



# **EARTHLAKE VENTURES**

3 December 2024

Any offer contained in this Information Memorandum is only available for acceptance by Wholesale Clients within the meaning of the Corporations Act, and is NOT available to Retail Clients.



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## IMPORTANT INFORMATION

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This Information Memorandum is issued by Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602) (AFSL 528526) (**Trustee or Quay**), the trustee of Earthlake Ventures (**Fund**). This Information Memorandum is provided to potential investors on a private basis. It is indicative only and may be subject to change by the Trustee. Thomas Price Pty Ltd (ACN 142 286 584) (AFSL 345963) has appointed Earthlake Management Pty Ltd (ACN 669 587 937) (Corporate Authorised Representative No. 001304984) (**Investment Manager**) as a corporate authorised representative of Thomas Price Pty Ltd. The Investment Manager has prepared this Information Memorandum.

The Trustee has appointed the Investment Manager as the exclusive investment manager of the Fund and the Investment Manager makes all the investment recommendations to the Trustee in respect of the Fund.

The Fund, at the date of this Information Memorandum, 3 December 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, and the receipt of cleared funds (or the transfer of property, where applicable) when called in accordance with this IM. 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 the Corporations Act.

The distribution of this Information Memorandum and the offering of Units may be restricted in certain jurisdictions. The Information Memorandum does not constitute an offer of the Fund in any place in which, or to any person to whom, it should not be

lawful to make an offer of the Fund.

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, 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.

The Trustee, Thomas Price Pty Ltd 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.

The Trustee, Thomas Price Pty Ltd and the Investment Manager reserve the right to evaluate any applications for commitments and to reject any or all applications for commitments submitted, without giving reasons for rejection. The Trustee, Thomas Price Pty Ltd 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 Investors of 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, Thomas Price Pty Ltd 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, Thomas Price Pty Ltd or the Investment Manager and none of their related parties, officers, employees, consultants, advisers or agents warrant or represent that an investment in the Fund is a suitable investment for the recipient.

Neither the Trustee or Thomas Price Pty Ltd 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 Thomas Price Pty Ltd 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, Thomas Price Pty Ltd 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, Thomas Price Pty Ltd 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 14 \(Risks of Investing\)](#) for further information about the risks involved in making an investment in the Fund.

The contents of this Information Memorandum:

- must not be disclosed to any person other than the person to whom this Information Memorandum has been provided to by the Trustee or the Investment Manager, except for

the purpose of obtaining independent advice in connection with the consideration of an investment in the Fund;

- are strictly confidential; and
- are 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 14 \(Risks of Investing\)](#) that could affect the performance of an investment.

None of the Trustee, Thomas Price Pty Ltd 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, Thomas Price Pty Ltd or the Investment Manager. Any other parties distributing this product to Investors are not the Trustee's, Thomas Price Pty Ltd's or Investment Manager's agent or representative and are doing so on their own behalf. The Trustee, Thomas Price Pty Ltd 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.

This Information Memorandum supersedes any other information memorandum, disclosure document or marketing materials given prior to the issue of this Information Memorandum to the extent of any inconsistency.

Certain information contained in this Information Memorandum constitutes 'forward-looking statements' that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'aim', 'anticipate', 'foresee', 'estimate', 'target', 'intend', 'likely', 'planned', 'continue', 'potential', or 'believe' or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates in this Information Memorandum, including estimates of returns or performance, are 'forward-looking statements' and are based on certain assumptions



that may change.

Due to various risks and uncertainties, including those set out in [Section 14](#) (*Risks of Investing*), actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements included in this Information Memorandum involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, or are unknown to, the Trustee and Investment Manager. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on any forward-looking statements.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this Information Memorandum are forward-looking statements and subject to this cautionary statement.

Where this Information Memorandum sets out any past performance in respect of the Fund, the Fund's strategy, or other funds or investment vehicles operated or managed by the Trustee or Investment Manager, Investors must not interpret that information as a representation about the future performance of the Fund. Past performance is not a reliable indicator of future performance.

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 15](#) (*Glossary*).



The information in this Information Memorandum is general information only and does not take into account your 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 invest.



## 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
<b>Fund name</b>	Earthlake Ventures
<b>Type of Fund</b>	Unregistered wholesale unit trust
<b>Who can invest?</b>	To invest in the Fund you need to be a “Wholesale Client” as defined in the Corporations Act. Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.
<b>Investment Manager</b>	Earthlake Management Pty Ltd (ACN 669 587 937) (Corp. Authorised Rep. No. 001304984)
<b>Trustee</b>	Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602) (AFSL 528526)
<b>Investment objective</b>	The objective of the Fund is to provide Investors with long term capital growth. The Investment Manager seeks to generate positive returns for Investors above the broader global equity market on a risk return basis. While there is no guarantee of performance or return of capital, the Fund targets an internal rate of return (IRR) of 20% over the Investment Term. Whilst the Fund’s primary focus is investments with long term growth, the Fund may also look for income opportunities.
<b>Investment strategy</b>	As of the date of this IM, the Fund intends to pursue its investment objective by investing substantially all its assets into Aspire Technologies LLC ( <b>Aspire LLC</b> ), a limited liability company domiciled in the United States of America ( <b>US</b> ). Aspire LLC is structured as an open-ended vehicle and is managed by ELV Management LLC, an affiliate of the Investment Manager. Aspire LLC currently invests in several early stage tech businesses based in the US, the most significant being Arrears Inc ( <b>Arrears</b> ). See Section 0 ( <i>The Core Investment Focus of the Fund</i> ) for more details on the underlying investments of Aspire LLC and Section 4 ( <i>Investment Philosophy and Approach</i> ) on the investment strategy. The Investment Manager also retains its discretion to invest in other investment vehicles or assets, whether domiciled in the US or otherwise to achieve its objective. The Investment Manager intends to generally target technology businesses.
<b>Unit price</b>	\$1.00 per Unit prior to the Closing Date. Commitment Calls on Investor funds may occur over a number of tranches during the Investment Period. If Units are issued after the Closing Date, the Units will be issued based on the Net Asset Value.
<b>Investment Term</b>	Expected to be 10 years from the Closing Date, with the possibility for extension. The Investment Manager will be looking to make investments that are intended to mature during the Investment Term.
<b>Subscription/Issue frequency</b>	Units will be issued following the payment of Commitment Calls. Commitment Calls will be made as required to facilitate investments during the Investment Period.
<b>Redemption frequency</b>	Redemptions are typically not permitted during the Investment Term.
<b>Distribution frequency</b>	Any distributions will be paid on an annual basis or as otherwise determined by the Investment Manager.
<b>Unit pricing frequency</b>	Quarterly or as otherwise determined by the Investment Manager.



<b>Minimum commitment</b>	\$250,000, with exceptions as approved on a case by case basis by the Investment Manager.						
<b>Currency hedging</b>	Expected to be unhedged						
<b>Trustee fee</b>	Minimum fee of \$24,000 pa (excluding GST), otherwise determined as follows: <table border="1"><thead><tr><th>Gross asset value (GAV) of the Fund</th><th>Fee (excluding GST)</th></tr></thead><tbody><tr><td>Below \$5 million</td><td>\$24,000 payable monthly</td></tr><tr><td>Above \$5 million</td><td>\$36,000 payable monthly</td></tr></tbody></table>	Gross asset value (GAV) of the Fund	Fee (excluding GST)	Below \$5 million	\$24,000 payable monthly	Above \$5 million	\$36,000 payable monthly
Gross asset value (GAV) of the Fund	Fee (excluding GST)						
Below \$5 million	\$24,000 payable monthly						
Above \$5 million	\$36,000 payable monthly						
<b>Management fee</b>	1.5% pa (excluding GST) of the Net Asset Value (NAV) of the Fund accrued and payable monthly to the Investment Manager.						
<b>Performance fee</b>	The Investment Manager is entitled to receive a performance fee equal to 20% on the portion of the Fund return that exceeds the Hurdle Rate (being an 8% IRR on Investor capital contributions calculated from time to time). However, the Investment Manager will not be paid this amount until a return equal to 140% of Investor capital contributions has been paid to Investors.						
<b>Risks</b>	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. Further details regarding the risks associated with investing in the Fund are included in <a href="#">Section 14</a> ( <i>Risks of investing</i> ).						





## 2. THE FUND

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This Information Memorandum offers Investors who are Wholesale Clients, the opportunity to invest in Earthlake Ventures.

The Fund is an unregistered wholesale Australian resident unit trust established pursuant to the Trust Deed. The Trustee is the trustee of the Fund. The governing rules of the Fund are detailed in the Fund's Trust Deed. A copy of the Trust Deed is available from the Trustee. Investors will make Commitments to subscribe a certain amount of capital before the Closing Date to be invested during the Investment Period. Investors will receive Units in the Fund following payments in respect of a Commitment Call. Each Unit gives Investors an entitlement to a beneficial interest in the capital and income of the Fund. However, it does not entitle Investors to any specific assets of the Fund. The value of an Investor's Units in the Fund may rise or fall depending upon the market value of the assets held by the Fund. The Fund does not intend to use external leverage.

This IM includes summaries of certain provisions of the Trust Deed. These provisions are only intended as summaries and potential investors should turn to the Trust Deed for full details of these provisions. If there are any inconsistencies between this IM and the terms contained in 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 and the Investment Manager makes investment decision recommendations to the Trustee

### THE CORE INVESTMENT FOCUS OF THE FUND

The Fund provides Investors with the opportunity to invest with, and alongside, Stephen Copulos, the Copulos Group, Trent McKendrick and the Investment Manager's team, into an initial portfolio of investments that have been founded and nurtured for several years. The Investment Manager seeks for these investments to provide for growth and value creation. Stephen and Trent have invested through a US vehicle, Aspire LLC, and together have an ownership stake of circa 85% in Aspire LLC, alongside other investors in Aspire LLC. Aspire LLC currently has a number of investments, including an interest in each of Bankfolio, Travl, Arrears, ArrearsPay and DefiDash. The most significant investment by Aspire LLC is Arrears. Stephen and Trent are the founders and early financial backers of Arrears. Arrears is now at the stage of seeking significant growth and will soon be looking to raise further funds.

Arrears uses artificial intelligence (**AI**) to revolutionise debt collection management. Arrears' goal is to reshape debt collection into a seamless, technology-driven experience, all while enhancing revenue streams for businesses and ensuring financial wellbeing for consumers. Arrears seeks to empower businesses and consumers to grapple with late payments through its AI-driven collection platform that offers a fully integrated collections solution, seamlessly merging cloud collections and payments technology. See Section 4.5(*Expected Initial Investments*) for further detail about the underlying investments of Aspire LLC.

Stephen and Trent have now decided to launch the Fund to provide Investors with the opportunity to invest in the underlying investments via Aspire LLC and other new opportunities as they are identified. The Fund will initially co-invest in Aspire LLC alongside Stephen, Trent and other investors, such that the Fund initially intends to have a shareholding in Aspire LLC of approximately 39%, once the target capital is raised in the Fund. However, it is intended that the Fund will eventually hold 100% of the shares in Aspire LLC by other shareholders (including related parties) of Aspire LLC selling down their interests (to either third parties or the Fund). While the Fund is not the sole shareholder of Aspire LLC, there is not intended to be a shareholders agreement between the shareholders of Aspire LLC, and the Fund will not have a controlling interest in Aspire LLC until the Fund increases its shareholding in Aspire LLC. See Section 3.4 (*Related Party Interests*) for more information about the interests of related parties.

ELV Management LLC, a subsidiary that is 100% owned by the Investment Manager, will manage the existing Aspire LLC which may make additional investments in the existing underlying investments of Aspire LLC as well as other new investments if the opportunity arises.



### 3. THE TEAM

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#### 3.1 BACKGROUND

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We are pleased to announce the launch of Earthlake Ventures. Earthlake Ventures is a unit trust that intends to provide Investors with exposure to a number of early-stage investments. This includes potentially private and public equity investments.

The Investment Manager believes that the US market will provide good opportunities for further investments. The Fund has been created as an Australian investment vehicle to allow Australian Investors to largely gain access to the US based tech market via Aspire LLC and other opportunities as they arise.

The Investment Manager intends to focus, at least initially, on AI technology building efficiency in the financial services and other technology sectors. Earthlake Ventures has specially built an investment team in Los Angeles responsible for assessing new investment opportunities.

#### 3.2 ABOUT THE INVESTMENT MANAGER

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The Investment Manager is built around strong personnel and strong governance. The investment management team brings together personnel with experience across legal, accounting, private equity investment, financial services, and business management (fintech).

The Investment Manager is passionate about the alignment of interests between its investments and the Investors.

#### 3.3 INVESTMENT TEAM BIOGRAPHIES

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##### **Stephen Copulos**

Stephen Copulos has over 40 years of global investing and business experience. He is the Chairman and CEO of the Copulos Group with diverse investments across many fields and has served on a number of public and private company boards of these entities both in Australia and overseas.

Stephen has played an instrumental role in M&A transactions, driven by his passion to explore new ideas and opportunities. This passion has led him into the fintech industry in the US where he has seeded tech companies that seek to improve and disrupt existing processes to make life easier for businesses and consumers.

On top of being an entrepreneur and business builder, Steve maintains relationships across the financial services industry. Stephen has contacts with new tech companies and entrepreneurs in the fintech, digital automation, AI, cryptocurrency and blockchain space.

Stephen has helped to co-found Aspire LLC's key investment, Arrears. Stephen is also a director of the Copulos Charitable Foundation and previously served as a founding member of the new Shepparton Art Museum.

##### **Tom Almond**

Tom is the Founder and Managing Director of Thomas Price Pty Ltd. Thomas Price Pty Ltd provides high level advisory services for family offices, corporates, and charitable organisations. Tom currently chairs, and is a member of, various investment committees and investment advisory boards.

Tom has previously worked for global fund managers in technical and research roles. Tom has extensive experience in the US market including board roles with global companies based in the US. Tom has led growth strategies which has seen business founders reach their potential.

Tom has also sat on boards of various sporting clubs in New South Wales and Victoria. These roles included the management of university stakeholders and joint venture charitable trusts and bequests.

##### **Trent McKendrick**



Trent has been instrumental in the identification of, and development of, the investment opportunities which form the base of the Aspire LLC portfolio. Trent continues to focus on building key investment opportunities including being the current President and CEO of Lever. Trent has extensive experience in the fintech industry, having initiated multiple enterprises centered around credit and debt management for consumers and businesses. His entrepreneurial journey includes being the Founder of Credit Clear, which went on to list on the Australian Securities Exchange (ASX). Past positions also include Head of Markets at Focus Markets and executive roles at IP Capital, Halifax Investment Services, and Bridge-Way Capital. Trent holds a Bachelor of Science in Finance from Marquette University, Milwaukee, WI.

### 3.4 Trustee – Quay Wholesale Fund Services Pty Ltd

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Quay Wholesale Fund Services Pty Ltd is appointed as the Trustee of the Fund. Quay has been established as an independent provider of trustee services to fund managers. Quay's principals have extensive experience in operating registered and unregistered managed investment schemes.

#### **John Ballhausen (Founder)**

John was the former managing director of Rimcorp Property Limited (ABN 64 100 029 776) which was the responsible entity for three registered schemes with over \$100 million in funds under management. He has been a key person and/or a responsible manager on several Australian financial services licences.

#### **Simon Lindsay (Founder)**

Simon was the former managing director of Aurora Funds Management (ABN 69 092 626 885) which was the responsible entity for five registered schemes with over \$600 million in funds under management. He has also been a key person and/or a responsible manager on several Australian financial services licences.

Further biographical details are available on Quay's website [www.quayfund.com.au](http://www.quayfund.com.au).

The Trustee holds Australian Financial Services license number 528526 issued by ASIC, which authorises it to operate the Fund.

Quay's responsibilities and obligations as the Trustee of the Trust are governed by the Constitution, the Corporations Act and general trust law. As Trustee, Quay is responsible for the management of the Trust and is required to act in the best interest of Investors.

### 3.5 RELATED PARTY INTERESTS

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The Investment Manager and key personnel associated with the Investment Manager will enter into transactions with related entities.

ELV Management LLC (**US Manager**), the investment manager of Aspire LLC, is a subsidiary of the Investment Manager.

Stephen, as the Chairman and CEO of the Copulos Group, has a direct interest in Aspire LLC, as well as various entities which Aspire LLC invests in and also intends to invest \$500,000 directly in the Fund.

The Copulos Group currently holds approximately 70% of the shares issued in Aspire LLC via Eyeon Investments Pty. Ltd. ACN 096 482 781 (**Eyeon Investments**). Eyeon Investments intends to transfer 2,000,000 shares in Aspire LLC to the Fund and the cost of this transfer is expected to be \$1,280,000 (which equates to \$0.55 USD per share or approximately \$0.85 AUD). The valuation of the shares is undertaken in line with the valuation process applied by the Investment Manager. This document is available upon request from the Trustee and Investment Manager.

Following this transfer, the Copulos Group will hold approximately 60% of the shares in Aspire LLC. The Copulos Group's interest in Aspire LLC will be further diluted following the investment of the Fund in Aspire LLC. It is intended that the Fund will eventually hold 100% of the shares in Aspire LLC.

Stephen is a Co-Founder of Arrears and currently owns 19% of the issued capital in Arrears.

Trent has an interest in Aspire LLC as well as the entities in which it invests. Trent currently owns 15% of the capital issued in Aspire LLC and 10% of the issued capital in Arrears.

The related parties of the Investment Manager are likely to be shareholders and/or directors in Aspire LLC and the underlying investments of Aspire LLC.



Accordingly, conflicts of interest may arise between the interests of the Fund and the Investment Manager. In particular, investment decisions made by the Investment Manager and US Manager may be made or influenced by individuals with other interests in Aspire LLC and/or its underlying investments.

The Investment Manager maintains and complies with a written policy on related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Any potential transactions with related parties go through an assessment process, and must be approved by the relevant board of directors.

Please also refer to section 14.28 (*Conflict of Interest*) for information about risks associated with conflict of interests.

### **3.6 INVESTMENT COMMITTEE**

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Initially, Stephen Copulos, and Tom Almond will each sit on the investment committee for the Fund. The Investment Manager expects to supplement the investment committee over time.



## 4. INVESTMENT PHILOSOPHY AND APPROACH

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### 4.1 INVESTMENT PHILOSOPHY

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The objective of the Fund is to provide Investors with long term capital growth. The Investment Manager seeks to generate positive returns for Investors on a risk return basis. While there is no guarantee of performance or return of capital, the Fund targets an IRR of 20% over the Investment Term. Whilst the Fund's primary focus is investments with long term growth, the Fund may also look for income opportunities.

The Fund will initially substantially invest via Aspire LLC, a limited liability company domiciled in the US. Aspire LLC is structured as an open-ended vehicle and is managed by ELV Management LLC, an affiliate of the Investment Manager.

Aspire LLC currently invests in several early stage tech businesses based in the US, the most significant being Arrears. The Fund will assess continuing investment opportunities in Arrears as the business grows, as well as assess new business ideas likely to be incubated or identified by Trent McKendrick.

The Fund is open to pursuing other tech business opportunities, or businesses that aim to disrupt existing business models. As the Fund has a strong connection to the US, it is likely that new opportunities will arise in the US and perhaps Australia. The Fund is expected to focus on early-stage investments, however, the Investment Manager may invest across different stages of the life cycle of a business if it believes it has identified a value opportunity.

The investment philosophy of the investment team is to identify talented tech business people. The Fund will look for opportunities to back new founders, potentially under an incubator model. The Fund aims to work closely with founders to help them launch and build their businesses. The Fund will take a high conviction approach and, in most cases, intends to take a significant stake in the assets of the businesses.

Understanding the technology landscape is a key focus for the Investment Manager and staying informed about the latest trends, developments, innovations, and legislation in the financial services industry (and the technology requirements) is paramount.

### 4.2 INVESTMENT APPROACH

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The Fund intends to primarily invest via Aspire LLC. However, it may make direct investments into other direct investments (e.g. companies) if the Trustee and Investment Manager believe it is suitable and meets the objectives of the Fund.

The approach of the US Manager is to invest in 5 to 10 portfolio companies at a time and plans to target ownership stakes in the range of 5% to 100% (preferably skewed towards 40%+ initial stakes). The Investment Manager may invest above or below these thresholds where it believes it is in the interests of the Investors in certain circumstances. Where Aspire LLC requires further capital, the Fund may invest further capital into Aspire LLC. If the Fund invests further capital, the US Manager will issue shares to the Fund.

Where appropriate, the Fund may co-invest alongside other parties. These co-investors may be third party entities and may be related to or associated with the Investment Manager or members of the investment committee. Where the Fund seeks to hold an investment directly, the Investment Manager will consider creating special purpose investment vehicles (**SPVs**) to allow for single investments to be made, typically alongside Aspire LLC. The Investment Manager intends to provide an opportunity for Investors to invest in particular investments via an SPV if the Investor wishes to have further exposure to any particular investment.

### 4.3 INVESTMENT PROCESS

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The Investment Manager is expecting to primarily invest in the US via the established Aspire LLC, with Aspire LLC in turn making investments into particular investment opportunities. The Investment Manager may also make other investments directly held by the Fund where it considers this to be in the best interest of the Investors.

The Investment Manager will conduct research and due diligence on potential tech companies to invest in. This will include evaluation of their business models, competitive advantages, intellectual property, financial health, and growth prospects. This will also focus on the investment instrument and the investment terms.

The Board of Directors of Aspire LLC will independently consider any investment proposals made by the Investment Manager, taking into account the information in the proposal provided by the Investment Manager and any



independent advice obtained in relation to the proposed investment. Trent McKendrick is expected to be an active participant in reviewing and creating new investment opportunities for Aspire LLC.

It is intended that this process will identify companies with innovative products or services that address real market needs and solve problems with a link to financial services efficiency.

However, Investors should be aware that early stage investing is often challenged by limited data points or hard analytical information. It often depends upon judgement calls about the founders, the business thematic and the overall opportunity. The Investment Manager expects that a significant component of its investment decision will be based on the people, and whether it considers that they are worthwhile to back the venture that they have identified and created.

#### 4.4 PORTFOLIO PARAMETERS

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**Time horizon** – the Investment Manager will target business exits within 3 to 10 years. The Investment Manager will prefer investments with a shorter time horizon.

**Expected returns** – the Investment Manager will focus on investable assets with an expected IRR of at least 20% over the Investment Term.

**Stage of investment** – the Investment Manager will target investable businesses with a proven concept/business model and ready to move to growth stage.

**Management team** – the Investment Manager will consider investable businesses with a strong management team, open to working in a collaborative fashion.

#### 4.5 EXISTING INVESTMENT PORTFOLIO OF ASPIRE LLC

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##### Arrears

Aspire LLC holds approximately 61% of the existing share capital in Arrears. Aspire LLC is expected to acquire an additional 1,724,266 Arrears shares, which will increase its holding to 66%.

Arrears was founded by Norbert Huethmayr and financially backed by Stephen Copulos and Trent McKendrick who also hold a stake in Arrears. Trent and his team set the strategy and assisted to commercialize the company.

The Arrears platform is divided into two parts. First, there is the white label software that external debt collectors may use on a pay for service basis to assist the collections of their debt book. This has proven to increase the effectiveness of collections. Second, Arrears has also invested through Resolve Debt LLC that was set up originally to buy debt itself to validate the system.

- **White label SaaS opportunity**

Arrears is a white label AI driven debt collector used by external collection agencies who can utilize the software under their company logo.

An AI empowered app (arrears.com) and a debt collection payments platform, strategically focused on small and medium sized businesses (**SMBs**). Arrears believes there is potential within this segment as the demand for streamlined debt collection and payments solutions is high. Arrears is positioning itself as a key player in meeting the unique needs of SMBs with personalized support and cost-effective offerings.

Recent developments have shed light on Arrears' prospects for success. Arrears garnered over 70 signups at the American Collection Association (ACA) international conference in July 2023. Notably, strategic alliances with prominent industry players have been forged, paving the way for possible offshore partnership opportunities in the United Arab Emirates and London. If successful, these partnerships hold the promise of expanding Arrears' market reach.

Product innovation is a key area of focus for Arrears. The recent introduction of the 'Conversational AI Chatbot' for collections workflows has received positive feedback for its efficiency in communication and engagement, empowering businesses with streamlined interactions.



### **ArrearsPay**

Aspire LLC holds 100% of the existing share capital in ArrearsPay.

Arrears has just launched ArrearsPay which offers a seamless and secure payment gateway, empowering users with an integrated solution for receivables management.

With a focus on SMBs, emerging strategic partnerships and a drive for product excellence, Arrears is expected to have continued growth in the debt management industry.

### **Other investments**

Aspire LLC holds an interest in Bankfolio, Travl, and DefiDash. These investments currently represent 4% of the net asset value of Aspire LLC.

## **4.6 INVESTMENT PERIOD**

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The Investment Period is the period in which the Trustee, on the direction of the Investment Manager, can make Commitment Calls and invest capital in Aspire LLC or any other investment. The Investment Period commences on 1 June 2024 (**Closing Date**) and ends on the fifth anniversary of the Closing Date unless otherwise extended on one or more occasions by way of Special Resolution. No new investments will be made following the expiry of the Investment Period, other than those scenarios referenced in Section 5.5 (*Commitment Calls*) below.

## **4.7 INVESTMENT TERM**

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The term of the Fund commenced on 15 August 2023 and expires on the tenth anniversary of the Closing Date (unless otherwise extended on one or more occasions by a Special Resolution of Investors). Each extension approved by a Special Resolution of Investors is expected to be for a period of two years.

## **4.8 CHANGE OF INVESTMENT OBJECTIVE OR PARAMETERS**

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Depending on market conditions and investment opportunities which are available, 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 Investment Manager decides to make a change, notice will be provided to Investors.



#### **4.9 STRUCTURE**

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As of the date of this IM, the Fund intends to invest substantially all its assets in Aspire LLC.

Aspire LLC is a limited liability company domiciled in the US. It is an existing vehicle with existing investors and remains open to direct investment from US investors. Aspire LLC is managed by the US Manager, that is 100% owned by the Investment Manager.

The Investment Manager also maintains discretion to make investments through other investment vehicles or directly in other investments during the Investment Period. In particular, the Investment Manager intends to make investments that provide exposure to equity and cash like investments.

#### **4.10 MINIMUM RAISE**

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The Fund does not have a minimum fundraising amount. The Investment Manager may commence the Fund at its discretion with whatever amounts are raised.





## 5. HOW TO INVEST IN THE FUND

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### 5.1 GENERAL INFORMATION

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Applications to invest may be made online at <https://www.registrydirect.com.au/offer/earthlake-ventures/> or by completing the Application Form attached to this Information Memorandum. Investors will need to provide the required customer identification material listed in that form. The application should be completed in accordance with the instructions.

If not applying online, an executed copy of the completed Application Form together with the supporting material must be provided to the Trustee. A copy may also be emailed to the Investment Manager.

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 at any time in order to satisfy obligations under AML/CTF Law.

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 defined within the meaning of the Corporations Act.

Additional Investors may be admitted to the Fund upon such terms and conditions as are permitted by the Trustee and the Investment Manager (without the consent of any other Investors), with terms and conditions which may differ from those applicable to other Investors on matters relating to, without limitation, notice periods, fee waivers, rebates or reductions and information rights. New differing classes of Units in the Fund, including other than merely Units of a different series, may be established by the Trustee on the direction of the Investment Manager without the approval of the existing Investors. However, the Trustee will provide existing Investors with written notice of any classification or reclassification of their existing Units in the Fund.

### 5.2 MINIMUM COMMITMENT

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The total amount an Investor agrees to invest becomes their 'Commitment'. By making an application, Investors undertake to contribute the capital committed specified in the Application Form and to pay Commitment Calls. Applications must be for a minimum commitment of \$250,000, unless otherwise agreed by the Investment Manager. The Trustee or the Investment Manager may reject an application or accept only part of an application.

The Trustee may, on the recommendation of the Investment Manager, vary the minimum commitment amount on a case-by-case basis for different clients.

### 5.3 APPLICATION DATES

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Applications for commitments to the Fund can be made by Investors from the date of this IM until the Closing Date (ie 1 June 2024). The Trustee, at the direction of the Investment Manager, can bring forward the Closing Date.

### 5.4 APPLICATION ACCEPTANCE

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

### 5.5 COMMITMENT CALLS

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An Investor's Commitment will be paid to the Fund by way of instalments as a result of calls made by the Trustee on instruction from the Investment Manager during the Investment Period (**Commitment Calls**). Commitment Calls may be made for any purpose, including asset acquisitions or to meet working capital requirements of the Fund. Commitment Calls will be made by the Trustee, on the direction of the Investment Manager, by issuing Investors a notice



**(Call Notice).**

A Call Notice may include certain details such as:

- the amount of capital being called;
- the portion of the Commitment payable;
- the portion of the issue price of the Units; and
- the date for payment (**Call Payment Date**), which must not be less than 14 days after the date Call Notice.

The Trustee will generally only accept electronic funds transfers from a bank, building society or credit union account in the name of the Investor. However, the Trustee has discretion to accept a transfer of property as consideration under the Trust Deed.

The Trustee will recognise, when the funds are received, such call payments as an increase in the capital contributions of the Investor. Calls will be made on a pro-rata basis and each Investor must pay up to the same proportion of their Commitment at any given time. Following the receipt of each subsequent instalment by the Fund, the Trustee will amend the Fund's register so that the records reflect (among other things):

- the amount called on each Investor; and
- the total capital contributions of each Investor.

The first call is expected to be 50% of an Investor's total Commitment and will be payable within 10 Business Days of the Closing Date.

The Investment Manager expects to call most of the Commitment before the end of the Investment Period, except it may also make Commitment Calls after the Investment Period in the following scenarios:

- making an investment that the Fund already has an actual or contingent contractually binding obligation to make prior to the end of the Investment Period;
- making an investment which has been approved by Special Resolution; or
- meeting an expense or liability of the Fund (including Management Fees and Performance Fees, or to indemnify the Investment Manager or the Trustee in accordance with the Trust Deed).

## **6. FAILURE TO MEET COMMITMENT CALL**

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Any Investor that fails to meet any calls on their Commitment will be subject to the consequences detailed in the Trust Deed and as outlined below.

If an Investor does not pay the amount specified in a Call Notice by the required date, the Trustee will give the Investor a notice (**First Notice**) requiring payment within 10 Business Days of the First Notice. The Trustee will issue a default notice if the Investor fails to comply with the First Notice, or if an Investor has failed in two or more previous instances to pay any amount due under the Trust Deed (**Default Notice**).

The Default Notice will:

- seek payment of the due amount plus interest at the Interest Rate;
- appoint the day by which payment is required; and
- state that if payment is not made by the day appointed, the Units to which the Default Notice applies will be suspended or forfeited.

The Investor will become a defaulting Investor if they fail to comply with the Default Notice. The Trustee may:

- apply any amount payable from the Fund to the relevant Investor to the unpaid amount plus any accrued interest, expenses and costs; and
- forfeit and then sell or redeem the Investor's Units, under the power of attorney pursuant to the Trust Deed.

All voting rights and entitlements to the distribution of income and capital attaching to the Units of a defaulting Investor will be suspended while the Investor continues to be a defaulting Investor. In the event the Investor does pay



its outstanding call on its Commitment plus any outstanding interest, expenses and costs, the Investor will no longer be in default.

## **6.1 RE-INVESTING AND RECYCLING**

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In general, during the Investment Period, an amount not greater than the cost of any realised investments may be either:

- retained by the Trustee and used to make or contribute to another investment in accordance with the Trust Deed; or
- distributed to Investors and the Trustee may later call all or any portion of such amounts distributed to be used to make or contribute to another investment in accordance with the Trust Deed. Such amounts that are distributed to Investors and later called will proportionately increase the paid-up portion of their Commitment when received.

## **7. ISSUING UNITS IN THE FUND**

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### **7.1 GENERAL**

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The Trustee currently only intends to issue fully paid Units. All Units issued prior to the Closing Date will be issued at \$1.00 per Unit. The number of Units ultimately issued to an Investor is determined by dividing the amount an Investor commits under a Commitment Call by the issue price. If Units are issued after the Closing Date, the Unit will be issued at the Net Asset Value.

## **8. WITHDRAWING FROM THE FUND**

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### **8.1 NO RIGHT OF REDEMPTION – NO WITHDRAWALS FROM THE FUND**

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During the Investment Term, Investors will have no right to have their Units redeemed nor transfer their investment to another person except with the consent of the Trustee, which may be withheld in the Trustee's absolute discretion. This means that once an Investor's application is accepted by the Trustee, an Investor will generally not be able to redeem their investment in the Fund. As a result, a prospective investor should not invest in the Fund if such a long term and illiquid investment is not suitable for their specific circumstances.

### **8.2 SUSPENSIONS**

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In certain circumstances, including emergency situations which impact on the effective and efficient operation of a market for an asset of the Fund, or where the Trustee and the Investment Manager otherwise consider it to be in the interests of Investors and 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 shall be the value of the issue or redemption price next determined after the end of the Suspension Period, on the assumption that the application or redemption request is accepted. An Investor's application or redemption request that has been lodged during the Suspension Period is deemed to be lodged the day after the end of the Suspension Period.

### **8.3 COMPULSORY WITHDRAWAL**

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The Trustee may, in its absolute discretion and at any time, upon reasonable notice to an Investor, compulsorily withdraw or forfeit all or a portion of the Units held by that Investor in certain circumstances set out in the Trust Deed including where the Trustee:

- believes that the Units are held in breach of the investment documents which has a materially adverse effect on the Trustee, the Investment Manager, the Fund or any Investor;
- believes that the Units are held in circumstances which have or will result in a violation of an applicable law or regulation (including by the Fund, Trustee, Investment Manager or an Investor), or subject the Fund, Trustee,



Investment Manager, or Investors to taxation or otherwise adversely affect them in any material respect;

- reasonably believes the Investor made a material misrepresentation in acquiring its Units;
- reasonably believes the Investor 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; or
- has reasonable grounds to suspect that the Investor does not meet, or is likely not to meet, any criteria for being an Investor as determined from time to time by the Trustee.

The Fund may charge an Investor any legal, accounting, administrative or other amounts associated with a compulsory withdrawal.

## 9. UNIT PRICING

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Unit pricing is intended to usually occur on a quarterly basis as at the last Business Day of each quarter (**Valuation Day**). The Trustee in conjunction with the Investment Manager acting reasonably will determine the Net Asset Value of the Fund. The Net Asset Value is determined by deducting the value of the Fund liabilities from the value of the Fund property. The Net Asset Value of the Fund includes the value of income accumulated since the previous distribution date.

Due to the illiquid nature of the investments to be made by Aspire LLC (**investment entities**), the Trustee may not be able to determine the market value of its investment in Aspire LLC (or its indirect investment in the investment entities) on a frequent basis.

Accordingly, the Trustee will seek to determine the Net Asset Value of the Fund, from time to time, taking into account the following principles to be applied in valuing its investments.

1. An indirect equity investment in an investment entity will be recorded initially at its cost, plus related transaction costs (where appropriate). The investments will continue to be carried at their cost unless one of the following revaluation events occurs.
2. The Investment Manager and the Trustee will consider any market transactions (e.g. any additional equity into an investment entity, transfers of equity in an investment entity, fluctuations in exchange rate etc.) when determining whether to adjust the value of an equity investment into an investment entity.
3. The Investment Manager and the Trustee reserves the right to seek more frequent valuations of underlying investment entities or Aspire LLC, in the event of a change in market conditions or other events that might directly impact on the value of the equity investments. In such a case, the Investment Manager can rely on the valuation principles as outlined in the Trust Deed.
4. The Investment Manager and the Trustee will review the impairment of investment entities from time to time or when impairment events occur.
5. Loans or similar instruments provided to investment entities will not be revalued for interest rate differentials, however the Investment Manager and Trustee will seek to take into account any adjustments required from impairment testing from time to time.

## 10. DISTRIBUTIONS

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### 10.1 GENERAL

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Distributions (if any) will be paid to Investors annually or as otherwise determined by the Investment Manager. During the Investment Period after the liquidation of any underlying investment held by the Fund, the Trustee may distribute the net income and returns from the investment (that is, any income and capital returns that exceed the initial investment capital invested by the Fund in the relevant investment less any fees and costs), noting however that the Trustee may redraw an amount equal to any distributions made to an Investor at the direction of the Investment Manager during the Investment Period.

After the end of the Investment Period, following the liquidation of any underlying investment, the Trustee must distribute all net income and returns received in accordance with the terms of this IM.



## 11. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

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### 11.1 TAX SUMMARY

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The following provides a summary of the general Australian tax implications for an investment by an Australian resident individual Investor who holds their Units on capital account. Each Investor's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this IM. Investing in an unregistered managed investment scheme ("MIS") is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned.

Each Investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that Investors obtain their own professional and independent taxation advice before investing in the Fund.

### 11.2 INCOME TAX PROVISIONS

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#### General

An Investor's investment in the Fund will comprise of Units in a unit trust. Each Investor will be regarded as a beneficiary of the Fund and both the Fund and the Investors will apply the trust taxation provisions, as outlined below.

#### Income tax treatment of the Fund

As the Fund is a unit trust, the Fund will effectively be treated as a flow-through vehicle for income tax purposes provided that the Fund distributes all of its income to the Fund's Investors on an annual basis. The Trustee should therefore not pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below).

#### Income tax treatment of Investors

Provided that the Fund is treated as a flow-through vehicle, Investors will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that is distributed to them in that income year. Investors will be required to include their share of taxable income in their tax return.

#### Tax deferred distributions

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the taxable income allocated to an Investor. A tax-deferred distribution may occur on a return of capital. Certain tax-deferred distributions that are not assessable to an Investor result in a reduction in the cost base of the Units held by the Investor. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

### 11.3 PUBLIC TRADING TRUST PROVISIONS

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It is noted that a unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities ("**the public trading trust provisions**").

Eligible investment business activities include passive activities, such as investing in land for the primary purpose of rent and investing or trading in financial securities and arrangements. The Fund will be regarded as a public unit trust if it either: (a) has 50 or more unit holders (directly or indirectly through other trusts); (b) makes an offer or invitation of its units to the public; or (c) has its units listed for quotation on a stock exchange.

While the Fund may be treated as controlling another entity that carries on trading activities given its investment in Aspire LLC, the Trustee does not believe that the Fund will satisfy the definition of being a public unit trust and therefore does not believe that the provisions should apply.

While this may be the case, there is no guarantee that the ATO may not take an alternative view. To the extent that the public trading trust provisions apply, the Fund will be required to pay tax at the corporate taxation rate (currently 25% for certain small business entities and 30% for all other entities) on taxable income and would seek to pay a



franked dividend to the Investors. The exempt component of a discount capital gain may be treated as an unfranked dividend.

#### **11.4 ADDITIONAL INCOME TAX ITEMS**

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##### **Foreign investments**

To the extent that the Fund's investment in Aspire LLC qualifies to be treated as an investment in a foreign hybrid company, Aspire LLC will be treated as a partnership for Australian income tax purposes. Therefore, the Fund will be treated as having an interest in the underlying assets of Aspire LLC for Australian income tax purposes. As Aspire LLC's underlying investments may have a functional currency in US dollars, any transactions should be translated to Australian dollars at the prevailing exchange rate for Australian income tax purposes. The fluctuation in exchange rates may give rise to realised tax foreign exchange gains or losses for the Fund where transactions occur in the foreign currency (even where there is no economic change in the value of the underlying investment).

##### **Foreign income tax offsets**

Provided that the Fund is not subject to the public trading trust provisions, the US income taxes paid by the Fund (including amounts of income tax withheld by Aspire LLC on behalf of the Fund) may be available as a foreign income tax offset ("FITO"). The Fund may allocate FITOs to Investors based on the distribution of income to such Investors.

Investors may be able to claim a tax offset against their Australian income tax liability for FITOs allocated to them by the Fund. FITOs that are not utilised cannot be carried forward to a future income year and will not give rise to an Australian income tax refund for Investors.

##### **Tax losses**

Where the Fund incurs a tax loss, these do not flow-through the Fund to Investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

##### **Thin capitalisation**

The Australian thin capitalisation provisions can apply to limit the amount of deductible borrowings to the Fund. Broadly speaking, the thin capitalisation provisions may apply to the Fund due to its investment in Aspire LLC, which may carry on a business through a permanent establishment in the US. To the extent that the Fund may borrow in the future, the Trustee will consider the application of the thin capitalisation provisions.

#### **11.5 DISPOSAL OF UNITS**

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

An Investor may make a capital loss in respect of the disposal of their Units to the extent that the capital proceeds are less than the cost base of the Units. Alternatively, an Investor may make a capital gain to the extent that the capital proceeds exceed the cost base of the Units. In ascertaining the tax cost base, tax adjustments from tax-deferred distributions will need to be taken into account.

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

#### **11.6 NON-RESIDENT INVESTORS**

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The taxation implications for Investors that are not Australian resident for tax purposes ("**non-resident Investors**") are not considered as part of this IM. However, this section provides a general outline of the Australian income tax requirements of the Fund to withhold on distributions made to non-resident Investors by the Fund.

It is recommended that non-resident Investors obtain their own professional and independent taxation advice before investing in the Fund.

##### **Withholding tax**

Where an Investor is a non-resident for tax purposes or provides details to the Fund that indicate that they are



residing outside of Australia for tax purposes, withholding tax may be deducted from distributions at the applicable rate. The rates may vary according to whether the Fund qualifies as a withholding MIT, the residency or address of the Investor, the components of the distribution and whether the income is Australian or foreign sourced. Non-resident Investors may also be subject to tax on the income of the Fund in the country of their residence (but may also obtain a credit for Australian withholding tax paid).

To the extent that a distribution to a non-resident Investor consists of foreign sourced income, the distribution will not be subject to Australian withholding tax. Certain capital gains (e.g. capital gains related to non-taxable Australian property assets such as portfolio share interests) also may not be subject to Australian withholding tax.

Where withholding tax is paid by the Trustee in relation to an Investor and it is not a final tax, non-resident Investors may be required to lodge an Australian income tax return.

### **11.7 ANNUAL REPORTING**

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The Fund will be required to provide distribution information (including tax components) to the ATO on annual basis by lodging the Annual Investment Income Report (“**AIIR**”).

The Fund will provide an annual tax distribution statement to Investors in accordance with the ATO’s guidelines for MITs. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year.

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

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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 Investors.

It is not compulsory for a Trust’s Investor 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 Investors will result in the Trust being required to withhold at the top marginal rate (currently 47%) with respect to distributions to the Investor (which may be creditable in their tax return).

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

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

However, GST may apply if fees are charged to the Fund by the Trustee or the Investment Manager. In such a case, the Fund may be eligible to claim a Reduced Input Taxed Credit of either 75% or 55% of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

### **11.10 STAMP DUTY**

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The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in stamp duty consequences. Investors should confirm the duty consequences of their dealings in units with their taxation advisers.

### **11.11 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

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In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (“**FATCA**”) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to: (a) Investors that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Fund is intending to register for FATCA purposes and to conduct its appropriate due diligence (as required). Where the Fund’s Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

### **11.12 COMMON REPORTING STANDARD (CRS)**

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The Common Reporting Standard (“**CRS**”) is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is



similar to FATCA, whereby the Trustee will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents. Where the Fund's Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

### 11.13 W-8BEN, W-8BEN-E AND W-8IMY FORMS

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The US taxation laws applicable to the Fund and its Investors are not considered as part of this IM.

As the Fund is investing into the US, Investors will be required to complete documentation containing beneficial owner information (known as a W-8BEN, W-8BEN-E or W-8IMY form). On this form, each Investor will need to declare whether they qualify for treaty benefits under the US/Australia double tax agreement. If you do not provide the Trustee and the Investment Manager with your appropriately completed form, then we may not be able to process your application to invest.

## 12. FEES AND COSTS

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### 12.1 MANAGEMENT FEE

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A Management Fee of 1.5% pa (plus GST) on the NAV of the Fund is payable by the Fund to the Investment Manager. 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. The Investment Manager may, at its discretion, waive, defer or reduce the Management Fee.

### 12.2 PERFORMANCE FEE

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The Fund will accrue the performance fee quarterly.

The Investment Manager is entitled to receive a performance fee equal to 20% on the portion of the Fund return that exceeds the Hurdle Rate. The Fund return is to be calculated as the return generated by the Fund on Investor capital contributions from time to time (excluding the performance fee, but net of fees and expenses).

The performance fee will become due and payable on a 'performance fee event' that occurs in respect of an investment in Aspire LLC or an investment entity. However, the Investment Manager will not be paid this amount until a return equal to 140% of Investor capital contributions (**Minimum Return**) has been paid to Investors. A performance fee event includes a sale, part sale, or other realisation of an investment in the debt or equity in Aspire LLC or an investment entity, or the wind up of the Fund (**disposal**). Each performance fee calculated under a performance fee event is a separate entitlement of the Investment Manager to a performance fee.

At the time of any performance fee event, the Investment Manager and the Trustee will value the Fund's net assets in accordance with the valuation principles as outlined in Section 9 (*Unit Pricing*) in calculating the Fund return.

The quantum of the performance fee payable will be equal to the performance fee component that relates to the disposal of Aspire LLC or an investment entity. This will be calculated by capping the fee payable to the lower of:

- (a) 20% of the Fund return referable to the investment disposed of exceeding the Hurdle Rate on the investment disposed of; and
- (b) 20% of the Fund return exceeding the Hurdle Rate on the whole of the Fund.

The first performance fee event occurring after the Minimum Return has been satisfied triggers a true up of the performance fee (**True-Up**). A True-Up requires a total performance fee calculation to be calculated as 20% of the Fund return over the Minimum Return. If the performance fee calculated under the True Up is less than the total of all performance fees due and payable under the Hurdle Rate calculation at that time, the Investment Manager will pay the difference to the Fund. If the performance fee calculated under the True Up is greater than the total of all performance fees due and payable under the Hurdle Rate calculation at that time, the Investment Manager will be entitled to be paid an additional performance fee for that difference.

Any subsequent performance fees are to be calculated as 20% of the Fund return over the Minimum Return on the occurrence of a performance fee event and will be due and payable to the Investment Manager at that time.





### **12.3 TRUSTEE FEE**

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Subject to the minimum annual trustee fee of AU\$24,000 per annum (plus GST), the fee for the Trustee providing the trustee services for the Fund will be:

- where the GAV of the Fund is below \$5 million, the fee will be \$24,000 per annum; and
- where the GAV of the Fund exceeds \$5 million, the fee will be \$36,000 per annum.

The Trustee fee is a fee paid for by the Fund and it becomes payable upon the execution of the Trust Deed. No separate custodian fee is charged as it is incidental to the Trustee services. The fee is payable each month.

The Trustee may also be entitled to the following fees under the Trust Deed:

- an authorisation fee for any approval, authorisation, and execution of transactional documents and payments, up to \$360 per instance;
- a unit class fee of \$5,000 pa in respect of each separate class of Units (if applicable); and
- a sub-trust fee of \$15,000 pa per sub-trust (if applicable).

All fees payable to the Trustee are exclusive of any applicable GST and increase by the greater of 3.5% or CPI annually.

### **12.4 TRUSTEE REMOVAL FEE**

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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 actual fraud or gross negligence in the management of the Fund or for a material breach of a fiduciary duty to Investors which causes them substantial loss, or
- it retires as trustee of the Fund within 3 years of date of the Trust Deed at the request of the Investment Manager in accordance with the Investment Management Agreement.

The amount of the fee is 50% of the amount that the Trustee would have received if it had remained the trustee of the Fund for 3 years from the date of being appointed Trustee. 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 includes the Trustee fee, the unit class fee and the sub-trust fee (if any) payable at the time that the Trustee retires at the request of the Investment Manager in accordance with the 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.

### **12.5 ADDITIONAL FEES AND EXPENSES**

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The Trustee has the right to recover all expenses reasonably and properly 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/KYC checking fees, CRS checking fees, Fund assets and income calculation, convening and holding meetings of Investors 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 any agent or delegate of the Trustee (including associates).

### **12.6 GST**

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



## 12.7 FEE CHANGES

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The Trustee will provide Investors 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 IM.

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

## 12.8 ESTABLISHMENT COSTS AND ONGOING ADMINISTRATION COSTS

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Offer establishment costs including any unrecovered establishment costs in respect of the Fund, ongoing administration, independent investment committee fees and operating costs payable to third-party service providers will be paid by the Fund. Such expenses include, without limitation, investment accounting, audit and registry fees, costs incurred in the acquisition, holding and disposal of investments (for example, specific transaction fees, investment brokerage and clearing house fees) and the costs of convening and holding meetings of Investors. If any of these costs are paid by the Investment Manager or Trustee, the Investment Manager or the Trustee (as applicable) will be reimbursed out of the Fund's assets for all such costs. Establishment costs associated with this offer and the establishment of the Fund will be capped at \$120,000.

## 13. OTHER INFORMATION

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### 13.1 PRIVACY POLICY

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In applying to invest, you are providing the Trustee (or its representatives or agents) and the Investment Manager with certain personal details (your name, address etc). The Trustee and the Investment Manager use 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 or the Investment Manager, 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 and the Investment Manager at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee and the Investment Manager 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 Australian Tax Office 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.

The Trustee's privacy policy is available from the Trustee.

### 13.2 TRUST DEED

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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 Investors and the Trustee. It also sets out the manner in which Investor meetings will be convened and conducted. The Trustee may amend or change the Trust Deed in accordance with the Trust Deed.

- Termination of Fund
  - The Fund will terminate 10 years after the Closing Date, subject to the term of the Fund being extended in accordance with the Trust Deed.
- Trustee's role, obligations and rights
  - The Trustee's duties and obligations to Investors 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.
- 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 amount incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

### **13.3 ANTI-MONEY LAUNDERING LAW**

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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 Investors 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.

### **13.4 INVESTOR'S AUTHORISED REPRESENTATIVE**

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

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

If an Investor instructs the Trustee to accept instructions from its authorised representative, the Investor 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 Investor'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 Investor also agrees that neither the Investor, nor anyone claiming through the Investor, 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 Investor 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.

### **13.5 ELECTRONIC INSTRUCTIONS**

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Investors 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 Investor(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 Investor.



Only instructions received from an Investor or a person authorised by the Investor will be accepted by the Trustee. Investors 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 Investor or any other person for any consequences resulting from not acting on the instruction.

If an Investor chooses to provide electronic instructions, the Investor 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 Investor also agrees that neither the Investor, nor anyone claiming through the Investor, 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 Investor or otherwise).

Please be careful. There is a risk that fraudulent requests can be made by someone who has access to an Investor'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.

### **13.6 TRUSTEE**

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Quay is the trustee of the Fund and is an Australian proprietary limited company that holds Australian Financial Services License numbered 528526 issued by ASIC, which authorises it to provide financial services. Quay specialises in licensing, corporate trustee services and distribution.

The Trustee is responsible for the operation of the Fund and has the power to delegate certain of its duties in accordance with the Trust Deed. Specifically, its responsibilities, which it may delegate, include:

- administering the issue, transfer and redemption of Units by Investors;
- 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
- Investor reporting.

The Trustee may appoint agents to perform aspects of its role including custody, investment management, and Fund administration.

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

The Trustee is entitled to be indemnified in full out of the assets of the Fund's assets for any liability incurred by it in the performance of its duties or powers in relation to the Trust.

Under the Investment Management Agreement, the Investment Manager indemnifies the Trustee for any liability it reasonably incurs 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 or agents, except to the extent that the liability is caused by a breach of the Investment Management Agreement by the Trustee or 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 Investors except out of the Fund or to be liable to Investors 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.

### **13.7 THE INVESTMENT MANAGER**

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The Trustee has appointed the Investment Manager under an Investment Management Agreement to provide investment management services to the Fund.

The main duties of the Investment Manager under the Investment Management Agreement are to:

- invest and manage the Fund 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 Fund assets.

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

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

### **13.8 CO-INVESTMENT**

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The Investment Manager may draw on its Investor networks to co-invest alongside the Fund through a special purpose vehicle (**SPV**). The Trustee and Investment Manager may make these opportunities available to any person in their discretion. The Trustee and Investment Manager may be entitled to fees (including performance fees) from the SPV in relation to such co-investments alongside the Fund.

The Investment Manager may establish other co-investment funds in the future, as part of the Investment Manager's ongoing commitment to the Fund.

### **13.9 CONSENTS**

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Each of the Trustee, Investment Manager, and Baker McKenzie (as lawyers):

- has made no statement included in this IM or on which a statement made in this IM is based, other than the details about it, and the other sentences in this IM that refer to it;
- has consented to those statements being included in this IM in the form and context in which they appear and has not withdrawn this consent before the date of this IM;
- specifically disclaims responsibility for, and liability to any person in the event of, any omission from, or any false or misleading statement included in, any other part of this IM; and
- has not authorised or caused the issue of any part of this IM.

## **14. RISKS OF INVESTING**

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### **14.1 GENERAL**

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As with all investments, an investment in the Fund carries risk. Risk can be managed but it cannot be completely eliminated. 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 an Investor 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 an Investor will depend on the Investor's age, investment time frame, where and how other parts of the Investor's wealth are invested, and how comfortable the Investor is with the possibility of losing some of the Investor's money. As the risks noted in this section do not take into account your personal circumstances, you should consider obtaining tax and financial advice before making a decision about investing in the Fund. 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.

Some of the significant risks associated with the Fund as of the date of this IM are set out below. It is important to note that the risks may change if the Fund elects to make investments in other investment vehicles or assets, in addition to the proposed investment in Aspire LLC, at a later date.

#### **14.2 INVESTMENT MANAGER RISK**

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The Investment Manager may not be successful in implementing the Fund's investment strategy and may not be able to effect improvements in an investee's performance. Similarly, the US Manager may not be successful in implementing the Fund's investment strategy and may not be able to effect improvements in an investee's performance. The departure of a member of the investment team may impact the ability of the Investment Manager to implement the Fund's strategy, or the US Manager to implement Aspire LLC's strategy.

#### **14.3 DEAL FLOW & COMPETITORS**

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Aspire LLC may not be able to identify and reach agreement with any, or a sufficient number of, suitable investees. Sourcing of deals is a difficult and lengthy process and increasingly competitive. The Fund and Aspire LLC may not be able to fully invest their funds at acceptable prices. The US Manager may face unfavourable or a low volume of deal flow which may affect its ability to implement Aspire LLC's, and consequently the Fund's, investment strategy. Alternatively, the Investment Manager may not be able to source alternative investments in other investment vehicles and/or assets.

Competing businesses including those with superior products or technologies may adversely affect an investee which may have a material adverse effect on returns to Investors. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of an investee. There is no assurance that an investee will be able to compete successfully in its marketplace and any increase in competition could adversely affect the earnings of an investee.

#### **14.4 DEAL ALLOCATION**

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There is no assurance that all transactions that the US Manager and its team members are involved in will be referred to Aspire LLC. There is also no assurance that all potential investments identified by the Investment Manager will become investments of the Fund.

#### **14.5 DUE DILIGENCE**

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Investments by Aspire LLC and/or the Fund are intended to be made in early stage companies which have limited information available for due diligence. As such, some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to Aspire LLC and the Fund associated with those investments.

#### **14.6 MARKET RISK**

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Market conditions are volatile which may prevent the Fund, and Aspire LLC, from achieving its fund raising objectives. Failing to raise sufficient capital could result in Aspire LLC and the Fund being unable to achieve its targeted investment strategy and objectives.

#### **14.7 DISTRIBUTIONS**

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Whilst the Fund primarily invests in Aspire LLC, Investors investing in the Fund should be aware that distributions are dependent on the performance of Aspire LLC. Distributions will vary from time to time depending on whether exits



from Aspire LLC's investments can be achieved. If exits are unsuccessful no distributions may be made and capital may be lost. Where the Fund makes other investments, distributions are dependent on the performance of those other investments.

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#### **14.8 LACK OF DIVERSIFICATION**

As of the date of this IM, the Fund is intended to operate as a feeder fund, which means substantially all its assets will be invested in Aspire LLC. Aspire LLC's investments are concentrated on technology businesses initially and primarily located in the US, although there may be some scope for other investments in other asset classes. Such investments may become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular region. In addition, the aggregate return of the Fund may be adversely affected by the unfavourable performance of this market sector.

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#### **14.9 FOUNDER AND MANAGEMENT**

Although the US Manager and the Investment Manager will monitor the performance of each investee company, they will not control the day-to-day operations of investee companies. They will rely on the ability of the founders and/or management team of investees to operate the business and execute on business strategy.

While it is their intention to focus on investments with a strong management team, or where a strong management team can be developed and maintained, the death, disability, resignation or termination of one or more of those people could have a material adverse impact on their business and prospects of the investment made.

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#### **14.10 BUSINESS AND EARLY STAGE RISK**

The companies that Aspire LLC invests in are at varying stages of development and are at the riskier end of the spectrum. There is a risk that they may not be profitable or that the sustainable profit results in a lower valuation than Aspire LLC's purchase valuation. The Investment Manager may also make other investments in the future which are at varying stages of development.

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#### **14.11 INVESTEE FAILURE**

One or several investees could suffer financial hardship and/or fail, including as a result of an inability to raise additional capital. This may lead to a loss of capital for Investors.

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#### **14.12 VALUATION**

Investees may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisable value. The valuation principles taken into account when determining the Net Asset Value of the Fund are set out in Section 9 (*Unit Pricing*). The value of the underlying assets will rise and fall over time. Ultimately though, an Investor's return from the Fund will be determined by distributions received by the Fund upon the Investment Manager, or the US Manager, actually realising its investments upon a trade sale or IPO or other exit of the underlying investments. For Investors, the return on investment will depend on the success of the Fund's investments, including the performance of Aspire LLC, and there can be no assurances that they will generate target returns. Neither the Trustee, the Investment Manager or US Manager, nor any other entity guarantees any particular rate of return being earned by the Fund or Aspire LLC or the return of capital.

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#### **14.13 LEVERAGE**

The Fund may use leverage to fund redemption requests and such costs will be borne by the Fund (and indirectly by Investors). Leverage involves a degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. The assets of the Fund, including any uninvested capital contributions, may be, in whole or in part, offered as security for such leverage. To the extent that the Fund is unable to meet obligations under the leverage facility, there is therefore a risk that capital contributions will be used to repay leverage.

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#### **14.14 ILLIQUID INVESTMENTS**

There can be no assurance that the US Manager, or the Investment Manager, will be able to realise investments in a



timely manner nor at a suitable price. The realisation of the investments is subject to a number of factors such as general economic and market conditions.

Investing in the Fund requires a long-term commitment from Investors, with no certainty of return. Some of the Fund's investments, including Aspire LLC, will be highly illiquid. Consequently, realisation of those investments may require a lengthy time period. There is a risk that market conditions might change before realisation of those investments can take place.

There are also restrictions on transfers of interests in the Fund, which makes an investment in the Fund illiquid. There is a risk that Investors will not be able to exit the Fund at the time of their choosing.

There is no right to withdraw from the Fund or redeem interests in the Fund.

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#### **14.15 RESTRICTIONS OF TRANSFERS**

There is no public market for the Units and one is not expected to develop. An Investor may only transfer Units with the Trustee's written consent, which consent may be given or withheld in their absolute discretion.

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#### **14.16 RE-INVESTING OF REALISED PROCEEDS**

The Investment Manager and the US Manager may recycle the proceeds of realised investments during the Investment Period in its discretion which will delay the return of capital to Investors.

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#### **14.17 COMMITMENT CALLS**

Investors may default on Commitment Calls due to, but not limited to, circumstances that affect the economy generally or the Investor individually. If an Investor defaults, it may be subject to various consequences as provided in the Trust Deed and this IM, including without limitation, forfeiture of its interest in the Fund. If an Investor fails to fund any call on its Commitment when due, and the Commitment made by non-defaulting Investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to penalties that could materially and adversely affect the returns to the Investors.

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#### **14.18 MANDATE RISK**

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

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#### **14.19 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 generally accepted accounting policies or valuation methods.

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#### **14.20 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 the Investment Manager may be replaced as the investment manager of the Fund.

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#### **14.21 MANAGEMENT**

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

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#### **14.22 OPERATIONAL RISK**

Investment management risk exists in all managed funds.





The US Manager may fail to properly execute the strategy of Aspire LLC or have inadequate systems and processes in place to monitor the investments of Aspire LLC, or the US Manager and/or the Investment Manager may fail to manage accounting and distribution processes effectively. Departure of key personnel is always an inherent operational risk. Similar risks apply in relation to the operation of the Fund, as well as any other investment vehicles that the Investment Manager may invest through in future.

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#### **14.23 LIMITED INFORMATION**

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

Investors will not have the opportunity to consider the type, location and terms of, and other information relevant to, investments of Aspire LLC and the Fund.

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#### **14.24 FORWARD LOOKING STATEMENT**

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates in this IM 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.

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#### **14.25 MARKET & FOREIGN INVESTMENT**

The Fund may be subject to risks such as:

- difficulties repatriating capital and income;
- investor protection laws which provide less protection than under Australian laws;
- the application of foreign tax laws which may impact on the returns of the Fund;
- potentially volatile economies, equity and credit markets; and
- political instability.

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#### **14.26 RELIANCE ON PAST PERFORMANCE**

The past performance of the Investment Manager, the US Manager, the investment manager of another investment vehicle in which the Fund invests or their staff is not necessarily indicative of future performance. There can be no assurance that the investment objectives will be achieved.

The Fund has limited operating history and the Investment Manager also has a limited operating history, upon which prospective investors may base an evaluation of the potential performance of the Fund. Past performance may not be indicative of future performance.

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#### **14.27 SERVICE PROVIDER RISK**

The performance of Aspire LLC's portfolio relies on the successful performance of Aspire LLC's contracts with external parties. Aspire LLC 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 Aspire LLC would be successful in enforcing its contractual rights. In the case of a counterparty default, Aspire LLC may also be exposed to adverse market movements while it sources replacement service providers. This risk equally applies in respect of the portfolio of the Fund or any other investment vehicle in which the Fund invests.

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#### **14.28 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST**

Related parties of the Investment Manager are likely to be shareholders and/or directors in Aspire LLC and the underlying investments of Aspire LLC. There is a risk that investment decisions made by the Investment Manager and US Manager may be made or influenced by individuals with other interests in Aspire LLC and/or its underlying investments. Please refer to Section 3.4 (*Related Party Interests*) for a detailed description of the related party



relationships within the Fund, Aspire LLC and its underlying investments.

The Trustee, the Investment Manager, the US Manager and their respective associates may encounter conflicts of interest in connection with the activities of the Fund and Aspire LLC. For example, Aspire LLC may invest in existing positions related to an investment committee member. Further, at the end of the Investment Period, the Trustee, the Investment Manager and their respective associates may direct investment opportunities to entities in which they may have an interest or invest in such opportunities themselves. By investing in the Fund, each Investor will be deemed to have consented to any such conflicts of interest and other rights of the Trustee and/or the Investment Manager and the US Manager. Further, Investors 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 permitted by law.

In addition, while the Fund holds a minority interest in Aspire LLC (which will be controlled by related parties), there is a risk that decisions may be made in respect of the investments of Aspire LLC, which are not supported by the Fund. However, it is expected that the interests of the Fund and those related parties will be aligned.

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#### **14.29 CAPITAL NOT GUARANTEED**

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

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#### **14.30 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 Investors.

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#### **14.31 COUNTERPARTY RISK**

Aspire LLC may transact with counterparties, for example in transactions undertaken to hedge adverse currency exchange movements. Additionally, Aspire LLC may be required to pay deposits and margins on derivatives to its counterparties. In the event of a default by a counterparty, Aspire LLC may be an unsecured creditor to that person with respect to the deposits or margins and any unrealised profits held by the person, which may result in substantial losses and delays in the repatriation (where possible) of the assets.

The US Manager will, where practicable, typically seek counterparties and service providers who are reputable and have a reasonable expectation of not defaulting (for example, low credit risk), although these risks cannot be eliminated entirely.

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#### **14.32 ABSENCE OF RECOURSE**

The Trust Deed and this IM 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, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

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#### **14.33 SIDE LETTERS**

The Investment Manager may enter into other written agreements (**Side Letters**) with one or more Investors without the consent or approval of any other Investors. These Side Letters may have the effect of supplementing the terms of the Trust Deed and this IM with respect to such Investor, and may entitle an Investor to make an investment in the Fund on terms that vary from those described herein.

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#### **14.34 PASSIVE INVESTMENT**

Investors will not be able to control or participate in the management and day-to-day operations of the Fund or Aspire LLC. As of the date of this IM, the Investment Manager intends to substantially invest in Aspire LLC. Therefore, decisions regarding the making and disposition of investments or other decisions are made by the board of directors of Aspire LLC. Accordingly, Investors must be willing to rely on the ability of the Investment Manager, of the board of directors of Aspire LLC and the US Manager, to manage the Fund and Aspire LLC respectively and their investment



judgment and management skills.

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#### **14.35 COMPULSORY WITHDRAWAL**

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

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#### **14.36 FOREIGN EXCHANGE**

Investments in foreign securities involve the risk of currency fluctuations between the Australian Dollar and the currency in which the investment is made. Distributions from Aspire LLC investments may be in the form of a foreign currency where some of the revenue derived by the underlying company investment may come from a country other than Australia. Fluctuations in the exchange rate between the foreign currencies and the Australian Dollar are unpredictable and can have an impact on the return on investment. Although the Trustee does not intend to hedge its exposure to foreign currency fluctuations, the Trustee may elect to do so.

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#### **14.37 LIMITED DIVERSIFICATION**

Aspire LLC 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. Apart from Aspire LLC, the Investment Manager may also not make many (if any) other investments, whether directly or through other investment vehicles.

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#### **14.38 CYBER RISK**

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to an Investor'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.

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#### **14.39 PERFORMANCE FEE RISK**

While an Investor will generally not be able to redeem their investment in the Fund, where the Trustee facilitates a redemption, Investors should be aware that the Unit price may include an accrual for performance fees for a 'performance fee event' that has occurred in respect of an investment in Aspire LLC or an investment entity. This will be the case notwithstanding that the performance fee may not yet be payable to the Investment Manager, and may be subject to the True Up mechanism described in Section 12.2 (*Performance Fee*)



## 15. GLOSSARY

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In this Information Memorandum, unless the context otherwise requires

<b>AFSL</b>	means Australian financial services licence.
<b>AML/CTF Law</b>	means the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) and the Anti-Money Laundering and Counter Terrorism Financing Rules Instrument 2007 (No. 1).
<b>Application Form</b>	means an application form for interests in the Fund issued together with this Information Memorandum.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Aspire LLC</b>	means Aspire Technologies LLC
<b>ASX</b>	Australian Stock Exchange.
<b>Business Day</b>	means any day excluding a Saturday, Sunday or a day which is a public holiday in Melbourne, Victoria.
<b>Call Notice</b>	means the notice issued by the Trustee on the direction of the Investment Manager to notify Investors of a Commitment Call.
<b>Call Payment Date</b>	means the date for payment of a Commitment Call.
<b>Closing Date</b>	1 June 2024
<b>Commitment</b>	means, in respect of an Investor, the capital which the Investor agrees to pay to the Fund under an Application Form, as adjusted, under the terms of the Trust Deed.
<b>Commitment Call</b>	means a call made by the Trustee on instruction from the Investment Manager on an Investor's Commitment during the Investment Period.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Fund</b>	means Earthlake Ventures.
<b>Gross Asset Value or GAV</b>	means the total gross value of the trust property.
<b>Hurdle Rate</b>	means 8% IRR on Investor capital contributions.
<b>Information Memorandum or IM</b>	means this information memorandum in respect of the issue of interests in the Fund.
<b>Interest Rate</b>	means 10% per annum.
<b>Investment Management Agreement</b>	means the agreement entered into by the Trustee and the Investment Manager in respect of the provision of investment management services.
<b>Investment Manager</b>	Earthlake Management Pty Ltd (ACN 669 587 937) (Corporate Authorised Representative No. 001304984)
<b>Investment Period</b>	means the investment period commencing on the Closing Date and expiring on the fifth anniversary unless otherwise extended on one or more occasions by way of Special Resolution.
<b>Investment Term</b>	means the term of the Fund, which is expected to expire on the tenth anniversary of the Closing Date with the possibility for extension.
<b>Investor</b>	means the holder of a Unit of any class in the Fund.
<b>IRR or Internal Rate of Return</b>	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.
<b>Management Fee</b>	means the management fee referred to in Section 12.1 ( <i>Management Fee</i> )
<b>Minimum Return</b>	means an amount equal to 140% of Investor capital contributions.



<b>Net Asset Value or NAV</b>	means assets less the liabilities of the Fund.
<b>Performance Fee</b>	means the performance fee referred to in Section 12.2 ( <i>Performance Fee</i> )
<b>Retail Client</b>	has the meaning given in section 761G (Meaning of retail client and wholesale client) of the Corporations Act.
<b>Special Resolution</b>	means a resolution passed by at least 75% of the votes cast by Investors entitled to vote on the resolution.
<b>Suspension Period</b>	where the Trustee and the Investment Manager determine that it is in the best interest of Investors and as otherwise provided for in the Trust Deed, the Trustee is permitted to suspend withdrawals for a reasonable period.
<b>Trust Deed</b>	Earthlake Ventures Trust Deed dated 15 August 2023 as amended or replaced from time to time.
<b>Trustee</b>	means Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602) (AFSL 528526).
<b>Unit</b>	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).
<b>US Manager</b>	means ELV Management LLC.
<b>Valuation Day</b>	means the last Business Day of each quarter.
<b>Wholesale Client</b>	has the meaning given in section 761G (Meaning of retail client and wholesale client) of the Corporations Act.



## 16. DIRECTORY

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**INVESTMENT  
MANAGER**



Earthlake Management  
Level 4, 30 Collins Street  
Melbourne, Victoria 3000  
Website: [www.earthlake.com.au](http://www.earthlake.com.au)  
Email: [Investors@earthlake.com.au](mailto:Investors@earthlake.com.au)

**TRUSTEE**



Quay Wholesale Fund Services Pty Ltd  
Suite 3701, Level 37  
1 Macquarie Place  
Sydney NSW 2000  
Website: [www.quayfund.com.au](http://www.quayfund.com.au)  
Email: [simon@quayfund.com.au](mailto:simon@quayfund.com.au)



## 17. HOW TO APPLY

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### 17.1 Application Form

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Applications to invest may be made online at <https://www.registrydirect.com.au/offer/earthlake-ventures/> or by completing the Application Form attached to this Information Memorandum.

The application should be completed in accordance with the instructions. Investors will need to provide the required customer identification. Detailed information relation to how to invest in contained in Section 5 (*How To Invest In The Fund*) of the Information Memorandum.

For all hardcopy applications, please complete the Application Form. Please then forward the completed sections and the required certified identification evidence from Section 2: Identification Documents – All Investors of the Forms attached:

**Attention:**

**Email:**

**Phone:**

**YOU MAY PAY YOUR APPLICATION MONEY BY ELECTRONIC TRANSFER TO:**

**Account Name:**

**BSB:**

**Account number:** 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 and no additional documentation is required.

If you are an Investor investing less than \$500,000, additional documentation will be required to certify that you are a Wholesale Client in the form of:

1. An accountant's certificate of not more than 6 months old certifying that the proposed investor, 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 investor:
  - 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* with net assets of at least A\$10 million;
  - controls at least A\$10 million (including any amount held by an associate or under a trust that the investing entity manages); or
  - 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;

OR

3. Is a 'professional investor', including those that hold an AFSL, or as otherwise defined in the Corporations Act.

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



## 17.2 IF YOU HAVE ANY QUESTIONS

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All relevant sections of the Application Form must be completed, if you have any queries with completing the Application Form please contact the Investment Manager.

If you have any questions about any matter relating to the Fund, please contact:

Earthlake Management Pty Ltd  
Level 4, 30 Collins Street  
Melbourne, Victoria 3000

**Email:** [investors@earthlake.com.au](mailto:investors@earthlake.com.au)

**Website:** [www.earthlake.com.au](http://www.earthlake.com.au)