



Kaplan Master Trust

(Equities Fund, Income Fund, Charitable Equities Fund)

Information Memorandum 1 July 2018

Kaplan Funds Management Pty Limited
ABN: 98 079 218 643
Australian Financial Services Licence Number: 240815

Directory

Investment Manager

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Trustee

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Custodian and Administrator

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Registry

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Auditor

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Disclaimer

This Information Memorandum is issued by Kaplan Funds Management Pty Limited ABN 98 079 218 643; AFSL: 240815 (**Kaplan**) on behalf of the Kaplan Master Trust. This offer to subscribe for Units in the Funds is only made to investors who are wholesale clients (as defined in section 761G of the Corporations Act 2001) or which do not otherwise require the provision of a product disclosure statement under Division 2 of Part 7.9 of the Corporations Act.

This Information Memorandum does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act. It has not been, and is not required to be, lodged with the Australian Securities and Investments Commission under the Corporations Act 2001.

The Funds are not required to be, and are not, registered as managed investment schemes under the Corporations Act 2001. Accordingly, this Information Memorandum is not required to, and does not include, all of the information that would be required to be included in a product disclosure statement. Nor is an applicant provided with the protections afforded to an investor in a managed investment scheme that has been registered under the Corporations Act.

Furthermore, this Information Memorandum does not purport to provide all of the information the recipient may require in order to evaluate an investment in the Funds. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in the Information Memorandum and to determine the suitability of an investment in the Funds (including regarding their personal investment

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objectives, financial situation, and particular needs) and should seek all necessary financial, legal, tax and investment advice.

The repayment of your investment and the performance of the Funds are not guaranteed by any person or organisation, including Kaplan.

The Trustee has appointed National Australia Bank Limited ABN 12 004 044 937 ("NAB or Custodian") as the custodian of the assets of the Kaplan Master Trust. The Custodian's role is limited to holding the assets of the Trust as agent of the Trustee. The Custodian has liability and responsibilities to the Trustee in accordance with the terms of the Custody Agreement and has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this Information Memorandum and has not authorised or caused the issue of it. NAB has given and not withdrawn its consent to be named in this Information Memorandum. The Custodian holds investments of the Trust as bare trustee and such investments are not investments of, NAB or any other member of the NAB group of companies (NAB Group). Neither NAB, nor any other member of NAB Group, guarantees the performance of the investment or the underlying assets of the Trust, or provide a guarantee or assurance in respect of the obligations of the Trustee or its related entities.

The Trustee has given and not withdrawn its written consent to be named as the Trustee in this Information Memorandum. The Trustee has not authorised or caused the issue of this Information Memorandum. Neither the Trustee nor any member of the Trust group of companies makes any representations as to the truth or accuracy of the contents of this Information Memorandum. The Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this Information Memorandum. The Trustee has relied upon the Manager for the accuracy of the content of this Information Memorandum. Neither the Trustee nor any member of the Trust group of companies makes any representations as to and does not guarantee the return of any investment, maintenance of capital, any tax deduction availability or the performance of the Units or Fund. The information contained in this Information Memorandum is not a recommendation by the Trustee that any person acquire Units.

1 Investment Offer Summary

The information set out below is a summary only and should be read in conjunction with the information Memorandum in its entirety.

Kaplan Master Trust

Kaplan is the investment manager of the Kaplan Master Trust comprising the Kaplan Equities Fund, the Kaplan Income Fund and the Kaplan Charitable Equities Fund (**Funds**).

The Trust Company Limited is the trustee of the Kaplan Master Trust.

National Australia Bank is the custodian and administrator of the Kaplan Master Trust.

The Trustee has appointed OneVue to provide registry services to the Kaplan Master Trust.

Further information on Kaplan is provided in Section 2: Kaplan Funds Management Pty Limited.

Investment Approach and Objectives

Kaplan's investment approach is active, value orientated, risk averse and disciplined.

The objectives of each of the Funds are:

Kaplan Equities Fund

To outperform the S&P/ASX 200 Accumulation Index through prudent stock selection and a long term approach to investments.

Kaplan Income Fund

To provide returns in excess of the one-year swap rate from investing in bonds, preference shares, bank shares, high yielding industrial shares, fixed interest securities and property trusts.

Kaplan Charitable Equities Fund

To maximise income consistent with modest growth in the real value of assets over time by investing in shares, property trusts and hybrid securities.

Fees

Management Fee

Kaplan will receive a management fee of 1% per annum of the value of each Fund calculated and paid at the end of each calendar month.

Performance Fee

Kaplan will also be entitled to an annual performance fee payable as follows:

- (a) Kaplan Equities Fund – 15% of the net performance above the S&P/ASX 200 Accumulation Index;
- (b) Kaplan Income Fund – 15% of the net performance above the one-year swap rate; and
- (c) Kaplan Charitable Equities Fund – 15% of the net performance above the S&P/ASX 200 Accumulation Index.

The performance fee in respect of each Fund is calculated and accrued monthly but payable at the end of each financial year. In each case the value of the Fund is calculated after deducting all fees and expenses including the management fee and applicable GST. If a Fund underperforms the relevant performance criteria, no performance fee is payable until the shortfall is recouped.

Minimum Investment Amount

The minimum investment amount in any one Fund is \$500,000. A minimum investment amount of \$50,000 will apply provided an accountant's certificate is provided with the application.

The minimum subsequent investment amount is \$25,000, except re-investments of income distributions which can be for any amount. There is no application fee payable.

Kaplan reserves the right to waive the minimum investment amount for investors who fall within the definition of “wholesale clients” (as defined in section 761G of the Corporations Act 2001). Further information is provided in Section 4: Investor Information, Legal Definitions and Notices, Wholesale Investor Criteria.

Minimum Term

The Minimum Term of an investment in each Fund is 1 year and redemption is available on 30 days notice, unless Kaplan approves a shorter period.

Switching

Switching between Funds is permitted provided that the minimum amount that may be switched from one Fund to another is \$50,000. 30 days notice must be given unless Kaplan approves a shorter period. A minimum investment of \$500,000 must be maintained in the relevant Fund (unless an accountant’s certificate has been provided, in which case the minimum amount which must be maintained in the relevant Fund is \$50,000).

Transaction Costs

Transaction costs are added to the Unit price on entry and deducted from the Unit price on exit. These costs include expenses such as brokerage fees plus applicable GST.

Incoming and exiting Unitholders recompense the Funds for transaction costs incurred when buying or selling investments. This ensures that existing Unitholders are not disadvantaged by the Funds bearing these transaction costs. The current allowance for transaction costs is 0.25% of the Unit price.

Distribution Reinvestment Facility

There is a facility available to reinvest income distributions.

Administrative fees and expenses

Administrative fees and expenses will be paid out of the Funds including the Trustee’s fees, accounting and audit fees and expenses for custodial and registry services plus applicable GST.

National Australia Bank will perform the custodial and administrative services for the Trust.

Kaplan and OneVue will perform the registry services for the Trust.

Taxation and Distributions

Under current Australian Taxation legislation, the Funds will not be liable for income tax as all income earned by the Funds (including net realised capital gains) will be distributed each financial year.

Distributions may be either reinvested as additional Units in the Funds, paid by cheque or deposited to an account with an acceptable financial institution.

Distributions are semi-annual for the 6 month period to 30 June and 31 December each year.

For more detailed taxation and distribution information see Section 4: Investor Information. Investors should also seek independent taxation advice.

Unit Pricing

Unit prices for the Equities, Income and Charitable Equities Funds are calculated weekly and monthly.

OneVue and Kaplan will be responsible for the Unit registry of the Funds.

Reporting

Kaplan will provide quarterly investment reports and holding statements, six monthly distribution and holding statements and an annual tax statement. In addition monthly investment reports are available on request.

2 Kaplan Funds Management Pty Limited

The Manager of the Kaplan Master Trust

Kaplan was formed in 1998 to provide funds management services and is wholly owned by Kaplan Partners Pty Limited.

Kaplan, an AFSL holder, offers a comprehensive investment management service for private investors, corporates and superannuation funds. Funds under management inclusive of the Kaplan Master Trust are currently in excess of \$1.3 billion under management.

Management Team

Sam Kaplan

Sam Kaplan, the Managing Director of Kaplan has over 30 years experience in the funds management industry and investment markets and a proven track record over a number of market cycles.

He successfully managed funds in his position as Investment Manager for the NRMA Group for over 15 years and has managed smaller funds for high net worth individuals and proprietary funds for Jamison Equity Limited and Patrick Corporation Limited.

Sam was integral in the establishment of the listed Qube Logistics previously known as KFM Diversified Infrastructure & Logistics Fund. Kaplan Funds Management was the investment manager of the fund until corporatisation in August 2011. Sam is the Deputy Chairman of Qube Logistics.

He has achieved above-average returns for investors over a number of market cycles through patient investing and by focusing on value opportunities and a disciplined approach to risk.

Douglas Hew

Doug Hew is an investment manager at Kaplan and has over 25 years experience in the funds management industry.

Previously, he was a director of Hopkins Partners Funds Management Limited and a senior fund manager at Potter Warburg Asset Management Limited and Hambros Australia Limited.

Investment Approach

Kaplan aspires to create wealth over time for investors through the application of an active and disciplined approach to the management of assets.

Kaplan believes that wealth is accumulated through investing in productive businesses and sound property.

An important aspect of Kaplan's asset selection is value orientation through careful quantitative and qualitative research. Investment disciplines concern the monitoring and controlling of various investment risks.

The key aspect to risk control is "not to put all of one's eggs in the same basket".

It should however be stressed that notwithstanding the excellent track record of Kaplan, all investments are subject to market and specific risks, and past performance is no guarantee of future performance.

Neither the Trustee, Custodian, Administrator, Registry, Kaplan, Kaplan Partners nor any other person guarantees or underwrites the performance of the Funds or the Kaplan Master Trust, the repayment of capital, any particular rate of return or the value of units.

3 The Funds

Kaplan Equities Fund

The Equities Fund has been designed to provide easy access to the benefits of investment in the Australian and New Zealand markets through a diversified portfolio of securities.

These benefits include participation in Australia's economic growth and the favourable taxation treatment of sharemarket investments compared to many other forms of investment.

The key objective is to achieve long term returns that are greater than the S&P/ASX 200 Accumulation Index but with less risk than the sharemarket Index measured in terms of volatility

To achieve such returns, it is crucial to research, investigate and understand all prospective investments thoroughly.

Kaplan will try to limit risk by closely examining an entity's underlying assets, gearing, management, competitive position and markets for its products.

Investment in shares or units may include convertible notes, converting preference shares, preference shares, property trusts and unsecured notes.

The Fund may also underwrite or sub-underwrite issues of securities.

Investment will only be in marketable securities.

The Fund may use financial derivatives such as futures contracts and options, but only as an alternative to direct purchases or sales of assets and hedging of risk, and enhancement of returns and not for speculative purposes.

In order to give the portfolio adequate spread, no more than 15% of the portfolio at market value, at the time of purchase, will be invested in any one security.

Kaplan will be entitled to a performance fee of 15% of the performance of the Fund over an annual period (net of all expenses) above the S&P/ASX 200 Accumulation Index plus applicable GST, calculated and accrued monthly but payable annually at the end of each financial year.

If Kaplan underperforms the S&P/ASX 200 Accumulation Index, no performance fee is payable until the Kaplan Equities Fund recoups the shortfall.

Kaplan Income Fund

The objective of the Kaplan Income Fund is to enhance money market returns over the long term by investing in high yielding securities such as preference shares, property trusts, high yielding ordinary shares particularly bank shares, and listed unsecured fixed interest investments.

The Kaplan Income Fund may also underwrite or sub-underwrite issues of securities.

The advantage of franking benefits will be an important criterion for the portfolio.

No one investment is to exceed 15% of the portfolio at market value at the time of purchase.

Buy and write strategies in option markets will be allowed. Hedged positions to cover interest rate and equity market risks may be undertaken.

Kaplan will be entitled to a performance fee of 15% of the performance of the Fund over an annual period (net of all fees and expenses) above the 1-year swap rate, plus applicable GST, calculated and accrued monthly but payable annually at the end of each financial year.

If the Kaplan Income Fund underperforms the 1 year swap rate, no performance fee would be payable to the Manager until the Kaplan Income Fund recoups the shortfall.

Kaplan Charitable Equities Funds

The objective of the Kaplan Charitable Equities Fund is to maximise income consistent with modest growth in the real value of its assets over time.

The Kaplan Charitable Equities Fund's investments comprise listed and marketable securities on the Australian and New Zealand stock exchanges and may include convertible notes, converting preference shares, preference shares and unsecured notes. Specific restrictions on investment are incorporated in the investment policy of the Kaplan Charitable Equities Fund and are set out below:

- (a) Companies that have mining as their principal object are authorised investments other than companies that have as the sole or predominant object, the exploration for, mining, refining and marketing of gold, diamonds or other precious metals or stones.
- (b) The Kaplan Charitable Equities Fund may grant or purchase options traded on the Australian Stock Exchange provided that the portion of the funds so invested must not at any time exceed 10% of the total value of the Fund.
- (c) Lending of script forming part of the assets of the Kaplan Charitable Equities Fund is authorised. This is subject to such loans being secured by the guarantee of an Australian bank licensed under the Banking Act and the proportion of the funds lent not, at any time, exceeding 15% of the total value of the Kaplan Charitable Equities Fund.

Kaplan has adopted certain exposure limits to best meet the objectives of the Fund. The current policy is to limit the maximum exposure to property trusts to 30% and limit maximum exposure to hybrid securities that are primarily fixed or

floating rate interest securities to 20% of the Fund's portfolio.

The Kaplan Charitable Equities Fund may also underwrite or sub-underwrite issues of securities.

The Kaplan Charitable Equities Fund may use financial derivatives such as futures contracts and options, but only as an alternative to direct purchases or sales of assets and hedging of risk, and enhancement of returns and not for speculative purposes.

For the purpose of diversification, investments are spread over at least 30 companies and no more than 15% of the Kaplan Charitable Equities Fund's assets will be invested in any one company or entity.

Kaplan will be entitled to a performance fee of 15% of the performance of the Fund over an annual period (net of all expenses) above the S&P/ASX200 Accumulation Index, plus applicable GST, calculated and accrued monthly but payable annually at the end of each financial year.

If the Kaplan Charitable Equities Fund underperforms the S&P/ASX 200 Accumulation Index, no performance fee would be payable until the Kaplan Charitable Equities Fund recoups the shortfall.

Additional Information

No Borrowings

While the Trustee has the power to borrow in respect of the Funds, Kaplan does not intend to request the Trustee to make any borrowings in the Funds. However, the Funds may invest in securities that impose financial obligations on the holder, such as partly paid shares and instalment receipts.

Tax Adjustments

Appropriate tax adjustments are to be imputed when calculating the performance fee in respect of the Kaplan Income Fund. For example, from 30 June 2001, franked dividends will be adjusted by a factor of approximately 1.43 based on a company tax rate of 30% and there will be an adjustment for permanent and timing tax differences for property trusts

No tax adjustment will be made when calculating the performance fee for the Kaplan Equities Fund and Charitable Equities Fund.

4 Investor Information

Risks

An investment in the Funds entails a number of risks. There can be no assurance that the investment objectives of the Funds will be achieved and results may vary substantially over time. The Funds are only suitable for a sophisticated or professional investor for whom an investment in the Funds does not represent a complete investment program and who fully understands the risks of an investment in the Funds.

Before applying for Units in the Funds you should consider whether the Units are suitable with regard to your own investment objectives and financial circumstances.

The principal risks for Unitholders in the Funds include the following:

Investment Risk

In general, there are several types of risk that may affect an investment, including a decline in the value (the initial capital value may decrease especially if you are investing for the short term), the amount you receive as income may vary over time or the value of your investment may not keep pace with inflation.

Every investment is influenced by many factors, which may affect both its value and the income it produces. Broadly speaking, factors such as interest rate movements, exchange rate movements, government policies, political unrest, natural disasters and the state of the economy can have a significant impact on financial and investment markets.

Share returns can vary significantly over the short and medium term. As a general rule, the longer an investment is held the lower the overall volatility and risk and the greater the returns. This is because fluctuations tend to even out over time.

Diversification Risk

Although the Funds' portfolio is based on the ASX listed companies, the spread of investments held by the Funds will not match any benchmark index (such as the S&P/ASX 200 Index) which means its performance may be higher or lower than returns from index based Funds.

Dependence on the Investment Manager

The success of the Funds depends upon the ability of Kaplan, as the Investment Manager, to develop and implement investment strategies that achieve each of the Funds' investment objectives. Subjective decisions made by Kaplan may cause the Funds to incur losses or to miss profit opportunities on which it would have otherwise have capitalised.

Australian Financial Services Licence (AFSL)

The ability of Kaplan to continue its operations is dependent on the maintenance of its AFSL. Maintenance of the AFSL depends, among other things, on it continuing to comply with the ASIC imposed licence conditions and the Corporations Act.

Limited Liquidity

An investment in the Funds provides limited liquidity since the interests are not immediately transferable. Investors may redeem their Units only after the first anniversary of investment and thereafter on up to 30 days notice, unless Kaplan approves a shorter period. An investment in the Funds is suitable only for certain sophisticated investors.

A withdrawing Unitholder may, on request but at the sole and absolute discretion of Kaplan, receive securities owned by the Funds in lieu of cash. The risk of loss and delay in liquidating these securities will be borne by the Unitholder, with the result that

such Unitholder may receive less cash than it would have received on the date of withdrawal

Hedging Transactions

The Funds may utilise a variety of financial instruments, such as derivatives, options futures and forward contracts, both for investment and for risk management purposes.

These risks include the inability to complete option contracts caused by an illiquid secondary market and an imperfect correlation between the price movements of the options with price movements of the underlying security. Furthermore, purchasing or selling of an unhedged option or warrant runs the risk of causing significant losses to the Funds in a relatively short period of time. Kaplan has, however, an internal control framework governing the use of derivatives which are subject to regular review.

No Guarantee

Kaplan provides no guarantee that the Funds will be able to distribute income to Unitholders. Distributions depend on the

extent to which income is derived by the Funds from the performance of the underlying securities in the investment portfolio.

Key Personnel

Kaplan's ability to manage the investment portfolio is dependent on its key personnel who it has employed or contracted with for services. The loss of one or more of these key personnel could have an adverse impact on its operations in managing the investment portfolio of the Funds.

This list is not exhaustive and potential investors should read this Information Memorandum in full and, if they require further information on material risks, seek professional advice.

The Funds' investment process should be evaluated on the basis that there can be no assurance that Kaplan's assessment of the short term or long term prospects of investments will prove accurate or that the Funds will achieve its investment objectives.

Fees and Expenses

Management Fee

Kaplan is entitled to a management fee of 1.0% pa of the value of each Fund. The management fee is calculated and paid monthly.

This is a base fee for Kaplan's investment management services.

Performance Fee

Kaplan will be entitled to receive an annual performance fee calculated and accrued monthly but payable annually as follows:

- (a) Kaplan Equities Fund – 15% of the performance (net of fees and all expenses) over an annual period above the S&P/ASX 200 Accumulation Index;
- (b) Kaplan Income Fund – 15% of the performance (net of fees and all expenses) over an annual period above the 1 year swap rate; and
- (c) Kaplan Charitable Equities Fund – 15% of the performance (net of fees and all expenses) over an annual period above the S&P/ASX 200 Accumulation Index.

Trustee's Fees

The Trustee is entitled to (pursuant to the Kaplan Master Trust Deed) out of each Fund, a monthly fee of no greater than 0.05% pa of the value of each Fund on the last business day of each month subject to a minimum annual fee of \$60,000.

Expenses

Kaplan and the Trustee are entitled, pursuant to the Kaplan Master Trust Deed, to be reimbursed for all reasonable business expenses incurred in respect of the Funds, such as brokerage, administration of the Funds, government taxes and duties, audit fees, bank charges and account transaction fees.

Additional Information

Distributions

Kaplan will distribute income (if any) in proportion to each Unitholder. It is anticipated that Kaplan will make an interim distribution for the period of 6 months ending on 31 December each year and a final distribution at the end of each financial year.

Distributions may either be reinvested as additional Units in the Funds, or paid to the Unitholder. Unitholders may elect either on the application form or by notifying Kaplan within 5 Business Days prior to the end of a distribution period to reinvest all or a portion of the distribution in additional Units. Prices at which Units will be issued will be adjusted for distributions.

Cash distributions will normally be paid within 1 month of the end of the distribution period.

Unitholders who elect to reinvest their distribution will have their reinvestment effected on the next day following the end of the relevant distribution period.

The reinvested Units will be issued at the application price on the first Business Day of the next distribution period. Your distributions are calculated on the basis of your per Unit share of distributable income and realised capital gains of the Funds for the entire distribution period and not just for the period your investment is held.

If Kaplan does not receive Unitholder instructions to pay the Unitholder distributions, distributions will automatically be reinvested as additional Units.

Unit prices fall after the end of the distribution period to reflect the distribution entitlements. If you invest just before the end of a distribution period, you may find that you receive an immediate return of some of your investment capital as income and this may, depending on your circumstances, give rise to a tax liability. Therefore, you should carefully consider the timing of your investment in this

product. Similarly, if you withdraw your investment before the last day of the distribution period, you will receive your share of any accrued income as capital. We recommend you speak with a financial adviser or tax adviser to determine your own situation.

A distribution statement will be despatched to all Unitholders detailing the taxable income (unfranked dividends, franked dividends, interest and sundry income), capital gains and available credits, as soon as possible after the financial year end. It is anticipated that the statement will be available by October of each year.

Unitholders who redeem Units before the end of a financial year and participated in the interim distribution will receive a distribution statement at the end of the financial year.

Redemptions

Units will be redeemable at the option of the Unitholder. Unless Kaplan otherwise agrees, a Unitholder may not request the redemption of any Units until 1 year after the date on which the investor first becomes a Unitholder.

Unitholders should send a completed redemption request in the form available from the Kaplan Administrator. Units may be redeemed upon 30 days notice of a receipt of the redemption request form by the Administrator or such shorter period as Kaplan in its absolute discretion, decides. The price at which Units will be redeemed will be calculated as at the Valuation Date immediately prior to expiry of the 30 day notice period (or shorter period approved by Kaplan).

Redemption requests may be sent by facsimile, but redemption proceeds will not be remitted until the Funds Administrator has received the original of the redemption request. A redemption request, once given, is irrevocable.

On request by a Unitholder, Kaplan may at its sole and absolute discretion satisfy a redemption request by transferring securities to that Unitholder in lieu of cash.

Minimum Redemption Amount

A minimum withdrawal of \$50,000 applies for each Fund, subject to the minimum investment amount being maintained.

Switching

The minimum amount that may be switched from one Fund to another is \$50,000, subject to 30 days notice and a minimum of \$500,000 investment being maintained (unless an Accountant's Certificate has been provided in which case the minimum amount which must be maintained in the Fund, is \$50,000).

Valuation

National Australia Bank is responsible for the administration of the Funds. In this capacity, they will be responsible for all calculations relating to the Funds.

The Funds' assets will be valued with reference to the following guidelines:

- securities traded on a stock exchange will be valued at the most recent price prior to valuation;
- new issues will be valued at cost prior to listing. Delisted securities will be revalued after consultation between Kaplan and its brokers;
- unlisted securities will be valued after consultation between Kaplan and the Prime Broker; and
- synthetic instruments such as warrants, options and futures that are traded on an exchange are also valued at the last sale price. Over-the-counter instruments such as swaps, forwards and unlisted options will be valued after consultation between Kaplan and its brokers.

The Funds' Net Asset Value will incorporate:

- accrued income that is earned but not received, such as dividends and interest; and
- accrued expenses and liabilities such as management fees (including performance fees) and business expenses.

Kaplan may at its discretion adopt some other prudent method of valuation where it results in a fairer reflection of true value.

Reporting

Kaplan will provide Unitholders with the following information:

- a Unitholding statement will be issued to confirm any changes in an investor's Unitholding within 12 Business Days of that change;
- annual audited statements of the Funds following the end of the financial year;
- annual distribution and tax statements; and
- a quarterly letter detailing the performance of the Funds together with update of the current investment climate.

Kaplan welcomes queries regarding your investment at any time. Please call Kaplan Funds Management on (02) 8917 0300 during business hours.

Privacy

The privacy of your personal information is important to us. When you apply to invest in the Funds, you acknowledge that you are required to provide Kaplan with certain personal information to facilitate the assessment of your application and to carry out the appropriate administration.

Kaplan may be required to disclose this information to third parties who carry out functions on behalf of Kaplan, including but

not limited to, administration and audit functions on a confidential basis and to third parties if the disclosure is required by law.

Under the Privacy Act 1988 (as amended), applicants may request access to their personal information held by or on behalf of Kaplan.

If you have concerns about the completeness or accuracy of the information we have about you or would like to request access or amendment to your information, contact the Trustee or Kaplan.

Anti Money Laundering & Counter Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (the AML/CTF Act) and the AML/CTF Rules issued under the AML/CTF Act, may require the Trustee to collect from prospective investors certain customers identification information and to verify that information before Units are issued to an investor. The Trustee may decline to accept an Application from, or decline to allocate Units to, an investor until it has satisfactorily concluded an identification procedure in relation to the investor that complies with the AML/CTF Act and the AML/CTF Rules.

From time to time we may require additional information about you to help us comply with the requirements of the AML/CTF Act and AML/CTF Rules.

You must not request or authorise a transaction that may be in breach of Australian law. Where we are legally obliged to do so, the Trustee may disclose information about your account to regulatory and/or law enforcement agencies.

Tax Considerations for Investors

The following summary is for Australian tax residents investing in the Funds. The tax laws are subject to continual change and the tax consequences of investing in the

Funds differ between Unitholders. The following is neither exhaustive nor definitive and all investors should satisfy themselves as to their possible tax consequences, by consulting their own professional tax advisers.

- Attribution Managed Investment Trust (AMIT) regime

On 5 May 2016, the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 received Royal Assent, introducing into taxation law the new Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a MIT whose unitholders have clearly defined interests in relation to the income and capital of the trust and the responsible entity has made an irrevocable election to apply the regime.

The regime can apply to a trust from 1 July 2016, and had an optional early start date of 1 July 2015.

The AMIT rules contain a number of provisions that will impact on the taxation treatment of the Equities Fund. The key features of the new tax system will include: an attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to its unitholders; the ability to carry forward understatements and overstatements of taxable income, instead of reissuing investor statements; deemed fixed trust treatment under the income tax law; upwards cost base adjustments to units to address double taxation; and legislative certainty about the treatment of tax deferred distributions.

The Trustee will monitor the impact of the AMIT rules on the Equities Fund in order to determine if it should elect into the regime.

It is Kaplan's intention to distribute to Unitholders all net taxable income (including net realised capital gains) earned by the Funds. Therefore under current Australian tax legislation, the Funds should not be liable for income tax.

The net taxable income from your investment, whether paid to you or re-invested in additional Units, is to be included as part of your assessable income for tax purposes. Any net taxable income earned in a financial year (regardless of when it is received or re-invested) is to be included in your taxation return for that same year. The redemption of Units will constitute a disposal for tax purposes. Generally, profits arising from the disposed Units will be assessable as capital gains, however this depends on your tax status.

If you are not an Australian resident for tax purposes, please state in the application form your country of residence for tax purposes. If you are not an Australian resident, tax will be withheld from distributions of Australian sourced income at the prescribed rates. You may be subject to the tax laws in the country in which you are tax resident and should consult a taxation adviser before investing.

Tax File Number (TFN) and/or Australian Business Number (ABN)

The application form included in this Information Memorandum provides for submitting your TFN or ABN (if investing as a company). You are not obliged to provide us with your TFN, however if you do not, there is a requirement to take resident investment withholding tax out of your distribution (at the highest margin rate plus Medicare levy).

Goods and Services Tax (GST)

The Funds are registered for GST. The issue or withdrawal of Units in the Funds and receipt of distributions will be GST free.

All fees quoted within this Information Memorandum are exclusive of GST. GST will be charged where applicable on each of the fees, charges and costs incurred by the Funds. The charge will be deducted from the assets of the Funds and the Funds will in many cases receive a credit from the Australian Tax Office of between 55% and 75% of the GST amount paid. The impact

of GST payments and credits will be reflected in the Unit price of the Funds.

Custodian

The Custodian of the Funds National Australia Bank will hold the assets (including documents of title or certificates evidencing title to investments of the Funds).

Administrator

The Administrator of the Funds is National Australia Bank. The Administrator is responsible for assisting Kaplan value the Units, preparing the financial statements and providing other administrative services to the Funds in accordance with the terms and conditions of the Administrative Agreement entered into between Kaplan and the Funds Administrator.

Registry

OneVue and Kaplan will be responsible for the Unit registry of the Funds. The Unit Registry maintains the Funds' register of Unitholders and arranges the issue and redemption of Units and process application monies and redemption payments.

Soft Dollar Commissions

Soft dollar dealing is the allocation of brokerage to a securities firm to pay for the supply of products and services produced independently of that firm.

Kaplan may from time to time enter into soft dollar commission arrangements with brokers within the guidelines set out by the Investment and Financial Services Association.

Kaplan will only enter into soft dollar arrangements when it is in the best interest of the Unitholder by means of providing demonstrable assistance to the investment process at no additional cost to the Funds.

Examples of these services include performance measurement tools, technical

analysis software, third party research and Fundamental data-bases.

Kaplan Master Trust Deed

The Kaplan Master Trust Deed governs your rights and obligations as a Unitholder. Unitholders are bound by provisions of the Kaplan Master Trust Deed and by this Information Memorandum. The Kaplan Master Trust Deed and the Corporations Act regulate the operations of the Funds and set out rights and liabilities of Unitholders and responsibilities and duties of Kaplan.

The Kaplan Master Trust Deed allows the Trustee and Kaplan to amend the Kaplan Master Trust Deed. A copy of the Kaplan Master Trust Deed will be made available to you on request.

Complaints

If you have any queries or complaints following an investment in the Funds, please contact Kaplan Funds Management by phone on (02) 8917 0300.

We will acknowledge your query or complaint in writing within 14 days (if it was not resolved during an initial telephone contact). We will then give proper consideration to the complaint and advise you of the outcome within 45 days after receipt of the complaint.

Legal Definitions and Notices

Wholesale Investor Criteria

The Funds are wholesale funds. Any offer of Units contained in this Information Memorandum is an offer of Units to a wholesale client only (as defined in section 761G of the Corporations Act) or which does not otherwise require the provision of a product disclosure statement under Division 2 of Part 7.9 of the Corporations Act.

The definition of a “wholesale client” includes:

- Individuals who hold a certificate given by a qualified accountant not more than 6 months before making an investment certifying that the investor has net assets of at least \$2.5 million or gross income in excess of \$250,000 for each of the previous 2 financial years;
- A licensed securities dealer, a licensed investment adviser acting as principal, or a financial services licensee;
- A trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust, a public sector superannuation scheme (each within the meaning of the Superannuation Industry (Supervision) Act 1993) where the funds, trust or scheme has net assets of at least \$10 million;
- A listed entity or a related body corporate of a listed entity;
- A person (including a company) who controls at least \$10 million for the purpose of investment in securities; and
- Certain insurance providers.

Further, an offer of Units does not require disclosure if:

- the Units are provided for use in connection with a business that is not a small business that is, a business employing less than 20 people or less

than 100 people, if the business is or includes the manufacture of goods; or

- is a small scale offering, being a personal offer that is made only to one person at a time, and to people who have had previous contact with Kaplan. Under a small scale offering, over a 12 month period Units may only be issued to less than 20 investors and the amount raised by issuing the Units must not exceed \$2 million.

Investors who do not satisfy any of the above criteria should contact Kaplan as alternative exemptions may apply.

Status of Information Memorandum

This Information Memorandum has been prepared by Kaplan to provide background information for investors considering applying for Units in the Funds.

The information contained in this Information Memorandum or subsequently provided to the recipient whether orally or in writing by, or on behalf of Kaplan, or any of their respective related bodies corporate or any of their respective directors, officers, employees, agents, representatives and advisers (Parties) is provided to the recipient on the terms and conditions set out in this notice.

The information obtained in this Information Memorandum has been furnished by Kaplan and other sources considered reliable but no assurance can be given by these Parties as to the accuracy or completeness of this information.

To the full extent permitted by law:

- no representation or warranty (express or implied) is given; and
- no responsibility or liability (including in negligence) is accepted, by the Parties as to the truth, accuracy or completeness of any statement, opinion, forecast, information or other matter (whether express or implied) contained in this Information Memorandum or its

appendices or as to any other matter concerning them.

To the full extent permitted by law, no responsibility or liability (including in negligence) is accepted by the Parties:

- for or in connection with any act or omission, directly or indirectly in reliance upon; and
- for any cost, expense, loss or other liability, directly or indirectly, arising from, or in connection with, any omission from or defects in, or any failure to correct any information,

in this Information Memorandum or any other communication (oral or written) about or concerning them, or the issue of Units.

This Information Memorandum is dated 1 May 2014. It has not been nor will be lodged with ASIC. It does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act.

Units in the Funds constitute managed investment schemes that are not required to be registered by the Corporations Act. Accordingly, this Information Memorandum is not required to, and does not include, all of the information that would be required to be included in a product disclosure statement. Nor is an applicant provided with the protections afforded to an investor in a managed investment scheme that has been registered under the Corporations Act.

The repayment of your investment and the performance of the Funds are not guaranteed by any person or organisation, including Kaplan.

No Recommendation or Personal Advice

The provision of this Information Memorandum is not and should not be considered as a recommendation in relation to an investment in the Funds or that an investment in any of the Funds is a suitable investment for the recipient.

By making available a copy of this Information Memorandum no Party is providing any general advice or personal advice regarding the Funds, any potential investment in any of the Funds or any potential investments of the Funds within the meaning of section 766B(1) of the Corporations Act

No Financial Services Guide

Kaplan is not presently required to comply with Part 7.7 of the Corporations Act which would otherwise require it to provide a financial services guide in respect of financial services that it offers before delivering a copy of this Information Memorandum to a potential investor as this Offer is made only to wholesale investors.

Investor Enquiries

This Information Memorandum does not purport to provide all of the information the recipient may require in order to evaluate an investment in the Funds. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in the Information Memorandum and to determine the suitability of an investment in the Funds (including regarding their investment objectives, financial situation, and particular needs) and should seek all necessary financial, legal, tax and investment advice.

Overseas Unitholders

This Information Memorandum does not constitute an offer of Units for issue or sale or an invitation to apply for the issue of Units or to purchase Units in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

This Information Memorandum does not constitute an offer in any place in which, or through any person to whom, it would not be lawful to make such an offer.

The Issue is not being extended and does not qualify for distribution or sale, and the Units will not be issued to a Unitholder with a registered address outside Australia, other than Unitholders with a registered address in a jurisdiction which it is lawful to make the offers of Units in accordance with this Information Memorandum. Overseas Unitholders should consult their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to subscribe for Units pursuant to this Information Memorandum.

5 Applications

Investments in Units must be by direct funds transfer or cheque made payable to:

“The Trust Company Limited ATF KFM – **[Equities or Income or Charitable Equities]** Fund”

and together with a completed application form, which is attached to this Information Memorandum, the Tax Information Form and Identification Form sent to:

Kaplan Funds Management Pty Limited
Level 27
45 Clarence Street
Sydney NSW 2000

The Tax Information Form and Identification Forms are available under ‘Forms’ on our website www.kaplanfunds.com.au/forms or contact us on 02 8917 0300 to obtain a copy of these forms.

Minimum Investment

The minimum initial investment is \$500,000 or \$50,000 provided an accountant’s certificate is provided with the application.

Kaplan reserves the right to waive the minimum investment amount for investors who fall within the definition of “wholesale clients” (as defined in section 761G of the Corporations Act 2001).

The Subscription Price will be calculated based on the first Valuation Date after the date of application.

Any offer of Units contained in this Information Memorandum is an offer of Units to a wholesale client only (as defined in section 761G of the Corporations Act) or which does not otherwise require the provision of a product disclosure statement under Division 2 of Part 7.9 of the Corporations Act. For further information refer Section 4: Investor Information, Legal Definitions and Notices for Wholesale Investor requirements.

By lodging an application form in respect of the offer of Units in the Funds contained in this Information Memorandum, you declare and warrant to Kaplan that you are a wholesale client or otherwise a person who does not require the giving of a Product Disclosure Statement under Division 2 of Part 7.9 of the Corporations Act.

Units are not certificated. The Registry will keep a register of Unitholdings and will issue statement of holdings to Unitholders within 12 Business Days of the issuing of Units.

Subsequent Subscriptions

The minimum subsequent investment is \$25,000 except re-investments of income distributions which can be for any amount

The Subscription Price will be calculated based on the first Valuation Date after the date of application.

Applications For Units

Applicants for Units, and Unitholders wishing to apply for additional Units, must send their completed application form together with application monies to Kaplan.

Kaplan reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable.

Kaplan will issue a letter to successful applicants confirming acceptance of their application. A confirmation note will be issued following calculation of the Subscription Price per Unit. Once completed applications have been received by Kaplan, they are irrevocable.

Applications for Units will not be dealt with and Units will not be issued until receipt of notification that an applicant’s funds have been cleared in the full amount of the subscription.

The Directors reserve the right from time to time to resolve to close the Funds to new subscriptions, either for a specified period or until they otherwise determine.

During any such period Units will not be available for subscription.

No Cooling Off Period

There is no cooling off period provided by Kaplan. An application lodged with Kaplan is irrevocable except as required by law.

6 Definitions

In this Information Memorandum:

AFSL means Australian Financial Services Licence

ASIC means the Australian Securities and Investments Commission.

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

Kaplan means Kaplan Funds Management Pty Limited (ABN 98 079 218 643; AFSL: 240815).

Kaplan Partners means the holding company of Kaplan.

Funds means the Kaplan Equities Fund, the Kaplan Income Fund and the Kaplan Charitable Equities Fund.

Information Memorandum means this Information Memorandum as modified or varied by any supplementary information memorandum issued by Kaplan from time to time.

Offer means the offer of Units under this Information Memorandum.

Redemption Price has the meaning given to it in the Constitution.

Subscription Price means the price per Unit based on the first Valuation Day after the date of application.

Terms means the terms and conditions of the Offer.

Unit means a fully paid ordinary unit in the Funds.

Unitholder means a holder of Units.

Valuation Date means the date on which Kaplan ascertains the value of the Funds. The value of Units in the Equities, Income

and Charitable Equities Funds is calculated weekly based on Friday's business day close. Unit prices are usually available each Tuesday. If Friday is not a business day, the value is calculated on the previous day's close of business.

7 Completing the Application Form

Applications should be completed and mailed to Kaplan together with a cheque for the application monies or the funds can be sent by EFT/direct deposit.

Application monies are deposited into a dedicated application account.

Section 1. Investor Details

Please insert the name(s) and details of the applicant(s) into the spaces provided in the Application Form.

Correct Registration

Note that all applicants must sign the Application and Declaration Forms. Corporate and trust applications may sign under common seal or by authorised representatives. If signing under a power of attorney, please certify that the power of attorney has not been withdrawn.

For **individuals**, the application should be signed by the applicant personally.

For **joint applications**, the names of all the applicants must be included and signed by each applicant.

All correspondence regarding your investment in the Funds will be sent to Investor 1.

Applications from **trustees** must be signed by all the trustees, using personal names (not the name of the trust) and appropriate title to the trust.

For **partnerships**, please include all personal names, not the name of the partnership.

For **companies**, please use the full company name, not abbreviations.

For **superannuation funds**, please use the name of the trustee and funds name, not just the Funds name only.

Tax File Number

If you would like us not to deduct tax and Medicare levy at the maximum marginal tax rate from distributions, please provide us with your Tax File Number (**TFN**), Australian Business Number (**ABN**) or Exemption number.

An investor who is not an Australian resident or who otherwise seeks an exemption for tax purposes is not required to provide a TFN or ABN.

For further information about the use of Tax File Numbers, please contact the Australian Tax Office.

Section 2. Contact Details

Please insert the contact details of the applicant(s) into the spaces provided in the Application Form.

Section 3. Investment Instructions

Please indicate the amount you would like to invest in the Funds. Payment is by cheque or direct funds transfer. Cash cannot be accepted.

Please also indicate (by ticking the relevant box) if you would like your distributions to be reinvested back into the Funds, directed into a bank account or sent by cheque to an address of your choice.

Section 4. Nominated Account Details

Please insert the account details of the applicant(s) into the spaces provided in the Application Form.

Please note for joint applicants all correspondence and distributions will be forwarded to the address and bank account details of investor 1.

Section 5. Signing the Declaration

Please read this Information Memorandum thoroughly and then sign the Application Form if you wish to apply for Units. Applications will not be accepted unless signed by the investor. The Tax Information Form and relevant Identification Form must accompany the Application Form in order to be processed. These forms are available under 'Forms' on our website www.kaplanfunds.com.au/forms or contact us on 02 8917 0300 to obtain a copy of these forms.

Your application will normally be processed within 12 Business Days and notification of your investment will be provided to you in the mail or by email if you have provided your email address.

By completing the Application Form and signing the Declaration, the investor(s) agree to the conditions laid out in the Declaration.

2. Contact Details

Residential Address (Individuals) or Registered Address (Companies/Trusts)		
Postcode		
Telephone (W)	(H)	(M)
Facsimile	Email	

3. Investment Instructions

Name of Fund	Amount to be invested (minimum \$500,000 per Fund or \$50,000 per Fund if an Accountant's Certificate is provided)	Distribution Reinvestment	
		No	Yes
Kaplan Equities Fund	\$	<input type="checkbox"/>	<input type="checkbox"/>
Kaplan Income Fund	\$	<input type="checkbox"/>	<input type="checkbox"/>
Kaplan Charitable Equities Fund	\$	<input type="checkbox"/>	<input type="checkbox"/>

If you have ticked "No", please tick one of the following:

- Please direct deposit my distribution to my bank account details of which are in section 4 of this application form.

4. Nominated Account Details

The following account will be credited for payment of all income distributions and redemptions (if applicable).

Account Name	
Institution	Branch
BSB Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Account Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Account Type (eg. cheque, savings etc.)	

5. Declaration

- I/we confirm that we have read and understood the Information Memorandum dated **1 July 2018** to which this application applies and agree to be bound by the provisions within the Kaplan Master Trust Deed governing the Funds
- I/we declare that all details furnished by us for this application are true and correct
- I/we have read the information on privacy contained within this Information Memorandum and consent to my personal details being used and disclosed as set out in the Information Memorandum
- I/we acknowledge and agree that neither Kaplan, The Trust Company Limited, National Australia Bank, and PricewaterhouseCoopers nor any other organisation and their respective officers guarantees the repayment of capital or specific performance of the Funds
- I/we are a wholesale client within the meaning of section 761G(7) of the Corporations Act 2001
- I/we have the legal power to invest in accordance of this application
- If this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power

Signed by Individual

Signature (investor 1.)	Date
Name (investor 1.)	

Joint Application

Signature (investor 2.)	Date
Name (investor 2.)	

Signed by Company / Super Funds / Trust *(for and on behalf of)*

Entity Name			
Authorised Representative		Date	
Australian Business Number	<input type="text"/>	<input type="text"/>	<input type="text"/>

Please ensure you have completed and signed the following three documents:

- 1. Application Form, and**
- 2. Tax Information Form, and**
- 3. relevant Identification Form.**

The Tax Information Form and relevant Identification Form must accompany the Application Form in order to be processed. These forms are available under 'Forms' on our website www.kaplanfunds.com.au/forms or contact us on 02 8917 0300 to obtain a copy of these forms.

Accountant's Certificate

Certificate under section 761G(7)(c) Corporations Act

Re: _____ (Investor)

I certify that:

1. I am one of the following:

- (a) a member of the Australian Society of Certified Practising Accountants (**CPAA**) who is entitled to use the post-nominals "CPA" or "FCPA", and is subject to and complies with the CPAA's continuing professional development requirements; or
- (b) a member of the Institute of Chartered Accountants in Australia (**ICAA**) who is entitled to use the post-nominals "CA" or "ACA" or "FCA", and is subject to and complies with the ICAA's continuing professional education requirements;
- (c) is a member of the National Institute of Accountants (**NIA**) who is entitled to use the post-nominals "PNA", "FPNA", "MNIA" or "FNIA", and is subject to and complies with the NIA's continuing professional education requirements;
- (d) a member of an eligible foreign professional body (The American Institute of Certified Public Accountants, The Association of Certified Chartered Accountants (United Kingdom), The Canadian Institute of Chartered Accountants, The Institute of Chartered Accountants of New Zealand, The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants in Ireland or The Institute of Chartered Accountants of Scotland) who:
 - (i) has at least 3 years of practical experience in accounting or auditing; and
 - (ii) is providing a certificate for the purposes of section 761G(7)(c) of the Corporations Act to a person who is resident in the same country (being a country other than Australia) as that member.

2. In accordance with the requirements of Section 761G(7)(c) of the Corporations Act the Investor has either:

- (a) net assets of at least \$2.5 million; or
- (b) a gross income for each of the last two financial years of at least \$250,000 a year.

Dated: / /

Signed:

Signature of Applicant

Signature of Accountant

Name of Accountant

Address of Accountant