose of this IM is to provide information for prospective investors to decide whether they wish to invest in the Fund. The IM is not a recommendation to invest in the Fund and may not include all of the information that an Investor needs to make an investment decision. Accordingly, Investors should make their own enquiries and obtain professional legal, financial, tax and accounting advice before making an investment decision for the Fund. An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. Investors should read carefully the risks for to the Fund described on page 7.

The Trustee has appointed Alpha Vista Investment Managers Pty Limited (ABN 15 646 453 581) ('Investment Manager' or 'Alpha Vista') as the investment manager of the Fund under the Investment Management Agreement. The Investment Manager is a corporate authorised representative (CAR No. 1289007) of Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No. 528526) and is authorised to provide advisory and dealing in connection with the Fund to wholesale clients only.

None of the Trustee, Investment Manager, or their respective parties, officers, employees, advisers, agents or service providers give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM, nor do they, to the maximum extent permitted by law, accept any liability to any person, for reliance on information contained in this IM.

### Fund not registered

The Fund, at the date of this IM, is not required to be, and is not registered as, a managed investment scheme under section 601ED of the Corporations Act.

### Offer made to Australian Wholesale Clients

The Offer may be made available to select persons in other jurisdictions at the Trustee's discretion, provided the Offer is in accordance with laws in those jurisdictions. Neither the Trustee or any of its officers, associates, employees, agents or service providers, represent that this IM may be lawfully offered, in compliance with any applicable legislation in any jurisdiction outside of Australia or assumes any responsibility for facilitating a distribution or offer outside of Australia.

Prospective investors should inform themselves about 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.

Wholesale investor risks can be found under 'General Risks' section.

### No guarantee

Neither the Trustee, the Investment Manager, or their respective parties, officers, employees, advisers, agents or service providers, guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund, generally.

### Updates

Except for this Important Information section, information in this IM concerning the Fund is subject to change. The IM including any updates is available on our website at [www.quayfund.com.au](http://www.quayfund.com.au).

If there is a material change in the information in this IM, the Trustee will replace this IM or issue a supplementary IM.

Otherwise although there is no obligation to advise Investors of any error or change to the information in this IM, where we consider it appropriate we will notify you in writing of any changes.

### Other Information

Unless otherwise stated, all fees and expenses quoted in the IM exclude GST. All amounts are in Australian dollars and all references to legislation are to Australian law, unless specified in either case.

Definitions for important terms used in this IM can be found in the Dictionary on page 17.

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## Fund at a glance

### About the Fund

<b>Name of Fund</b>	Alpha Vista Dynamic Equity Fund
<b>Trustee and Custodian</b>	Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL 528526)
<b>Investment Manager</b>	Alpha Vista Investment Managers Pty Limited (ABN 15 646 453 581)
<b>Administrator</b>	Ascent Fund Services (Australia) Pty Ltd (ABN 69 649 470 253)
<b>Investment philosophy</b>	Alpha Vista believes that a combination of big data, non-statistical mathematical algorithms and AI, delivered systematically via its technology platform, will generate insights that can be adapted into a suite of investment solutions that improve portfolio resilience and lead to better outcomes for clients.
<b>Benchmark</b>	S&P 500 Total Return Index (AUD Hedged).
<b>Investment objective</b>	To achieve relative outperformance in investment returns over the medium to long term by capitalising on equity market upswings. Additionally, the Fund aims to limit portfolio drawdowns during periods of market stress, providing genuine diversification to existing portfolios or managers.
<b>Investments<sup>1</sup></b>	<p>The Fund implements its objective by employing a systematic Long/Short equity strategy using global equity index futures, options, and swaps, and volatility futures, options and swaps. The Fund will leverage Alpha Vista's AI-driven, real-time regime change signalling to capitalise on trends in the equity market.</p> <p>The Fund will initially focus on the S&amp;P 500 futures and VIX markets and aim to mitigate investment risks by adapting to changing market conditions and utilising derivatives for effective Portfolio management.</p>
<b>Minimum investment<sup>2</sup></b>	The initial minimum investment amount is \$20,000, with additional investment amounts of \$5,000.
<b>Investing</b>	Daily for each Business Day
<b>Unit Valuation</b>	The Issue Price applying for an application or the Redemption Price for a Redemption Request, where received by 2pm on a Business Day and accepted by the Trustee, will be price calculated at the end of the Business Day.
<b>Access to funds<sup>2</sup></b>	The minimum redemption amount is \$5,000. Investors may redeem some or all of their Units on by sending a Redemption Request in the proper form to Quay. Redemptions are paid to the Investor's nominated bank account. Correctly completed Redemption Requests that are received by 2pm on a Business Day and accepted by the Trustee will receive the Redemption Price calculated at the end of the Business Day.
<b>Distributions</b>	Distributions are paid annually and will be automatically reinvested unless the Investor notifies the Trustee Distributions should be paid to their nominated account.
<b>Fund Valuation</b>	The Fund is valued each Business Day based on the Net Asset Value of the Fund calculated for the relevant Business Day.
<b>Management fee<sup>3</sup></b>	The Investment Manager is entitled to a management fee of 1% per annum of the Net Asset Value of the Fund. The management fee is calculated and accrued daily and is paid on the last Valuation Date of each month.
<b>Performance fee</b>	The Investment Manager is entitled to a performance fee. The performance fee is 15% per annum of the amount by which the Net Asset Value of the Fund exceeds the High-Water Mark after surpassing the Benchmark performance. The performance fee is calculated and accrued daily based on the Net Asset Value (before performance fee) of the Fund and is crystallised and paid on a quarterly basis.
<b>Fund expenses</b>	Ordinary expenses for the Fund such as trustee, custody, administration, legal and audit fees and other ordinary expenses for the establishment and operation of the Fund will be reimbursed from the Fund. We may also recover from the Fund abnormal expenses (such as the costs of Unit Holders' meetings, legal advice/ proceedings, and other irregular expenses).
<b>Buy/Sell Spread</b>	Buy 0.2% / Sell 0.2%
<b>Investment time frame</b>	The minimum suggested timeframe for the Fund is 3-5 years.

1. The actual allocation to all asset classes may vary from time to time and also whilst the Fund is being established or due to market conditions.
2. The Trustee may alter or waive the minimum amounts specified at any time without prior notice on the recommendation of the Investment Manager. All amounts are in AUD.
3. All numbers exclusive of GST.

## About Alpha Vista and Main Service Providers

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### Quay Wholesale Fund Services (Trustee and Custodian) (Quay)

Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL 528526) is the Trustee of the Fund.

Quay is a boutique firm whose principals have extensive experience in Responsible Entity and Trustee services.

The responsibilities and obligations of Quay as Trustee of the Fund are governed by the Trust Deed, as well as by general trust law. The Trustee has the power to delegate certain of its powers and duties to service providers as described below.

### Ascent Fund Services (Australia) Pty Ltd (Administrator)

The Trustee has appointed Ascent Fund Services (Australia) Pty Ltd (ABN 69 649 470 253) ('**Ascent**') as the Administrator of the Fund. Ascent is an independent global fund administrator dedicated to providing customised solutions to a wide range of asset managers, capital markets, family offices, Investors private clients.

The Administrator performs certain administrative, accounting and Investor registry services for the Fund under the Administration Agreement between it and the Trustee, subject to the supervision of the Trustee. This includes the issue and redemption of Units, maintenance of the Fund's register of Investors, determining the Net Asset Value and unit prices under the Fund's valuation policies, and maintaining the Fund's financial books and records and Distributions. Under the Administration Agreement, the Administrator is required to exercise reasonable care in performing its duties but is not liable for any loss of the Fund for performance of its obligations except as noted below.

The Fund indemnifies the Administrator from all liabilities, damages, costs, claims and expenses arising under the Administration Agreement. This release and indemnity does not apply to the Administrator's own negligence, wilful misconduct, fraud or material breach.

### Alpha Vista Fund Services (Investment Manager) (Alpha Vista)

Alpha Vista Investment Managers Pty Limited (ABN 15 646 453 581) has been appointed by the Trustee as the Investment Manager of the Fund and is responsible for managing the Fund's assets.

Alpha Vista is an investment manager that is majority owned by its founders, directors and staff. The Investment Manager's investment insights are developed by applying their technology-enabled real-time analytical processes across large granular datasets to develop information-rich signals for alpha-generating and risk-mitigating investment solutions.

Alpha Vista prides itself in its relentless pursuit of innovation through a distinct, symbiotic culture and the shared vision of the Investment Manager's diverse and skilled team of data scientists, quantitative researchers, IT engineers and investment managers.

Alpha Vista has a unique investment approach in the Australian market, applying rigorous scientific research and quantitative analysis to global capital markets based on proprietary systems carefully and rigorously developed by Alpha Vista.

Alpha Vista has always understood that financial markets are dynamic and complex – as a result, Alpha Vista utilises its data and proprietary technology platform to analyse market risks in real time to generate alpha and improve Portfolio resilience.

#### **Manesh Nathoo**

Manesh Nathoo is the Founder of Alpha Vista and the CIO.

He brings over 25 years of global business experience including 15 years within asset consulting with a focus on developing bespoke data analytics, risk analytics and financial models that encompass quantitative, fundamental and technical analysis approaches for alpha generation and risk management.

Prior to founding Alpha Vista, he worked across numerous global bespoke analytics platforms, developing internationally acclaimed analytic suites and systems.

#### **Stephen Goode**

Stephen is the Senior Portfolio Manager and Portfolio Strategy.

He brings over 30 years of professional experience in the investment and securities industry.

Prior to Alpha Vista, he founded TGM and has overseen all aspects of the business including investments and operations. He has considerable experience in risk management particularly for currency and derivative overlays, performance measurement and product development.

# About the Fund

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## Fund Overview

The Fund is a wholesale fund, or an unregistered managed investment scheme structured as a unit trust. In this structure, money invested in the scheme by all Investors is pooled and used to buy investments, which are managed on behalf of all Investors by the Investment Manager. The Trustee has day to day control over the operation of the Fund.

By investing in the Fund, Investors access Alpha Vista's specialist knowledge and unique AI-driven, real-time, and market change signalling framework.

Transaction and other costs incurred by the Fund in buying and selling Securities are likely to be reduced due to the Investment Manager's expertise in operating in Securities markets, rather than Investors' investing on their own behalf.

## Investment Objective

The investment objective of the Fund is to achieve relative outperformance in investment returns over the medium to long term by capitalising on equity market upswings. Additionally, the Fund aims to limit portfolio drawdowns during periods of market stress, providing genuine diversification to existing portfolios or managers.

## Investment Philosophy

The Investment Manager's investment philosophy of the Fund is based on the belief that financial markets are complex, dynamic and exhibit self-reinforcing behaviour which manifests through feedback loops (systems that depict feedback loop characteristics are typically chaotic in nature).

Alpha Vista believes chaotic systems within financial markets can be understood if underlying patterns of behaviour, which are inherent in the data, can be discovered.

Once discovered, pattern recognition enables the definition of regime states associated with market biases. Alpha Vista believes the combination of data science, AI-based analytics and distributed computation technology is how complex chaotic systems can be analysed in real-time to identify opportunities for alpha generation and risk mitigation for its Investors.

## Investment Universe

The Fund's investment universe comprises global developed and emerging market exchange-traded futures, forwards, options and swaps across currencies, equities, and alternative markets (credit and volatility). This investment universe may change with market conditions and the evolution of these Instruments without any notice to you.

Generally, these derivative instruments may include, but are not limited to, global equity index futures, options, and swaps, volatility futures, options, and swaps, currency instruments (foreign exchange spot transactions, currency futures, and forwards).

## Investment Strategy

The Fund will employ a systematic Long/Short equity strategy using global equity index futures, options, and volatility futures and options. The Fund will leverage Alpha Vista's AI-driven, real-time regime change signalling to capitalise on market trends.

The Fund will initially focus on the S&P 500 futures and VIX markets and will aim to mitigate investment risks by adapting to changing market conditions and derivatives for effective Portfolio management.

## Portfolio Construction

The Fund implements its objective by focusing on the S&P 500 futures and VIX markets and utilising Alpha Vista's AI driven, real time regime changes signalling to capitalise on trends in the equity market.

The Fund will invest in derivatives. The Fund will typically create an effective exposure that will lie between -50% and +150% of the Fund's NAV.

## Gearing

The Fund may be geared at up to 150% of the NAV.

## Cash Policies

Cash levels will be actively managed and can range from 0 - 100% of the Portfolio.

As implementation will be via derivatives, the Fund will predominately be held in cash to cover any initial and variation margins on the futures position and for funding of any volatility transactions.

## Derivatives and Foreign Exchange contracts

The Fund will typically limit its exposure to derivatives between -50% and 150% of the NAV of the Fund.

The Fund will generally use derivatives to generate a quicker or more efficient exposure to achieve the Fund's investment objective.

Whilst the Investment Manager does not intend to hedge the currency exposure of the Fund, it may undertake active currency hedging from time to time.

# Managing Risk

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All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy.

The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Trustee does not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed, and you may lose money by investing in the Fund. The level of returns will vary, and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

## Key Risks

Some of the things that may cause the Fund's value to move up or down are summarised below. These risks are not exhaustive.

### Investment return risk

Past performance is no guarantee of future performance. As Alpha Vista is an active manager, there is a risk the Fund may underperform compared with its investment objective or with the market.

### Market risk

Returns of the Fund will be affected by the performance of investments chosen for the Fund, which may in turn, be affected by the performance of investment markets generally. This risk, includes demand and supply in these markets and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, pandemic outbreaks, environmental and technological issues, and consumer demand.

### Liquidity risk

Some investments may not be easily converted into cash without loss of capital or minimum delay, due to insufficient buyers, suspension of trading of markets or of the entity involved, Fund outflows, or disruptions in the marketplace.

### Currency risk

Where underlying investments are invested in jurisdictions outside of Australia, returns may be affected by movements between the other currencies and the Australian dollar.

### Counterparty risk

Counterparty risk arises when the other party to a derivatives contract, lending arrangement, or currency hedging agreement fails to fulfill their obligations, potentially causing a loss to the Fund. Additionally, a counterparty may require collateral from the Fund's assets to support a derivatives contract. This introduces the risk that if the counterparty becomes insolvent, the Fund may not recover its assets in full, leading to potential financial losses.

### Derivative risk

A derivative contract typically involves leverage, providing exposure to potential gains or losses that exceed the initial investment. Consequently, adverse price movements can result in amplified losses. The use of derivatives can lead to higher gains or losses than a portfolio that does not use derivatives, as they may involve gearing, where the liability for a loss from a change in price of a security, currency, or index exceeds the initial cash or assets required.

Losses can also occur from adverse movements in underlying assets or costly reversals of derivatives, and these transactions involve significant costs. The successful use of forward and futures contracts is subject to risks such as imperfect correlation with underlying assets, lack of liquidity, unanticipated market movements, and counterparty default. If the Fund lacks sufficient cash, it may need to sell securities at disadvantageous times to meet margin requirements.

### Forward and Futures Contract risk

The use of forward and futures contracts relies on the manager's expertise and involves specific risks, including imperfect correlation with underlying assets, potential lack of liquidity, and significant losses from unanticipated market movements. Counterparty default and the need to sell securities at disadvantageous times to meet margin requirements are additional risks.

### Swap Agreements risk

Swap agreements can increase or decrease the Fund's exposure to various market factors, potentially increasing portfolio volatility. These agreements carry the risk of counterparty default and the potential decline in value if the counterparty's creditworthiness deteriorates. The Fund must be prepared to make payments when due, which can lead to losses if unprepared.

### Options risk

The use of options involves significant risks. The seller of a covered put option risks an increase in the market price of the underlying security, while the seller of an uncovered put option risks a decline in the market price.

The buyer of a put option risks losing the entire purchase cost of the investment. These transactions also involve significant costs and potential losses from market price increases.

## Managing Risk *continued*

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### Hedging risk

There is the risk that forward currency contracts used for currency hedging for the Fund are unable to eliminate the impact of currency fluctuations. Furthermore, unrealised gains or losses from currency hedging may result in the Fund having an aggregate exposure that are more than or less than the NAV of the Fund in extreme circumstances.

### Leverage risk

The Fund may leverage the Portfolio, including through the use of derivatives or short selling. The risk associated with leverage, is that it increases the gross exposure of the Fund which may have the effect of magnifying both the profits and losses of the Fund. Returns from leveraged investments are generally more volatile than returns from unleveraged investments.

### Short selling risk

The Fund may engage in short selling of Fund assets. Short selling can involve a higher level of risk as there is no limit as to how much the price of an investment may appreciate. A short sale involves the risk of a theoretically unlimited increase in the price of the particular investment sold short, which could result in the inability of the Fund to cover the short position.

### Index risk

If there is a significant change regarding the Index, such as if the Index provider substantially changes the Index, or the Index licence agreement is terminated or the Index provider changes the rules used to calculate the Index, the Fund may be impacted. There is also a risk that inaccurate or incomplete data from index providers will cause the Fund to fail to meet its objective, either by reducing returns, or by exposure to unintended constituents of the relevant Index.

### Model risk

The Fund's investment strategy is implemented through use of proprietary data and technology of the Investment Manager that has a strong emphasis on empirical research of historical data. If a market deviates from its accustomed response to an event or the event itself is unusual, extreme or never before experienced by the market, the value of a research-based methodology may less.

### Other General Risks

#### Wholesale Investor risk

Wholesale investing, while offering access to exclusive opportunities and potentially higher returns, comes with significant risks. These investments are generally more volatile and complex, requiring a higher level of expertise to manage effectively. Wholesale investors face greater exposure to financial losses due to the nature of the investment vehicles involved and have less regulatory protection compared to retail investors, increasing their vulnerability to market misconduct and fraud. Liquidity risk is another concern, as many wholesale investments are not easily converted to cash, potentially leading to difficulties in exiting positions without incurring substantial losses.

#### Complex Instruments risk

The Fund will have either direct or indirect exposure to complex Instruments. These Instruments may be used to manage foreign exchange risk, generate investment returns, or offset other investment risks. However, their complexity and potential for significant leverage can lead to large losses relative to the money invested. These Instruments may not successfully hedge all risk exposures, and their costs can reduce returns. Additionally, the use of such Instruments involves risks such as imperfect correlation with underlying assets, lack of liquidity, unanticipated market movements, and counterparty default.

#### Service provider risk

You could be adversely affected if any of the various parties involved in the operation of the Fund fail to perform their obligations. This could impact your returns or the ability to withdraw your investment. All key service providers are actively monitored regarding their performance.

#### Operational risk

This is the risk of technological or process failure or impacts from the wider financial markets in general. This could impact your returns or the ability to withdraw your funds.

#### Investment Manager risk

The Fund's performance is not guaranteed, and many factors, like key staff loss or market movements, can negatively impact returns. Increased assets in similar strategies may reduce liquidity and increase loss risks. The Investment Manager may also change strategies and guidelines, with no assurance of positive outcomes.



## Managing Risk *continued*

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### Model risk

The Investment Manager's strategy uses a proprietary, data-driven modelling platform focused on empirical research. If markets deviate from expected responses or face unprecedented events, the effectiveness of this

methodology may diminish. Mathematical models, while useful, can be incomplete or flawed, leading to inaccurate predictions. Consequently, the Investment Manager's approach may fail to identify profitable opportunities or result in losses, adversely affecting the Fund's performance

### Regulatory and tax risk

Fund performance may be affected by regulatory changes and changes to tax legislation in Australia or other jurisdictions which could impact the value of your investment in the Fund.

### Redemption risk

The risk the Fund cannot make redemption payments on time, caused by a possible mismatch between the liquidity profile of the investments and the amount required to meet redemptions. The Fund has the right to defer redemptions if it is believed the realisation of assets to meet a redemption is not practicable, would be materially prejudicial to Investors, or is not desirable for the protection of the Fund's NAV.

### Technology risk

This is the risk that the Fund relies on a platform and process which is highly technology dependent. If the platform was down for some reason, for example a technical glitch, bug, cyber security, or other outage that causes systems and data feeds to fail, the Fund may suffer losses.

### Cyber risk

There is a risk of fraud, data loss, business disruption or damage to information of the Fund or to an Investor's personal information due to a threat or failure to protect the information or personal data stored within the IT systems and networks of the Trustee or other service providers.

## Investing in the Fund

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The minimum initial application in the Fund is \$20,000 with additional investments of \$5,000. The Trustee may waive or increase the minimum application amount and additional investment amounts at its discretion on the recommendation of the Investment Manager.

### Making an Application

To invest, please complete and sign the Application Form accompanying this IM.

The completed Application Form, together with the required AML/KYC documents, can be emailed to the Administrator at [AlphaVistaDefTA@ascentgfs.com](mailto:AlphaVistaDefTA@ascentgfs.com).

Correctly completed Application Forms accompanied by cleared funds, must be received by the Administrator before 2 pm on a Business Day. The Trustee may accept applications more frequently at its discretion.

While originals are generally not required – the Administrator may, in its absolute discretion, request the original “wet ink” signed documents or any additional AML/KYC documents.

Neither the Fund, the Trustee or the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Application Form sent by email or for any loss caused for any action taken as a consequence of an email believed in good faith to have originated from properly authorised persons.

### Investment Method

Your initial investment amount may be made by Electronic Funds Transfer or Direct Deposit to the application account details provided in the Application Form.

Please note the application cannot be processed until cleared funds are received. Cash cannot be accepted.

Under the AML/CTF Act, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all necessary information has been provided. As a result, delays in processing your application may occur.

The Trustee reserves the right to refuse any application without giving a reason. If for any reason the Trustee refuses or is unable to process your application to invest in the Fund, the Trustee will return your application money to you, less any bank fees in connection with the application. Interest does not apply to application money.

### Issue Price

The Issue Price is determined by dividing the Net Asset Value of the Fund for the Valuation Date by the number of Units on issue. (The Valuation Date is the end of the Business Day on which the application is received and accepted by the Trustee).

The Trustee may make an allowance in the Issue Price for the transaction costs required for buying investments relating to the application which is known as the Buy Spread. At the date of this IM, the Buy Spread is 0.2%. Refer to ‘Fees and other costs’ on page 12 for additional information on the Sell Spread.

Units will generally be issued on the Business Day following the Business Day on which an application is received. Contracts notes for units issued will generally be issued within 5 business days.

### Valuation of the Fund

The first Units will be issued at \$1.00. From then on, the Unit Price fluctuates with changes in the Net Asset Value.

Investments usually are valued at the closing price on the market on which they are listed. The exchange rate used to value any foreign investments will be the London 4pm rates.

Any income entitlement or cash held for the Fund and any amount of GST recoverable by the Fund from the ATO are also included in the value of the Fund’s assets and used to calculate the value of Units.

The Fund will be valued each Business Day.

### Classes of Units

Under the Trust Deed we may issue additional classes of Units. Currently, there is one class of Units in the Fund.

# Redeeming from the Fund

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## Making a Redemption

Investors may redeem Units by sending a Redemption Request to the Trustee in the form required by the Trustee. The Redemption Request should be sent to the Administrator by email to [AlphaVistaDefTA@ascentqfs.com](mailto:AlphaVistaDefTA@ascentqfs.com).

Redemption requests must be signed by authorised signatories and for companies, by at least 2 directors (unless a sole director company).

## Access to funds

Unless the Fund is illiquid, the Trustee will generally allow Investors to access their investment at the end of a Business Day.

Units will generally be redeemed on the Business Day following the Business Day on which a Redemption Request is received.

However, the Trust Deed allows the Trustee to delay making payments for a Redemption Request in unusual circumstances, such as when the Trustee is unable to satisfy a Redemption Request due to suspended trading in the market.

The Trustee will refuse to comply with any Redemption Request if the requesting party does not satisfactorily identify themselves as the Unit Holder.

Redemption payments will not be made to third parties (including authorised representatives) and will only be paid directly to the Investor's designated bank account held in the name of the Investor.

## Redemption Price

Redemption Requests accepted by the Trustee and received before 2 pm on a Business Day will receive the Redemption Price for the end of the Business Day.

The Redemption Price is determined by dividing the Net Asset Value of the Fund for the Valuation Date by the number of Units on issue. (The Valuation Date is the end of the Business Day on which the Redemption Request is received and accepted by the Trustee).

The Trustee may make an allowance for the transaction costs required for selling investments in the Redemption Price to fund the redemption which is known as the Sell Spread. At the date of this IM, the Sell Spread is 0.2%. Refer to 'Fees and other costs' on page 12 for additional information on the Sell Spread.

Refer to 'Valuation of the Fund' on page 9 for how the Fund is valued.

## Email Requests

By lodging an emailed Redemption Request, the Unit Holder releases, discharges and agrees to indemnify each of the Trustee and Ascent from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any emailed Redemption Request.

The Unit Holder also agrees that any payment made in accordance with an emailed Redemption Request is in complete satisfaction of the obligations of the Trustee and Ascent, notwithstanding any fact or circumstance, including that the payment was made without the Unit Holder's knowledge or authority.

The Unit Holder agrees that if the payment is made in accordance with an emailed Redemption Request, the Unit Holder or any person claiming through or under them will have no claim against the Trustee or Ascent for the payment.

## Other Investor Information

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### Distributions

A Distribution comprises a Unit Holder's share of any distributable income earned by the Fund and may also include capital returns. A Unit Holder's share of any distributable income for a distribution period is generally based on the number of Units held by the Unit Holder at the end of the distribution period.

Generally, Distributions are paid annually and distributed within 10 Business Days after the date they are determined and approved, although the Distribution may take longer (for example, if there is a delay in completing an audit).

As an Investor in the Fund, you will have your Distribution reinvested unless you notify us that you wish to have Distributions directly credited to your nominated bank account.

### Appointment of Authorised Representative to Operate Account

Investors may elect to appoint an authorised representative to operate their account. The relevant sections on the Application Form needs to be completed, including the name and signature of the authorised representative, the signature of the Investor and the date. Only Investors can appoint authorised representatives. If you appoint an authorised representative, we suggest you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Trustee.

If the Trustee determines that the circumstances require it, the Trustee may cancel an appointment by giving an Investor 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised representative. If the instructions are varied, the Trustee will act only in accordance with the varied instructions.

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

You also agree that any instructions of your authorised representative to the Trustee, which are followed by the Trustee, are a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority.

### Powers of an Authorised Representative

An authorised representative can, among other things:

- apply for additional Units;
- request that Distribution instructions be altered;
- change bank account details;
- redeem all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

Redemption payments will not be made to third parties.

If a company is appointed as an authorised representative, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

### Reporting to Investors

Regular reports are provided to Investors. These reports comprise:

- Distribution statements – issued in line with Distribution frequency, notifying you of the Distribution paid from your investment in the Fund and confirming payment to your nominated account.
- Tax statements – issued annually, providing Investors with taxation information, including a detailed summary of the components of any Distributions.

You can contact the Investment Manager for updated information on performance, Unit prices, Fund size and other general information about the Fund by emailing us at: [info@alphavistafsf.com.au](mailto:info@alphavistafsf.com.au).

### Enquiries and complaints

The Investment Manager seeks to resolve complaints over the management of the Fund to the satisfaction of Investors. If you wish to lodge a formal complaint, please contact us by emailing us at: [info@alphavistafsf.com.au](mailto:info@alphavistafsf.com.au).

The Investment Manager will seek to resolve any complaint and will respond within 14 days of receiving the complaint.

# Fees and Costs

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## Management Fee

The Investment Manager is entitled to a management fee of 1% per annum of the NAV of the Fund. The management fee is calculated and accrued daily and is paid on the last Valuation Date of each month

## Fund Expenses

All expenses properly incurred in managing the Fund may be recovered from the Fund. These expenses include trustee fees, custody fees, administration fees, audit fees and other ordinary expenses related to the establishment and operation of the Fund. These expenses are included in our management costs set out above

We may also recover from the Fund abnormal expenses (such as the costs of Unit Holders' meetings, legal advice/ proceedings and other irregular expenses) from the Fund. Abnormal expenses are not included in the management costs.

## GST and Taxes

All government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the 'Taxation' section on page 13. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund.

## Buy/Sell Spread

The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty.

The Buy/Sell Spread reflects the estimated transaction costs associated with buying or selling the assets of the Fund when Investors invest in, or redeem from the Fund. The Buy/Sell Spread is an additional cost to the Investor but is included in the Unit price and is incurred when an Investor invests in, or redeems, from the Fund. The Buy/Sell Spread is paid into the Fund and is not retained by the Trustee.

At the date of this IM, the Buy/Sell Spread of the Fund is 0.2%.

## Performance Fee

The Investment Manager is entitled to a performance fee of 15% per annum of the amount by which the NAV of the Fund exceeds the High-Water Mark after surpassing the Benchmark performance. The performance fee is calculated and accrued daily based on the NAV (before performance fee) of the Fund and is crystalised and paid on a quarterly basis.

## Can the Fees Change?

All fees can change without Investors' consent, subject to the maximum fee amounts specified in the Trust Deed. Reasons might include changing economic conditions and changes in regulations.

We will generally provide Investors with at least 30 days' notice of any proposed change to the management costs.

Expense recoveries and Buy/Sell Spreads may change without notice, for example, when it is necessary to protect the interests of existing Investors.

# Taxation

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The taxation information in this IM is of a general nature and is current as at its date. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their Units on capital account. The application of these laws depends on the individual circumstances of the Investor. The following comments should not be regarded as tax advice, and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident Unit Holders only.

## Taxation of the Fund

The Fund is an Australian resident trust estate for Australian tax purposes. Under the Trust Deed, where Unit Holders are entitled to all of the distributable income of the Fund for a Financial Year, the Fund itself should not be liable for income tax. The taxation liability for the taxable income of the Fund will rest with the Unit Holders. However, if for any reason there is taxable income to which no Unit Holder is presently entitled, the Fund will be taxed at the highest marginal tax rate for that income.

If the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Unit Holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses (including to the extent the Fund has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

## Distributions

Where a Unit Holder is presently entitled to a share of the Fund's income for a Financial Year, the Unit Holder will be liable to tax on their proportional share of the taxable income of the Fund. Investors will be assessed on their proportionate share of the Fund's net taxable income in the Financial Year for which their entitlement to the distributable income arises, even though it may not have been received in that Financial Year.

Distributions from the Fund may comprise different components including interest, dividends, net capital gains, other income, franking credits, foreign income, foreign income tax offsets, tax-deferred amounts and a return of capital (which may affect the cost base of Units).

For Unit Holders who hold their Units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred Distribution is paid. Instead, the Investor's cost base in the Units will be reduced by the tax-deferred amount and may affect the CGT position of the investment. However, for those Unit Holders who have a zero-cost base in their Units, or where the tax-deferred Distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the Unit Holder. Investors should maintain records of their adjustments.

## Franking Credits

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and related franking credits. A credit for these amounts may be available in calculating Unit Holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45-day holding period rule. Excess franking credits may be refundable to certain resident individuals and complying superannuation entities and in certain cases, may generate tax losses for corporate entities.

## Disposal or Redemption of Units

Unit Holders must include any realised capital gain or loss on disposal or redemption of their Units (together with any capital gain distributed by the Fund) in calculating their net capital gain or loss for a Financial Year. The Fund may determine that part of the Redemption Price of a unit represents a Distribution of income for tax purposes for the Financial Year.

Where the Redemption Price includes a Distribution of income, any capital gain made is reduced by the taxable income amount included in the Investor's assessable income. A net capital gain will be included in a Unit Holder's assessable income. A net capital loss may be carried forward for offset against capital gains of the Unit Holder in subsequent years but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the Units have been held for 12 months or more.

## Other Matters

If the Fund qualifies as a MIT, the Trustee may determine that it will make an irrevocable election to apply the AMIT tax legislation. The AMIT legislation applies an attribution model whereby the Trustee attributes amounts of trust components of a particular character to Investors on a fair and reasonable basis consistent with the operation of the AMIT's Trust Deed.

GST is not applied to the application for or redemption of Units. However, GST generally applies to Fund's management fees and expense costs. The Fund is entitled to claim Reduced Input Tax Credits at the prescribed percentage from the ATO for part of the GST paid.

An Investor is not required to quote their Tax File Number ('TFN') or Australian Business Number ('ABN'). However, if the Unit Holder is an Australian resident for taxation purposes and a TFN or ABN is not provided, or an exemption is not claimed, we are required to withhold tax at the highest marginal rate, plus the Medicare levy, from Fund Distributions.

## Other Important Information

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### Cooling Off Period

No cooling off period applies to Units offered under this IM as you must be a Wholesale Client to invest in the Fund and cooling off protections do not apply to Wholesale Investors.

### Unit Holder Liability

The Trust Deed provides that unless there is a separate agreement with a Unit Holder, no Unit Holder can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. As a result, it is expected that Unit Holders will not be under any obligation if a deficiency in the assets of the Fund was to occur. This view has not been tested in court.

In general, the liability of a Unit Holder is limited to the amount (if any) which is unpaid for their application for Units and certain amounts for tax.

### Non-Listing of Units

The Units of the Fund are not listed on any stock exchange.

### Termination of the Fund

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Trust Deed. The Fund may otherwise terminate if required by law. Notice will be provided to Unit Holders advising of the Fund's termination. Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unit Holders according to the number of Units they hold in the Fund.

### Our Legal Relationship with You

You will receive Units when you invest. Subject to the rights, obligations and liabilities of any unit class, each Unit represents an equal proportionate beneficial interest in the assets of the Fund as a whole, less Fund liabilities, but does not give you an interest in any particular asset of the Fund.

The Trustee's responsibilities and obligations as the trustee of the Fund are governed by the Trust Deed as well as by general trust law. The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and Unit Holders.

Some of the provisions of the Trust Deed are discussed elsewhere in this IM. These provisions relate to a Unit Holder's rights under the Trust Deed, and include:

- a Unit Holder's right to Distributions, and how we calculate it;
- a Unit Holder's right to redeem from the Fund - subject to the times when we can cease processing redemptions - such as if the Fund becomes 'illiquid';
- the nature of the Units - identical rights attach to all Units within a class;
- what you are entitled to receive when you redeem or if the Fund is wound up; and
- a Unit holder's rights to attend and vote at meetings.

There are also provisions governing our powers and duties, including:

- how we calculate Unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Trust Deed;
- when we can retire, or be removed, as trustee of the Fund;
- our broad powers to invest, borrow money and generally manage the Fund.

The Trust Deed also deals with our liabilities for the Fund and when we can be reimbursed out of the Fund's assets, for example:

- we are not liable for acting in reliance and good faith on professional advice;
- we are not liable for any loss unless we act in breach of trust or breach of duty, or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties for the Fund.

Our responsibilities and obligations as the Trustee of the Fund are governed by the Trust Deed as well as under general trust law, which generally require that we:

- act in the best interests of Unit Holders and, if there is a conflict between interests of Unit Holders and our own, give priority to Unit Holders;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly; and
- ensure payments from the Portfolio are made in accordance with the Trust Deed.

Copies of the Trust Deed are available free of request from the Trustee.

## Other Important Information *continued*

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### Indemnity

Quay, as the Trustee of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties for the Fund. To the extent permitted by the law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out from the Fund all sums necessary to affect this indemnity.

### Related Party Transactions

The Trustee, Investment Manager and their respective associates are entitled to enter into, or be interested on their own account, in any transactions entered into for the Fund or with any company or body in which the Fund is invested or which provides services to the Fund. Any such transactions will be exercised at the Trustee's discretion while exercising its best commercial judgement. The Trustee, Investment Manager and their respective associates are also permitted to hold Units in any capacity.

### Privacy Statement

The Privacy Act 1988 (Cth) ('**Privacy Act**') and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. We may collect personal information about you and individuals associated with you to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation).

You must ensure all personal information which you provide to us is true and correct in every detail, and should those personal details change, it is your responsibility to ensure you promptly advise us of the changes in writing. If you do not provide the information requested, we may not be able to process your application, pay or transfer your investment. We may also obtain or confirm information about you from publicly available sources to meet regulatory obligations.

We may disclose your information to other members of our corporate group or to third parties, where it is necessary, to provide you with the products or services. These third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Administrator or auditors,;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO and AUSTRAC.

Details of the Privacy Policy applying to the collection of data by us is available by emailing us at: [enquiries@quayfund.com.au](mailto:enquiries@quayfund.com.au).



# FATCA & CRS

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## Foreign Account Tax Compliance Act ('FACTA')

The Australian Government has signed an intergovernmental agreement ('IGA') with the United States of America ('U.S.'), which requires all Australian financial institutions to comply with FATCA, as enacted by the U.S.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the ATO. The ATO may then pass that information onto the U.S. Internal Revenue Service.

To comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments.

If the Fund suffers any amount of FATCA withholding tax and is unable to obtain a refund for the amounts withheld, we will not be required to compensate Unit Holders for the withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

## Common Reporting Standard ('CRS')

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development ('OECD') that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO.

The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

To comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax applying under CRS. However, penalties may apply for failing to comply with the CRS obligations.

# Dictionary

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**Administrator** or **Ascent** - Ascent Fund Services (Australia) Pty Ltd (ABN 69 649 470 253).

**AFSL** - Australian Financial Services Licence.

**AMIT** - attribution managed investment trusts.

**AML/CTF Act** - *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*.

**AML/KYC** - Anti-Money Laundering/Know Your Customer.

**Application Form** - the application form to subscribe for Units and accompanying this IM.

**ASIC** - Australian Securities and Investments Commission.

**ASX** - Australian Securities Exchange.

**ATO** - Australian Tax Office.

**AUD** - Australian Dollars.

**AUSTRAC** - Australian Transaction Reports and Analysis Centre.

**Benchmark** or **Index** means the S&P 500 Total Return Index (AUD Hedged).

**Business Day** - a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.

**Buy/Sell Spread** - the buy spread is the difference between NAV price and the Issue Price. The sell spread is the difference between the NAV price and the Redemption Price. Collectively, this is known as the Buy/Sell Spread. The Buy Spread for the Units is 0.2% per application. The Sell Spread for the Units is 0.2% per redemption.

**CAR No.** - corporate authorised representative number.

**CGT** - Capital Gains Tax.

**Corporations Act** - the *Corporations Act 2001 (Cth)* and *Corporations Regulations 2001 (Cth)*, as amended from time to time.

**CRS** - Common Reporting Standards.

**Distribution** - an amount paid to Investors for a distribution period. This generally includes any income and realised capital gains.

**FATCA** - Foreign Account Tax Compliance.

**Fund** - the Alpha Vista Dynamic Equity Fund.

**GST** - Goods and Services Tax.

**High-Water Mark** - the highest NAV the Fund has reached at the time the performance fee was last paid.

**IGA** - intergovernmental agreement.

**Instruments** - refers to the financial assets that can be traded or exchanged by the Investment Manager to implement the investment strategy for the Fund.

**Investment Manager** or **Alpha Vista** - Alpha Vista Investment Managers Pty Limited (ABN 15 646 453 581, CAR No. 1289007) of Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No. 528526).

**Issue Price** - the NAV of the Fund divided by the number of Units on issue on the Valuation Date plus any Buy Spread, which is currently 0.2%.

**Long/Short** - long/short equity investing is the investment strategy of taking long positions in Securities or assets that are expected to appreciate and short positions in Securities or assets that are expected to decline by selling Securities or assets it does not own. A long/short equity strategy seeks to minimise market exposure, while profiting from Securities or assets gains in the long positions, along with price declines in the short positions.

**Market Value** means the current market value of a Fund asset or other value appropriate to the nature of the asset in accordance with generally accepted accounting principles. If the Trustee is of the opinion that this does not truly reflect the value of an asset, the market value of an asset will be determined by a valuer appointed by the Trustee.

**MIT** - managed investment trust.

**Net Asset Value or NAV** - The value of assets of the Fund less the liabilities of the Fund (or of a class of Units, as applicable).

**OECD** - Organisation of Economic Co-operation and Development.

**Portfolio** - all assets held by the Fund, including Securities and cash.

**Redemption Price** - the NAV of the Fund divided by the number of Units on issue on the Valuation Date less the Sell Spread, which is currently 0.2%.

# Dictionary

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**Redemption Request** - a written request by an Investor for redemption of some or all of the Investors' Units.

**RITC** - Reduced Input Tax Credit. The Trustee will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

**Securities** - securities listed or to be listed on a securities exchange (of any kind, whether equity or debt in nature).

**Trust Deed** - the trust deed of the Fund which sets out the rights, responsibilities and beneficial interest of both Unit Holders and the Trustee.

**Trustee or Quay** - Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL 528526).

**Unit** - an interest in the Fund.

**Unit Holder, Investor or you** - a person listed in the register as the holder of a Unit, including persons jointly registered.

**U.S.** - United States of America.

**Valuation Date** - the date on which the Net Asset Value of the Fund is calculated.

**Wholesale Client** - persons or entities defined as non-retail clients under the Corporations Act.