



INFORMATION MEMORANDUM

AgFood Opportunities Fund

Issued by:
AgFood Fund Pty Ltd
(ACN 628 200 448 – AFS Representative number 126679)
as Fund Manager of the AgFood Opportunities Fund.

Trustee: Melbourne Securities Corporation Limited
(ACN 160 326 545 – AFSL – number 428289).



1 March 2021



AgFood is a great opportunity.

The world has to eat. With population growing at ever increasing rates, food and agriculture innovation is becoming increasingly important. The challenge for the food and agriculture industries is to more efficiently fuel human growth while at the same time reducing their impact on the planet.

AgFood Opportunities Fund

A specialised Agriculture and Food Investment Fund which will achieve superior returns by investing in both listed and unlisted companies operating in the Agriculture and Food industries within Australia, New Zealand and the Rest of the World.

1 Contents

| | | |
|------|--|----|
| 2 | IMPORTANT NOTICES AND DISCLAIMER | 5 |
| 3 | KEY FEATURES OF THE FUND | 8 |
| 4 | ABOUT THE AGFOOD OPPORTUNITIES FUND | 10 |
| 4.1 | The Fund (AgFood Opportunities Fund) | 10 |
| 4.2 | Fund Manager (AgFood Fund Pty Ltd) | 11 |
| 4.3 | Key Personnel & Investment Team | 12 |
| 4.4 | Trustee Background & Role | 12 |
| 4.5 | Fund Administrator | 13 |
| 5 | HOW THE AGFOOD OPPORTUNITIES FUND WORKS | 14 |
| 5.1 | Structure and Investor Eligibility | 14 |
| 5.2 | Units and Unit Pricing | 14 |
| 5.3 | Initial and Subsequent Investments | 15 |
| 5.4 | Withdrawal Requests | 15 |
| 5.5 | Transfers of Units | 15 |
| 5.6 | Income Distributions | 15 |
| 5.7 | Keeping you informed | 16 |
| 6 | RISKS OF INVESTING IN THE FUND | 17 |
| 6.1 | Investment risk | 17 |
| 6.2 | Credit risk | 17 |
| 6.3 | Market and economic risk | 17 |
| 6.4 | No guarantee of performance | 17 |
| 6.5 | Fund risk | 17 |
| 6.6 | Key person risk | 18 |
| 6.7 | Limited operating history | 18 |
| 6.8 | Derivatives risk | 18 |
| 6.9 | Liquidity risk | 18 |
| 6.10 | Counterparty risk | 18 |
| 6.11 | Leverage risk | 18 |
| 6.12 | Regulatory risk | 18 |
| 6.13 | Commodity Risk | 19 |
| 6.14 | Taxation Risk | 19 |
| 6.15 | General Risk | 19 |
| 6.16 | Risk mitigation strategy | 19 |
| 7 | HOW WE INVEST YOUR MONEY | 20 |
| 7.1 | Investment strategy | 20 |
| 7.2 | Agribusiness investment is not easy or predictable in short term | 20 |
| 7.3 | Investment Principles – Listed Companies | 21 |

| | | |
|--------|--|----|
| 7.4 | Investment Principles – Unlisted Companies | 21 |
| 7.5 | Targeted returns | 21 |
| 7.6 | Gearing Policy | 21 |
| 8 | FEES AND COSTS | 22 |
| 8.1 | Fees and Costs | 22 |
| 8.2 | Further Fee Detail | 22 |
| 9 | ADDITIONAL INFORMATION FOR INVESTORS | 24 |
| 9.1 | Trustee | 24 |
| 9.2 | Trust Deed | 24 |
| 9.3 | Termination of the Fund | 25 |
| 9.4 | Indemnity | 25 |
| 9.5 | Cooling off rights | 25 |
| 9.6 | Privacy | 25 |
| 10 | TAXATION INFORMATION | 26 |
| 10.1 | Tax Summary | 26 |
| 10.2 | Income Tax Provisions | 26 |
| 10.2.1 | Provisions that apply | 26 |
| 10.3 | Income Tax | 26 |
| 10.3.1 | General | 26 |
| 10.3.2 | Income tax treatment of the Fund | 26 |
| 10.3.3 | Income Tax treatment of Investors | 26 |
| 10.3.4 | Tax deferred distributions | 27 |
| 10.3.5 | Public trading trust provisions | 27 |
| 10.4 | Additional Income Tax Issues | 27 |
| 10.4.1 | Accruals taxation | 27 |
| 10.4.2 | Tax losses | 27 |
| 10.4.3 | Dividends | 28 |
| 10.5 | Disposal of Units | 28 |
| 10.6 | Non-Resident Investors | 28 |
| 10.6.1 | Interest | 28 |
| 10.6.2 | Dividends | 28 |
| 10.6.3 | Foreign income | 28 |
| 10.6.4 | All other income | 29 |
| 10.6.5 | MIT fund payments | 29 |
| 10.6.6 | Disposal of units | 29 |
| 10.7 | Annual Reporting | 29 |
| 10.8 | Tax File Number (TFN) and Australian Business Number (ABN) | 29 |
| 10.9 | Goods and Services Tax (GST) | 29 |
| 10.10 | Stamp Duty | 30 |

| | | |
|-------|--|----|
| 10.11 | Foreign Account Tax Compliance Act (FATCA) | 30 |
| 10.12 | Common Reporting Standard (CRS) | 30 |
| 11 | HOW TO APPLY | 31 |
| 11.1 | Complete the Application Form | 31 |
| 12 | CONTACT DETAILS | 32 |
| 13 | GLOSSARY | 33 |



2 IMPORTANT NOTICES AND DISCLAIMER

This Information Memorandum is issued by AgFood Fund Pty Ltd, ACN 628 200 448, AFS Representative Number 1267679, "AgFood", the Fund Manager of the AgFood Opportunities Fund "Fund". The trustee of the Fund is Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL 428289 "Trustee". AgFood Fund Pty Ltd is as an authorised representative of PAC Asset Management Pty Ltd, AFSL 335374.

The Fund, at the date of this Information Memorandum, is not required to be, and is not, registered as a managed investment scheme pursuant to section 601ED of the 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 primarily be issued as units in the Fund ('Units'). The Fund's trust deed (Trust Deed) provides for different Classes of Units. Under the Trust Deed, the different Classes of Units may have different rights and obligations. The performance of different Classes of Units may also differ depending on the investments of that Class. Holders of different Classes of Units will be treated fairly.

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

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

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

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

Unless otherwise agreed with the Trustee, any person applying for Units will by virtue of the person's application 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 Fund, the Trustee and the Fund 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 reserves the right to evaluate any applications and to reject any or all applications submitted, without giving reasons for rejection. The Fund, the Trustee and the Fund 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. 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, the Trustee has not 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) ("personal advice") of the Corporations Act. None of the Trustee, the Fund Manager, or their related parties, officers, employees, consultants, advisers or agents warrant that an investment in the Fund is a suitable investment for the recipient.

None of the Trustee, the Fund Manager, or 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, nor do they 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 whatsoever however caused to any person relating in any way to reliance on information contained in this Information Memorandum or any other communication or the issue of Units.

The Trustee strongly recommends 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, the Fund Manager, or 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 6 "Risks of Investing in the Fund" on page 17 for further information about the risks involved in making an investment in the Fund.

The contents of this Information Memorandum are:

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

This Information Memorandum may include certain statements, estimates or projections with respect to the anticipated future performance of the Fund. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Trustee and the Fund Manager. Those assumptions may or may not prove to be correct. No representation is made as to the accuracy of those statements, estimates or projections. The recipient should make its own enquiries and investigations regarding the assumptions, uncertainties and contingencies which may affect the future operations of the Fund and the impact that different future outcomes may have on the Fund and should not rely on those statements, estimates or projections.

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 6 "Risks of Investing in the Fund" on page 17 that could affect the performance of an investment.

The Trustee has not 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. Any other parties distributing this product to investors are not the Trustee's agent or representative and are doing so on their own behalf. The Fund, the Trustee and the Fund Manager are not responsible for any advice or information given, or not given, to potential investors by any party distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from potential investors relying on any information that is not in this Information Memorandum when investing.

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

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

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. Unless the changed information is materially adverse, the Trustee may not always update or replace this Information Memorandum to reflect the changed information. Updated information can be obtained by contacting the Fund Manager or your adviser. You should check if there is any updated information before you invest.

A glossary of terms used in this Information Memorandum is included in Section, 13 Glossary on page 33.

3 KEY FEATURES OF THE FUND

The following table provides a snapshot of the Fund. Please read the whole Information Memorandum before deciding to invest.

| | |
|-----------------------------|---|
| Fund Name | AgFood Opportunities Fund |
| Investment Structure | The Fund is an open-ended unit trust that is not currently registered with ASIC as a managed investment scheme. |
| Investment Objective | To achieve superior returns by investing in both listed and unlisted companies operating in the Agriculture and Food industries within Australia, New Zealand and the Rest of the World. |
| Investment Strategy | <p>To leverage our expertise, experience and networks to:</p> <ul style="list-style-type: none"> • Invest in companies whose business operates within a scalable niche of an attractive industry and has scope to grow. • Identify opportunities by understanding a company's supply chain position and the challenges it faces. • Partner with companies that demonstrate active listening and doing. They need to respect external advisers and utilize their experience to foster scalable growth • Identify companies which seek to employ and retain experienced people across their business. • Look for Co-investment opportunities to manage preservation of capital. • Own unlisted companies with a 12-24-month path to an IPO and/or a convertible note position; and listed equities. These companies should be positioned to deliver the possibility of a step in value. |
| Investment Style | Patient capital targeting a 3-year investment horizon. 15-25 investments across both listed and unlisted opportunities. |
| Investment Timeframe | 2-3 years. |
| Target Return | Absolute return of 8-10% p.a. over a 3 year period. |
| Investor Eligibility | The fund is only available to "wholesale clients" as defined in the Corporations Act. |
| Minimum Investment | Initial - \$100,000. Additional investments - \$25,000. |
| Initial Issue Price | \$1.00 per unit. |
| Distributions | The Fund will pay periodic distributions to investors, annually on June 30. |
| Fees | Management Expense Fee – 1.5% p.a. of the Fund's Net Asset Value (plus GST). |

| | |
|-------------------------------|--|
| | <p>Performance Fee – 20% (plus GST) of return in excess of CPI (rolling 3-year average) + 3.0%, subject to a high-water mark.</p> <p>Recoverable Expenses - The Fund Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund, such as Custodian Fees, Trustee Fees, Insurance, Fund Administration Fees, taxation advice, tax lodgement, auditing, reporting or any other ordinary expenses that are otherwise allowable. These are all paid for by the Fund Manager out of its own resources. However, the Fund Manager reserves the right to recover any abnormal expenses from the Fund.</p> <p>Buy/Sell spread unit price adjustment: 0.3%/0.3%</p> <p>For more information see section 8 (Fees and Costs).</p> |
| Redemptions | <p>Investors may apply to withdraw some or all of their investment by sending the Trustee a completed withdrawal request (subject to a 6-month notice period and the minimum holding period).</p> <p>The Trustee may suspend or refuse redemption requests in certain circumstances.</p> |
| Initial Holding Period | <p>Investors will be required to hold their investment for a minimum of 24 months.</p> |
| Reporting | <p>Quarterly reporting of the performance and operation of the Fund. Annual taxation and distribution statements.</p> |

4 ABOUT THE AGFOOD OPPORTUNITIES FUND

4.1 The Fund (AgFood Opportunities Fund)

The Fund is a unit trust established to predominantly invest in a portfolio of different assets to achieve a targeted return of at least 8-10% p.a. over a 3 year period with the ability to preserve capital.

In particular, the AgFood Opportunities Fund is a specialised Agriculture and Food Investment Fund. It has been established with the objective to achieve superior returns by investing in both listed and unlisted companies, locally and globally, operating in the Agriculture and Food industries.

The Objectives of the Fund are as follows:

- To deliver consistent 10+% pa returns via investment across the agribusiness and food cycles
- To provide carefully selected Australasian private companies with external capital to help them accelerate their growth
- To take advantage of significant valuation dislocations across Australasian and global listed companies

The Strategy of the Fund is to:

Achieve its objectives over a 3-year time horizon by leveraging its expertise, experience and networks to:

- Invest in companies whose business operates within an **attractive niche** of either the Agriculture or Food industries and has scope to grow.
- Identify opportunities by understanding a **company's supply chain position** and the challenges it faces.
- Partner with companies that demonstrate **active listening and doing**. They need to respect external advisers and utilize their experience to foster scalable growth
- Identify companies which seek to employ and retain **experienced people** across their business.
- Look for Co-investment opportunities to manage **preservation of capital**.
- Own unlisted companies with a 12-24-month path to an IPO and/or a convertible note position; and listed equities. These companies should be positioned to deliver the possibility of a **major step in value**.

The Fund is an Absolute return fund with the following characteristics:

- No short selling of investments
- Can use derivatives and other tools to manage risk
- The unlisted investments can be either equity or debt instruments (e.g. Convertible Notes, financing arrangements)

The Fund portfolio will typically consist of 15-25 listed and unlisted investments. Up to 10% of the portfolio can be held in cash. The 10% cash maximum can be adjusted up or down with Board approval. The Fund can invest in listed & unlisted Australian, New Zealand and Rest of World securities & companies, as well as in securities expected to be listed on the OECD exchanges.

The table below shows how assets are currently allocated. Subject to the law and the Trust Deed, these allocations can be adjusted by the Fund Manager in response to market conditions.

| Mandate | Global Listed | Unlisted | Cash |
|-------------------|--|--|--------------------------|
| Allocation | Start 10% Move to 72% | Start 0% Move to 18% | Start 90% Move to 10% |
| Target | 10-15 investments in top 500 listed companies across 10 exchanges (mostly ASX, NSX and OECD exchanges) | 5-10 investments in top unlisted Aust./NZ companies. Pre-IPO equity or convertible debt or cattle financing. 1-3 * 10%+ investments and board position. Pre-IPO equity or Convertible Debt. | |

PAC Partners is an investor in the Fund and provides access to a proven pipeline of emerging private to public companies.

The Fund, through the Fund Manager (AgFood Fund Pty Ltd), will be managed by experienced people with the following characteristics:

- The Executive Team and Board consists of five professionals, each with 20 years in Agfood management/finance
- The experience spans private equity, listed equity, management, operations and consulting.
- The Fund Manager's network of contacts across Australasia and Asia is strong. We have point people in Europe, Americas and Africa.

The structure of the Fund is an Australian Unit Trust for Wholesale Clients only.

4.2 Fund Manager (AgFood Fund Pty Ltd)

AgFood Fund Pty Ltd (AgFood) is the Fund's promoter and Fund Manager and responsible for undertaking due diligence to identify suitable investments for the Fund and ensure the continued growth of the funds under management. The Fund Manager is governed by a Board.

The Fund Manager, AgFood, is a team of experienced professionals, each with wide experience in the Agriculture or Food industries, specifically in either a management or finance role. AgFood is majority owned by PAC Partners (PAC Asset Management Pty Ltd (AFSL number 335374)).

The main duties of the Fund Manager, AgFood, are to:

- determine and review the investment strategy for the Fund;
- source and present investment opportunities for the Fund and make decisions in relation to such opportunities in accordance with the Fund's governing documents, and
- negotiate the terms of investment opportunities.

4.3 Key Personnel & Investment Team

The Fund Manager will comprise an experienced Management team:

- The Executive Team and Board consists of five professionals, each with 20 years' experience in Agfood management/finance
- Expertise spans private equity, listed equity, operations, consulting and knowledge of each part of supply chain
- Management has built a strong network of contacts across Australasia and Asia.

Executive Chairman – Paul Jenz

Paul has over 25 years' experience in developing and financing Primary Industries in Australia and Asia. He initially spent 10 years with Rio Tinto in business and project development. Paul moved to corporate broking with Citibank, Austock, PhillipCapital and was founding director of PAC Partners. Paul built the leading Australian Agribusiness and Life Science franchise, which was recognized by: "AFR/Starmine Research Analyst Awards (top three ranking 1999, 2007, 2008, 2009, 2013).

Non-Executive Advisory Director – Andrew Gatenby

20 years in Australian beef property, funds management, and corporate advisory. Andrew started in business and technology development at Stanbroke Pastoral Company and Australian Country Choice. This led to 10 years in Funds Management with Solaris/SunCorp across Agribusiness, Resources and Infrastructure. Over the last four years Andrew has built up a strong advisory business which links off shore investors with Australian farming and processing assets. Andrew is currently CEO of CSIRO sponsored Future Feed.

Non-Executive Director - Anthony Hall

Anthony co-founded Pro Medicus Limited in 1983 and has been its Principal Architect and Developer of the core software systems. He serves as an Executive Director at Pro Medicus Ltd and oversees the Future Technical Direction of Pro Medicus. He also serves as a Non-executive Director at Yumbah Aquaculture Ltd. Anthony and business partner Jonathan Lillie rescued the Narrawong abalone farm, predecessor of Yumbah, and led the diversification to four farms and other shellfish operations.

Non-Executive Director – Craig Stranger

Craig has +20 years-experience across equities research and equity capital markets. He was co-founder of PAC Partners and Managing Director since formation. Craig has strong relationships with many emerging and mid-market companies on the ASX, and also with institutional and high net worth investors Craig was Head of Research and Head of ECM at the feeder business to PAC Partners. Actively involved or led a larger number of IPO's and capital raisings at PAC Partners, from RTO's (Bubs, Andromeda), IPO's (Bega Cheese, Althea) and Placements (dozens, including Select Harvests, Bega Cheese, Ridley, Titomic, Compumedics...).

4.4 Trustee Background & Role

Melbourne Securities Corporation Ltd ("Trustee") is a professional trustee firm, licensed by the Australian Securities & Investments Commission ("ASIC").

The Trustee has been appointed as trustee of the Fund to act on behalf of investors and provide oversight in respect of compliance of the Fund with the Corporations Act and ASIC guidelines.

The Trustee is the holder of Australian Financial Services Licence No.428289 ("AFSL) which permits it to advise and deal in a range of financial products and to provide custodial and depository services.

In exercising its powers and duties, the Trustee must:

- act honestly and in the best interests of investors at all times;
- exercise a reasonable degree of care and diligence;
- treat each class of unitholders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to unitholders;
- comply with the Trust Deed and all applicable laws;
- ensure Fund property is separated from the property of the manager and other entities; and
- assume ultimate responsibility for any complaints by investors or enquiries by the regulator.

4.5 Fund Administrator

The administrator of the Fund is MSC Abacus Pty Ltd ACN 630 730 684.

The Fund Administrator has been appointed to provide the Fund's back office functions, including investor services, unit pricing and fund accounting.

5 HOW THE AGFOOD OPPORTUNITIES FUND WORKS

5.1 Structure and Investor Eligibility

The Fund is a unit trust, whereby your money is pooled with other investor funds. This means that you have access to certain investments and strategies that you may not otherwise be able to access on your own.

The Fund is only available to "wholesale clients" within the meaning of the Corporations Act.

To qualify as a "wholesale client", you are generally required to satisfy one of the following:

- invest at least \$500,000 into the Fund. Please note, this option does not apply to Application Money that is sourced from superannuation;
- provide us with an Accountants Certificate that is no more than two years old confirming you (and/or any relevant entity you 'control') have at least \$2.5 million in net assets or \$250,000 of gross income for the last two financial years;
- confirm you are a 'professional investor', as that term is defined in the Corporations Act;
- provide a certificate from the holder of an AFS licence confirming you are a 'sophisticated investor'.

The Fund is suitable for investors who have a 2-3-year investment timeframe and are seeking:

- access to investments with low correlation to traditional equities and fixed income investments;
- additional portfolio diversification;
- investments into short to medium duration, corporate debt opportunities;
- to supplement the traditional cash & fixed interest security income in their portfolio; and
- attractive yields.

5.2 Units and Unit Pricing

The Fund is unitised, meaning that when you invest in the Fund, you purchase units that represent a beneficial interest in the Fund's assets (but not to any particular asset).

The unit price will vary as the market value of investments in the Fund rises or falls.

The calculation of unit prices is set out in the Trust Deed. Initial units will be issued at a price of \$1.00. Subsequent unit prices are calculated by:

- determining the gross asset value of the Fund as at the relevant valuation day;
- deducting any liabilities (including accrued fees);
- allowing for transaction costs of buying or selling the Fund's assets;
- dividing the resulting net asset value by the number of units on issue.

The Fund Administrator calculates both an Issue Price and a Withdrawal Price for units. The Fund Administrator calculates the Fund's unit prices as and when required for the operation of the Fund. The Trustee may also set an Issue Price that differs from the price determined above in special circumstances (such as for income reinvestments).

5.3 Initial and Subsequent Investments

A completed Application Form and Client Identification Form is required for both initial and subsequent investments in the Fund. These forms are available either on-line or in paper form from the Fund Manager.

When a completed application form is accepted, payment can be made via direct debit (bank details on application form). The Trustee reserves the right to refuse an application.

Applications are processed monthly and must be received at least 2 business days before the end of the month to be considered for that month.

5.4 Withdrawal Requests

An investor can withdraw some or all of their funds by sending the Fund Manager a completed withdrawal request form either electronically or via hard copy (subject to a 6-month notice period and the initial holding period).

After the Fund Manager has received and accepted a completed withdrawal form, withdrawals are normally paid within 40 days of the withdrawal date, although the Trust Deed allows for up to 60 days.

Withdrawals will usually be credited directly to your nominated account.

In some other circumstances, the Trustee has the right to suspend or refuse withdrawals from the Fund. Examples of these circumstances are:

- Investors will be required to hold their investment for an initial holding period of 24 months.
- when the withdrawal represents more than 5% of the Fund's assets;
- where the Fund holds illiquid assets and it would be to the detriment of the Fund and other investors to sell those assets or
- if markets are closed so that no trading is possible.

5.5 Transfers of Units

Investors wishing to transfer units to a different entity must complete a standard transfer form, available by contacting the Fund Administrator. The buying entity must be a "wholesale client" within the meaning of the Corporations Act and, unless it is an existing investor, will be required to complete an initial Application Form and Client Identification Form.

A transfer of units from one entity to another may have taxation implications and investors should seek professional advice before proceeding.

5.6 Income Distributions

The Fund may earn income such as interest, and may derive gains or losses on the sale of underlying assets. It is the Trustee's intention that the full amount of the Fund's income (as determined under the Trust Deed) for each financial year will be distributed to investors. The Trustee has a discretion to not distribute an amount of income (e.g. where amounts have not been received). Distributions are calculated yearly as at 30 June, and will be paid within 60 days of the financial year end.

The distribution amount for each unit holder is derived by dividing the total distribution amount by the total number of units on issue at the distribution date, and multiplying the result by the number of units you hold

on that date. If you withdraw units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period.

You can choose to have your distributions:

- reinvested in further units in the Fund; or
- paid to you by direct credit to your nominated account.

This choice is made on the application form. If you do not make a choice, or if a direct credit rejection occurs, then your distributions will be automatically reinvested by acquiring additional units in the Fund at the unit price applicable at the end of the relevant distribution period.

5.7 Keeping you informed

The Fund Manager (or the Fund Administrator) will provide periodical reports to investors, along with updated Fund information. The reports provided to investors include:

- a periodical valuation of the investor's units;
- a periodical report providing updated Fund specific information;
- a transaction statement including a statement of unit holding at the time of any change in an investor's unit holding;
- the annual audited accounts of the Fund for each financial year if Fund Manager deems relevant for size and complexity of Fund; and
- annual distribution and tax statements.

The Fund Manager intends to provide the periodical reports on a quarterly basis.

6 RISKS OF INVESTING IN THE FUND

The purpose of this section is to inform you of the types of significant risks that may apply to an investment in the Fund and is a summary only. It does not purport to be a comprehensive statement of all the risks. The significant risks of the investment structure as well as those associated with the structure of this Fund are considered.

All investments carry risk including the potential for loss of income or capital, a less than expected rate of return or a delay in payment. Different investment strategies may carry different risk, depending on the assets that make up the investment strategy.

Some of the significant risks of investing in the Fund are summarised below.

6.1 Investment risk

The value of an investment in the Fund will go up and down in accordance with the value or performance of the underlying investments. This could result in the loss of any money invested in the Fund.

6.2 Credit risk

This is the risk that the issuer of a fixed income security (or counterparty) may be unable to meet its obligations to pay interest and principal when it is due.

6.3 Market and economic risk

All investment returns are influenced by the performance of the market to which the underlying investments are exposed. These market forces may impact adversely on the global corporate debt market or listed equities market, which in turn could affect the performance of an investment in the Fund.

Market risk is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that the country's credit rating is downgraded. This may be because, amongst other things, there are adverse changes in economic, financial, climate, technological, political or legal conditions, natural and man-made disasters, conflicts, pandemics and shifts in market sentiment.

6.4 No guarantee of performance

Neither the money that an Investor has invested in the Fund or the returns earned from their investment are guaranteed. A lack of performance by the Fund may mean there is insufficient income for the Fund to meet its investment objectives, in particular its yield objective.

6.5 Fund risk

The Fund could be terminated, the fees and expenses could change, the Investment Manager could be replaced, and other key personnel could change.

6.6 Key person risk

There is the risk that key individuals will no longer be able to fulfil their obligations in respect of the investment or administration of the Fund. The performance of the Fund may be dependent on the management skill of one or more individuals. If key personnel are no longer able to fulfil their obligations there is a risk that the Trustee or the Investment Manager may not be able to find suitably qualified replacement personnel and the performance of the Fund may suffer as a result.

6.7 Limited operating history

The Fund is a newly formed fund with no operating history upon which Investors can evaluate its likely performance. There can be no assurance the Fund will achieve any of an Investor's investment objectives.

6.8 Derivatives risk

Derivatives can be used to manage some liquidity, currency and/or portfolio risk but are not used to gain investment exposure.

Derivatives risk includes the value of derivative positions not moving in line with the movement in the underlying asset, potential illiquidity of the derivative, and being unable to meet payment obligations in relation to derivative contracts.

6.9 Liquidity risk

The risk that, due to the lack of marketability of an investment, the investment cannot be bought or sold quickly enough to prevent or minimise a loss or make a profit.

The Fund will predominately invest in unlisted and listed companies, as such the Fund's assets may not be able to be converted into cash in a timely manner. This liquidity risk may impact the ability of the Fund to pay withdrawal requests.

Investments in the Fund have a 24-month initial holding period and investors will not be able to withdraw their investment within the first 24 months of their investment.

6.10 Counterparty risk

Counterparty risk represents the loss that would be recognised if counterparties (i.e. the other parties to the contracts such as custodians, securities dealers or derivative counterparties, stock or crop lease originators) fail to perform as contracted.

6.11 Leverage risk

The Fund has the ability to borrow money to invest. The use of leverage may magnify the potential gains and losses achieved by the Fund, thus impacting on the value of the units in the Fund.

6.12 Regulatory risk

This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of a Fund's trading or investment strategy, may be adversely affected by changes in

government (including taxation) policies, regulations and laws affecting registered managed investment schemes, or changes in generally accepted accounting policies or valuation methods.

6.13 Commodity Risk

The Fund or assets owned by the Fund may be impacted either directly or indirectly by soft commodity price risks such as wheat or fertiliser prices.

6.14 Taxation Risk

The risk that the Fund is not taxed as expected. This includes the risk that the Fund is taxed as a public trading trust, or that new taxes are introduced that impact an investor's rights or returns.

6.15 General Risk

The significant risks of investing in managed investment schemes generally include the risks that:

- The value of the investments will vary,
- The level of returns will vary, and future returns will differ from past returns,
- Returns are not guaranteed and investors may lose some or all of their money, and
- Laws change.

6.16 Risk mitigation strategy

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable. Whenever investments are made, the potential for returns in light of the likely risks are assessed.

Risk is considered throughout the investment process. As far as is practicable, risk is managed at the Fund level in the selection of the various asset allocations. However, many risks are difficult or impracticable to manage effectively and some risks are beyond the Fund Manager's control altogether. Investing involves risk, and you can lose as well as gain money. Neither returns nor the money you invest in the Fund is guaranteed.

The Fund Manager will seek to mitigate risk by undertaking the following:

- Investments will be primarily focused within countries and industries with strong or stable growth outlooks.
- Use of liquid securities as the de-risking vehicle
- Focus on mitigating catastrophic losses.
- Protect the portfolio gains as they occur
- Apply an understandable and consistent rules-based approach to risk management decisions

You should consult with your financial adviser to properly understand the risks associated with the Fund and your attitude to investment risk.

Neither the Trustee or the Fund Manager guarantees the repayment of money invested, the payment of income or the Fund's investment performance.

7 HOW WE INVEST YOUR MONEY

7.1 Investment strategy

The Fund's strategy seeks to achieve 8-10% p.a. returns over a 3 year period across the agribusiness and food cycles.

The AgFood Opportunities Fund's Investment Philosophy is to use our experience and network of contacts to find compelling stocks and unlisted companies.

The Fund will:

- Invest in companies whose business operates within an attractive niche of either the Agriculture or Food industries and has scope to grow.
- Identify opportunities by understanding a company's supply chain position and the challenges it faces.
- Partner with companies that demonstrate active listening and doing. They need to respect external advisers and utilize their experience to foster scalable growth
- Identify companies which seek to employ and retain experienced people across their business.
- Look for Co-investment opportunities to manage preservation of capital.
- Own unlisted companies with a 12-24-month path to an IPO and/or a convertible note position; and listed equities. These companies should be positioned to deliver the possibility of a major step in value.

The Fund's belief is that most stocks are fairly priced the majority of the time, but significant stock mispricing can occur because of recurring patterns in market participant behaviour.

Because of its deep market experience gained over 80 years of combined investment experience, we understand what factors influence this recurring behaviour and we know how to profit from them before they are fully appreciated by the market.

Examples of mispriced and misunderstood opportunities include the following,

- Underestimation of significant change and timing
- Management reputation
- Drive by boards to exploit high ROI opportunities in their core business
- Limitations of company guidance
- Overlooked signals
- Business disruption
- Misjudging risk (short termism)
- Corporate motives by brokers
- Lack of analyst coverage

7.2 Agribusiness investment is not easy or predictable in short term

- Our target is Return on Investment of 8-10%pa over a 3-year period
- We will lower earnings volatility with prudent diversity, scale, and investing at the "pinch points" along the agribusiness and food supply chains

- We will seek hybrid and debt exposure and financial products to limit downside risk with high volatility earnings

7.3 Investment Principles – Listed Companies

- Australia, New Zealand and Rest of the World opportunities.
- Use fundamental analysis to choose stocks which exploit market inefficiencies in forecasts and valuations.
- Analyst management of the portfolio is the best way to capture market inefficiencies.
- Active Management can provide better investment returns than passive investment.
- To achieve superior returns, positions are taken which deviate from benchmarks, through skillful stock selection.
- Companies in the Agriculture and Food Industries go through many transitions, so by using our specialist backgrounds and industry experience we can, with objective review, identify a higher certainty of success or failure before general and/or quantitative approaches
- All investment decisions are supported by detailed analysis of the securities and key financial markets, with an eye on the global perspective.
- We apply strict risk controls to minimise the exposure to downside risk.
- Selecting stocks is our main area of expertise. Our research aims to identify the 'true' value of each stock, based on qualitative and quantitative company fundamentals.
- We have no bias towards value or growth stocks ('style-neutral'). We identify the stocks with the best-expected return, regardless of perceived style.

7.4 Investment Principles – Unlisted Companies

- Australia & New Zealand opportunities only
- Identify companies of interest, over 100 on watch list
- Meet management, competitors, suppliers etc. to build profile
- Develop priority list of 10 – 20 groups to review in detail
- Utilise in house expertise with external input as required for due diligence and analysis
- Invest in convertible debt and equity
- Window to liquidity event for unlisted is 12 – 24 months for equity investments

7.5 Targeted returns

The Fund has a performance objective of 8-10% p.a. over a 3 year period.

The Fund Manager gives no guarantee or assurance as to the performance of the Fund, the repayment of capital or any particular rate of capital or income return.

7.6 Gearing Policy

The Fund has a flexible gearing policy and may borrow money to magnify potential gains.

8 FEES AND COSTS

8.1 Fees and Costs

The following table shows the fees and costs you may be charged when investing in the Fund. Fees and costs may be deducted directly from your money, from the returns on your investment or from the Fund's assets as a whole.

All the fees and costs shown in this section exclude GST unless otherwise stated.

| TYPE OF FEE OR COST | AMOUNT |
|--|---|
| Transaction Costs – Cost applied when your money moves in or out of the Fund | |
| Buy/Sell Spread | At the date of this Information Memorandum, the estimated buy/sell spread unit price adjustment is: <ul style="list-style-type: none"> • down for the withdrawal price, -0.3% of the unit price, and • up for the application price, +0.3% of the unit price. |
| Management Costs - Fees while your money remains in the Fund | |
| Management Fee | 1.5% p.a. (plus GST) of the Fund's Net Asset Value. |
| Performance Fee | 20% p.a. (plus GST) of the Fund's return in excess of CPI (rolling 3-year average) + 3.0 %, subject to a high-water mark. |
| Estimated ordinary and every day recoverable expenses (% of Funds Under Management – based on \$20m FUM) | Nil. The Fund Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund, such as Custodian Fees, Trustee Fees, Insurance, Fund Administration Fees, taxation advice, tax lodgement, auditing, reporting or any other ordinary expenses that are otherwise allowable. These are all paid for by the Fund Manager out of its own resources. However, the Fund Manager reserves the right to recover any abnormal expenses from the Fund. (see below for further detail) |

8.2 Further Fee Detail

Management fees are accrued on a daily basis. They are paid monthly in arrears to the Fund Manager from the Fund's assets.

Performance fees are calculated when the Fund's NAV exceeds its hurdle. The fee is accrued daily and paid to the Fund Manager monthly in arrears from the Fund's assets. A performance fee is only payable if the unit price is above the High Water Mark (HWM) for the unit. The purpose of the High Water Mark is to prevent you from paying performance fees twice for the same amount of performance.

The High Water Mark of units in the financial year in which the unit is issued is the subscription price of that unit. For subsequent financial years, the HWM is the greater of;

- The highest Net Asset Value per unit (after deduction of any performance fee) as calculated on the last business day of each quarter for the previous 12 quarters; and
- The subscription price of the unit.

Where units are withdrawn part way through a year, the performance fee payable in respect of the units withdrawn will be calculated at the relevant withdrawal date and paid from the Fund's assets at the time of the withdrawal.

Recoverable Expenses: The Fund Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund, such as Trustee fees, Fund Administration fees, taxation advice, tax lodgement, auditing, reporting or any other ordinary expenses that are otherwise allowable. These are all paid for by the Fund Manager out of its own resources. However, the Fund Manager reserves the right to recover any abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs. In addition, the Fund Manager may also pay commissions to parties who introduce investors or assets to the Fund, and these will be paid from the Fund's assets.

The Fund Manager pays its personal costs from its own moneys, including premises, research, wages and director fees, insurance, its own accounting and any audit and licensing.

Transaction Costs: When the Fund acquires or disposes of assets it incurs operational and transactional costs such as brokerage (including research), external due diligence, legal and accounting fees, transactional taxes and settlement costs. These will vary from year to year depending upon the volume and value of trades undertaken.

To cover these costs a Buy/Sell spread is applied to the unit price. The Buy/Sell Spread is an additional cost to investors when investing in or withdrawing from the Fund and the proceeds from it are retained by the Fund. At the date of this Information Memorandum, the estimated buy/sell spread unit price adjustment is:

- down for the withdrawal price, -0.3% of the unit price, and
- up for the application price, +0.3% of the unit price.

The net transaction costs of the Fund represent the total operational costs of the Fund less the total amount recovered through the Fund's buy/sell spread. Net transaction costs are not included in the management costs of a Fund. Instead they are recovered from the assets of the Fund.

All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations. We would generally give you 30 days' notice of any change to fees and expenses.

The Trust Deed sets the maximum amount that can be charged for all fees. There is no specific limit in the Trust Deed on the level of expense recovery. A copy of the Trust Deed is available free on request from the Trustee.

The Fund Manager currently charge fees at less than the maximum amounts allowed for in the Trust Deed or waives those rights to fee payment and expense recovery.

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

9 ADDITIONAL INFORMATION FOR INVESTORS

9.1 Trustee

Melbourne Securities Corporation Limited (ACN 160 326 545) is the trustee of the Fund.

MSC has been appointed as trustee of the Fund to protect investors and ensure compliance of the fund as legislated by the Corporations Act.

The Trustee must undertake the following in exercising its powers and duties:

- act honestly and in the best interests of the investors at all times;
- Exercise a reasonable degree of care and diligence;
- comply with the Trust Deed and applicable law; and
- Assume ultimate responsibility for any complaints by investors or enquiries by the regulators.

The Trustee can retire at any time by nominating a replacement trustee. The Trustee is not subject to removal by investors.

9.2 Trust Deed

The Fund was established under a Trust Deed dated 28th May 2020. The Trust Deed sets out provisions for:

- the establishment of the Fund as a unit trust;
- the Fund's duration and vesting;
- rights of investors;
- applications, issues of units and withdrawal from the Fund;
- the Trustee's powers and management responsibilities;
- liabilities and indemnities;
- unit registry and transfers;
- fees and outgoings;
- income distributions;
- meetings of investors;
- change of trustee;
- amendments to the Trust Deed; and
- other related matters.

The Trust Deed also contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and investors. Some of the provisions of the Trust Deed are discussed elsewhere in this Information Memorandum.

Copies of the Trust Deed are available to investors, free of charge, on request to the Trustee.

9.3 Termination of the Fund

The Fund may be terminated by the Trustee but only as set out in the Trust Deed.

Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata to all investors according to the number of units each holds in the Fund.

9.4 Indemnity

The Trustee is indemnified out of the Fund against all liabilities and expenses incurred by it in properly performing any of its duties, exercising any of its powers, or omitting to act in relation to the Fund, or attempting to do so.

9.5 Cooling off rights

Investors who invest in the Fund do not have the right to "cool off" in relation to an investment in the Fund.

9.6 Privacy

When processing an application for units, the Trustee will be collecting personal information. The Trustee may also request additional personal information in the future.

Please refer to the Trustee's privacy policy (<https://www.msc.group/privacy-policy/>) or available from the Trustee upon request.

10 TAXATION INFORMATION

10.1 Tax Summary

The following provides a summary of the general 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 Information Memorandum ("**IM**"). Investing in an Unregistered MIS ("**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.

10.2 Income Tax Provisions

10.2.1 Provisions that apply

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

The Trustee has not made a decision in regard to the application of the AMIT provisions. Accordingly, the section below outlines the general income tax treatment where the AMIT provisions do not apply to the Fund. The Trustee will provide an update to the extent that the Fund makes an election to apply the AMIT provisions in the future.

10.3 Income Tax

10.3.1 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.

10.3.2 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).

10.3.3 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. The Fund's Investors will be required to include their share of taxable income in their tax return.

10.3.4 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, where expenses of the Fund (e.g. depreciation expenses or bad debts) are offset against taxable income, or where there are timing differences. 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.

10.3.5 Public trading trust provisions

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.

Initially, 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. However, in the future, the Fund may become public.

Accordingly, the Trustee intends to limit the activities of the Fund to eligible investment business activities so that the public trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

While the Trustee does not believe that the public trading trust provisions should apply to the Fund, 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 27.5% 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 gains or capital allowance deduction may be treated as an unfranked dividend.

10.4 Additional Income Tax Issues

10.4.1 Accruals taxation

It is possible that the Fund may derive assessable income prior to those amounts being received by the Fund or distributed to Investors. Accordingly, Investors may be required to include amounts in their taxable income prior to receiving a distribution of those amounts from the Fund.

10.4.2 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.

10.4.3 Dividends

Investors in the Fund may receive, as part of their distribution, franking credits attached to franked distributions received by the Fund. Franking credits received will not represent part of your cash distribution but must be included as assessable income in your tax return.

You may be eligible for a tax offset for franking credits received, which can reduce your tax liability. The extent to which you will receive franking credits will be subject to relevant franking credit integrity provisions, such as the 45-day holding rule.

However, to the extent that the Fund is not an AMIT, these provisions require the Fund to be a fixed trust. As this requires the ATO to exercise a discretion, the Fund will seek to obtain certainty on this issue.

10.5 Disposal of Units

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 tax cost base of the Units. Alternatively, an Investor may make a capital gain to the extent that the capital proceeds exceed the tax 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.

10.6 Non-Resident Investors

The taxation implications of 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 and the Australian income tax consequences of a non-resident investor disposing of units in the Fund.

Where withholding tax 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.

10.6.1 Interest

To the extent that the interest income is derived by the Fund from an Australian source (either directly or indirectly), the Trustee will generally be liable to withhold 8-10% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

10.6.2 Dividends

To the extent that franked dividend income is derived from an Australian source by the Fund, the distribution will not be subject to Australian withholding tax. To the extent that an unfranked dividend is derived from an Australian source, the Trustee will generally be liable to withhold 30% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

10.6.3 Foreign income

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.

10.6.4 All other income

The Fund may derive other items of income. Where the Fund is not a MIT, or the distribution is not a MIT fund payment, the distribution of other income by the Fund can be taxable to the Investor and subject to a non-final withholding tax at the Investor's tax rate (e.g. marginal tax rates for an individual).

10.6.5 MIT fund payments

A MIT fund payment typically refers to Australian sourced income that is distributed by a MIT that is not otherwise subject to specific withholding rules (e.g. rental income, capital gains derived from taxable Australian real property or foreign currency gains).

Where the Fund distributes a MIT fund payment to Investors (being either income derived directly by the Fund or MIT fund payments it has received from other trusts), the Fund may qualify to apply a final reduced withholding tax rate. This reduced rate may be either 15% (for Investors in exchange of information ("EOI") countries) or 30% (for non-EOI countries). Certain types of income are specifically excluded from being subject to a reduced 15% withholding rate (e.g. non-concessional MIT income, which can include MIT agricultural income).

10.6.6 Disposal of units

Capital gains realised upon the (direct or indirect) disposal or redemption of Units owned by non-resident Investors will be subject to Australian capital gains tax if the Units are taxable Australian property. This will generally be the case where the relevant non-resident Investor has a non-portfolio interest in the Fund (i.e. a greater than 10% interest) and more than 50% of the market value of the Fund's assets are attributable to Australian real property.

10.7 Annual Reporting

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.

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

As the Fund will be an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (TFN) or Australian Business Number (ABN) in certain cases from its 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 49%) with respect to distributions to the Investor (which may be creditable in their tax return).

10.9 Goods and Services Tax (GST)

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 per cent or 55 per cent of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

10.10 Stamp Duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in Stamp Duty consequences (for example, if the change in unitholding occurs at a time when the unit trust holds dutiable property, such as real property, or certain debts in Queensland). Investors should confirm the duty consequences of their dealings in units with their taxation advisers.

10.11 Foreign Account Tax Compliance Act (FATCA)

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.

10.12 Common Reporting Standard (CRS)

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.

11 HOW TO APPLY

11.1 Complete the Application Form

To invest in the Fund, you will need to complete and sign the Fund's Application Form and provide all supporting identification documentation and applicable certificates.

Application forms are available from the Fund Manager - info@agfood.com.au. Please send an email indicating that you would like to be sent an application form.

You can also apply online through the Fund Administrator – Please email the Fund Administrator at registry@msc.group and they will send you the steps to complete the application form.

Please contact the Fund Manager, AgFood Fund Pty Ltd, if you need assistance in providing the appropriate documentation to certify that you are a wholesale client.

12 CONTACT DETAILS

FUND MANAGER – AGFOOD FUND PTY LTD

AgFood Fund Pty Ltd

Level 10, 330 Collins Street, MELBOURNE VIC 3000

Phone (03) 9114 7444 (Australia)
+61 3 9114 7444 (International)

Email info@agfood.com.au

Website www.agfood.com.au

TRUSTEE – MELBOURNE SECURITIES CORPORATION LTD

Melbourne Securities Corporation Ltd

Level 2 395 Collins Street, Melbourne VIC 3000

Phone 1300 798 790 (Australia)
+61 3 9050 2000 (International)

Email trustee@msc.group

Website www.msc.group

FUND ADMINISTRATOR – MSC ABACUS PTY LTD

MSC Abacus Pty Ltd

Level 36, 71 Eagle Street, Brisbane, QLD, 4000

Phone 1300 798 790 (Australia)
+61 3 9050 2000 (International)

Email registry@msc.group

Website www.msc.group

13 GLOSSARY

Accounting Standards - has the meaning given to that term in Section 9 of the Corporations Act.

AgFood - AgFood Fund Pty Ltd (ACN 628 200 448).

Applicant - a person who has applied to become a Unitholder in the Fund by making an application but who is not yet a Unitholder.

Application Money - any form of valuable consideration received by the Trustee for a Unit, but excluding any amount the Applicant directs the Trustee to pay to a third person on account of service fees or other fees associated with the acquisition of Units.

ASIC - the Australian Securities and Investments Commission.

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

Corporations Act - the Corporations Act 2001 for the time being in force, together with the regulations.

CPI - Australian Consumer Price Index as calculated and published by the Australian Bureau of Statistics.

Financial Year - the period of twelve months ending on 30 June in each year.

Fund - the unit trust named AgFood Opportunities Fund.

Fund Administrator - MSC Abacus Pty Ltd ACN 630 730 684.

GST - a tax, impost or duty on goods, services or other things imposed by any fiscal, national, state, territory or local authority or entity and whether presently imposed or novel, together with interest or penalties.

Initial Holding Period means the minimum time which a unitholder must own a unit.

Net Application Money - in relation to an application for Units, the Application Moneys less any entry fee charged.

Net Asset Value - the total value of the Trust Assets less the Trust Liabilities.

Regulator - ASIC and such other governmental agency with authority to regulate the operation of the Fund.

Trust Assets includes all property, rights and income of the Fund, but excludes:

- (a) Application Money or property paid in respect of which Units have not been issued;
- (b) proceeds from withdrawal which have not yet been paid, and
- (c) Distributable Amount awaiting payment to Unitholders.

Trust Deed - the document that sets out the conditions, terms and rules for operating the AgFood Opportunities Fund.

Trust Liabilities means all liabilities of the Fund, including any provisions the Trustee considers should be taken into account in determining liabilities. To the extent the Accounting Standards require any amounts representing Unitholders' funds to be classified as a liability, then for the purposes of calculating Net Asset Value for this Fund, Unitholders' funds are not to be treated as a liability.

Unit means an undivided share in the beneficial interest in the Fund .

Unitholder - a person who holds a beneficial interest in the Trust Assets.

Units in Issue - the number of Units that have been issued less the number that have been redeemed.

Valuation Date - the time at which the Trustee calculates the Net Asset Value.