

INFORMATION MEMORANDUM

Praetorian Strategic Income Fund

**Issued by Newport Private Wealth Pty Ltd
(ACN 166 931 960 – AFSL - number 451820)
as Trustee of the Praetorian Strategic Income Fund**

**Fund Manager: Newport Asset Management
(ACN 166 931 960 – AFSL - number 451820)**

15 August 2023

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1 IMPORTANT NOTICES AND DISCLAIMER

This Information Memorandum is issued by Newport Private Wealth Pty Ltd, ACN 166 931 960, AFSL Number 451820, the Trustee of the Praetorian Strategic Income Fund “Fund”.

The Fund Manager is Newport Asset Management, a trading name of Newport Private Wealth Pty Ltd.

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 invitation to invest 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 an invitation or offer 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 5 (Risks Factors) 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 5 “Risks of Investing in the Fund” on page 16 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 12 on page 34 (Glossary).

2 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 | Praetorian Strategic Income 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 | The objective of the Fund is to provide investors with strong, risk-adjusted returns by investing in a diversified portfolio of predominantly property finance products sourced by a selection of Australia's leading private credit providers and approved by the Fund's Investment Committee. |
| Authorised Investments | Loans and preferred equity transaction that have been originated by and are managed by some of Australia's most respected investment originators. From to time, the Fund may make direct investments into property finance investments in line with the Fund's Credit Policy. The Fund may also invest in ASX listed securities. |
| Investment Strategy | <p>The Fund is an aggregated investment vehicle and aims to generate value by leveraging the deal flows, relationships and expertise of some of Australia's highest quality debt finance originators to identify and execute suitable debt finance investments. The Fund aims to provide diversification by strategically allocating its investments across Investment Providers.</p> <p>The Fund will provide investors with underlying investment exposure to loans and investments mainly secured to or backed by Australian and New Zealand assets and generally secured against property in Australia and New Zealand. These include:</p> <ul style="list-style-type: none"> • Senior loans – secured by first mortgages • Subordinated loans and mezzanine loans – secured by second mortgages • Preferred equity backed by assets |
| Investment Timeframe | Recommended minimum of 2 years |
| Target Return | A pre-tax return of 7 – 9% p.a. (net of fees and costs) |
| Investor Eligibility | The fund is only available to "wholesale clients" as defined in the <i>Corporations Act 2001</i> . |
| Minimum Investment | Initial - \$250,000. Additional investments - \$50,000 |

| | |
|-------------------------------|--|
| Initial Issue Price | \$1.00 per unit |
| Distributions | Distributions are calculated with reference to the number of Units investor hold in proportion to the number of Units on issue at a particular point in time. It is anticipated that distributions will be declared and paid on a quarterly basis. However, the Trustee has absolute discretion to make distributions more or less frequently. |
| Fees | See section 7 (Fees and Costs) |
| Initial Holding Period | Investors will be required to hold their investment for a minimum of 12 months. The start of the initial period will be determined as the first business day the Fund allocates units to the respective unitholders |
| Redemptions | <p>Redemptions are permitted on the last business day of each calendar quarter being on or around 31 March, 30 June, 30 September and 31 December. Investors must submit a Redemption Request at least 60 days prior to the proposed redemption day.</p> <p>Should redemption requests representing more than 10% (or such other percentage as the trustee in its discretion may determine) of the value of the relevant Class be received in respect of any Redemption Day, the trustee may pro-rata each request to ensure that only 10% (or such percentage as the trustee may determine) of the value of the relevant Class is redeemed and may defer the residual redemption requests in excess of that amount by treating them as though they were received for the next relevant Redemption Day (subject again to the 10% restriction for that Redemption Day).</p> |
| Reporting | Monthly reporting of the performance and operation of the Fund. Annual taxation and quarterly distribution statements. |

3 ABOUT THE PRAETORIAN STRATEGIC INCOME FUND

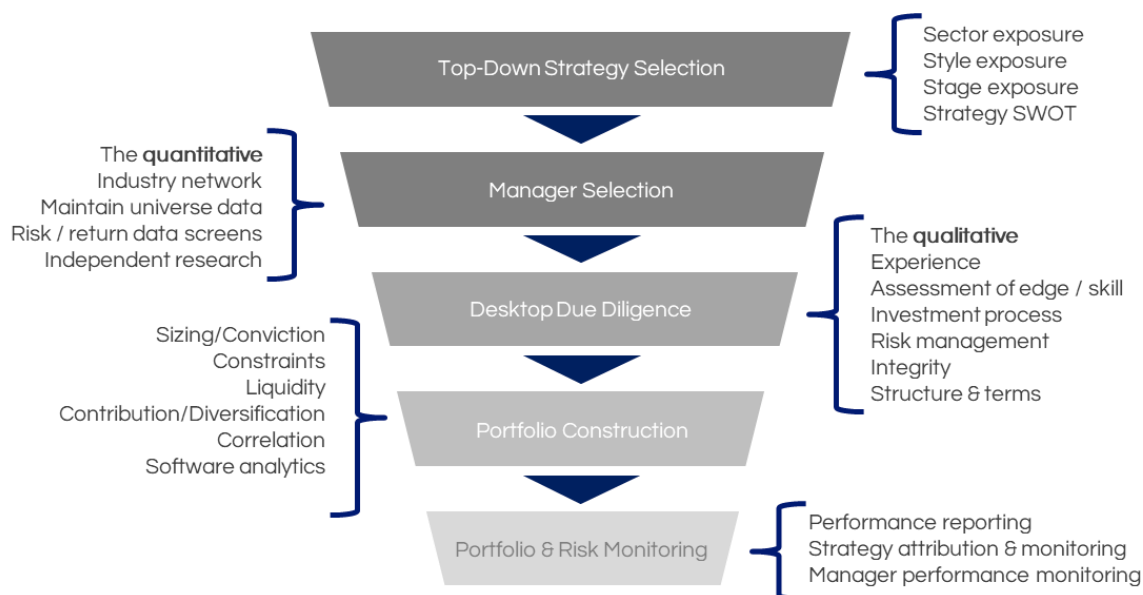
3.1 The Fund (Praetorian Strategic Income Fund)

The Praetorian Strategic Income Fund’s (the Fund) objective is to provide investors with strong, risk-adjusted returns by investing in a diversified portfolio of predominantly property finance products sourced by a selection of Australia’s leading private credit providers and approved by the Fund’s Investment Committee.

Investment Strategy

The Fund is an aggregated investment vehicle and aims to generate value by leveraging the deal flows, relationships and expertise of some of Australia’s highest quality debt finance originators to identify and execute suitable debt finance investments. The Fund aims to provide diversification by strategically allocating its investments across multiple Investment Providers.

Investment Provider (Investee Entity) Selection Process



Potential investments will be identified through a range of initiatives with the key aim to ensure that the fund is well diversified across sectors, styles, stages, strategies, and Investee Entities. The Fund will provide investors with underlying investment exposure to loans and investments mainly secured to or backed by Australian and New Zealand assets and generally secured against property in Australia and New Zealand. These include:

- Senior loans – secured by first mortgages
- Subordinated loans and mezzanine loans – secured by second mortgages
- Preferred equity backed by assets

Investment provider selection matters a great deal in the realised return on investing in credit products. This selection could mean the difference between achieving exceptional returns and performing below expectations for the asset class. The credit market is less efficient than public equity markets due to the significant lack of publicly available information on private companies.

Conviction

The principal reason we believe top managers perform so much better than average managers is that investing in private companies requires difficult-to-acquire skills, expertise and experience. It also includes a high involvement by the investor in identifying, managing and exiting investments. When a manager identifies products that have demonstrated these unique skillsets, it is important that these fund commitments make up sizeable enough positions to impact the portfolio. A fund must be sized appropriately such that 4-10 commitments can drive returns in the portfolio.

Identifying Leading (and Emerging) Products

It is critical to apply consistent criteria to all investment opportunities, including additional investments in products with whom there is already a relationship. The key criteria in evaluating products includes aspects such as: portfolio fit, industry and sector expertise, focus and reputation, track record, strategy, integrity and commitment, team rapport, deal flow, and acceptable contract terms.

We must also be cognisant of the need to recognise when products may have lost its edge. It is easy for an investor to rely on the reputation of the manager to select fund investments. However, it takes expertise and experience to assess funds that can be the next generation of leading products. In developing a new fund relationship, a manager's approach to due diligence should leverage existing industry relationships. In addition, due diligence may include desktop due diligence, extensive review of the track record and investment strategy, review of existing and potential investments and reference checks. Most of all, there must be a general comfort level with the strength of the team, personal incentives and motivations of the managers, their operating philosophy, and specific areas of expertise and, finally, how the strategy fits with the rest of the portfolio.

Ongoing Relationships

Given the importance of product selection, the manager must be effective at developing relationships with leading providers and must be adept at identifying and assessing leading and emerging products.

We will generally look for products that that show the following key attributes:

- A strong and well-balanced leadership team;
- Operate in industries which offer realistic opportunities for growth and scale;
- Be developing or already providing products and services which have an identifiable competitive advantage;
- Provide for an investment structure which will allow the Fund to effectively generate income; and
- Have a clear liquidity strategy which coincides with the time constraints of the Fund

To ensure that the Fund has an appropriate degree of diversification, no more than 30% percent of the Fund's capital may be invested with any one Investment Provider. However, a higher percentage may be invested in the event that the investment committee and trustee are satisfied that a larger investment would be in the best interests of the Fund and its potential returns.

Desktop Due Diligence

The Fund's investment team will follow a process involving comprehensive due diligence and strong adherence to compliance to ensure that the Fund's capital is invested appropriately. Each of the potential products will be assessed based on the following:

➤ **The Team**

The team must have relevant experience and also possess the requisite strategic and operational competencies. The team must demonstrate good collaborative skills and have access to a strong network that can support the Fund's investment strategy.

➤ **Investment strategy**

The investment strategy must be clearly defined and describe in detail how value will be created. The manager's portfolio would be assessed on characteristics such as:

- Industry Focus
- Geography – what exposure do Investment Providers have to offshore markets?
- Portfolio diversification and sizing
- Do their investments adhere to basic environment, social and governance principles (ESG)?

➤ **Track record**

The team should rank among the best investors in their field, with demonstrated returns on previous as well as current investments. The team's proven results include their choice of investment prospects, investment structuring, development of credit portfolios

➤ **Processes**

Structured workflow and processes ensure consistent and effective execution of the provider's investment strategy. The team works systematically to create value and handle risk, and there is a clear framework for assigning responsibility. The processes include documentation and communication, which includes reporting.

➤ **Structure**

The product's clear legal and fee structure include transparency and market conformity in order to balance income and risk for all parties.

➤ **Portfolio Construction**

In building a portfolio, it is important to establish a core portfolio around leading products with a proven expertise – whether it is a particular sector focus, strategy or style. Built around the core portfolio are more focused and emerging products or listed vehicles that may have the ability to target a particular niche and operate in a more opportunistic manner. For more tactical allocation and the opportunity to fine-tune allocations and enhance returns, many funds will make direct loans in private companies, using a small portion of the fund. In all cases, it is important to systematically apply principled criteria and a disciplined due diligence process.

The following principles are applied with the aim of determining the optimal combination of investments that will meet the investment objectives of the Fund. The Investment Committee regularly monitors these allocations using its disciplined review process to ensure the highest likelihood of achieving the investment objectives:

- (a) Conviction – in the investment provider or strategy
- (b) Correlation – seek providers that have low correlation with other managers in the portfolio
- (c) Contribution – seek a contribution to risk fitting with our conviction & diversification benefits

(d) Constraints – e.g. capacity.

Portfolio & Risk Monitoring

Monitoring investments in a diversified portfolio can be complex. A strong manager constantly reviews reports, attends meetings and conference calls and effectively aggregates and communicates such information to investors via quarterly reports.

Investment Committee

The Investment Committee will have primary responsibility to manage the investment portfolio of the Fund. The role of the **Investment Committee** will be to:

- approve investments, divestments or otherwise deal with the Fund;
- oversee final due diligence including a review of all financial, legal, tax and operational issues not addressed during initial due diligence; provide regular reports to the Advisory Committee on any issues that may have a significant impact on operations or valuation of an Investee Entity; and
- Work with the Advisory Committee and Investee Entities to achieve an investment exit that is consistent with the objectives of the Fund.

3.2 Fund Manager (Newport Asset Management)

Newport Private Wealth Pty Ltd (trading as Newport Asset Management) is the Fund's trustee, 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. Since 1995, NAM's Senior Management have been assisting institutions, advisers, families, individuals & SMSFs manage high-quality portfolios and investments. NAM has previously run a highly successful multi asset multi manager hedge fund for Asian investors and we bring this experience to the management of the Fund. Newport Asset Management are specialists in providing asset allocation, investment selection, portfolio construction, modelling, administration & wholesale trustee services to our clients. Newport Private Wealth Pty Ltd (t/a Newport Asset Management) holds Australian Financial Services License (AFSL) number 451 820.

3.3 Key Personnel & Investment Team

The Fund Manager will comprise an experienced Management team including:

SAM HE, CFA Portfolio Manager

Sam holds a globally recognized qualification of Chartered Financial Analyst (CFA) and has over 15 years of experience in funds / capital management, investments, financial risk control, corporate debt/equity raising and acquisitions. Sam has a passion for the financial markets and has extensive expertise in funds management. In the past, Sam worked as fund manager for a boutique property fund. Prior to that, Sam was a director for global financial markets at one of the four major banks in Australia. During his career, Sam also worked for an ASX 50 listed company and a state government agency on their investments, financial risk management, capital management including onshore and offshore debt/equity financing.

Andrew McKay

Director & AFSL Responsible Manager

Andrew is a Director, Investment Adviser and AFSL Responsible Manager. Andrew looks after HNW individual clients and is responsible for Australian and Asian equity strategies. Andrew is also Head of Compliance & Risk Management. After completing a commerce degree at the University of Melbourne, Andrew's experience in the financial markets began as a cash and securities dealer for the Bank of New York in Sydney. After a few years Andrew moved to London and accepted a position as foreign exchange dealer for a Shearson Lehman Hutton subsidiary. Andrew progressed rapidly to the position of Senior Dealer, Futures and Options, with responsibility for implementing the hedging strategy of the treasury department, and trading futures, FX and options. On his return to Australia in 1990 Andrew launched an asset management company to apply his extensive knowledge of markets, developed during his banking days to proprietary trading and the broader asset/fund management world. He has been responsible for the launch & successful operation of a hedge fund business focussed on Asian investors but with a global investment focus. This business was bought out & prior to launching Newport Private Wealth, Andrew was the CEO of Easton Asset Management Ltd; part of the Easton Investments Limited (ASX:EAS) group. In addition he & his business partner launched one of the most successful financial advice companies in Singapore.

Gavin Duckett

Director & AFSL Responsible Manager

Gavin is a Director, Investment Adviser and AFSL Responsible Manager. Gavin is responsible for research and development of global multi-asset strategies as well as relative return and absolute return manager selection. Gavin has pioneered the research behind Newport's innovative cross-asset index solutions. Prior to joining Newport Private Wealth, Gavin was a Portfolio Manager with Easton Asset Management Ltd; part of the Easton Investments Limited (ASX:EAS) group. While at Easton, Gavin was responsible for global multi-asset strategies and the construction of model portfolios for offshore platforms and life companies. Gavin was an investment committee member, working on asset allocation, fund selection and portfolio construction for domestic clients. Gavin was responsible for the launch and management of a separately managed account (SMA) model employing a global absolute return strategy. Prior to joining Easton, Gavin was a founding member of one of Singapore's largest expatriate focused financial advisory firms. Gavin was responsible for developing the firm's internal policies and procedures covering asset allocation, investment selection and model portfolio construction. Gavin was also a founding member and Singapore head of the firm's Investment Committee. Gavin has 20+ years of experience in the financial services industry having worked in Sydney, London, Kuala Lumpur, Singapore and now Melbourne. Gavin earned a Bachelor's degree in Economics/Banking & Finance and a Master's degree in Commerce/Financial Planning from the University of Western Sydney.

3.4 Trustee Background & Role

Newport Private Wealth Pty Ltd ("Trustee") is a professional asset management firm licensed by the Australian Securities & Investments Commission ("ASIC") to service the wholesale investor market

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 2001* 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 incidental custody.

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 Fund's 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.

3.5 Fund Administrator

The administrator of the Fund is Newport Private Wealth Pty Ltd

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

4 HOW THE PRAETORIAN STRATEGIC INCOME FUND WORKS

4.1 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 2001*.

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 license confirming you are a 'sophisticated investor'.

4.2 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 for the Fund. 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 the Fund's unit price as and when required for the operation of the Fund, generally monthly. The Trustee may also set an Issue Price that differs from the price determined above in special circumstances (such as for income reinvestments).

4.3 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 completed via an online application

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.

The purchase of units in the Fund are subject to a minimum Initial Holding Period of 12 months.

4.4 Redemption Requests

An Investor can apply to redeem some or all of their investment by sending the Trustee a completed redemption request form either electronically or via hard copy.

Redemptions are permitted on the last business day of each calendar quarter being on or around 31 March, 30 June, 30 September and 31 December. Investors must submit a redemption request at least 60 days prior to the proposed Redemption Day.

Should redemption requests representing more than 10% (or such other percentage as the trustee in its discretion may determine) of the value of the relevant Class be received in respect of any Redemption Day, the trustee may pro-rata each request to ensure that only 10% (or such percentage as the trustee may determine) of the value of the relevant Class is redeemed and may defer the residual redemption requests in excess of that amount by treating them as though they were received for the next relevant Redemption Day (subject again to the 10% restriction for that Redemption Day).

In some circumstances, the Trustee has the right to suspend, refuse or pro-rata redemptions from the Fund. Examples of these circumstances are:

- a redemption request received prior to completion of the 12 month initial holding period
- when total redemption requests represent more than 10% 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

After the Trustee has received, accepted and processed a redemption request, redemptions are normally paid within 40 days of the redemption date, although the Fund's Trust Deed allows for up to 60 days. Redemptions will be credited directly to your nominated account.

4.5 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 2001* 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.

4.6 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 taxable income that has been received by the Fund will be

distributed to Investors at the end of each calendar quarter. Distributions are generally paid on or around the 15th day of the month following the end of the calendar quarter.

The distribution amount for each Unitholder is derived by dividing the total distribution amount by the total number of units on issue at the quarterly 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.

4.7 Keeping you informed

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

- valuation and performance reports;
- a transaction statement including a statement of unit holding at the time of any change in an Investor's unit holding;
- the annual audited financial statements of the Fund for each financial year; and
- annual distribution and tax statements.

5 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.

5.1 Investment risk

The success and profitability of the Fund will largely depend upon the ability of the Fund Manager to make investment decisions which generate a positive return for the Fund. This includes the Manager selecting investment strategies from time to time and the Investment Committee that is responsible for each selected investment strategy making investment decisions. The historical performance of the investment strategies does not represent the future behaviour of the Fund or the Fund Manager's investment strategy.

5.2 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.

A Borrower may become insolvent or face financial difficulties, they may fail to meet payment obligations or otherwise fails to meet the terms of the Loan or have other financial difficulties, including insolvency, which could be for a number of reasons, including:

- an inability to pay interest as a result of reduced income generally, including rental income;
- an environmental or demographic issue impacting on the ability of the security property to generate income;
- where the applicable interest rate is variable and an increase in the underlying interest rate causes a Borrower to be unable to meet the increased interest repayments; and/or
- cost increases and or time delays relating to a development.

These could adversely affect the income attributable to a Class of Units and the value of the Loan which will impact repayments of capital and distributions to Investors in respect of that Class of Units.

Loans for property development include a degree of additional risk compared to those that are used to fund investments. This risk is associated with the timing, completion and sale of the Project particularly if a Borrower is unable to complete the property development works as required.

Furthermore, during property development process, a downward shift in the property market can affect the ability to recover the amount owing under the Loan at the completion of the Project.

Third parties engaged to perform works on a Project could become insolvent or default under their contracts which may lead to delays or impact on the viability of a Project.

5.3 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 and shifts in market sentiment.

5.4 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.

5.5 Fund risk

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

5.6 Manager risk

The Fund's performance depends on the expertise and investment decisions of the Fund Manager and the continuation of the services and skills of their employees and officers, including the investment team. There is a risk that they will not be able to achieve the Fund's Investment Objective, that their opinion about the intrinsic worth of a company or position is incorrect, or that the market will continue to undervalue long positions or overvalue short positions.

5.7 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.

5.8 Liquidity risk

The Fund is exposed to liquidity risk in relation to the investments within its portfolio. If a position cannot be bought or sold quickly enough to minimise potential loss the Fund may have difficulty satisfying commitments associated with financial instruments.

5.9 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.

5.10 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.

5.11 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 of all of their money, and
- Laws change.

5.12 Risk mitigation strategy

Investment in the Fund carries certain risks. All investments have an inherent level of risk. Generally, there is a trade-off between higher expected returns for higher expected risk (usually represented by the variability of fund returns).

As risks cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable. The Manager intends to apply its risk management systems to mitigate risks to the Fund (these will be applied at the Investment Strategy level and the portfolio level).

The Manager will seek to mitigate risks by undertaking various approaches including but not limited to:

- Investments will be primarily focused within 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

The application of any risk management approach involves numerous judgements and qualitative assessments. No risk management system is fail-safe, and no assurance can be given that the Fund's risk control framework will achieve its objectives. From time to time, without notice to the investors, the Manager may modify or change the Fund's risk management system and procedures.

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 nor the Fund Manager guarantees the repayment of money invested, the payment of income or the Fund's investment performance.

6 HOW WE INVEST YOUR MONEY

6.1 Investment strategy

The Fund is an aggregated investment vehicle and aims to generate value by leveraging the deal flows, relationships and expertise of some of Australia's highest quality debt finance originators to identify and execute suitable debt finance investments. The Fund aims to provide diversification by strategically allocating its investments across multiple Investment Providers.

Potential investments will be identified through a range of initiatives with the key aim to ensure that the fund is well diversified across sectors, styles, stages, strategies, and Investee Entities. The Fund will provide investors with underlying investment exposure to loans and investments mainly secured to or backed by Australian and New Zealand assets and generally secured against property in Australia and New Zealand. These include:

- Senior loans – secured by first mortgages
- Subordinated loans and mezzanine loans – secured by second mortgages
- Preferred equity backed by assets

Investment provider selection matters a great deal in the realised return on investing in credit products. This selection could mean the difference between achieving exceptional returns and performing below expectations for the asset class. The credit market is less efficient than public equity markets due to the significant lack of publicly available information on private companies.

6.2 Permitted investments

Loans and preferred equity transaction that have been originated by and are managed by some of Australia's most respected investment originators. The Fund will gain exposure to the loans and preferred equity transactions of investment originators by investing into their Schemes. From to time, the Fund may make direct investments into property finance investments in line with the Fund's Credit Policy. The fund may also invest in ASX listed securities.

6.3 Targeted returns

The Fund aims to provide a pre-tax return of 7 – 9% p.a. (net of fees and costs)

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 FEES AND COSTS

7.1 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 | |
| Entry Fee | Nil |
| Buy/Sell Spread | Nil |
| | |
| Management Costs - Fees while your money remains in the Fund | |
| Management Fee | 1.00% (plus GST) per annum of the gross asset value of the Fund as at the end of each month. Management Fee will be paid monthly in arrears |
| Administration Fee | <p><u>While gross assets are below \$20m</u> 0.20% p.a. levied monthly subject to a minimum of \$25,000.</p> <p><u>While gross assets are between \$20m - \$50m</u> \$40,000 + 0.15% p.a. of the gross value of assets between \$20-\$50m</p> <p><u>While gross assets are between \$50m - \$100m</u> \$85,000 + 0.10% p.a. of the gross value of assets between \$50m - \$100m</p> <p><u>While gross assets are above \$100m</u> \$135,000 + 0.05% p.a. of the gross value of assets above \$100m</p> <p>All figures are quite ex GST and fee levied monthly</p> |
| Trustee Fee | 0.10% (plus GST) per annum of the gross value of the assets |
| Other Recoverable Expenses | As applicable, all expenses associated with the operation of the Fund are payable or reimbursable out of the assets |

7.2 Further Fee Detail

Management fees are accrued and paid monthly in arrears to the Fund Manager from the Fund's assets.

Recoverable Expenses:

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 may be 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:

Buy/Sell Spread = Nil

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.

Variation of fees

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 for the Fund 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 Fund's 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.

8 ADDITIONAL INFORMATION FOR INVESTORS

8.1 Trustee

Newport Private Wealth Pty Ltd (ACN 166 931 960) is the trustee of the Fund.

NPW has been appointed as trustee of the Fund to protect Investors and ensure compliance of the fund as legislated by the *Corporations Act 2001*.

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 Fund's 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 can be removed in accordance with the trust deed.

8.2 Fund Trust Deed

The Fund was established under a constitution dated 8 June 2022. The Trust Deed for the Fund 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 redemptions 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.

8.3 Termination of the Fund

The Fund may be terminated by the Trustee but only as set out in the Fund's 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.

8.4 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.

8.5 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.

8.6 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 available from the Trustee upon request.

9 TAXATION INFORMATION

9.1 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.

9.2 Income Tax Provisions

9.2.1 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.

9.3 Income Tax

9.3.1 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.

9.3.2 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).

9.3.3 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.

9.3.4 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.

9.3.5 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.

9.4 Additional Income Tax Issues

9.4.1 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.

9.4.2 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.

9.4.3 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.

9.5 Disposal of Units

To the extent that an Investor disposes of their Units (e.g. by way of a transfer or redemption) 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.

9.6 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.

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 10% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

9.6.1 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.

9.6.2 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.

9.6.3 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).

9.6.4 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).

9.6.5 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.

9.7 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.

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

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

9.9 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 Fund 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.

9.10 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.

9.11 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.

9.12 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.

10 HOW TO APPLY

10.1 Complete the Application Form

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

The online application form can be accessed [HERE](#)

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

11 CONTACT DETAILS

11.1 Fund Manager – Newport Asset Management

The Executive Centre
Level 30, 35 Collins Street Melbourne Victoria 3000

Phone +613 9069 5870
Email investorservices@newportpw.com
Website www.newportpw.com

11.2 Trustee - Newport Private Wealth Pty Ltd

The Executive Centre
Level 30, 35 Collins Street Melbourne Victoria 3000

Phone +613 9069 5870
Email investorservices@newportpw.com
Website www.newportpw.com

11.3 Fund Administrator – Newport Private Wealth Pty Ltd

The Executive Centre
Level 30, 35 Collins Street Melbourne Victoria 3000

Phone +613 9069 5870
Email investorservices@newportpw.com
Website www.newportpw.com

12 GLOSSARY

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

AMIT - has the meaning given to that term in Section 995-1 of the Tax (1997) Act.

AMIT Rules - Divisions 275 and 276 of the Tax (1997) Act.

Applicant - a person who has applied to become a Unitholder in the Trust 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.

Attribution Income Tax Liability of a person in relation to the Trust - an income tax liability of the person under the Tax (1997) Act or the TAA that results from the Trust being operated as an AMIT, Managed Investment Trust or Withholding MIT.

Benchmark/Hurdle Rate – the return that must be achieved before a performance fee is payable

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.

Disclosure Document - a document by which invitations to acquire Units are made, and it includes any supplementary or replacement document issued in respect of the disclosure document.

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

Fund Administrator - any person appointed by the Trustee to provide administrative services in respect of the Trust.

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.

Investment Provider - The originator of the investment opportunity for the Fund, typically a fund manager.

Managed Investment Trust - has the meaning given to that term in Section 995-1 of the Tax (1997) Act.

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.

Net Income - the total assessable income of the Trust less all deductions of the Trust determined in accordance with the Tax Act, which may be reduced or increased by the amount of any reserves, provisions or amounts that, in the determination of the Trustee, need to be made. If the total amount is less than zero, then the total amount is taken to be zero.

Newport Asset Management – the trading name of Newport Private Wealth Pty Ltd (ACN 166 931 960).

Redemption Day - the last business day of each calendar quarter.

Register - the register of Unitholders.

Registered Scheme - has the meaning given to that term in Section 9 of the Corporations Act.

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

Tax Act - the Tax (1936) Act, Tax (1997) Act, or both as appropriate.

Tax (1936) Act - the Income Tax Assessment Act 1936.

Tax (1997) Act - the Income Tax Assessment Act 1997.

Trust - the unit Trust named Praetorian Strategic Income Fund.

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

- (a) Application Money or property paid in respect of which Units have not been issued;
- (b) proceeds from redemptions 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 Praetorian Strategic Income Fund.

Trust Liabilities - means all liabilities of the Trust, 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 Trust, Unitholders' funds are not to be treated as a liability.

Unit - means an undivided share in the beneficial interest in the Trust .

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.

Withholding MIT - has the meaning given to that term in Section 995-1 of the Tax (1997) Act.