



# S64 Hg Fusion Private Capital Access Fund AUD ARSN 679 387 583

25 February 2025

## Product Disclosure Statement

Responsible Entity/Trustee  
and issuer:

**K2 Asset Management  
Limited**

ACN 085 445 094;  
AFSL 244393

Fund Manager:

**S64 Ventures Limited**

a corporate authorised representative  
(001292780) of K2 Asset Management  
Limited

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# Important Notices

**This is an important document which should be read in its entirety before making any investment decision.**

**You should obtain independent advice if you have any questions about any of the matters contained in this product disclosure statement.**

This document is a product disclosure statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act. This PDS is issued by K2 Asset Management Limited ACN 085 445 094 AFSL 244393 (**Trustee** or **K2**, as responsible entity of the S64 Hg Fusion Private Capital Access Fund ARSN 679 387 583. This PDS is a summary of significant information about the Fund. The Trustee has appointed S64 Ventures Limited (**Fund Manager**) as the investment manager of the Fund. The Fund was established under a constitution (**Constitution**) dated 24 July 2024.

## Lodgement

This PDS is dated 25 February 2025 and an in-use-notice relating to this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC does not take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units in the Fund (**Units**) issued under this PDS will be issued by the Trustee on the terms and conditions set out in this PDS.

## Invitation to apply for Units

This PDS contains an invitation to apply for Units. No person is authorised to provide any information, or to make any representation, about the Fund or the invitation to apply for Units that is not contained in this PDS. Potential investors should only rely on the information contained in this PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by the Trustee or the Fund Manager in connection with the invitation to apply for Units. Except as required by law and only to the extent required by such law, neither the Trustee, the Fund Manager, the Master Fund Investment Manager nor any other person associated with the Trustee, the Fund Manager or the Master Fund Investment Manager (or the invitation to apply for Units) guarantees or warrants the future performance of the Fund, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units.

The Master Fund Investment Manager and its affiliates have not prepared this PDS and therefore do not accept any responsibility or liability for any information contained in it. In addition, neither the Master Fund Investment Manager nor any of its affiliates is involved in the investment decision-making process for the Fund.

Before deciding to invest in the Fund, prospective investors should read the entire PDS. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Fund or the Units under this PDS. The invitation under this PDS does not take into account the investment objectives, financial situation or particular needs of individual investors. You should carefully consider the risks (including those set out in section 5) that impact on the Fund in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your financial advisor, solicitor, accountant or other professional adviser prior to deciding to invest in the Fund.

The invitation to apply for Units under this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand and does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Units have not been registered under the United States Securities Act of 1933 (as amended) (**US Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. It is not contemplated that registration under the US Securities Act or other securities laws will ever be effected. Accordingly, this PDS may not be transmitted in the United States or distributed, directly or indirectly, to any 'U.S. person' (as defined in Regulation S under the US Securities Act) (a **US person**). It does not constitute an offer to sell, or a solicitation of an offer to buy, or an invitation to subscribe for or buy Units in the United States or to any US person or for the benefit of a US person, and is not available to persons in the United States or US persons or for the benefit of US persons. Each Applicant will be taken to have represented and warranted to the Trustee that such Applicant is not a US person and is not acting on account of a US person.

## Important Notices (continued)

### Target Market Determination

The Trustee has issued a target market determination (TMD) in respect of the Fund. The TMD is publicly available at <https://ausfunds.s64capital.com/products/s64-hg-fusion-private-capital-access-fund-aud> (Fund Website).

### PDS updates

Information in this PDS may need to be updated from time to time. Any updated information in this PDS that is considered not materially adverse to holders of Units (**Unitholders**) (**Updated Information**) will be made available by the Trustee by publishing such information on the Fund Website. A paper copy of any updated information will be provided free of charge on request. Any new or updated information that is materially adverse to Unitholders will be available to Unitholders via a supplementary or new PDS accessible at the Fund Website.

This PDS and the constitution of the Fund (**Constitution**) supersede and replace any earlier information provided by the Trustee, Fund Manager, their affiliates and their respective representatives and agents in respect of the Fund.

Where Unitholders have provided the Trustee with their email addresses, the Trustee will send notices of meetings, other meeting-related documents and annual financial reports electronically unless the Unitholders elect to receive these in physical form and notify the Trustee of this election. As a Unitholder, you have the right to elect whether to receive some or all of these communications in electronic or physical form and the right to elect not to receive annual financial reports at all. You also have the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

### Risks

An investment in the Units is subject to risk (refer to section 5), which may include possible delays in repayment and loss of income and capital invested.

None of the Trustee, the Fund Manager, nor any of their related entities, directors or officers give any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in, the Fund described in this PDS. An investment in the Fund is not a deposit with, nor a liability of, the Trustee, the Fund Manager or any other person. The Trustee, the Fund Manager and their related entities may invest in or provide other services to the Fund.

#### Forward-looking statements

This PDS contains forward-looking statements, statements identified by the use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Trustee, its Directors and its management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, the Trustee, the Fund Manager, or any of their related entities, directors or officers do not make any representation, express or implied, in relation to forward looking statements and you are cautioned not to place undue reliance on these statements.

These statements are subject to various risk factors that could cause the Fund's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in section 5.

These and other factors could cause actual results to differ materially from those expressed in any statement contained in this PDS.

# Important information for New Zealand investors

## Warning statements for New Zealand investors

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

## Additional warning statement: currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

## Additional warning statement: trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## Additional warning statement: dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## Applications

By lodging an Application Form, you declare that you were given access to the entire PDS, together with the Application Form. The Trustee will not accept a completed Application Form if it has reason to believe that it has been altered, or tampered with, in any way.

# Investment Summary

The Fund is a unit trust which is registered with ASIC as a managed investment scheme under Chapter 5C of the Corporations Act.

The Trustee has appointed S64 Ventures Limited as the investment manager of the Fund. The Fund was established under the Constitution.

The Fund's main investment objective is to provide investors with access to investment opportunities in lead or control Growth Buyout Equity investments and Junior Debt investments, predominantly European businesses and North American businesses with transatlantic capabilities, in the software and technology services sectors.

The Fund will seek to implement its investment strategy to achieve such objective by investing (i) substantially all of its capital, in the Hg Fusion Private Capital Fund (**Master Fund**) and (ii) the balance of its capital not invested in the Master Fund, in liquid investments (including cash, cash equivalents and/or other liquid instruments) to facilitate redemption requests and payment of expenses, liabilities and other obligations of the Fund. The Master Fund is a sub-fund of the S64 AltoFlex VI Private Markets SICAV, an investment company with variable capital (société d'investissement à capital variable) (**SICAV**) incorporated as public limited liability company (société anonyme) and organised pursuant to Part II of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time, in the Grand Duchy of Luxembourg.

**A reference to the Fund "making investments" is a reference to the Fund making an investment in the Master Fund and becoming a shareholder in the Master Fund.**

The Master Fund will pursue investment opportunities in lead or control Growth Buyout Equity investments and Junior Debt investments, predominantly in European businesses and North American businesses with transatlantic capabilities, in the software and technology-enabled services sectors (**Target Sector**).

The investment manager of the Master Fund is Hg Pooled Management Limited (a company registered in England and Wales, the **Master Fund Investment Manager**). The Master Fund will hold its investments through the Hg Fusion Aggregator, which is a Luxembourg special limited partnership (**Aggregator**), and its subsidiaries. Such holding will expose the Master Fund (and accordingly the Fund) to:

- (i) the following investments in the Target Sector (**Alternative Investments**):
  - (a) certain alternative investment funds (**Hg Underlying Funds**) which are also managed by the Master Fund Investment Manager and its affiliates (together, **Hg**) that invest across a number of different private markets asset classes; and
  - (b) co-investments alongside Hg and/or Hg Underlying Funds on an opportunistic basis (**Co-investments**); and
- (ii) liquid investments in order to facilitate redemption requests (not exceeding 15% of the Master Fund's assets) and payment of expenses, liabilities and other obligations of the Master Fund (**Liquidity Reserve**). The Liquidity Reserve may consist of (without limitation) cash, cash equivalents and/or other liquid instruments.



# 1. Fund Features

This section presents an overview of a selection of the Fund features in a summarised and simplified form and is intended to provide a convenient way of locating where the further detail is located in this PDS. You should read the whole of this PDS before making an investment decision, and not rely solely on this section.

If you are in doubt as to the course you should follow, please consult your professional advisers.

Feature	Summary	Further Information
Fund Name	<b>S64 Hg Fusion Private Capital AUD</b>	
ARSN	<b>679 387 583</b>	
Fund Structure	<p>The Fund is an Australian unit trust registered with ASIC as a managed investment scheme under the Corporations Act. As at the date of this PDS, a single Class of Units is on issue and offered under this PDS (other than Application Units). However, the Trustee may, in accordance with the Constitution, issue different Classes of Units from time to time, including where a Class may have different rights, restrictions or terms of issue (including with respect to fees and costs) than the Class of Units offered under this PDS.</p> <p>Please refer to the diagram in Section 2 for more information about the Fund's structure.</p> <p>Those Applications from Applicants which are accepted by the Trustee will initially be issued Application Units, which are subsequently converted into Ordinary Units. Please refer to section 7 for further information.</p> <p>The Fund will invest substantially all of its capital in the Master Fund (a Luxembourg domiciled fund whose investments are managed by the Master Fund Investment Manager) which in turn will make investments in Alternative Investments (through the Aggregator and/or its subsidiaries) and the Liquidity Reserve.</p>	Section 2
Responsible Entity	K2 Asset Management Limited ACN 085 445 094, AFSL 244393	Section 4
Fund Manager	S64 Ventures Limited	Section 4
Administrator and Custodian	Apex Fund Services Pty Ltd ACN 118 902 891, AFSL 303253	Section 9
Base currency	Australian dollars (\$).	
Investment objectives and strategy	<p>The Fund's main investment objective is to provide investors with access to investment opportunities in lead or control Growth Buyout Equity investments and Junior Debt investments, predominantly in European businesses and North American businesses with transatlantic capabilities, in the software and services sectors.</p> <p>The Fund will seek to achieve such objective by investing substantially all of its capital in the Master Fund which in turn will make investments, directly or indirectly, in Alternative Investments and the Liquidity Reserve (through the Aggregator and/or its subsidiaries).</p> <p>The Master Fund may not always have the same investment objective as the Fund. In particular, the Master Fund's investment objectives may change from time to time, following investment by the Fund.</p>	Section 3
Investor profile	<ul style="list-style-type: none"> <li>· Wholesale Clients (as defined in section 761G of the Corporations Act);</li> <li>· Investors investing through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service- like scheme (IDPS); and</li> <li>· Other investors (including retail).</li> </ul>	Section 5
Minimum suggested time frame for holding investment	<p>At least 5 years.</p> <p>It is recommended that prospective investors obtain independent financial advice in light of their objectives, goals and financial situations in relation to their own suggested time frame for holding Units in the Fund.</p>	

Feature	Summary	Further Information
Minimum initial investment	\$50,000 unless waived by the Trustee.	Minimum initial investment
Management fees and costs <sup>1</sup>	<p>As at the date of this PDS, the estimated management fees and the costs of the Fund will be approximately 2.70% of the Fund's NAV per annum (assuming a Fund size of \$100million and based on the approximate Master Fund size as at the date of this PDS). The Fund Manager will be entitled to be paid a Management Fee of up to 0.25% of the NAV of the Fund and the Trustee will be paid a Trustee Fee equal to 0.05% of the NAV of the Fund.</p> <p>In addition, by virtue of its investment in the Master Fund and its indirect exposure to the Aggregator and/or its subsidiaries, the Fund will bear certain fees which are borne by those vehicles as well (which include any fees borne by Hg Underlying Funds into which such entities invest).</p> <p>Whilst no performance fees are payable directly out of the Fund, the Master Fund, or the Aggregator or its subsidiaries, performance fees are payable in respect of certain Hg Underlying Funds provided the performance of such funds exceeds the relevant performance thresholds applying to the relevant Hg Underlying Fund. It is not generally expected that such indirect performance fee will be payable in the first 2 years from First Close as the relevant thresholds are unlikely to be exceeded. However, the Fund may start bearing such indirect performance fees in and from the third year of the Fund and it is estimated to be approximately 0.19% per annum of the Fund's NAV over a 5-year period from the First Close.</p>	Management fees and costs <sup>1</sup>
Application cut-off times	<p>In general, Units are processed in respect of a Quarter, on the Dealing Date (being the first Business Day of that Quarter). A valid application form to subscribe for Units in the Fund must be received by 12pm (Sydney time) 14 Business Days prior to the Dealing Date in respect of the relevant Quarter by the Administrator for processing. The initial minimum investment amount is \$50,000.</p> <p>Following the receipt of valid Applications and Application Monies, where accepted, Applicants will receive Application Units equal to the Application Monies paid. Following the determination of the Fund's NAV for that Dealing Date, Application Units issued in respect of that Dealing Date will be reclassified as Ordinary Units with such NAV. Holders of Application Units are Unitholders. Whilst Application Units are of a different Class to Ordinary Units, they have the same rights, and interests equivalent to other Units, subject to the Constitution and the terms of issue of a Class of Units. Subject to the Constitution and the Corporations Act, the Trustee may (a) waive or vary the Application Notice Period or determine to issue Units on different or additional days at its discretion (acting reasonably), (b) vary or waive the minimum investment amount at any time and (c) accept or reject any Application in its absolute discretion.</p>	Application cut-off times
Unit pricing availability	Quarterly on or about the 37 <sup>th</sup> Business Day or, in the case of the fourth Quarter, 57 <sup>th</sup> Business Day of each Quarter or on such other times as determined by the Trustee in accordance with the Constitution.	Unit pricing availability
Redemptions	<p>Where the Fund is Liquid, it is expected that redemptions from the Fund will be available, on a Quarterly basis, upon 24 Business Days' notice prior to the Dealing Date (being the first Business Day of the relevant Quarter). Where a Redemption Request is accepted, it is expected that redemption proceeds will be paid to redeeming Unitholders within 2 Business Days following the publication of the NAV of the Fund following such Redemption Request (being the 39<sup>th</sup> Business for the first 3 Quarters or each calendar year, and the 59<sup>th</sup> Business Day for the 4th Quarter of the calendar year). <b>However, the Trustee has, under the Constitution, up to 1,254 days to satisfy Redemption Requests that it has accepted.</b></p> <p>The Trustee may accept or reject Redemption Requests in its absolute discretion. The ability of Unitholders to redeem from the Fund may be restricted at times. In particular, the Trustee may, in certain circumstances limit or suspend redemptions from the Fund in accordance with the Constitution.</p>	Redemptions

<sup>1</sup> Unless provided otherwise, all fees and costs quoted in this PDS are quoted, if applicable, on an Australian GST inclusive basis and net of any applicable reduced input tax credits (RITCs).

Feature	Summary	Further Information
	<p>In addition, the ability to satisfy Redemption Requests will be dependent on the ability of the Master Fund to redeem or otherwise monetise its investments. Under the terms of the Master Fund, the Master Fund may restrict the ability of its shareholders, including the Fund, to redeem from the Master Fund. In particular, the Master Fund may, under certain circumstances, suspend, or delay the payment of redemptions. The ability to pay redemptions to Unitholders will be adversely impacted by any redemption restrictions imposed by the Master Fund.</p> <p>Where the Fund is not Liquid, redemptions will only be permitted under a withdrawal offer in accordance with the Corporations Act. The Trustee is not obliged to make a withdrawal offer where the Fund is not Liquid.</p> <p>The Master Fund is part of an investment programme operated by Hg through several entities, called Hg Fusion and consists of the Master Fund, other investment funds designed to provide investors with access to the investment programme, as well as several investment entities such as the Aggregator.</p> <p><b>The aggregate net asset value of total permitted redemptions on an aggregate basis without duplication across Hg Fusion (including redemptions in the Master Fund, the Aggregator and any other fund entity comprising Hg Fusion) but excluding early redemption deductions levied at the level of the Master Fund (as set out in its sub-fund supplement) and deferred sales charges (if any) is generally limited to 5% of the Aggregator's NAV measured as at the close of the previous Quarter. For the avoidance of doubt, any redemptions made across Hg Fusion to fund upstream properly incurred liabilities (other than redemption payments of investors' redemptions) incurred upstream of the Aggregator (i.e. at the level of the Master Fund or of any other fund entity that is part of Hg Fusion) will not be taken into account for the purpose of calculating this 5% limit. Where redemption requests across Hg Fusion exceed this limit, redemption requests will be satisfied on a pro rata reduced basis. Accordingly, where this restriction is triggered, the Master Fund's ability to redeem from the Aggregator will be restricted, which will in turn restrict the Fund's ability to redeem from the Master Fund.</b></p> <p>The withdrawal provisions of the Units have been designed having regard to the withdrawal provisions of the Master Fund and the illiquid nature of private market investments to which the Fund and Master Fund are exposed. Investors should note that the ability to meet redemption requests will be limited by available liquidity at the level of the Fund, and redemptions will only be made where the Fund has itself available cash or ability to make redemptions from the Master Fund.</p>	
Distributions	<p>While the Trustee has full discretion with regard to the distribution policy of the Fund, it does not anticipate declaring or paying cash distributions.</p> <p>The Master Fund also does not anticipate declaring or paying cash dividends.</p>	Distributions
Leverage	<p>The Constitution does not restrict the Fund from borrowing.</p> <p>Whilst the Fund will not use leverage for investment purposes:</p> <p>(a) it will be exposed to leverage through its investment in the Master Fund as the Master Fund's investments (and those of the Hg Underlying Funds) can be leveraged. The Master Fund may borrow up to 35% of its gross asset value (being the value of all of its assets, including, without duplication, the value of the Master Fund's cash, cash equivalent and liquid instruments) and make use of a credit facility for working capital purposes, including to bridge capital needs for the payment of redemptions, currency hedging and payment of its expenses or liabilities; and</p> <p>(b) it may borrow up to 35% of its most recently calculated NAV of the Fund (Borrowing Limit) for cash management purposes such as satisfying redemption requests, meeting costs and liabilities and assisting in the implementation of the investment strategy; however, the Fund shall not be in violation of the Borrowing Limit (i) as a result of any fluctuations in the Fund's gross asset value, whether as a result of any distributions, redemptions, disposition of assets, fluctuations in the value of investments or otherwise, or (ii) if the breach of the Borrowing Limit is remedied within a reasonable period of time.</p> <p><b>The Fund's NAV is calculated on a Quarterly basis therefore the Fund may not be aware of a breach of the Borrowing Limit until the Quarter following the date of any borrowing. The use of leverage in an investment portfolio entails specific risks, including loss of capital.</b></p>	Leverage

1.1 Further information

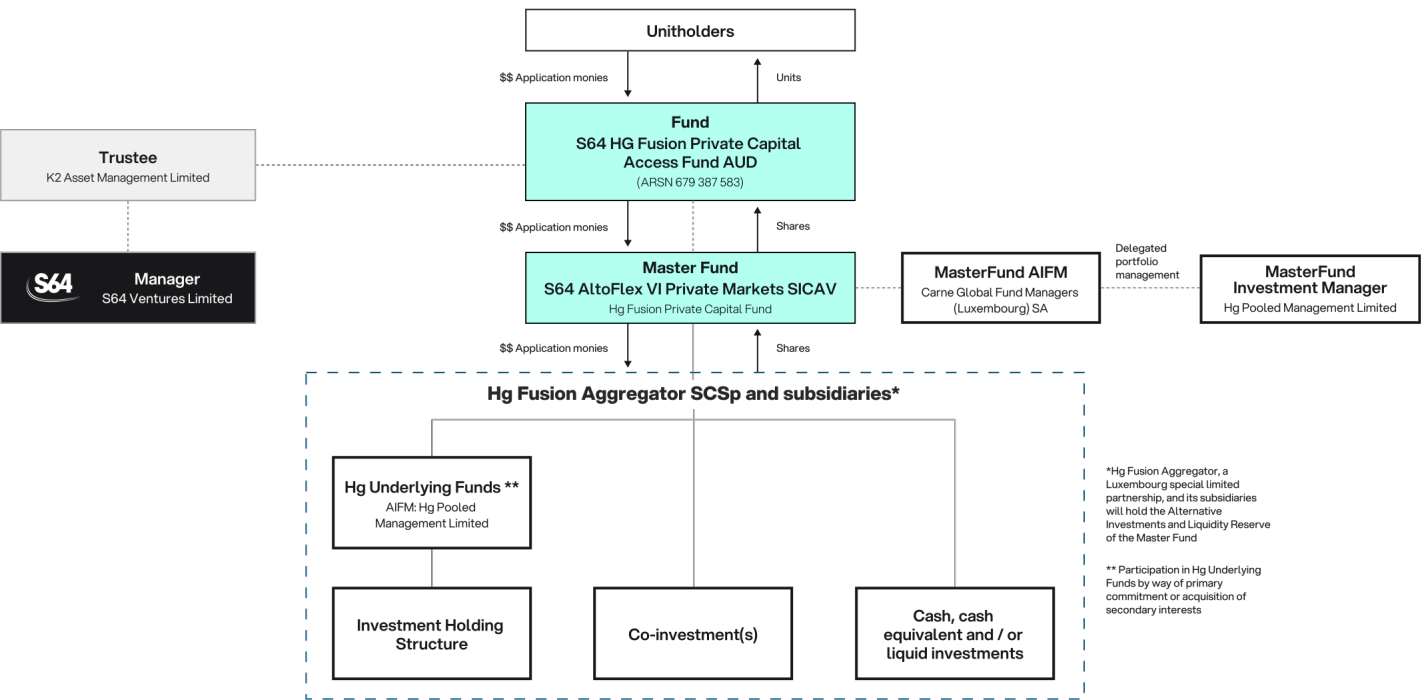
The PDS contains important information regarding the Fund. The Trustee encourages you to read it carefully and in its entirety, including without limitation section 5 which sets out certain key risks associated with an investment in the Fund, and section 6 which sets out the fees and other costs associated with investing in the Fund. If you have any questions, you should seek relevant professional advice before making an investment decision.

2. Overview of the Fund and Investment Structure

2.1 Overview of the Fund's structure

The Fund is a registered managed investment scheme under the Corporations Act. The Trustee has appointed the Fund Manager to manage the Fund under the Management Agreement.

Investors in the Fund hold Units in the Fund, which represent their beneficial interest in the assets of the Fund, but do not give an interest in any particular asset of the Fund. As at the date of this PDS, it is expected that the Fund, (other than in respect of Application Units) will only have one Class of Units on issue. However, the Trustee may, at its discretion, issue additional Units in the Fund of the same Class or of a different Class to the Units already on issue. In particular, in order to facilitate Applications, the Trustee will issue to the Applicants (whose Applications are accepted) with Application Units which will be converted into Ordinary Units. Application Units are of a different Class to Ordinary Units. The following diagram shows a summary of the Fund's structure (please note that the investment structure beneath the Fund is subject to change and the diagram shows the structure as at the date of this PDS):



Prospective investors should note that this diagram is provided by way of example. In particular, the Master Fund may hold Alternative Investments either directly or indirectly via intermediate entities. Cash and other liquid instruments may be held by the Aggregator either directly or indirectly via intermediate entities, as determined by the Master Fund Investment Manager in its sole discretion.

## Overview of the Fund and Investment Structure (continued)

### 2.2 Investment Objective and Strategy

The Fund's investment objective is to provide investors with access to investment opportunities in lead or control Growth Buyout Equity investments and Junior Debt investments, predominantly in European businesses and North American businesses with transatlantic capabilities, in the software and technology services sectors.

The Fund will seek to achieve such objective by investing (i) substantially all of its capital, in the Master Fund, and (ii) the balance of its capital not invested in the Master Fund, is invested in liquid investments (including cash, cash equivalents and/or other liquid instruments) to facilitate redemption requests and payment of expenses, liabilities and other obligations of the Fund.

### 2.3 Overview of the Fund's exposure

The Fund will seek to obtain such investment exposure, by investing substantially all of its investable capital in the Master Fund which will invest at least 85% of its investable capital in Alternative Investments, with the balance invested in the Liquidity Reserve. For liquidity management purposes (including, without limitation, in connection with implementing changes in the Master Fund's asset allocation) and/or pending deployment of subscription monies in investments, the Master Fund may from time to time hold a substantially higher amount of cash, cash equivalents and/or liquid instruments. The Master Fund's investments will be held through the Aggregator and/or its subsidiaries.

**In acquiring an interest in the Fund, potential investors should acknowledge that the success of the Fund is dependent on the success of its investments in the Master Fund (and such Master Fund's underlying investments). Prospective investors should understand that the Fund's returns will depend largely on the ability of Hg to generate investment returns at the level of the Master Fund and the Master Fund's underlying investments which will consist of a number of underlying funds and/or co-investments opportunities alongside these funds.**

The Fund is not designed for investors who are looking for funds that meet specific environmental, social and governance (ESG) goals. Neither the Fund nor the Master Fund is marketed as an ESG product in Australia.

### 2.4 About the Master Fund and the Fund's investment in the Master Fund

The Master Fund is a sub-fund of the S64 AltoFlex VI Private Markets SICAV. Whilst it is not a separate legal entity from the SICAV, it constitutes a distinct and segregated portfolio of the SICAV. The SICAV (including the Master Fund) is supervised by the Luxembourg Financial Markets Supervisory Authority (Commission de Surveillance du Secteur Financier).

The SICAV is managed by Carne Global Fund Managers (Luxembourg) S.A. (the Alternative Investment Fund Manager, the **AIFM**) who has delegated the portfolio management of the Master Fund to Hg Pooled Management Limited as the Master Fund Investment Manager under an investment management agreement. The Master Fund Investment Manager is a limited company incorporated in England & Wales and holds an authorisation from the Financial Conduct Authority of the United Kingdom to perform certain financial services. The Master Fund's actions are determined by the board of directors of the SICAV (**Board**).

The SICAV is governed by a prospectus (the **Prospectus**) and its articles of incorporation, and the Master Fund is governed by that same Prospectus as supplemented by its sub-fund supplement. The Board may change the terms of issue of shares in the Master Fund.

The Fund will acquire shares in the Master Fund. The Board has issued, and may further issue in accordance with the terms of the Prospectus, different classes of shares in the Master Fund which may be subject to different terms and conditions, including potentially different fee structures, dealing frequency, transfer, information disclosure, liquidity arrangements, distribution policies, investor types, or any other criteria to be determined by the Board, including terms that are more favourable than the shares held by the Fund.

The Fund will acquire Shares in the Master Fund. Whilst the Master Fund is denominated and operates in Euro, the Fund will invest in an Australian dollar denominated class of shares in the Master Fund. The Master Fund or the Aggregator may, from time to time, enter into hedging arrangements in order to hedge the currency risks between the Master Fund's base currency and the class of Shares subscribed by the Fund. However, depending on prevailing circumstances may do so fully, partially or not at all. **The Master Fund may not be successful in seeking to hedge currency risk. Furthermore, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the relevant hedged class of shares only, the Master Fund, as a whole (including the non-hedged classes of shares), may be liable for obligations in connection with currency hedges in favour of a specific class of shares.**

## Overview of the Fund and Investment Structure (continued)

### 2.5 Distribution Policy

#### (a) Fund Distribution Policy

While the Trustee has full discretion with regard to the distribution policy of the Fund, it does not anticipate declaring or paying cash distributions.

#### (b) Reinvestment

The Trustee may establish a distribution reinvestment programme. In the event that the Trustee establishes such a programme the details will be communicated to Unitholders.

### 2.6 Asset valuation

The NAV of the Fund is expected to be calculated on a Quarterly basis and made available on the Fund Website. The NAV of the Fund will be calculated by deducting from the total value of the assets of the Fund all liabilities, which includes declared but unpaid distributions, calculated in accordance with Australian Accounting Standards (AAS).

### 2.7 Fund operations and service providers

The following services have been outsourced:

- investment valuation, accounting and certain administrative functions; and
- administration;
- custody; and
- unit registry services to,

Apex Fund Services Pty Ltd.

KPMG has been appointed auditor of the Fund and will perform various review functions in relation to the investment valuation, accounting and administration roles performed by the Administrator.

### 2.8 Location

The Fund is domiciled in Australia.

### 2.9 Leverage

The Trustee (as responsible entity of the Fund) is not subject to borrowing restrictions under the Constitution, however it is not expected that the Fund will utilise leverage for the purposes of generating investment returns. However, the Fund may incur borrowing up to the Borrowing Limit in order to facilitate cash management and working capital. This facility may be used to meet cash requirements of the Fund, including (without limitation) satisfying Redemption Requests and paying Fund expenses or meeting other costs or liabilities.

The Master Fund (to which the Fund is exposed) may not incur borrowings that would exceed its loan-to-value ratio over 35% of its NAV. In addition to those borrowings, the Master Fund may make use of a credit facility for working capital needs of the Master Fund, including (without limitation) redemption payments, currency hedging and payment of expenses, fees and liabilities of the Master Fund.

**The Fund's NAV is calculated on a Quarterly basis therefore the Trustee may not be aware of a breach of the Borrowing Limit until the Quarter following the date of any borrowing. The use of leverage in an investment portfolio entails specific risks, including loss of capital.**

**The Hg Underlying Funds to which the Fund is exposed may incur leverage and each of the Trustee and Fund Manager is not able to influence the use of leverage at the level of the Hg Underlying Funds. The use of leverage in the Hg Underlying Funds involves the risk of capital loss. Please refer to section 5 for more information.**

### 2.10 Liquidity and withdrawals

It is expected that Unitholders will be able to withdraw from the Fund on a Quarterly basis, provided that Redemption Requests are received by the Administrator on 12pm (Sydney time) 24 Business Days prior to the first Business Day of the next Quarter (Dealing Date). However, under the Constitution, redemptions from the Fund may be restricted or suspended. For example (and without limitation), the Constitution provides that the Trustee may determine to suspend redemptions in



## Overview of the Fund and Investment Structure (continued)

certain circumstances including (without limitation) where it is impracticable to calculate the NAV due to trading restrictions or an emergency, where the Master Fund suspends or delays redemptions, or where it is anticipated that (i) Redemption Requests need to be satisfied by the realisation of a significant amount of Trust assets and (ii) meeting such Redemption Requests would be to the disadvantage of existing Unitholders. Redemption Requests may be accepted or rejected in whole or in part in its absolute discretion.

Where Redemption Requests are accepted, it is expected that payment of those redemption proceeds will be within 39 Business Days for the first 3 Quarters or each calendar year, and 59 Business Days for the 4<sup>th</sup> Quarter of the calendar year. However, under the Constitution, the Trustee has up to 1,254 days to satisfy Redemption Requests where they are accepted.

In particular, where the Trustee is required to redeem Shares in order to satisfy Redemption Requests, the payment of redemption proceeds may be contingent on the timing of receipt of those proceeds from the Master Fund. It is expected that settlements of redemptions from the Master Fund will generally be made within 3 London and Luxembourg Business Days following the publication of the NAV of the Master Fund.

In addition, the Master Fund imposes a number of restrictions on the redemption of Shares, including the ability to limit or suspend redemptions. In particular, in exceptional circumstances and (for example where extraordinary market conditions apply), the Board may decide to further limit or suspend, in whole or in part, the redemption program of the Master Fund, and reject redemption requests accordingly, if the Board determines that such action would be in the best interest of Investors. In determining whether to limit or suspend redemptions in the Master Fund, the Board of Directors shall at all times take into account whether such redemption is considered to be in the best interests of the Master Fund and its investors as a whole and/or if other such investors in the Master Fund are not harmed by such redemption, such as when redemptions of Shares would place an undue burden on the Master Fund's liquidity, adversely affect the Master Fund's operations, risk having an adverse impact on the Master Fund that would outweigh the benefit of redemptions of Shares or as a result of legal or regulatory changes. Where the Board determines that not all redemptions in the Master Fund will be accepted, Shares submitted for redemption during the relevant quarter will be redeemed on a pro rata basis. All unsatisfied redemption requests will be automatically resubmitted for the next available redemption date in the Master Fund (and shall be assessed on a pari passu basis with any other applicable redemption requests received).

**The aggregate net asset value of total permitted redemptions on an aggregate basis without duplication across Hg Fusion (including redemptions in the Master Fund, the Aggregator and any other fund entity comprising Hg Fusion) but excluding early redemption deductions levied at the level of the Master Fund (as set out in its sub-fund supplement) and deferred sales charges (if any) is generally limited to 5% of the Aggregator's NAV measured as at the close of the previous Quarter. For the avoidance of doubt, any redemptions made across Hg Fusion to fund liabilities (other than payments of investor redemptions) incurred upstream of the Aggregator (i.e. at the level of the Master Fund of any other fund entity that is part of Hg Fusion) will not be taken into account for the purpose of calculating this 5% limit.**

Where the Fund is not Liquid, withdrawals will only be permitted pursuant to a withdrawal offer in accordance with the Corporations Act. The Trustee is not required to make a withdrawal offer where the Fund is not Liquid.

## 3. Overview of the Master Fund's investment objective, investment strategy and investment process

### 3.1 The Master Fund's investment objective and investment strategy

The Master Fund will pursue investment opportunities in lead or control Growth Buyout Equity investments and Junior Debt investments, predominantly in European businesses and North American businesses with transatlantic capabilities, in the software and services sectors. The Master Fund will seek to implement its investment strategy by investing in Alternative Investments being:

- (a) Hg Underlying Funds which are also managed by Hg that invest across a number of different private markets asset classes; and
- (b) Co-investments alongside Hg and/or Hg Underlying Funds on an opportunistic basis.

The Master Fund will invest at least 85% of its assets in Alternative Investments, with the balance intended to be used for the Liquidity Reserve. For liquidity management purposes (including, without limitation, in connection with implementing changes in the Master Fund's assets allocation) and/or pending deployment of subscription monies in investments, the Master Fund may from time to time hold a substantially higher amount of cash, cash equivalents and/or liquid instruments.

The Master Fund will not invest more than 20% of its NAV in the same class of securities or instruments issued by a single Underlying Portfolio Interest at the time of such investment. For the purpose of assessing this investment limit, any investment made by the Master Fund in a Hg Underlying Fund will be looked through to the Underlying Portfolio Interests held by such Hg Underlying Fund and such investment limit shall be assessed at the time such Hg Underlying Fund acquired any such Underlying Portfolio Interest (together, the **Investment Restriction**). **For avoidance of doubt, this restriction will not prevent the Master Fund investing more than 20% of its NAV in any single Hg Underlying Fund, and does not include the Master Fund's exposure to the Aggregator, but rather is intended to refer on a look-through basis to the Master Fund's underlying exposure to investments held either directly as Co-investments or indirectly by the Hg Underlying Funds.**

Should the Investment Restriction be exceeded for any reason other than the purchase by any Hg Underlying Fund or the Master Fund, as applicable, of one or more additional investments in an Underlying Portfolio Interest (including but not limited to holding an inadvertent excess as a result of market or currency fluctuations), no remedial action by the Master Fund will be required.

The Investment Restriction will not apply for the first four years following the receipt of the Master Fund's first subscriptions from investors and during this time the Master Fund may deviate from its target allocations. Accordingly, during this period the Fund may be exposed to a more concentrated portfolio.

An investment in the Fund is therefore a method to gain exposure to the investment strategy of the Master Fund, the Master Fund Investment Manager and the Hg Underlying Funds.

### 3.2 The Master Fund's investment team and organisation

Throughout its history, Hg has continuously sought to enhance and improve its investment model, in line with a strong culture of continuous evolution. In 1999, Hg pioneered the introduction of a dedicated portfolio team to work alongside the sector teams and execute transformational value creation initiatives (the **Portfolio Team**).

The Master Fund intends to leverage Hg's wider teams and organisation in addition to the dedicated Hg wealth team, who cover core workstreams relating to Hg Fusion, across product, distribution, finance, operations and compliance. These teams are involved in the management and investment of Hg Underlying Funds and Co-Investments in which the Master Fund will invest. The Master Fund Investment Manager will have an "Allocation Board" in respect of the Master Fund, comprising senior members of Hg, who will assess investment opportunities and make investment decisions based on the cash position and cash flow forecasts of the Master Fund. Hg believes it has a thoughtfully structured, well-resourced and experienced team of around 350-400 people across its investment offices described above and has diligently approached the build-out of its team by bringing together:

- investment sourcing founded upon a matrix approach assigning both Investment Team and Cluster Team responsibilities to all investment professionals;
- a dedicated Portfolio Team, each with dedicated and focused expertise to drive value creation initiatives in software and services; and
- a well-resourced operating function to support the business activities of Hg.

As of the date of this PDS, Hg has one of the largest dedicated software and services team in Europe, with approximately 250 executives and operators, optimally positioning it to access, convert, manage and realise investments in the sector. Hg believes it has ensured it has dedicated the necessary resources to grow and drive value in each investment, with an average of approximately 5 executives and operators per current portfolio company.



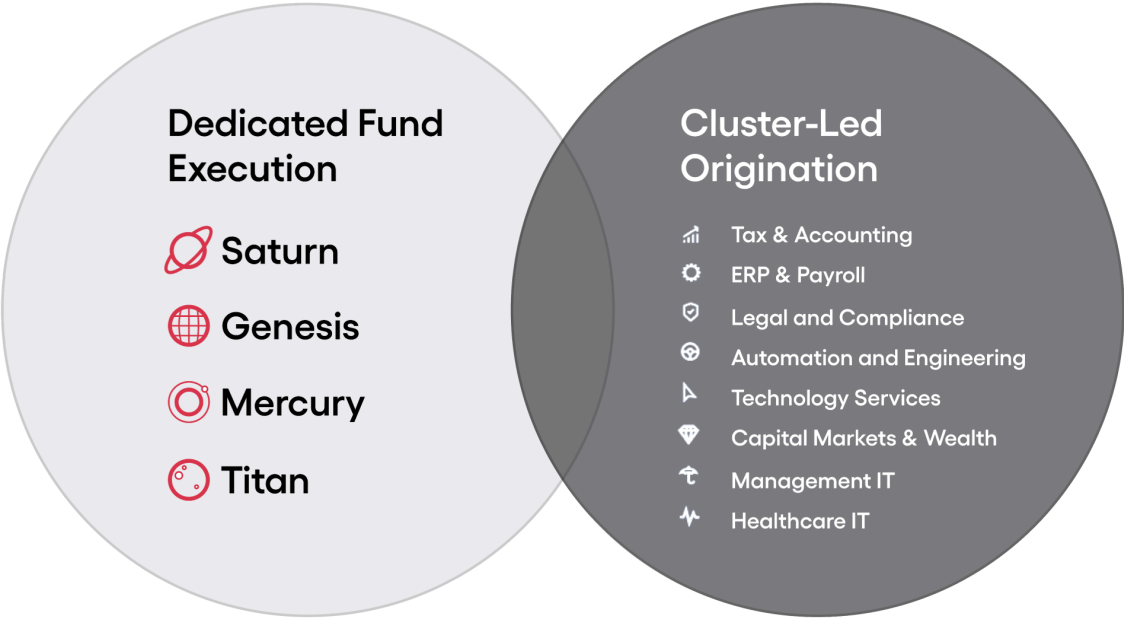
# Overview of the Master Fund’s investment objective, investment strategy and investment process (continued)

Hg is led by around 25 partners, each bringing an average of more than 20 years of relevant investment experience. The investment teams and wider organisation are overseen by 3 core committees in the form of the Hg Board, investment committees (each an “**IC**”) and the Realisation Committee (the “**RC**”), each providing a further layer of objective decision making and checks and balances at both an investment and organisational level.

## Matrix approach with investment professionals assigned dual responsibilities

Hg has structured its team with the objective of both delivering the platform’s investment strategy and embedding the required skills to execute transactions across the funds family. To meet these dual objectives, Hg’s team formulation is centred around a “matrix approach,” whereby each investment professional is assigned responsibilities across two dimensions:

- **Investment Team:** domain expertise across each of the Saturn, Genesis and Mercury platforms to make, manage and realise investments within a particular fund’s remit; and
- **Cluster Team:** assignment to an area of origination (as each is set out under the title “Cluster-Led Origination” in the diagram below, a **Hg Cluster**) enabling the development of niche expertise, long-term tracking of investment opportunities in that cluster, and network development irrespective of investment size – a central tenet of Hg’s sourcing engine.



# Overview of the Master Fund’s investment objective, investment strategy and investment process (continued)

In addition, in 2021, Hg established a dedicated, focused origination function to work with cluster and investment teams in the sourcing and conversion of investment opportunities, with a focus on add-on M&A across the portfolio.

Hg’s Capital Markets team is responsible for the investment of the Hg Titan strategy including negotiation with debt providers, structuring, pricing and capitalising the debt portion of Hg’s investments on behalf of the Hg private equity funds, as they are on any Hg investment. The team is responsible for preparing submissions to the Titan Operations Committee, which typically takes the form of an allocation memo, which is discussed by the Committee subsequently.

## Dedicated coverage within in each Hg Cluster

Hg’s origination is centred around the planned systematic identification of Hg Clusters aiming to deliver faster and more resilient growth than the broader economy. When a particular Hg Cluster is identified, Hg ‘deep mines ’them to identify and track preferred targets over the long-term building strong conviction around their investment potential. The Cluster Teams have on average circa 23 investment professionals with dedicated partner leads, seeking to ensure broad coverage of market activity within each Hg cluster.

On average, the Master Fund Investment Manager has been investing across its 8 Hg Clusters for 14 years, which Hg believes enables it to cultivate strong networks with a range of participants. These networks have sought to augment Hg’s reputation within each Hg Cluster, enabling it to identify and unlock investment opportunities.

## 3.3 The Master Fund’s investment process





**Below is a non-exhaustive summary of the investment process of the Master Fund Investment Manager. The asset class and the investment strategy and process of the Master Fund comprises a number of risks (including the loss of capital). Hg may not be successful in executing the investment strategy. Please refer to the risk disclosures in section 5 of this PDS.**

Transaction focus:	Lead/control Growth Buyout Equity and Junior Debt investments
Geographic focus:	Predominantly in European businesses and North American businesses with transatlantic capabilities
Sector focus:	Software and services

Hg seeks to generate returns by investing in companies in the Software and services sector that:

- operate in Hg Clusters (as defined below); and
- in Hg’s view, are growing faster than the broader economy.

Hg operates a four-fund architecture, which provides dedicated coverage of private equity investments in the lower-mid, mid and upper mid-markets in Europe, as well as Junior Debt investment:

Hg Underlying Funds	 Mercury	 Genesis	 Saturn	 Titan
Strategy	Lower mid-market private equity	Mid-market private equity	Upper mid-market private equity	Junior Debt
Target equity values	c.€100 million+	c.€500 million+	c.€1.5 billion+	-

## Overview of the Master Fund's investment objective, investment strategy and investment process (continued)

Hg's investment approach, focuses on replicable returns through targeting software and services companies operating in the Hg Clusters. The relevant Hg Underlying Funds primarily seek control Equity investments in predominantly European headquartered businesses (often with a global footprint and customer base). Hg's objective is to pursue investment theses supporting long-term growth, leveraging its expertise working with software and services companies to implement initiatives designed to maximise these businesses' organic expansion, as well as through 'rolling up' or consolidating fragmented sectors. Hg's experience is that the business models prevalent within these sectors are well-suited to delivering strong, compounding, long-term growth with limited volatility.

To capture Junior capital returns for clients, Hg's Titan strategy invests in 'captive' junior debt opportunities across the Hg portfolio (i.e. debt in respect of and existing Underlying Portfolio Interest), principally in the Saturn and Genesis funds, behind leading third-party financing providers. Hg believes the participation in such Junior Debt financings will (i) enhance Hg's ability to capitalise investments across Hg's existing fund architecture and capture more of the value created under Hg's ownership. Accordingly, Hg believes that Titan offers an attractive, risk-adjusted opportunity to capture the returns generated by Hg's investment strategy. Hg's investment approach:

- focuses on businesses that Hg believes will have sustainable financial growth across market cycles; and
- identifies businesses within the Hg Clusters that Hg anticipates will grow at above average growth rates over the long term.

To drive growth in its investments:

- Hg will typically be a control investor (i.e. it holds a controlling interest in the company) for most of its investments. Through control or, on occasion, co-control, Hg works closely with management to set strategic direction within its portfolio companies, implement value-creation initiatives and manage the exit process.
- Where a majority position cannot be achieved, Hg may make a minority investment typically with significant shareholder rights (e.g. board representation, veto on key management decisions, pre-emption rights, drag-along / tag-along rights, etc.) and most importantly, control over exit timing.
- Hg also seeks to be a lead investor (i.e. the primary investor engaging with the company).

Hg predominantly focuses its investment activity in companies headquartered or having a significant proportion of their business interests in Europe (Northern, Western and selective Southern Europe) as well as North America, typically in opportunities, which are more transatlantic in nature, and where Hg can bring its European expertise to bear. There are also instances where Hg is positioned to capture opportunities presented by companies that do not yet have a European presence, but have significant growth potential through a European expansion strategy. As Hg's businesses grow and scale, their operations and revenue streams tend to become more international in nature.

Hg's Buyout Funds are able to flexibly invest up to 20% <sup>7</sup> of their respective total fund sizes to opportunities that are not headquartered or do not have a significant proportion of their business interests in Europe. Hg has successfully delivered these growth strategies across both European and North American headquartered businesses previously.

### Business Model Attributes

Hg is committed to investing in companies exhibiting a well-defined set of criteria (outlined below), believing such businesses will deliver strong risk-adjusted returns across market cycles. Hg has developed both its sourcing and portfolio management activities around working with such companies. The criteria include:

- A business with 'mission critical' products or services, meaning Hg considers that there is or likely to be robust demand for a product or service, typically resulting in high gross margins;
- High level of recurring / repeat revenues delivering predictable, stable and highly visible revenue streams <sup>8</sup> on which to scale, cross-sell and up-sell;
- Low churn rates (the rate a customer stops doing business with the company) / high customer net promoter score (measuring customer loyalty) resulting in a loyal customer base facilitating upselling and cross-selling opportunities;

<sup>7</sup> Excluding a portfolio company that is not headquartered in or does not have a significant proportion of its business interests in Europe at the time of the first investment but where Hg has a good faith intention (through M&A and other initiatives) to develop its European business interests so that such business interests do make up a significant proportion.

<sup>8</sup> Past performance is not a reliable indicator of future performance.

## Overview of the Master Fund's investment objective, investment strategy and investment process (continued)

- Business to business, not business to consumer businesses insulating them from fluctuations in consumer sentiment and macroeconomic factors;
- Low volatility / low economic cycle sensitivity, which Hg expects will reduce market risk;
- Intellectual property protection through technology; understanding of specific workflows or regulatory environments; brand or business model, providing a differentiated positioning; and
- Fragmented customer bases diversifying revenue streams by region and type, typically focused on small to medium enterprise customers.

Hg assesses these set of criteria through several metrics, both upon investment and as part of its ongoing investment monitoring. Companies that meet these criteria Hg considers are typically asset-light, highly scalable, with high EBITDA margins and strong cash conversion.

Hg looks to build on the fundamentals outlined above and increase Net Revenue Retention base by:

- Capturing an increasing proportion of existing customer wallet share (upselling, cross-selling, pricing initiatives); and
- Increasing customer loyalty, thereby reducing churn.

### Hg's approach to decision making

Hg's overall investment decision making process forms part of a broader multi-layered approach that combines the expertise of both the IC and RC. The process is designed to maximise effective decision making through the investment lifecycle. The IC is responsible for investment decision making, whilst the RC oversees the delivery of the business plan and target returns post-investment. Both committees combine knowledge and expertise in their respective domains with rigorous reviews and checks and balances, whilst retaining the flexibility to respond quickly to dynamic situations. The IC comprises nine executives, with a quorum achieved with no fewer than five attendees. Voting requires a simple majority to pass. The IC has been purposely designed to combine both domain-specific expertise with Hg's institutional knowledge and firm-wide investment approach that is applicable across the size spectrum. The RC comprises 5 members.

### The investment process

The investment process requires a minimum of 3 meetings with the IC (often more depending on the complexity or specific dynamics of the transaction), allowing ample and early opportunity to flag and typically work through issues that may arise. The IC is designed to be consensus-driven where possible (there are no veto rights) with a straight majority required at each stage of the process.

### Hg Titan sourcing and investment process

Hg Titan provides the opportunity to participate in high yielding, captive Junior Debt investments.

Titan's investments are typically structured as HoldCo PIK debt or preferred equity, providing exposure to Hg's portfolio, typically in the Saturn and Genesis portfolios where Junior Debt financing is appropriate.

Titan has the opportunity but not the obligation to participate in every Hg PIK debt transaction, following terms set as part of a competitive market testing process (as would be the case on any Hg financing). The decision for Titan to participate, and at what level, is decided by the Hg Capital Markets team, who lead all of Hg's debt financing activities, in conjunction with the Titan Operations Committee. Titan only invests alongside independent, third-party debt providers to help mitigate any potential conflicts of interest. Titan's investments are typically structured as HoldCo PIK debt or preferred equity, as part of a syndicate of one or more other Junior third-party debt providers (whose terms Titan follows), alongside external senior debt, and equity investment from Hg's Buyout Funds. Hg uses Junior Debt investments in order to seek to optimise capital structures of its control Growth Buyout Equity portfolio, but maintains significant Equity cushions, resulting in what Hg believes to be a highly attractive risk profile for such investments.

The Titan pipeline is continually refined as more Saturn and Genesis Junior Debt opportunities arise, and as investments are made from these Funds.

## Overview of the Master Fund's investment objective, investment strategy and investment process (continued)

For each potential Titan investment, the Titan Operations Committee is convened and is responsible for determining whether an investment complies with Hg Titan Fund parameters, including with respect to fund diversification, undrawn commitments, Tax and regulatory requirements. The Capital Markets team, in conjunction with the relevant Hg Investment Team, are responsible for preparing submissions to the Operations Committee. This typically takes the form of an allocation memo, followed by an Operations Committee discussion.

The Capital Markets team is responsible for negotiating with debt providers, structuring, pricing and capitalising the debt portion of Hg's investments, as they would be on any Hg investment.

**There are a number of risks associated with investing in this sector and in private companies and growth opportunities generally. Hg may not always select investments that generate positive returns or in respect of which it is able to be repaid the value of its investments. Please refer to section 5 in respect of the risks of investing in the Fund.**

**The Hg Underlying Funds that are private equity funds are often structured as capital call vehicles. This means that the Master Fund or the Aggregator will need to hold cash until such time as the Hg Underlying Fund calls for it to pay costs, fees or apply to an investment. The Private Equity Funds contain specific terms common in Private Equity vehicles, including that:**

- **failure to pay capital calls can incur various penalties, amongst others forfeiture of interests, forced redemption without adequate compensation and interest payment; and**
- **investors (such as the Master Fund) may be required to repay returns it has received in certain circumstances, such as where the Hg Underlying Fund is subject to litigation in respect of an asset it has sold.**

**Please refer to section 5 for further information on the risks of Private Equity investing.**

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### Explanation of certain terms used in the context of the Alternative Investments and the Master Fund's investment strategy

<b>HoldCo PIK</b>	is a debt instrument issued by the holding company of a business or a group, whereby the borrower can repay the debt 'in-kind' (PIK stands for payment in-kind) by issuing more debt to the lender.
<b>Junior and Junior Debt</b>	means, in respect of a debt instrument, the right of the holder of that debt instrument to be paid ranks behind that of other lenders whose debt instrument is more Senior.
<b>Mezzanine Debt</b>	is a debt instrument that is issued together with Equity or Equity-like instruments attached and is typically Junior to other debt interests issued by that borrower but Senior to Equity.
<b>Preferred Equity</b>	is a type of Equity which typically attracts a coupon payment and ranks in priority to other forms of Equity of the relevant issuer.
<b>Private Equity</b>	means Equity that is not publicly listed or traded over and exchange.
<b>Senior</b>	in respect of a debt instrument, refers to the rights of investors in a debt instrument to be paid in priority to other payment obligations (including in respect of other debt obligations) or Equity holders of the relevant borrower.

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## Overview of the Master Fund's investment objective, investment strategy and investment process (continued)

### 3.4 The Master Fund Investment Manager's approach to portfolio management

Hg's approach to portfolio management brings together:

- Deep sector and cluster knowledge combined with execution expertise from each of the Saturn, Genesis and Mercury Investment Teams;
- Operational expertise from the Portfolio Team which is supplemented with sector and operational know-how from the broader Hg network, all with an entrenched knowledge of Software and Services; and
- Harnessing the power of the Software and Services ecosystem through the Hg network.

Hg intends to engage with portfolio companies through:

- ongoing strategic leadership at board level, providing both navigation and a constant sounding board for management;
- specific project engagement from the Portfolio Team, typically designed to support particular initiatives that form part of Hg's value creation best practice and intellectual property; and
- strategic merger and acquisitions (**M&A**) typically led by the relevant Investment Team.

Hg uses a set of core levers (developed based on its extensive experience in the software and service sectors) which are typically identified by the Investment and Portfolio Teams as part of the investment process, and through in-depth functional assessments at the beginning of an investment.

Following each investment in a portfolio company, the Portfolio Team works with the management of such company to focus on the identified levers, which are key to both performance and robust and scalable foundations.

#### Hg's anticipated exit strategies

Investment Teams work with each portfolio company management team to produce a roadmap to exit, identifying specific hurdles to be overcome before the company is ready to be sold. As a controlling shareholder, Hg will drive the timing and approach to portfolio company realisations through the RC, the committee that acts as the key decision-making body for all exit activity and liquidity events. While Hg seeks to attract trade and financial buyers to maximise value, it will (i) consider all possible exit strategies (including IPOs and partial realisations through recapitalisations) and (ii) seek to optimise individual portfolio company return prospects in parallel with wider fund-level return objectives, both on an MOIC (multiple on invested capital) and IRR (internal rate of return) basis.

Exit planning commences at the pre-investment due diligence phase and continues throughout the life of the investment. Potential opportunities and timing of exit are constantly assessed in order to optimise returns for investors and this represents a core part of the RC agenda. The timing of an exit is contingent on both internal and external aspects, including the macroeconomic and capital market cycles, political and regulatory dynamics, and sector trends.

## 4. About the Fund Manager, Hg and the Trustee

### 4.1 The Fund Manager

S64 Ventures Limited (trading as S64) is the investment manager (**Fund Manager**) of the Fund. The Fund Manager is a limited liability company incorporated in England and Wales. The Fund Manager has been appointed as a corporate authorised representative (number 001292780 ) of K2 Asset Management Limited ACN 085 445 094; AFSL 244393.

### 4.2 Role of the Fund Manager

The primary responsibility of the Fund Manager is to act as the Trustee's agent to invest and manage the assets of the Fund and manage the Fund in accordance with the Management Agreement. In particular (and without limitation) the Fund Manager will source and present to the Trustee investment opportunities, review the Fund's assets and assist the Trustee in implementing investment decisions.

Pursuant to the Management Agreement, the Fund Manager will provide advice and recommendations to the Trustee in respect of the management of the Fund, and the Trustee's exercise of its discretion under the Constitution.

### 4.3 About Hg

Hg is one of the leading private equity acquirers of technology businesses globally Hg has circa 400 employees including approximately 250 executives and operators.<sup>9</sup> Furthermore, Hg has one of the largest dedicated software & services investment teams in Europe, contributing to its competitive position in the European software and services buyouts space.

Throughout its history, Hg has continually sought to enhance and improve its investment model, in line with a strong culture of continuous evolution. For example, in 1997, Hg evolved its original mid-market fund franchise, 'Genesis', by initiating a sector focused strategy, seeking to improve investment outcomes by leveraging domain knowledge to source, execute and manage investments. In 1999, Hg pioneered the introduction of the dedicated Portfolio Team to work alongside the sector teams and execute transformational value creation initiatives.

The focus on continued improvement remains core to Hg's culture and has led to ongoing business enhancements. In late 2007, Nic Humphries took over the role of CEO in a planned succession. Hg has continued to refine its investment approach and since 2012 has focused exclusively on companies with 'business to business' business models and strong commonalities in the software and technology services sectors. The clarity of Hg's investment approach is, in Hg's view, a hallmark of Hg and a key differentiator from its peers.

Since inception, Hg has been based in London. In 1999, the Hg opened a second office in Germany to capitalise on the abundant growth opportunities offered by German mid-market businesses. In 2019, Hg opened a third office in New York, where a team of investment professionals support Hg's existing activities, reflecting the importance of the North American market for European Software & Services, for bolt-on acquisitions, exits and new investments. Hg continues to expand its global footprint across Europe and North America, which now includes offices in San Francisco and Paris and today Hg's offices work collaboratively to execute Hg's investment strategy.

### 4.4 About the Trustee

K2 Asset Management Ltd, a wholly owned subsidiary of K2 Asset Management Holdings Ltd (ABN 59 124 636 782), which is a public listed company on the Australian Securities Exchange (ASX: KAM). K2 was established in Melbourne in 1999 and specialises in managed funds for retail, wholesale and institutional investors.

K2 is the responsible entity of the Fund to represent and act in the interest of Unitholders, provide regulatory compliance oversight with the Corporations Act and with reference to ASIC guidance. In exercising its powers and duties as trustee of the Fund, K2 must (without limitation):

- act honestly and in the best interests of Unitholders at all times;
- exercise the degree of care and diligence that a reasonable person would exercise in the Trustee's position;
- treat Unitholders who hold interests of the same class equally and Unitholders who hold interests of different classes fairly;
- not make use of information acquired through being responsible entity of the Fund in order to gain an improper advantage for itself or another person or cause detriment to Unitholders;
- comply with the Fund's Constitution and all applicable laws;

<sup>9</sup> These figures are correct as at the date this PDS was prepared, however the nature of asset management businesses means that these figures and rankings may change from time to time.



# About the Fund Manager, Hg and the Trustee (continued)

- ensure Fund property is clearly identified as property of the Fund and held separately from the property of K2 and any other schemes; and
- assume ultimate responsibility for any complaints by investors or enquiries by ASIC.

In accordance with Corporations Act requirements, K2 is subject to independent financial audit. It is also subject to independent compliance audit on a minimum annual basis.

## 5. Risks

### 5.1 Introduction

You should be aware that an investment in the Fund involves material risks. The value of your investment may fall for a number of reasons, which means that you may receive back less than your original investment or you may not receive income over a given time frame. The level of income distributed can also vary from month to month or no distribution may be made. Before making an investment decision, it's important to understand the risks that can affect the value of your investment.

**An investment in the Fund is subject to a high degree of risk. An investment in the Fund is speculative and requires a medium-to-long term commitment, with no certainty of return. Returns generated by the Fund's investments may be insufficient to compensate Unitholders adequately for the business and financial risks that must be assumed. There is no guarantee that the Fund's performance will meet any target or projected return. The value of investments may fall as well as rise and Unitholders may not get back the amount invested. Past performance does not predict future returns and past performance by the Hg Underlying Funds cannot be taken as an indication of future performance of the Master Fund.**

While not exhaustive, this section identifies the risks that the Trustee and Fund Manager regard as the major risks associated with an investment in the Fund. You should read the whole of this PDS in order to fully appreciate the risks of an investment in Units before any decision is made to subscribe for Units. In particular, you should consider section 3 - Overview of the Master Fund's investment objective, investment strategy and investment process.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy and past performance is not a reliable indicator of future performance. The value of Units may decline significantly if the Fund's business, financial condition or operations were to be negatively impacted. In these circumstances, you could lose all or part of your investment in the Fund.

If you are considering an investment in the Fund, you are also strongly advised to consider whether the Units are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this section 5). If you are in any doubt about the suitability of an investment in the Fund, you should consult with your financial adviser, stockbroker, solicitor, accountant or other professional adviser before deciding whether to apply for the Units.

### 5.2 Investment strategy risk

Type of Risk	Description of Risk
Fund Manager risk	<p>As the Fund's objective is to invest substantially all of its capital in the Master Fund, the success and profitability of the Fund will depend in large part upon the performance of the Fund Manager and Master Fund Investment Manager (in particular, the skill and expertise of the investment team of such managers). The Fund Manager may not manage the Fund in a manner that consistently achieves the Fund's investment objective over time.</p> <p>If the Fund Manager and Master Fund Investment Manager were to lose the services of the key members of their respective investment team or otherwise be precluded from providing its management services (for example, by virtue of the loss of their respective licenses or registration), the success and profitability of the Fund could be materially and adversely affected. There can be no assurances that the investment team will remain wholly intact or that the Fund Manager will maintain key licences and registrations throughout the term of the Fund.</p> <p>If the Fund Manager ceases to manage the Fund, the Trustee will need to identify and engage an alternative, and suitably qualified and experienced investment manager. This may affect the Fund's success and profitability.</p> <p>See section 9 for further details of the terms of the Management Agreement.</p>



## Risk (continued)

Type of Risk	Description of Risk
<b>Fund Manager risk</b>	<p>As the Fund's objective is to invest substantially all of its capital in the Master Fund, the success and profitability of the Fund will depend in large part upon the performance of the Fund Manager and Master Fund Investment Manager (in particular, the skill and expertise of the investment team of such managers). The Fund Manager may not manage the Fund in a manner that consistently achieves the Fund's investment objective over time.</p> <p>If the Fund Manager and Master Fund Investment Manager were to lose the services of the key members of their respective investment team or otherwise be precluded from providing its management services (for example, by virtue of the loss of their respective licenses or registration), the success and profitability of the Fund could be materially and adversely affected. There can be no assurances that the investment team will remain wholly intact or that the Fund Manager will maintain key licences and registrations throughout the term of the Fund.</p> <p>If the Fund Manager ceases to manage the Fund, the Trustee will need to identify and engage an alternative, and suitably qualified and experienced investment manager. This may affect the Fund's success and profitability.</p> <p>See section 9 for further details of the terms of the Management Agreement.</p>
<b>Redemption risk</b>	<p>The asset class into which the Fund invests is an illiquid one and there may be times where the Fund is not able to meet Redemption Requests. In particular, the Fund may limit or suspend redemptions and the Trustee may accept or reject Redemption Requests in its absolute discretion. The Master Fund specifically may also limit redemptions and the Hg Fusion programme as a whole imposes redemption limits, which means that the Master Fund may be impacted by redemptions over the Hg Fusion programme as a whole which may result in its inability to generate adequate liquidity to pay redemptions. The Fund's ability to pay redemptions may depend on its ability to redeem Shares which in turn depends on the liquidity of the Hg Underlying Funds.</p> <p>Where the Fund redeems from the Master Fund within 24 months of investing, the Master Fund will impose a 5% early redemption deduction to the value of the NAV of the Master Fund Shares being redeemed. Where, as a result of Unitholders who submit a Redemption Request during the first 8 Quarters of the Fund investing in the Master Fund, this fee is borne by the Fund, the Trustee will, in accordance with the Constitution, cause this amount to be borne by those redeeming Unitholders and those Unitholders' redemption proceeds will be correspondingly reduced.</p>
<b>Underlying liquidity management</b>	<p>The Master Fund generally may not redeem or transfer its interest in an Hg Underlying Fund without such Hg Underlying Fund's general partner, operator or manager (as the case may be) providing prior consent and is generally expected to participate for the length of the term of such Hg Underlying Fund.</p> <p>As a result, the Master Fund's investment in units of an Hg Underlying Fund will generally be illiquid and the Master Fund cannot rely on its investments as a source of liquidity. This means that the Master Fund may need to make more investments in liquid assets than it otherwise would in order to support potential redemption requests, which could adversely impact the Master Fund's returns and those of the Fund.</p>
<b>Risks in the deployment of capital</b>	<p>If the Master Fund has difficulty identifying and investing on attractive terms, there could be a delay between the time it receives subscription amounts and the time it invests those proceeds. The Master Fund may also from time to time hold cash pending deployment into investments or have less than its targeted leverage. Undeployed cash may be held in an account for the benefit of the Master Fund's investors that may be invested in money market accounts or other similar temporary investments, each of which are subject to performance related fees. Holding cash in this manner will reduce the Master Fund's (and accordingly, the Fund's) overall investment returns.</p>
<b>Hg Underlying Fund risk</b>	<p>There can be no assurance that a Hg Underlying Fund will operate successfully. Although the Master Fund Investment Manager will monitor the performance of each Hg Underlying Fund and the Underlying Portfolio Interests, it will rely upon management to operate the Hg Underlying Fund and/or, as applicable, Underlying Portfolio Interests, on a day-to-day basis.</p> <p>The expertise of the Hg Underlying Funds is largely dependent on the quality of Master Fund Investment Manager, its Affiliates, and their personnel employed. The loss of key personnel could materially and negatively impact the performance of an Hg Underlying Fund and/or, as applicable, Underlying Portfolio Interests.</p>

## Risk (continued)

Type of Risk	Description of Risk
<b>Investment sourcing</b>	<p>The success of the Fund depends on the ability of the Master Fund Investment Manager and the wider Hg investment team to identify suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Fund Manager. There can be no assurance that the Master Fund Investment Manager and the wider Hg investment team will be able to identify sufficient investment opportunities to enable the Master Fund to meet its investment objective, which in turn will impact the returns of the Fund.</p> <p>Suitable investments for the Hg Underlying Fund may not always be available at a particular time. Each Hg Underlying Fund's rate of investment may be delayed or progress at a slower than anticipated rate for a variety of reasons and as a result, there is also no guarantee that each Hg Underlying Fund will be able to fully invest the total amount of commitments to such fund, which in turn may mean that there are temporarily limited opportunities for the Master Fund to deploy its committed capital, thus reducing the Fund's ability to provide returns to Unitholders.</p>
<b>Leverage risk</b>	<p>The principal, interest expense and other costs incurred in connection with any borrowing by the Fund, the Master Fund or any Hg Underlying Fund may not be recovered by the income from and appreciation in its investments. Gains realised with borrowed funds may cause the Fund's returns to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the principal, interest and other costs of borrowings, the Fund's returns could also decrease faster than if there had been no borrowings. If the Fund, the Master Fund or any Hg Underlying Fund uses leverage to fund investments and the counterparty to a debt investment defaults on payment, that fund is still obliged to service its interest and principal payment obligations. The inability to do so may give rise to the relevant fund's debt provider taking action under the relevant debt facility terms to recover amounts owed. The debt provider would be Senior ranking to investors and have a first claim over the loans (and associated assets) and cash flows of the relevant in a winding-up scenario. These circumstances may require the relevant fund to dispose of its assets at an unattractive price in order to repay its debts. The Master Fund may be required to pay its share of any indebtedness of an Hg Underlying Fund in circumstances where that Hg Underlying Fund defaults on its debt repayment obligations. The relevant Hg Underlying Fund could draw on the Master Fund's commitments to pay such indebtedness. The lender to an Hg Underlying Fund may, if its debt is not paid, foreclose on investments, causing the Hg Underlying Fund to lose the value of its investment. These arrangements may reduce the returns of the Master Fund, and accordingly, the Fund.</p> <p>The leveraged capital structures of such Hg Underlying Funds and their portfolio companies will increase their (and thus the Master Fund's) exposure to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the affected companies or their industries.</p>
<b>Currency risk</b>	<p>The Fund will be exposed to investments in global assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of Units. The Fund and the Master Fund may seek to mitigate currency risk by hedging foreign currency exposures to the Australian dollar, including by using derivatives. There can be no assurance that such currency hedging will be effective or available.</p>
<b>Hedging and Master Fund class risk</b>	<p>The Master Fund may from time to time enter into interest rate, currency, credit or market risk arrangements, including through the use of derivatives, for hedging or efficient portfolio management purposes. The costs associated with hedging of the investments will be borne by the Master Fund. With respect to currency hedging specifically, individual classes of Shares may be denominated in different currencies. The Master Fund (directly or indirectly) may hedge classes of Shares which are denominated in any other currency than EUR, however, depending on the prevailing circumstances, the Master Fund (directly or indirectly) may or may not hedge certain classes of Shares, either partially or fully, and has no obligation to hedge any class of Shares at all. In relation to currency hedging undertaken, if any, in the interest of a hedged class of Shares, a class of Shares does not constitute a separate portfolio of assets and liabilities. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging programme will be allocated to the hedged classes of Shares only, the Master Fund, as a whole (including the non-hedged classes of Shares), may be liable for obligations in connection with currency hedges in favour of a specific class of Shares and the Master Fund may also be liable for similar obligations in connection with currency hedges with respect to the Master Fund or a portfolio company. Additionally, any financing facilities or guarantees utilised in connection with the hedging programme may be entered into by the Master Fund, or the Aggregator (in respect of the Master Fund or a portfolio company) and not any specific class of Shares.</p>

## Risk (continued)

Type of Risk	Description of Risk
<b>Limited performance history of the Fund</b>	Each of the Fund and Master Fund therefore has a limited period of performance history demonstrating implementation of the investment strategy. In addition, historic performance of the Fund, the Master Fund and any Hg Underlying Fund cannot be relied on as a guide to future performance of the Fund.
<b>Lack of ability to participate</b>	Unitholders will have no right or power to participate in the management or control of the Fund, the Master Fund or any Hg Underlying Fund and thus must depend solely upon the ability of the Fund Manager (in respect of the Fund), the AIFM and/or the Master Fund Investment Manager (in respect of the Master Fund) and Hg generally (in respect of the Hg Underlying Funds) with respect to making, monitoring, and exiting from investments. In particular, there may be times where investors in the Master Fund or an Hg Underlying Fund have the opportunity to vote on certain matters, as Unitholders will not be direct investors in these funds, they will not have such voting rights and will not be able to influence matters subject to a vote. In addition, Unitholders will not have an opportunity to evaluate the Master Fund's investments before such investments are made.
<b>Multiple fee layers</b>	<p>Unitholders shall be aware of the fact that the fees (subscription, redemption, management and others, if any) charged by some underlying funds may provide for a performance based profit distribution or 'carried interest' to be distributed to affiliates of the Master Fund Investment Manager and their officers, employees and partners and such fees and carried interest will have to be borne on a pro rata basis by the Master Fund in its capacity as an investor in such Hg Underlying Funds (together with the on-going operational expenses of such Hg Underlying Funds), and that in consequence the net assets of the Master Fund will be affected. Furthermore, while the Master Fund will not levy any performance fee, the Master Fund will levy an investment management fee (calculated on the basis of the Master Fund Adjusted NAV) and will also bear certain fees, expenses and charges in relation to its operation of the Master Fund. With respect to the investment management fee in particular, while the management fees (or equivalent) paid to the Hg Underlying Funds in respect of the Master Fund's direct or indirect investment in such Hg Underlying Funds will reduce the investment management fee Euro-per-Euro payable with respect to the investment management fee bearing Share classes at Master Fund level, such offset shall not result in the investment management fee at Master Fund level being less than zero and shall not be viewed as a cap on the aggregate level of management fees (including the investment management fee at Master Fund level) that will be borne by the shareholders in the Master Fund.</p> <p>The fact that Unitholders are investing in the Fund (which itself invests into the Master Fund) rather than in the Hg Underlying Funds directly will lead to a duplication of certain fees, expenses and charges.</p>
<b>Minority investments</b>	Being a minority investor and/or limited partner in some or all of the Hg Underlying Funds or Co-Investments, the Master Fund has a very limited influence on the management and investment decisions of the underlying funds and may not always be in a position to effectively protect their interest or to elect a representative to the respective underlying fund's advisory committee or such similar body. In connection with investments in Hg Underlying Funds, the Master Fund may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect their interests in such companies and to influence such companies' management. In addition, investments in Hg Underlying Funds may be made with third parties through joint ventures or other entities, which may have larger or controlling ownership interests in such portfolio companies. In such cases, the investments in Hg Underlying Funds will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Hg Underlying Funds are not affiliated and whose interests may at times conflict with the interests of the Hg Underlying Funds. Such investments in Hg Underlying Funds may involve risks in connection with such third-party involvement, including the possibility that a third party may be in a position to take (or block) action in a manner contrary to Hg Underlying Funds' investment objective or may have financial difficulties resulting in a negative impact on such investment. In addition, the Hg Underlying Funds may in certain circumstances be liable for the actions of their third-party co-venturers. Investments in Hg Underlying Funds made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-venturers. There can be no assurance that appropriate minority shareholder rights will be available to the Hg Underlying Funds or that such rights will provide sufficient protection to Hg Underlying Funds' interest.

## Risk (continued)

### 5.3 Portfolio and asset class risks

Type of Risk	Description of Risk
<b>Concentration of investments</b>	The investments of the Master Fund will be limited and often consist of a small number of Underlying Portfolio Interests. Consequently, the Master Fund's (and therefore the Fund's) returns may be substantially affected by the unfavourable performance of a single portfolio company or single Hg Underlying Fund. In addition, the Hg Underlying Funds may invest exclusively or primarily in a particular asset type or category, which may reduce the overall diversification of the Master Fund's portfolio and increase risk.
<b>Hg concentration risk</b>	In general, the Fund, via the Master Fund, will be significantly exposed to investments which are managed or advised by Hg. This means that the Fund's exposure may be subject to more concentration risk and/or sponsor-specific risk than other investment funds. In particular, the Fund will be susceptible to events which negatively impact Hg. This may particularly be the case where Hg or one or more Hg Underlying Fund suffers an adverse reputational, regulatory or similar impact, which negatively affects the Hg's ability to perform its role in respect of the Master Fund, or causes Master Fund investors to seek to redeem from the Master Fund where they otherwise would not have (and hence potentially limit the Master Fund's ability to operate its investment strategy).
<b>Change in Hg's business</b>	Hg may dispose or sell parts of its business to third parties. Although it is the expectation of the Master Fund to obtain appropriate rights to protect its interests in an Hg Underlying Fund, there is no assurance that these will provide sufficient protection in these cases. If Hg disposes of its business, the Master Fund will be reliant on an investment manager which is not affiliated with Hg, and whose interests may not be consistent with the Master Fund, the Fund and Hg.
<b>Broad investment strategy</b>	Except for a requirement to invest in Hg Underlying Funds, the Master Fund Investment Manager may pursue whatever strategies or discretionary approaches within such broad mandate it believes from time to time may be best suited to prevailing market conditions. There can be no assurance that the Master Fund Investment Manager will be successful in applying any strategy or discretionary approach to the Master Fund's trading or investment activities. The risks of these strategies could prove substantial and therefore investments in the Master Fund (and accordingly the Fund) are suitable only for investors that are able to bear the potential loss of their entire investment.
<b>In-kind distributions</b>	Under the terms of the Hg Underlying Funds, distributions may be made to the Master Fund in the form of securities of Underlying Portfolio Interests rather than as cash. The Master Fund may incur additional costs and risks in connection with the disposition of those assets. These assets can include securities for which there is no readily available public market or could consist of securities of companies unable to meet required interest or redemption payments. The Master Fund may experience difficulties in selling, or may be forced to sell, such securities at a price below what the Master Fund Investment Manager believes the securities are worth in order to liquidate the in-kind distribution. The risk of loss and delay in liquidating these financial instruments will be borne by the Master Fund, with the result that the Fund may ultimately receive less cash than it would have received if it had been paid in cash.
<b>Overcommitments</b>	The Master Fund Investment Manager may, from time to time, make overcommitments to Hg Underlying Funds so as to seek to maximise effectively invested commitments in these Hg Underlying Funds. This may mean that, if not managed effectively the Master Fund may not have sufficient assets to honour its contractual obligations with respect to the Hg Underlying Funds and may suffer adverse consequences (including default risk), ultimately leading to a loss of capital which will reduce the Fund's returns. Furthermore, the basis on which the investment management fee is calculated at the level of the Master Fund (i.e. based on the Master Fund Adjusted NAV) may be substantially higher than the NAV of the Master Fund as it would take into account the total of all capital commitments made by the Master Fund (whether directly or indirectly through the Aggregator) to Hg Underlying Funds but not yet drawn for investment. This would be the case in particular where the Master Fund is over-committed to Hg Underlying Funds. Investors (including the Fund) in the Master Fund may therefore bear investment management fees exceeding that which would have been payable if such investment management fee was calculated on the basis of the Master Fund's NAV only.

## Risk (continued)

Type of Risk	Description of Risk
<b>Termination of the Master Fund's investments</b>	In certain circumstances, the Master Fund's investment in a Hg Underlying Fund may be terminated. This may occur (without limitation) if the Master Fund fails to pay amounts owing to the relevant Hg Underlying Fund, or if the operator of the Hg Underlying Fund determines that the Master Fund's continued investment would have a material adverse effect of the Hg Underlying Fund or its assets.
<b>Follow-on investments</b>	The Master Fund may not always choose to make follow-on investments in its existing investments, or it may not have sufficient capital to do so. In these circumstances, that investment may suffer from insufficient investment, or the Master Fund's investment in that asset may be diluted. In other circumstances, the Master Fund may be required to make follow-on investments under the terms of the relevant Hg Underlying Fund, that may not always produce positive investment returns. These arrangements or circumstances may reduce the Fund's returns.
<b>Adequacy of reserves</b>	The Fund and the Master Fund may establish holdbacks or reserves, including for estimated accrued expenses, pending or anticipated liabilities, investments, claims and contingencies relating to the Fund or the Master Fund (as applicable). Estimating the appropriate amount of such reserves is difficult and inadequate or excessive reserves could impair the investment returns to Unitholders. If the Master Fund's reserves are inadequate and other cash is unavailable, the Master Fund may be unable to take advantage of attractive investment opportunities or protect its existing investments. Further, the creation of reserves to cater for potential liabilities may necessitate imposing limitations on redemptions to ensure the Fund or the Master Fund (as applicable) is able to meet any such liabilities. In addition, the allocation of investment opportunities among the Master Fund and other funds managed by Hg may depend, in part, on their respective reserves at the time of allocating the opportunity, possibly resulting in different investment allocations if any such reserves are inadequate or excessive.
<b>Private Equity risk</b>	<p>Private Equity investing generally involves the provision of Equity capital in order to generate a positive change in an operating company (e.g., providing growth capital, recapitalizing a company or financing an acquisition). The investments held by Hg Underlying Funds and in respect of Co-Investments made by the Master Fund involve the same types of risks associated with an investment in any operating company. However, interests in funds such as the Private Equity Funds to which the Fund is exposed, as well as the underlying companies these funds invest in, tend to be more illiquid, and highly speculative. Private Equity has generally been dependent on the availability of debt or equity financing to fund the acquisitions of their investments. Depending on market conditions, however, the availability of such financing may be reduced dramatically, limiting the ability of the Private Equity Funds and the Master Fund to obtain the required financing or reducing their expected rate of return.</p> <p>In addition, the ability to exit Private Equity investments can be impacted by a number of market factors, including (without limitation) the initial public offering market on relevant stock exchanges. This constitutes a key instrument for selling and existing investments in the Hg Underlying Funds. Reduced activity in relevant initial public offer markets can negatively impact that exit strategies for the Underlying Portfolio Interests and accordingly the liquidity and performance of the Fund. Private Equity investing relies on the performance of due diligence on investments. Each Hg Underlying Fund will complete reasonable and appropriate financial, commercial and legal due diligence prior to making an investment. However, due diligence processes involve subjective analysis and there can be no assurance that all material issues will be uncovered. Neither the Master Fund nor the Trustee will have oversight of Hg Underlying Fund investment due diligence processes.</p>
<b>Private Equity regulatory risk</b>	The regulatory environment for private investment funds continues to evolve, and changes in the regulation of private investment funds may adversely affect the value of the Master Fund's investments and the ability of the Master Fund to implement its investment strategy (including the use of leverage). The financial services industry generally and the activities of private investment funds and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase the Master Fund's and/or the Master Fund Investment Manager's legal, compliance, administrative and other related burdens and costs as well as regulatory oversight or involvement in the Master Fund and/or the Master Fund Investment Manager's business. There can be no assurances that the Master Fund or the Master Fund Investment Manager will not in the future be subject to regulatory review or discipline. The effects of any regulatory changes or developments on the Master Fund may affect the manner in which it is managed and may be substantial and adverse.

## Risk (continued)

Type of Risk	Description of Risk
<b>Venture capital risk</b>	Certain potential Hg Underlying Funds may invest and the Master Fund may co-invest in venture capital. Venture capital is usually classified by investments in private companies that have a limited operating history, are attempting to develop or commercialize unproven technologies or implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. Although these investments may offer the opportunity for significant gains, such investments involve a high degree of business and financial risk that can result in substantial losses, which risks generally are greater than the risks of investing in companies that may be at a later stage of development.
<b>Private company risk</b>	The Underlying Portfolio Interests comprise interests in portfolio companies which may well be smaller unquoted companies, highly vulnerable to changes in markets and dependent on the skills and commitment of a small management team. Accordingly, no assurances can be given to the success of the respective investment plan and Hg's ability to carry out such plan in the event the respective management is no longer employed by the portfolio company. Privately held companies will in general hold and maintain less comprehensive financial information than listed companies, which may mean that the decisions made by the Hg Underlying Funds are based on a smaller amount of information available than would have been the case had such investment been made in the public markets.
<b>Distressed company risk</b>	The Underlying Portfolio Interests may include distressed companies and new ventures. These investments may be subject to greater risk of loss than investments in companies with more stable operations or financial conditions.
<b>Technology investment risks</b>	<p>Certain Underlying Portfolio Interests may be subject to non-Australian regulation, state subsidies, or government oversight. There is a risk that such regulations, government oversight or state subsidies could change or be revoked or further legislation or regulations enacted that could have an adverse effect on the investments of a Hg Underlying Fund and accordingly, the Fund. In addition, some Underlying Portfolio Interests may be subject to specific regulations that are more stringent than in Australia and may adversely affect those Underlying Portfolio Interests.</p> <p>Investment in technology-enabled businesses and/or the software sector entails some special considerations and risks due to the highly regulated nature of such investments and the rapid speed of innovation and development of competing products and technologies. These types of investments are particularly sensitive to the threat of obsolescence. The management of information relating to software and technology is highly regulated as legislation in such areas struggles to keep pace with its development, which could have an adverse effect on an Hg Underlying Fund and accordingly, the Fund's returns. Certain software and technology-enabled companies may be highly dependent on the strength of the relevant intellectual property rights for maintenance of revenues or market share. Disputes can arise due to the complexity of patents and resolution of the dispute can require litigation.</p> <p>In addition, while software and technology-enabled companies globally often have comparable valuations, there can be no assurance that such valuations will be maintained in the long term. This may result in extreme volatility in the share prices of these companies, which may make it more difficult for the portfolio companies to raise adequate capital to succeed in their business and for Hg to liquidate its investments at a profit which may negatively impact the Funds returns.</p>
<b>Cash drag risk</b>	As the Master Fund will be exposed to the Hg Underlying Funds which are not fully funded and are eligible to make new investments, the Master Fund will be required from time to time to fund capital calls of the Hg Underlying Funds, in some cases during the course of several years. Generally, the Master Fund will have limited notice to fund such capital calls and will be liable for significant penalties to the extent it defaults on any capital calls (potentially including the forfeiture of its interest in the relevant Hg Underlying Fund). As a result, the Master Fund may maintain a sizeable cash and cash equivalent position in anticipation of satisfying capital calls in respect of its Investments. The overall impact on performance due to holding a portion of the Master Fund's assets in cash and cash equivalents could be negative.
<b>Adequacy of reserves</b>	The Master Fund may establish holdbacks or reserves, including for estimated accrued expenses, pending or anticipated liabilities, taxation, investments, claims and contingencies relating to the Master Fund. Estimating the appropriate amount of such reserves is difficult and inadequate or excessive reserves could impair the investment returns to Shareholders. If the Master Fund's reserves are inadequate and other cash is unavailable, the Master Fund may be unable to take advantage of attractive investment opportunities or protect its existing investments. Further, the creation of reserves to cater for potential liabilities may necessitate imposing limitations on redemptions to ensure the Master Fund is able to meet any such liabilities.



## Risk (continued)

Type of Risk	Description of Risk
<b>Adequacy of reserves (cont.)</b>	In addition, the allocation of investment opportunities among the Master Fund and other Hg Funds may depend, in part, on their respective reserves at the time of allocating the opportunity, possibly resulting in different investment allocations if any such reserves are inadequate or excessive.
<b>Aborted deals</b>	The Master Fund Investment Manager will expend significant resources and may incur significant costs in relation to a potential investment for the Master Fund, which does not proceed to completion. Such costs (including any related sales taxes) will be borne by the Master Fund and may not necessarily be recoverable, particularly if the Master Fund's bid for the investment is unsuccessful or if the investment is not completed in full for any other reason. It is expected that a similar approach will be taken in respect of Hg Underlying Funds' potential investments.
<b>Carried interest risk</b>	Whilst no performance related fees are payable out of the assets of the Fund or the Master Fund, the Hg Underlying Funds comprise carried interest or other incentive arrangements under which Hg is remunerated by reference to the positive performance of those funds. This may create an incentive for Hg to cause the Hg Underlying Funds to make more speculative investments comprising greater risk than would be the case in the absence of such arrangements.
<b>Clawback risk</b>	<p>Hg Underlying Funds and other vehicles to which the Master Fund is exposed may make distributions to the Master Fund (or Aggregator) that are subject to clawback or recall arrangements with such Hg Underlying Funds and/or Co-Investment vehicles, or their general partner, manager and/or operator (as applicable). Generally, clawback arrangements are used for the purpose of meeting unforeseen liabilities of the relevant Hg Underlying Fund and/or Co-Investment vehicle and may, but will not necessarily, be limited in time and quantum. In addition, Hg Underlying Funds and/or Co-Investment vehicles may set up arrangements such that they are able to recall distributions made to their investors (or possibly withhold such distributions from being made) for the purpose of making further investments and/or meeting fees, costs, expenses and liabilities.</p> <p>This means that the Master Fund may be required to repay distributions it has received. The Master Fund may need to establish reserves in order to manage these liabilities which may reduce the returns to its investors, including the Fund. Any recall or distributions to the Master Fund will have a negative impact on the Fund's returns.</p> <p>Accordingly, the Master Fund may:</p> <ul style="list-style-type: none"> <li>· not receive distributions it otherwise would have assuming no such clawback or recall arrangements;</li> <li>· set aside and retain amounts that it could otherwise reinvest or distribute to Master Fund investors in anticipation of any such clawback or recall obligations being invoked; and/or</li> <li>· engage one or more lenders (which may include one or more members of Hg) to provide the Master Fund with a credit facility which can be utilised, in each case for the purpose of making such clawback or recall payments pending amounts otherwise becoming available to satisfy such payments.</li> </ul> <p>Amounts set aside to fund clawback or recall payments will reduce the amount of funds available for distribution to Shareholders or additional investments by the Master Fund, as well as reducing liquidity and amounts available to meet redemption requests assuming no such clawback or recall arrangements existed. Amounts utilised from a credit facility would likely incur fees, costs, expenses and liabilities for the Master Fund that would not have if such credit facility was not utilised.</p>
<b>Default risk and risks relating to subscribing to Hg Underlying Funds</b>	<p>The Aggregator (to which the Fund is exposed), as an investor in each Hg Underlying Fund is expected to make capital commitments and become limited partners to a partnership, which comprises such Hg Underlying Fund. The Master Fund (through the Aggregator) will be treated as a single limited partner in such Hg Underlying Fund for purposes of commitments to such Hg Underlying Fund. The Hg Underlying Funds generally draw down commitments on an as-needed basis. Pending capital calls, the Master Fund may use committed capital to make other investments, however, the Master Fund may need to make more investments in liquid assets than it otherwise would in order to be able to quickly raise proceeds to meet capital calls for its commitments to an Hg Underlying Fund, which could adversely impact the Master Fund's total return. There is no guarantee that the Master Fund's capital commitments to an Hg Underlying Fund will be called on an efficient basis or at all.</p> <p><b>If the Master Fund (through the Aggregator) fails to meet a capital call under the terms of any Hg Underlying Fund, it will be subject to sanctions under the terms of that Hg Underlying Fund and may be retired as an investor in that Hg Underlying Fund as well as incurring liabilities for its default or having its interests in that Hg Underlying Fund forfeit. This would have a detrimental impact on the returns of the Fund.</b></p>

## Risk (continued)

Type of Risk	Description of Risk
<b>Change of control of Hg Underlying Funds</b>	Under the terms of the Hg Underlying Funds, its investors under certain situations may remove the manager of those funds and replace it with an investment manager that is not part of the Hg group. In these cases, the Master Fund will be reliant on the expertise of the investment manager chosen by those investors, whose interests may conflict with the interests of the Master Fund.
<b>Foreign law risk</b>	The Master Fund, Aggregator and the Hg Underlying Funds are formed in, and governed by the laws of, non-Australian jurisdictions which may not offer the same protections to investors as are provided by Australian law. In addition, the underlying investments to which the Fund is exposed are typically global, non-Australian investments and are domiciled and governed by foreign laws and may not offer the same level of protection as Australian laws. In particular, the structure of the Hg Underlying Funds and other investment vehicles through which the Master Fund invests are subject to non-Australian legal, taxation and regulatory requirements. The Master Fund (and the Fund) may suffer adverse consequences if these underlying vehicles do not comply with any requirements of local law. In addition, the Hg Underlying Funds and other investment vehicles were not formed to satisfy the requirements of any particular investor and there is no assurance that any particular tax outcome for the Master Fund, the Fund or Unitholders will be achieved.
<b>Underlying litigation risk</b>	From time to time, Hg, the Hg Underlying Funds and/or the Underlying Portfolio Interests, may be subject to, or the subject of, litigation, claims, investigations and/or arbitration in the ordinary course of business. In addition, certain members of Hg (including, in particular, the Master Fund Investment Manager), are subject to extensive regulation, including periodic examinations by governmental agencies and self-regulatory organisations in various jurisdictions in which they operate around the world. Hg and/or the Underlying Portfolio Interests routinely cooperate with such examinations, inquiries and investigations, and they may result in the commencement of civil, criminal, or administrative or other proceedings against member of Hg, the Underlying Portfolio Interests and/or their personnel. Many of these regulators and agencies are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including the revocation or suspension on licenses that may be relevant for members of Hg to successfully conduct their business and activities related to the business of the Master Fund for which they are responsible.
<b>Payment of Establishment Expenses</b>	If the Fund's capital raising program or investment program is not successful and the Fund terminates prior to 5 years after establishment, then the Establishment Expenses (in the first 5 years) will be accelerated and not deducted on an amortised basis. These costs will be borne out of the assets of the Fund during its process of termination and reduce the returns and distributions payable to Unitholders on termination of the Fund.
<b>Change of control of Hg Underlying Funds</b>	Under the terms of the Hg Underlying Funds, its investors under certain situations may remove the manager of those funds and replace it with an investment manager that is not part of the Hg group. In these cases, the Master Fund will be reliant on the expertise of the investment manager chosen by those investors, whose interests may conflict with the interests of the Master Fund.

## 5.4 Risks of a Trust

Type of Risk	Description of Risk
<b>Distribution risk</b>	The Fund's ability to pay a distribution is contingent on the income it receives from its investments. No guarantee can be given concerning the future earnings or capital appreciation of the Fund. The Fund Manager may make poor investment decisions which may result in the Fund's returns being inadequate to pay distributions to Unitholders.
<b>Valuation risks</b>	The Trustee and Administrator will generally rely on the valuation of Shares provided to them by the Master Fund in order to value the Fund's assets (being Shares in the Master Fund). The Trustee cannot guarantee that these valuations are correct, and they are capable of being challenged. Neither the Fund Manager nor the Trustee can represent that the valuations of Shares in the Master Fund or interests in the Hg Underlying Funds (to which the Fund is indirectly exposed) are compliant with Australian accounting standards or that the valuations of those funds represent a fair value. In respect of other assets of the Fund the Trustee will assess the valuations in consultation with the Fund Manager for valuation of its assets and liabilities.



## Risk (continued)

Type of Risk	Description of Risk
<b>Valuation risks (cont.)</b>	Certain securities and assets held by the Fund may not have readily assessable market values. In such instances, the Fund Manager will determine the fair value of such securities and assets in their reasonable judgement based on various factors and may rely on internal pricing models. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities or assets. Due to a wide variety of market factors and the nature of certain securities to be held in the Fund, there can be no assurance that the value determined by the Fund Manager will represent the value realised on the eventual realisation or disposition of an investment or the fair market value of the investment.
<b>Operational risk</b>	There is a risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Fund's or the Fund Manager's operation and result in a decrease in the value of Units or otherwise disadvantage to the Fund. These systems and procedures include, but are not limited to, those that identify and manage conflicts of interest.
<b>Cyber risk</b>	There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect such information or data.

### 5.5 Conflicts of interest and related party risks

Type of Risk	Description of Risk
<b>Potential conflicts of interest of the Trustee, the Fund Manager; the Master Fund Investment Manager and their affiliates risk</b>	<p>The Trustee, the Fund Manager, the Master Fund Investment Manager and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its Unitholders.</p> <p>The Fund Manager, the Trustee, Master Fund Investment Manager and their affiliates have implemented policies and procedures to seek to identify and manage conflicts in a fair and equitable manner as described in section 9.10. Please refer to section 9.10 for more information on conflicts of interest in respect of the Fund, Hg, the Fund Manager and the Trustee.</p> <p>The Hg Underlying Funds may utilise the services of service providers that are affiliated with Hg. There can be no guarantee that any such conflicts will be resolved in a manner that will not have an adverse effect on the Fund.</p>
<b>Affiliate voting risk</b>	The Master Fund may, as a result of the Master Fund Investment Manager and depending on the terms of the Hg Underlying Fund or co-investment vehicle constitutional documents, be regarded as an affiliate of Hg. It is common for investors that are affiliated with a given fund sponsor to be precluded from voting in some or all fund matters, which may mean the Master Fund cannot participate in Hg Underlying Fund or co-investment vehicle investor votes.

### 5.6 General risks

Type of Risk	Description of Risk
<b>General investment risk</b>	The value of an investment in the Units and the Fund's investments may fall for a number of reasons, including the risks set out in this PDS, which means that Unitholders may receive less than their original investment when they sell their Units or may not otherwise achieve the targeted yield or overall return from their investment.
<b>Market and Economic Risk</b>	The investment returns of the Fund to which it is exposed may be subject to general economic conditions (including interest rates, unemployment, inflation and economic growth), market conditions and government policy risks. In addition, certain events may negatively impact the prices of investments held in the Fund. These may include (but are not limited to) changes in legal, tax, social, technology or political conditions, laws as well as general market sentiment. There is also a risk of industry specific shocks relevant to underlying loan assets and general market disruptions.
<b>Legal and regulatory risk</b>	The Fund's investments are subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.

## Risk (continued)

Type of Risk	Description of Risk
<b>Legal and regulatory risk (cont.)</b>	The Fund is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws or the risks associated with non-compliance with these laws (including reporting or other legal obligations), all of which may have a negative effect on the Fund, its indirect investments and/or returns to Unitholders. In addition, differences between rules in domestic and foreign markets, including those relating to taxation, accounting, investments, may adversely impact your investment.
<b>Accounting policy risk</b>	Changes to accounting policies may influence the approach in determining the fair value of investments held by the Fund and may have a detrimental impact on the fair value of investments.
<b>Taxation laws and policies</b>	<p>Tax laws are in a continual state of change and reform which may affect the Fund's performance and / or returns achieved by Unitholders.</p> <p>There may be tax implications for Unitholders arising from investing in Units, the receipt of distributions and returns of capital from the Fund, and on any disposal of Units. Taxation consequences of any investment in the Fund will depend on the Unitholder's circumstances and it is the responsibility of the Investor to make their own enquiries and obtain advice from an accountant or other professional tax adviser concerning the taxation consequences of an investment in the Fund. The Trustee, the Fund Manager and the Fund are not responsible for either taxation or penalties incurred by investors.</p>
<b>Litigation risk</b>	From time to time, the Trustee may be involved in litigation. This litigation may include, however is not limited to, contractual claims. If a claim is pursued against the Trustee, the litigation may adversely impact on the profits and financial performance of the Fund. Any claim, whether successful or not, may adversely impact on the Fund's Unit price and/or the return on your investment.

### 5.7 Timeframe for investments

Investors are strongly advised to regard any investment in the Fund as a long-term proposition and to be aware that substantial fluctuations in the value of their investment may occur.

In addition, the above list of risk factors should not be taken as exhaustive of the risks faced by the Fund or by investors in the Fund. The above factors, and others not specifically referred to above, may in the future materially affect the performance of the Fund and the value of the Units. Therefore, there is no guarantee with respect to the payment of distributions, return of capital or the market value of the Units.

## 6. Fees and other costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) MoneySmart** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

## Fees and other costs (continued)

### 6.1 Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Tax details are set out in the 'Taxation' section (section 8) of this PDS.

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

#### S64 Hg Fusion Private Capital Access Fund AUD

Type of fee or cost*	Amount <sup>4</sup>	How and when paid
<b>Ongoing annual fees and costs **</b>		
<b>Management fees and costs***</b>  The fees and costs for managing your investment <sup>1</sup>	Estimated to be 2.70% p.a. of the NAV of the Fund, comprised of: 1. a Management Fee of up to 0.25% per annum of the Fund's NAV and a Trustee Fee equal to 0.05% per annum of the Fund's NAV. 2. Estimated indirect costs of 2.14% per annum of the NAV of the Fund. 3. Estimated expense recoveries of 0.26% per annum of the NAV of the Fund.	1. The Management Fee and the Trustee Fee are each calculated and accrued on the prior Quarter's NAV adjusted for Applications and Redemptions and generally paid Quarterly in arrears out of the assets of the Fund within 30 Business Days after the end of the relevant Quarter. 2. Indirect costs are generally deducted from the assets of the Fund as and when incurred. This estimated figure includes an estimated rebate received by the Fund in consideration for its investment in the Master Fund. Master Fund level as an Indirect Expense and incurred by the Fund as an indirect cost. 3. Expense recoveries are generally deducted from the assets of the Fund as and when incurred.
<b>Performance fees****</b>  Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0.00% p.a. of the NAV of the Fund, comprising: 1. a performance fee of 0.00% per annum of the NAV of the Fund; and 2. Estimated Hg Underlying Fund performance fees of 0.00% per annum of the NAV of Fund.	1. Performance fees are not charged by the Fund. 2. Performance fees may be charged by the Hg Underlying Funds into which the Aggregator invests and are deducted from the assets of those funds as and when incurred. Such fees are reflected in the NAV of the Master Fund and the value of the Fund's investment in the Master Fund. 3. The Trustee is not expecting the Fund to bear any performance fees in respect of the Hg Underlying Funds in the first 2 years from First Close as the relevant thresholds are unlikely to be exceeded. However, the Fund may start bearing such indirect performance fees in and from the third year of the Fund. The Trustee estimates that these indirect performance fees will be approximately 0.19% per annum of the Fund's NAV over a 5-year period from First Close.

## Fees and other costs (continued)

### S64 Hg Fusion Private Capital Access Fund AUD

Type of fee or cost*	Amount	How and when paid
<b>Transaction costs</b>  The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the Fund during the first 12 months from the First Close and thereafter, 0.00% per annum of the NAV of the Fund. <sup>2</sup>	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are deducted from the assets of the Fund as and when incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)**</b>		
<b>Establishment fee</b>  The fee to open your investment	Nil <sup>4</sup>	Not applicable
<b>Contribution fee<sup>1</sup></b>  The fee on each amount contributed to your investment	Nil <sup>4</sup>	Not applicable
<b>Buy sell spread</b>  An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimate to be 0.00%/0.00% of the investment or withdrawal amount <sup>3</sup>	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, an Applicant and redeeming Unitholder respectively at the time of the relevant application or redemption.
<b>Withdrawal fee<sup>1</sup></b>  The fee on each amount you take out of your investment	Nil <sup>4</sup>	Not applicable
<b>Exit fee<sup>15</sup></b>  The fee to close your investment	A fee of 5% may be applied if a unit holder redeems within 24months.	Deducted upon a unit holder making a withdrawal within 24months of investment see Exit Fee for details.
<b>Switching fee</b>  The fee for changing investment options	Nil <sup>4</sup>	Not applicable

\* Unless otherwise stated, all fees and costs are quoted inclusive of GST and net of any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) that are expected to be available to the Fund and are shown without any other adjustment in relation to any tax deduction available to the Trustee.

\*\* All estimates of fees in this section are based on information available as at the date of this PDS. As the Fund is newly established, these figures reflect reasonable estimates at the date of this PDS of those fees and costs that will apply for the current financial year (adjusted to reflect a 12 month period) based on a total Fund size of \$100million. The costs component of management fees and costs is based on the reasonable estimate of the costs for the current financial year (adjusted to reflect a 12-month period). All figures have been rounded to two decimal places. Please refer to Management fees and costs under the heading 'Additional explanation of fees and costs' for more information on management fees and costs. The fees may change without your consent if permitted to do so under the Constitution. At least 30 days prior notice will be given to Unitholders prior to such increase.

## Fees and other costs (continued)

\*\*\* For certain wholesale clients (as defined in the Corporations Act), the Trustee and the Fund Manager may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of the Management Fee. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details. The Management Fee may be reduced by way of rebate applied by the Fund Manager in certain circumstances.

\*\*\*\* The Fund invests in interposed vehicles that may charge or incur performance fees (including by virtue of their investment in the Hg Underlying Funds). The Trustee reasonably estimates the performance fees charged or borne by these interposed vehicles based on (i) the average fee incurred for the previous five financial years; (ii) if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or (iii) if the interposed vehicle was first offered in the current financial year, the Trustee's reasonable estimate of the fee for the current financial year adjusted to reflect a 12 month period. Past performance is not a reliable indicator of future performance and the actual performance fee payable in future years may be higher or lower than the amount stated above, subject to the performance of the interposed vehicles over the relevant period. Please refer to the 'Additional explanation of fees and costs' section below for further information.

<sup>1</sup> This fee excludes any amount payable to your adviser. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

<sup>2</sup> The transaction costs disclosed in this fees and costs summary are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting Unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

<sup>3</sup> As at the date of this PDS, the buy-sell spread is 0%. In estimating the buy-sell spread, the Trustee has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Trustee to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

<sup>4</sup> 'Nil' means there is an entitlement under the Constitution, but the Responsible Entity has elected not to charge it. 'Not applicable' means there is no entitlement for the Responsible Entity to charge this fee under the Constitution.

<sup>5</sup> For circumstances when an exit fee may be applicable, please refer to 'Exit Fee' under 'Additional explanation of fee and costs' in this PDS. Please also refer to 'Redemption risk' under 'Investment strategy risk' in this PDS.

### Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – S64 Hg Fusion Private Capital Access Fund AUD		
Balance of \$50,000 with a contribution of \$5,000 during the year		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS	2.70% p.a of the NAV of the Fund	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investments of up to \$1350 each year.
Management fees and costs <sup>2</sup>		

# Fees and other costs (continued)

Example – S64 Hg Fusion Private Capital Access Fund AUD		
Balance of \$50,000 with a contribution of \$5,000 during the year		
PLUS	0.00% p.a. on the NAV of the Fund	And, you will be charged or have deducted from your investments \$0 in performance fees by the Fund.
Performance fees <sup>4</sup>		
PLUS	0.00% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investments \$0 in transaction costs.
Transaction costs <sup>2</sup>		
EQUALS		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of \$1,350. <sup>1</sup>
Cost of Fund		
What it costs you will depend on the fees you negotiate.		

<sup>1</sup> Additional fees may apply. In limited circumstances, where an investor directly applies for Units in or a redemption of Units from the Fund, a buy-sell spread may apply which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

<sup>2</sup> Please refer to footnote \*\* in the Fees and costs summary above.

<sup>3</sup> This example assumes that a performance fee of 0% p.a. of the NAV of the Fund is payable, with the Fund bearing performance fees in and from the third year of the Fund of 0.19% per annum by virtue of its exposure to the Hg Underlying Funds, based on the Trustee's reasonable estimate of the performance fee set out in the Fees and costs summary above. Please refer to footnote \*\*\*\* in the Fees and costs summary above.

<sup>4</sup> This amount excludes fees for any additional contributions that may be made during the year. Please note that the minimum initial investment for the Fund is \$50,000, and the minimum additional investment is \$50,000. There is an assumption that the \$5,000 contribution is made at the end of the year and that the value of the investment is a constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary quarterly, and the actual fees and costs charged are based on the value of the Fund and asset under management in the Master Fund, which also fluctuates quarterly.

## 6.2 Additional explanation of fees and costs

The investment returns of the Fund will be affected by the fees and expenses incurred. The formula below broadly outlines the fees and costs associated with your investment in the Fund. Further information on these fees and costs are calculated is set out below in this section.

Total fees and costs = management fees and costs (comprised of the management fee, indirect costs and expense recoveries (if incurred)) + performance fee (if applicable) + transaction costs + buy-sell spread (if applicable)

As each of the Fund and the Master Fund are newly established, all estimates of fees and costs in this PDS are based on the Trustee's reasonable estimates as at the date of this PDS of those fees and costs that will apply to the Fund for the current financial year (adjusted to reflect a 12 month period) assuming a Fund size of \$100million, subject to the assumptions set out above and typical ongoing amounts for the current financial year.

## Fees and other costs (continued)

### MANAGEMENT FEES AND COSTS

Management fees and costs include the amounts payable for administering the Fund, amounts paid for investing in the assets of the Fund and other expenses and reimbursements in relation to the Fund and investments. The management fees and costs of the Fund are comprised of a Trustee Fee, Management Fee, indirect costs and any recoverable expenses (if incurred).

#### Trustee Fee, Management Fee

The Trustee and the Fund Manager may rebate all or part of their fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information, on negotiated fees, see the 'Differential Fees' section below.

The Trustee will be paid a fee equal to 0.05% p.a of the NAV of the Fund.

The Fund Manager is entitled to be paid a Management Fee out of the assets of the Fund equal to up to 0.25% p.a of the NAV of the Fund subject to a minimum of (i) \$275,000 for the first 3 years from First Close in aggregate, and (ii) \$175,000 per annum thereafter.

As the Fund is newly established, the estimate of these fees to be borne by the Fund is a reasonable estimate of such fees for the current financial year (adjusted to reflect a 12 month period) and assuming a Fund size of \$100 million.

Wholesale Clients can contact the Trustee at the address specified in the 'Corporate Directory' section (section 11) of this PDS.

Other fees and costs may apply to the Fund. Unless otherwise agreed, the amount of any fees in this PDS may be changed (including increasing fees up to the maximum set out in the Constitution) without your consent. Management Fees and Trustee Fees disclosed in this PDS will not be increased without providing at least 30 days' advance notice to you.

The Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to Trustee Fees and Management Fees will be provided at the Fund Website where they are not otherwise required to be disclosed to investors under law.

#### Indirect costs

Indirect costs include any amount that are known or reasonably ought to be known, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle in which the Fund invests.

As the Fund and the Master Fund are each newly established, the management fees and costs figure disclosed in the fees and costs summary of this PDS includes reasonable estimates of the estimated indirect costs of the Fund of 2.14% per annum for the current financial year (adjusted to reflect a 12 month period) assuming a Fund size of \$100 million.

These indirect costs are reflected in the Unit price of your investment in the Fund and include any underlying (indirect) management fees and costs and other indirect costs.

The indirect costs may vary from year to year, including to the extent that they rely on estimates. Indirect costs include (where applicable) third-party fees, and fees charged at the level of the Master Fund

The actual indirect costs that the Fund incurs may differ from the indirect costs disclosed in this PDS. Details of any future changes to indirect costs will be provided at the Fund Website where they are not otherwise required to be disclosed to investors under law.

The Master Fund Investment Manager (or its designated affiliates) is paid an investment management fee out of the assets of the Master Fund referable to the class of Shares into which the Fund invests (the **Master Fund Management Fee**). As at the date of this PDS, the Master Fund Management Fee applicable to the class of Shares into which the Fund invests is equal to 1.30% of the Master Fund Adjusted NAV attributable to such class of Shares. The Master Fund Management Fee is payable with respect to each Share class at the end of each Quarter in arrears and will be calculated on the basis of the Adjusted NAV attributable to such Share class before giving effect to any accruals for the Master Fund Management Fee for that Quarter, certain fees payable to third-party service providers and/or distribution partners for that Quarter, any redemption fees for that Quarter, any redemptions in the Master Fund for that Quarter, any distributions in the Master Fund for that Quarter and any impact to Adjusted NAV solely caused by currency fluctuations as it relates to Share class hedging activities at the level of the Master Fund. Other Share classes of the Master Fund may have lower (or no) Master Fund Management



## Fees and other costs (continued)

Fee compared to the Master Fund Management Fee applicable to the class of Shares into which the Fund invests. Hg Underlying Funds may also charge management fees in connection with the Master Fund's (indirect) participation in such Hg Underlying Funds and any such management fees which will reduce the Master Fund Management Fee Euro-per-Euro, provided that the Master Fund Management Fee shall at no time be less than zero.

In particular, the Fund Manager or its affiliates receive fees for its services provided as platform advisers to the Master Fund (Platform Management Fees). Provided certain relevant asset under management thresholds are met, the Fund Manager may rebate a portion of these fees to the Fund from time to time which may reduce the indirect costs of the Fund. The Fund will also be required, in its capacity as investor in the Master Fund, to bear its share of the Master Fund's other fees and expenses (including, for the avoidance of doubt, establishment costs, overhead, operational and organisational expenses, performance, distribution and transaction fees, as well as fees to be paid to service providers of the Master Fund and such other fees as disclosed in the Prospectus). As at the date of this PDS, the indirect costs borne by the Fund are reflective of a portion of such fees (ex. VAT) being rebated to the Fund and are reduced accordingly. The indirect costs borne by the Fund may increase if such rebates are reduced.

The Establishment Expenses will be paid at the Master Fund level and incurred by the Fund as an indirect cost.

### Expense recoveries

The Trustee is entitled to recover (out of the Fund's assets) any costs, charges and expenses reasonably and properly incurred by the Trustee and the Fund Manager in the proper performance of their respective duties in connection with the activities of the Fund. These include (without limitation) costs relating to fund accounting, fees payable to ratings or research organisations, platform fees, costs relating to an actual or proposed investment of the Fund, establishing and maintaining the Fund's unit register, audit costs, fees payable to collection agents or other persons engaged by the Trustee, postage and preparation of tax returns.

Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered from the assets of the Fund.

Abnormal expenses may also be recovered (such as costs of Unitholder meetings, changes to the Constitution, engaging legal and tax advisers and defending or pursuing legal proceedings) from the assets of the Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, the Trustee may decide not to recover these from a Fund.

Without limiting the above, the Trustee is entitled to recover expenses relating to the formation and initial promotion of the Fund (Establishment Expenses). They may include (but are not limited to) costs relating to legal, taxation, ratings agency, trustee, advisory, registry and Fund Manager engagement expenses incurred in establishing the Fund.

The management fees and costs figure disclosed in the fees and costs summary in this PDS includes the estimated abnormal expense recoveries of the Fund, which is the Trustee's reasonable estimate of such amounts for the current financial year (adjusted to reflect a 12 month period) assuming a Fund size of \$100 million including the Trustee's reasonable estimates where the Trustee was unable to determine the exact amount or information was unavailable at the date of this PDS.

### Performance fees

The Trustee does not, and is not entitled to, charge a performance fee for the Fund under the Constitution.

The maximum fees that the Trustee is entitled to charge for the Fund is set out in the 'Maximum fees' section below.

If the Trustee determines to charge a performance fee for the Fund in the future, the Trustee will provide you with at least 30 days' advance notice.

The performance fee figure disclosed in the fees and costs summary is the Trustee's reasonable estimate of the performance fee payable for the Fund. Whilst no performance fees are payable out of the Fund, the Master Fund, or the Aggregator or its subsidiaries, performance fees are payable in respect of certain Hg Underlying Funds provided the performance of such funds exceeding the relevant contractual thresholds. The Trustee is not expecting such indirect performance fee to be payable in the first 2 years from First Close as the relevant thresholds are unlikely to be exceeded. However, the Fund may start bearing such indirect performance fees in and from the third year of the Fund and it is estimated to be around 0.19% per annum of the Fund's NAV over a 5-year period from the First Close.

## Fees and other costs (continued)

### Transaction Costs

Transaction costs are the costs incurred when assets are bought or sold by the Fund and include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by a Fund and certain costs in relation to derivative financial products.

Transaction costs are reflected in the Fund's Unit Price. As these costs are factored into the value of the Fund's assets and reflected in the Unit price, they are an additional cost to you (when it has not already been recovered by the buy-sell spread) and are not a fee paid to the Trustee.

Where Investors apply for or redeem Units in the Fund from the Trustee, the Fund may charge a buy-sell spread on the application or redemption amount (please refer to the section headed 'Buy/sell spread' below). The estimated transaction costs disclosed in the fees and costs summary in this PDS are shown net of any amount expected to be recovered by the buy-sell spread charged by the Trustee and reflects the Trustee's reasonable estimate of such amounts for the current financial year (adjusted to reflect a 12 month period) assuming a Fund size of \$100 million.

The Trustee's reasonable estimate of the total gross transaction costs in a financial year is 0% p.a. of the NAV of the Fund. As such, the net transaction costs of the Fund (representing the total transaction costs minus the amount recovered through the buy/sell spread) is 0% p.a. of the NAV of the Fund. The dollar value of these costs over a 1 year period based on an average account balance of \$50,000 is \$0. However, in certain circumstances, redeeming Unitholders may bear transaction costs in relation to their redemption of Units.

As the Fund is a newly established vehicle, estimated transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future. Details of any future changes to transaction costs will be provided at the Fund Website where they are not otherwise required to be disclosed to investors under law.

### Buy/Sell spread

A buy/sell spread is an amount deducted from the value of a Unitholder's application money or redemption proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

Applicants and redeeming Unitholders in a Fund will not, in general, be charged a 'buy spread' or a 'sell spread'.

### Differential fees

Management fees may be charged, rebated or waived to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. The Trustee can be contacted at the address specified in the 'Corporate Directory' section of this PDS for further details.

### In-specie transfers

On investing in the Fund, any costs associated with an 'in specie' transfer will be paid by the investor. Where a withdrawal is satisfied by an 'in specie' transfer, the investor will bear all costs, including any applicable stamp duty, payable as a result of the transfer. The Trustee reserves the right to accept 'in specie' transfers for applications in its absolute discretion or in satisfaction of withdrawals if agreed to by the Trustee and a Unitholder.

### Financial advisers

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

### Changing the fees

The Trustee may change the amount of any fees in this PDS (including increase fees up to the maximum set out in the Constitution) without your consent on 30 days' advance notice to you. The increased fees will apply on the expiry of such notice period.

In accordance with the Constitution and subject to law, the Trustee may vary the amount of abnormal expense recoveries and the buy/sell spread at any time without your consent or advance notice. The Trustee may introduce and increase fees at its discretion, including where increased charges are due to government changes to legislation, increased costs, significant

## Fees and other costs (continued)

changes to economic conditions and/or the imposition of increased processing charges by third parties. However, the Trustee cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise Unitholders' approval would be needed to increase the fee maximums in the Constitution).

### Maximum fees

Unless indicated otherwise, all fees below are calculated on the NAV of the Fund.

### Trustee Fees

The maximum Trustee Fee for the Fund is 5.0% (excluding GST) per annum of the Fund's NAV, subject to a minimum of \$60,000 per annum, ex GST. Please note that the maximum Trustee Fee represents the upper limit of such fee to which the Trustee is entitled under the Constitution, as consideration for acting as the responsible entity of the Fund and holding Fund property, in addition to any right of indemnity the Trustee may have. The maximum Trustee Fee is not the actual amount currently being charged by the Trustee to Unitholders.

### Management Fees

The maximum Management Fee for the Fund is 3.0% (excluding GST) per annum of the Fund's NAV.

The current Management Fee (without rebates) for the Fund is up to 0.25% per annum of the Fund's NAV subject to a minimum annual fee of \$275,000 in aggregate over the first three years from First Close, and a minimum annual fee of \$175,000 thereafter (each such minimum is exclusive of rebates GST and any RITC entitlements).

### Establishment fee

The Fund does have a maximum establishment fee but no establishment fee is currently charged. Under the Constitution, the Trustee is entitled to a fee of up to 5.0% of the consideration payable on an application for Units.

### Exit Fee

Under the Constitution, where a Unitholder redeems their Units within the first 24 months of investing in the Fund, then Unitholders may incur an early redemption fee of 5.0% unless otherwise determined by the Trustee. Where a Unitholder does not define the original subscription date associated with a redemption then redemptions will be treated on a first in, first out basis. Accordingly, investors who subscribed via a platform, nominee or other intermediary may still incur an early redemption fee as a consequence of other Unitholder redemptions arising in the Fund.

## 7. Applications and withdrawals

### 7.1 Applications into the Fund

In general, applications are processed in respect of a Quarter, on the first Business Day of that Quarter (**Dealing Date**). A valid application form to subscribe for Units in the Fund (each an **Application Form**) must be received by 12pm (Sydney time) 14 Business Days prior to the Dealing Date in respect of the relevant Quarter (**Application Notice Period**) by the Administrator for processing. The initial minimum investment amount is \$50,000. Where an Application is received later than the Application Notice Period in respect of a Dealing Date, the Trustee will generally carry over that Application to the next Dealing Date, subject to and without limiting the Trustee's right to reject applications.

Each application to subscribe for Units in the Fund (each an **Application**) will be deemed received with an effective date being the date the Administrator receives both (i) an Application Form together with the relevant KYC/AML documentation, and (ii) the relevant subscription money in cleared funds.

On the first Business Day of each month, Applicants who have submitted a valid Application Form and whose Application has been accepted by the Trustee will receive initial interests in the Fund equal in number to the application amount paid by that Applicant (**Application Units**). Application Units will be issued at \$1.00 per Application Unit.

As soon as practicable following finalisation of the Fund's NAV for the relevant Quarter (typically around 37 Business Days or, for the fourth Quarter, 57 Business Days, following the Dealing Date) (**Unit Conversion Date**), Application Units issued in respect of Applications and subscription monies received:

- (i) prior to the expiry of the Application Notice Period for that applicable Dealing Date will be reclassified into Ordinary Units at the Unit Conversion Date; and
- (ii) following the expiry of the relevant Application Notice Period will be reclassified into Ordinary Units on the Unit Conversion Date applicable to the Dealing Date in respect of the subsequent Application Notice Period,

at the following ratio:

\$1 divided by the issue price of the Ordinary Units.

The Application Units will be reclassified as Ordinary Units by way of consolidating or dividing those Units (or utilising such other means) into Ordinary Units based on the Issue Price for the relevant Dealing Date determined on the Unit Conversion Date. Any fractions of Units created by this process may be rounded by the Trustee in accordance with the Constitution. Any Ordinary Units created from this process will be taken to have been issued as at the date the relevant Application Units were issued.

The holders of Application Units are Unitholders and have all the rights and responsibilities of a Unitholder. While Application Units are a different Class to Ordinary Units, they have the same rights and interests as other Units, unless otherwise provided by the Trustee pursuant to their terms of issue.

Ordinary Units are issued at the Fund's NAV (plus any application transaction costs) for the relevant Quarter in respect of the Application Dealing Date for which the relevant application was received.

Once you have made your initial investment in the Fund, you can make additional investments by sending a completed Additional Investment Form, by email, fax or mail, to the Administrator. The minimum additional investment amount is \$50,000.

The PDS, Application Form and Additional Investment Form are available at the Fund Website.

The Trustee may (a) waive or vary the Application Notice Period or determine to issue Units on different or additional days at its discretion (acting reasonably), (b) vary or waive the minimum investment amount at any time and (c) accept or reject any Application Form in its absolute discretion.

### 7.2 Identification and verification requirements

The Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**) requires the collection and verification of specific information from investors and where relevant, from beneficial owners. As well as completing the Application Form, you may also be required to provide identification. The actual documentation required will depend on what type of investor you are (for example, individual, sole trader, superannuation fund, trust or Australian company). The required identification documents are outlined in the Application Form.

## Applications and withdrawals (continued)

Under relevant laws, the Trustee may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, either when the Trustee processes your investment request or at some stage after issuing Units in the Fund. The Trustee may pass any information it collects and hold about you or your investment to relevant government authorities.

If the Trustee does not receive all the required valid customer identity verification documents with your Application Form, or is unable to verify your identity at any time, the Trustee may not be able to commence your investment or may not process any future withdrawal requests until it receives the required document(s). The Trustee will contact you as soon as possible if it requires more information. More information regarding the Trustee's obligations under the AML/CTF Act are provided in section 9.14 of this PDS.

### 7.3 Restrictions on applications

The Application Form includes details of the identification documentation that the Trustee is required by law to collect from you before it can issue Units in the Fund to you. Please note that Application Forms for an initial investment are not accepted by fax or email due to legislative requirements, they must be mailed as originals to the Administrator.

### 7.4 Incomplete or rejected Application Forms

Under the Constitution the Trustee can accept or reject investments into the Fund at any time and is not required to give any reason or grounds for such a refusal. To address money laundering and terrorism financing risks, verification of each Unitholder's identity, and where relevant, beneficial owner's identity is a prerequisite for all new Unitholders. If the Trustee does not receive all valid documents with your relevant Application Form or is unable to verify your identity at any time, the Trustee may not be able to commence your investment or may not process any future withdrawal requests until it receives the required documents.

If your Application Form is not complete to the Trustee's satisfaction or accepted by the Trustee and the Trustee is not able to proceed with your request, the Trustee may:

- attempt to contact you; and/or
- hold your application monies in an interest bearing trust account until the required information is received. All interest earned will be retained by the Fund.

Monies will be held for a maximum period of one month commencing on the day the Trustee receives the monies. After this period your funds will be returned to the source of payment. If your Application Form is subsequently completed to the Trustee's satisfaction and accepted by K2 prior to the expiration of the one-month period:

- before 2pm (Sydney time) on the Business Day that the Application has been accepted, the monies held will be used to apply for Units which will be issued at the application price for that Business Day; or
- after 2pm (Sydney time) on the Business Day that the Application has been accepted or on a non-Business Day, the monies held will be used to apply for Units which will be issued at the application price for the next Business Day.

### 7.5 Direct investors

#### (a) Read PDS

Before completing the Application Form please ensure you have read this PDS.

#### (b) Initial investment

Complete all relevant sections of the Application Form, available at the Fund Website and return to Administrator by mail.

Administrator

**Address:** PO Box 189, Flinders Lane, Melbourne VIC 8009

**Phone:** +61 2 7201 9015

**Fax:** +61 2 9475 1417

**Email:** [SSG.AUS@apexgroup.com](mailto:SSG.AUS@apexgroup.com)

## Applications and withdrawals (continued)

### 7.6 Additional investment

If you are applying for additional Units in the Fund, please complete all relevant sections of the Additional Investment Form, available at the Fund Website and return to Administrator by mail, email or fax.

Administrator

Address: PO Box 189, Flinders Lane, Melbourne VIC 8009

Phone: +61 2 7201 9015

Fax: +61 2 9475 1417

Email: SSG.AUS@apexgroup.com

**Payment methods are set out at the Fund Website and in the Application Form.**

### 7.7 Indirect investors

If you are an indirect investor investing via an IDPS you must complete documentation which your IDPS operator requires.

### 7.8 Your cooling-off rights

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. This cooling-off period commences on the earlier of either the date you receive confirmation of your investment or the end of five Business Days after the day on which your Units are issued. The realised market value of the Units will be refunded, less any taxes and reasonable transactional and administrative costs. This may result in you receiving back a lower amount than you originally invested. You may also have capital gain/loss tax implications if you happen to receive a higher or lower amount back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform the Trustee in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

Cooling-off rights will not apply to 'wholesale clients' as defined by the Corporations Act.

Also, cooling off rights do not apply in respect of any investment acquired through an IDPS. However, indirect investors should contact their operator and read the operator's offer document for more information on any cooling-off rights that may apply in relation to the relevant IDPS.

### 7.9 Withdrawals from the Fund

There is no minimum withdrawal amount. You can request the withdrawal of all or part of your investment in the Fund by sending a completed Withdrawal Form, by email, fax or mail, to the Administrator.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. If you do not provide the Trustee with Australian bank account details, your withdrawal proceeds will be paid by cheque. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by the Administrator on 12pm (Sydney time) 24 Business Days prior to the first Business Day of the next Quarter except in special circumstances will (if accepted by the Trustee) be processed using the withdrawal price for the coming Quarter.

**A Unitholder cannot revoke a Redemption Request without the Trustee's consent.**

Where a Redemption Request is accepted, the Trustee expects to pay withdrawals to your nominated Australian bank account within 2 Business Days following the publication of the NAV of the Fund following such Redemption Request. However, this timeframe is a guide only and as specified in the Constitution, the Trustee may, while the Fund is Liquid, take up to 1,254 days from accepting a Redemption Request to pay you the withdrawal proceeds. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your Units within the usual period upon request.

The Trustee expects to notify a Unitholder if their Redemption Request is accepted or rejected at the same time as the publication of the NAV in respect of the Dealing Date to which the Redemption Request relates.



## Applications and withdrawals (continued)

In particular, the Trustee has the ability to restrict withdrawals from the Fund, including by suspending redemptions. The ability of the Fund to pay redemption proceeds may depend on the ability of the Trustee to redeem its Shares in the Master Fund. The Master Fund may defer or suspend redemptions under its constituent documents. **The investment strategy of Hg Fusion to which the Fund is exposed is illiquid and involves the risk that the Hg Underlying Funds, and accordingly the Master Fund and the Fund, may not be able to satisfy withdrawal requests from their investors.**

**The aggregate total NAV of permitted redemptions on an aggregate basis across Hg Fusion (including in the Aggregator and any other entity comprising Hg Fusion) is generally limited to 5% of the Aggregator's NAV measured as at the close of the previous Quarter. This will not include any redemptions made to fund upstream properly incurred liabilities (other than redemption liabilities) of the Master Fund. Where redemption requests across Hg Fusion exceed 5%, these redemptions will be paid out on a reduced pro rata basis.**

**Any Redemption Requests rejected in part or in whole will not be carried over to the next Quarter for processing and will be considered cancelled in part or in whole. A new Redemption Request must be submitted for the next Quarter.**

The Withdrawal Form is available at the Fund Website.

### 7.10 Restrictions on withdrawals for the Fund

The Trustee may, in accordance with the Constitution and the Corporations Act, at any time suspend consideration of redemption requests if the Trustee considers that it is not possible or not in the best interests of Unitholders, for it to process redemption requests (as applicable) due to circumstances outside its control that could not have been reasonably foreseen. Examples of these circumstances include where there is restricted or suspended trading, extreme price fluctuations or uncertainty in the market for an asset or the inability to realise sufficient assets in an orderly manner. The Trustee may also suspend Unit pricing.

If the Fund is not Liquid (as defined in the Corporations Act), withdrawals from the Fund will only be possible if the Trustee makes a withdrawal offer in accordance with the Corporations Act. **The Trustee is not required to make a withdrawal offer where the Fund is not Liquid.**

For further details on the circumstances where the Trustee may delay or suspend withdrawals, please refer to Section 2.10 above.

### 7.11 Transferring Units

Transferring Units may have tax implications and you should consult your taxation adviser before you arrange any transfer of Units. The Trustee is not obliged to register a transfer of Units where certain criteria are not met, including where the transferee does not meet the Trustee's criteria for a Unitholder which it may set in its discretion. For further information about how you may transfer your Units, please contact the Trustee.

### 7.12 Compulsory redemption

In certain circumstances a Unitholder's Units may be compulsorily redeemed in accordance with the Constitution, in the Trustee's discretion. This includes (without limitation) where the Trustee determines the Trust is uneconomical to run or where the Trustee believes the Units are held in breach of prohibitions contained in the Constitution.

### 7.13 Application prices and withdrawal prices

Units in the Fund issued with respect to the first Dealing Date will be issued at the price of \$1.00 per Unit. Subsequently, the relevant application price or withdrawal price for a given Dealing Date referred to in this PDS will be the relevant Unit price of that Dealing Date, but will generally be published: (i) by the 37th Business Day of the subsequent Quarter in respect of an application or withdrawal request that falls in April, July and October; and (ii) by the 57th Business Day of the last Quarter in respect of an application or withdrawal request that falls in January. For example, if an application for Units is received before 14 Business Days before the first Business Day in July (**July Dealing Date**), the application will be processed using the application price for that Dealing Date (i.e. the application price for July), but that price will be calculated and then published depending on the relevant Quarter, 37 Business Days later (but 57 Days later in respect of the Dealing Date applicable to the last Quarter in the calendar year).



## Applications and withdrawals (continued)

### 7.14 Instructions by fax

None of the Trustee nor any of their duly appointed agents including the Custodian and Administrator accepts any responsibility or liability for any loss caused as a result of non-receipt or illegibility of any fax notice or for any loss caused in respect of any action taken as a consequence of such fax instructions believed in good faith to have originated from properly authorised persons.

### 7.15 Unit prices

Under the Constitution, Unit prices are generally calculated each Quarter by dividing the NAV by the number of Units on issue in the Fund. Application and withdrawal Unit prices are then calculated by applying a buy or sell spread (if any) to the NAV Unit price. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses). The buy/sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. For more information on the buy/sell spread, refer to the section entitled 'Buy/sell spread' in section 6 of this PDS. The NAV at the end of each Quarter can be found on the quarterly report, which is available on the Fund Website.

The Unit price will change as the market value of assets in the Fund rises or falls. All Unit prices are calculated to four decimal places. Any rounding benefits will be retained by the Fund.

The Trustee has adopted a unit pricing policy that sets out policies and procedures when exercising discretions under the Constitution in relation to the calculation of the Unit price of the Fund. For the purpose of calculating the NAV of the Fund, the Trustee will rely on financial data provided by the Fund's brokers and/or independent third party pricing services. The Trustee may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets. These methods are consistent with ordinary commercial practice for valuing Units in the Fund and/or will be independently verifiable.

A copy of the Trustee's unit pricing policy is available free of charge on the Fund Website or by contacting the Administrator.

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## 8. Taxation

Investing in managed funds is likely to have tax consequences. Before investing in the Fund, you are strongly advised to seek professional tax advice that takes account of your particular circumstances.

The information contained in the following summary is intended to be of a general nature only and should serve only as a guide to the tax considerations that may arise. The summary applies only to Australian resident investors. Different tax considerations arise for non-resident investors.

### 8.1 Attribution Managed Investment Trust (AMIT) Regime

The Attribution Managed Investment Trust (AMIT) regime is designed to provide greater certainty to the taxation of managed investment trusts (MITs) and their investors. Under this regime, qualifying funds whose Unitholders have clearly defined interests in relation to the income and capital of the trust, and the trustee or responsible entity of the MITs that have made an irrevocable election to apply the regime will attribute the taxable income of the fund to the members on a fair and reasonable basis consistent with their interest in the fund. The Trustee intends to make the election for the Fund to be an AMIT.

### 8.2 Taxation of the Fund

On the basis that all the taxable income of the Fund for an income year is attributed to investors the Fund should generally not be subject to Australian income tax, with tax instead being borne by the investors. That is, from a tax perspective, the Fund should be treated as a 'flow-through' entity.

However, where the Fund is in a tax loss position in a particular year, the loss is retained in the Fund and is not distributable to the Unitholders. The loss can be carried forward by the Fund and used to offset taxable income in a future year (subject to satisfaction of certain loss integrity tests).

## Taxation (continued)

### 8.3 Distributions

The Fund will make distributions to investors in accordance with its Constitution. These distributions (if any) will generally be paid following the end of June each year.

Australian resident investors will generally be subject to tax on the taxable income of the Fund which is attributed by the Trustee. Such attribution must be worked out by the Trustee on a fair and reasonable basis in accordance with the Constitution of the Fund.

The taxable income attributed to an investor will also include amounts of trust income that are reinvested in the Fund. The distributions received may be more or less than the amount of income that is subject to tax.

The way in which investors are taxed will depend on the components of income attributed. The amounts attributed to an investor could include non-cash items such as tax credits.

The Trustee will send you an annual tax statement indicating the components of your distributions (and the amounts which are attributed to you for tax purposes) after the end of each Financial Year which may assist you in completing your tax return.

Under the AMIT regime, distributions can result in either a reduction or increase in the CGT cost base of an investor's Units. Broadly, where the taxable income attributed to an investor is less than the cash distribution, this should result in a reduction to the cost base of the investor's Units. Conversely, where the taxable income attributed to an investor is greater than the cash distribution, this should result in an increase to the cost base of the investor's Units.

### 8.4 Foreign income

Distributions may include foreign income. If foreign tax is paid on the foreign income derived by the Fund, then you will need to include in your assessable income your share of any foreign income and any related foreign taxes withheld from such income. You may be entitled to claim an offset against your Australian income tax liability in respect of foreign tax paid.

### 8.5 Gains on transfer and redemption of Units

It should be noted that when you calculate the net taxable capital gains in any income year that you must take into account the capital gains and losses from all sources, including those arising on transfer or redemption of Units. Individuals and complying superannuation funds may be entitled to the capital gains tax (CGT) discount concession (50% and 33.33% respectively) where the investment in Units is held on capital account and for more than 12 months. You should discuss this calculation with your taxation adviser.

### 8.6 Tax File Number (TFN)

The Trustee recommends you provide your TFN/ABN on the Application Form. It is not compulsory for an Australian Unitholder to quote their TFN or ABN. However, if a TFN/ABN is not quoted, or an appropriate exemption is not claimed, the Trustee will be required to deduct tax at the highest marginal tax rate (currently 45%) plus the Medicare Levy (currently 2%) totalling 47% from distributions.

By quoting your TFN or ABN you authorise the Trustee to apply it to your investment and disclose it to the Australian Tax Office. Collection of TFN or ABN information is authorised, and its use and disclosure is strictly regulated, by the tax laws and under privacy legislation.

### 8.7 Goods and Services Tax (GST)

The issue and redemption of Units in the Fund is not subject to GST, however, the Fund may pay GST on the services it acquires. In most circumstances the Trustee's fees and other services, together with the reimbursement of expenses are subject to GST. Generally, a Fund cannot claim full input tax credits for GST incurred on these services to the extent that the services relate to input taxed supplies but, in certain circumstances a Fund may be entitled to a reduced input tax credit (RITC) of the GST payable on these services. If the GST rate increases, the RITC rate decreases, or RITCs are not available, the Constitution for the Fund allows the Trustee to amend the amount recouped out of the Fund accordingly.

### 8.8 US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act

The United States of America has introduced rules (known as **FATCA**) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (**ATO**), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, the Trustee will not be able to process your application. To comply with these obligations, the Trustee will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

### 8.9 Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (**CRS**). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Units in the Fund) to the ATO. For the Fund to comply with their obligations, the Trustee will request that you provide certain information and certifications to it. This information may ultimately be shared with revenue authorities in other jurisdictions under the various exchange of information agreements that Australia has entered into with other jurisdictions.

### 8.10 Tax Reform

The comments above are based on the Australian taxation law as at the issue date of the PDS.

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## 9. Additional Information

### 9.1 How the Fund is governed and managed?

#### Fund Manager

The Fund Manager acts as the investment manager of the Fund pursuant to a management agreement between the Fund Manager (**Management Agreement**) and the Trustee under which the Fund Manager is appointed to provide certain investment management and administrative services to the Trustee in respect of the Fund.

### 9.2 Service providers

Certain service providers have been appointed to provide ongoing operation services to the Fund. The key service provider arrangements are summarised below:

#### Administrator and Custodian

Apex Fund Services Pty Ltd (**Apex**) has been appointed as the administrator for the Fund to provide certain administration services, fund accounting, transfer agent, unit registry and other administrative duties (**Administrator**) and to provide custody services for the Fund (**Custodian**). Subject to the relevant agreements between the Trustee and Apex, the Trustee (in its discretion) may change the Administrator and Custodian from time to time and appoint additional service providers.

#### Auditor

KPMG has been appointed as the independent auditor of the Fund as required by the Corporations Act.

The Trustee will inform investors of any changes to the key service providers to the Fund during the year on an annual basis. The Trustee may provide this information more frequently where it is considered a material change to the Fund. The updated information will also be available on the Fund Website.

### 9.3 The Constitution

The Fund is governed by its Constitution.

The Constitution (in addition to the Corporations Act and general law) provides an operational framework for the ongoing management of the Fund. It also provides for the Trustee's powers, duties and obligations in respect of the Fund, the limits to the Trustee's liability and its right to be indemnified for proper administration of the Fund.

## Additional Information (continued)

The Constitution includes provisions dealing with:

- distributions to Unitholders;
- obligations, duties and powers of the Trustee as trustee of the Fund;
- duration and termination of the Fund and distribution of net proceeds on winding-up;
- reimbursement and indemnification of the Trustee and others for expenses in connection with the Fund;
- procedures for convening and holding Unitholder meetings;
- fees payable to the Trustee;
- issue, transfer and redemption of Units;
- retirement of the Trustee;
- valuation of Fund assets; and
- how the Constitution may be modified or modified.

The key provisions of the Constitution are summarised below. The following summary does not refer to every provision of the Constitution and should be read in conjunction with the rest of this PDS. In the event of a conflict between this summary and the Constitution, the Constitution prevails. Copies of the Constitution can be obtained by contacting the Administrator.

### **Interests in the Fund**

Subject to the power of the Trustee to issue different classes of Units with different rights, obligations and restrictions, each Unit gives Unitholders an equal and undivided interest in the Fund, but does not give Unitholders an interest in any particular asset of the Fund. For the avoidance of doubt and without limiting the powers of the Trustee, the Trustee may in its absolute discretion allocate the issue price, the redemption price, NAV and distributions from the Fund between different classes of Unit.

### **Transfer of Units**

An Unitholder may only transfer Units in the manner the Trustee determines.

### **Unitholder meetings**

The Trustee may at any time convene a meeting of Unitholders. Unitholders may appoint proxies to attend and vote at a meeting of Unitholders on their behalf.

### **Distributions to Unitholders**

Unitholders are entitled to a pro rata proportion of any distributions made by the Fund, calculated on the basis of the number of Units they hold, relative to the total number of Units on issue at the time that entitlements to distributions are calculated.

### **Powers of the Trustee**

Subject to the Constitution, the Trustee has all the powers in respect of the Fund that it is legally possible for a natural person, corporation or trustee to have.

### **Termination and winding up of the Fund**

The Constitution contains provisions dealing with termination and winding up of the Fund. If the Fund is terminated, the net proceeds of the Fund will be distributed pro rata to Unitholders according to their unit holdings, provided that the Trustee may retain such part of the proceeds it thinks fit to meet all the liabilities and expenses.

The Constitution also contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

A copy of the Constitution, which has been lodged with ASIC, is available free of charge to Unitholders by contacting the Trustee.

## Additional Information (continued)

### 9.4 Other agreements

#### Management Agreement

The following is a non-exhaustive summary of certain significant provisions of the Management Agreement.

The Management Agreement sets out the obligations and responsibilities of the Fund Manager, including but not limited to, determining the investment strategy for the Fund and managing the assets of the Fund.

The Management Agreement provides that the Fund Manager is entitled to the Management Fee.

Under the Management Agreement, the Fund Manager is required to fulfil its obligations (without limitation) with due care and diligence and in compliance with relevant law.

The Fund Manager is entitled, under the Management Agreement (subject to using reasonable endeavours to mitigate loss) against losses or liabilities, costs, charges and expenses arising out of or in connection with the Fund Manager acting under the Management Agreement, other than where such amounts are caused by the Fund Manager's negligence, fraud or dishonesty.

The Management Agreement may be terminated by the Trustee in certain circumstances, for example if the Fund Manager becomes insolvent. The Fund Manager may require the Trustee to retire as responsible entity of the Fund, in accordance with the Corporations Act. In these circumstances, Unitholders will vote to appoint a new responsible entity.

#### Compliance plan

The Fund has a compliance plan which has been lodged with ASIC (**Compliance Plan**). It sets out measures that the Trustee is to apply in operating the Fund to ensure compliance with the Constitution. A Compliance Plan auditor has been appointed to monitor compliance by the Trustee with the Constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting the Trustee.

### 9.5 How you will be kept informed

As a Unitholder you will receive the following information:

#### Unitholder communications

As a Unitholder in the Fund, you will receive the following reports.

#### Confirmations

You will receive confirmations of all your applications and withdrawals.

#### Quarterly report

A quarterly report will be made available on the Fund Website. The report will contain performance of the Fund over multiple periods, commentary on the most recent period's performance and certain Fund characteristics.

#### Annual report

An annual report will be made available on the Fund Website.

#### Distribution statements

A distribution statement will be provided to you following a distribution. This will contain information in respect of the amount you have received as a distribution, if any, for the Fund. Where you have elected for any distributions to be reinvested this statement will confirm the number of Units that have been obtained through reinvestment.

#### Periodic statements

A periodic statement will be provided to you annually for the year ending 30 June. This will contain your transaction history, investment value at 30 June, investment performance and fees you have paid for the Fund. If a full withdrawal is made, a periodic statement will be provided to you for the nearest quarter ending 31 March, 30 June, 30 September or 31 December.

#### Tax statements

A tax statement will be provided to you annually for the year ending 30 June. This will contain information on the tax classification of assessable amounts in respect of the Fund.

## Additional Information (continued)

### Audited financial statements

Audited financial statements of the Fund are generally issued at least annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act or under the Constitution. The audited financial statements are made available to Unitholders online at the Fund Website. A hard copy may be requested free of charge by contacting the Trustee. Audited financial statements will not be mailed to Unitholders unless specifically requested.

### Keeping the Trustee informed

The Trustee's records about you are important. When requesting a change to your records please provide the Trustee (and the Administrator) with the following:

- (a) your investor number;
- (b) the full name/s in which your investment is/are held;
- (c) the change(s) you are requesting;
- (d) a daytime telephone number; and
- (e) ensure the request is signed by the appropriate signatories.

Some changes may require additional documentation, such as a change of name request. If you wish to change your nominated bank account to which withdrawal payments are made, you will be required to complete a 'change of details form', which will be provided to you by the Administrator.

### 9.6 Continuous disclosure

Where the Fund is, or becomes, a 'disclosing entity' (generally this will occur when the Fund has 100 investors or more) the Fund will be subject to regular reporting and disclosure obligations. The Trustee will comply with its continuous disclosure obligations under the law by publishing new material information about the Fund on the Fund Website, in accordance with ASIC's good practice guidance on website disclosure.

In addition, you would have the right to receive the following documents at no charge:

- the annual financial report most recently lodged with ASIC;
- any half-year financial report lodged with ASIC by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of the annual report most recently lodged with ASIC and before the date of this PDS.

Copies of documents lodged with ASIC in relation to the Fund can be obtained from, or inspected at, an ASIC office.

### 9.7 Enquiries

Initially enquiries in respect of the Fund can be directed to the Administrator:

Apex Group

Email: [SSG.AUS@apexgroup.com](mailto:SSG.AUS@apexgroup.com)

Phone: +61 2 7201 9015

Fax: +61 2 9475 1417

Address: PO Box 189, Flinders Lane, Melbourne VIC 8009

[apexgroup.com](http://apexgroup.com)

Any complaints should be directed to the Trustee as set out in Section 9.8 below.

## Additional Information (continued)

### 9.8 Complaints

All complaints from direct investors should be directed to the Trustee who has appropriate procedures to ensure complaints are acknowledged in writing within 2 Business Days or as soon as practicable after receiving the complaint.

Complaints should be made over the phone on 03 09691 6111 or in writing at:

The Complaints Officer  
K2 Asset Management Limited  
Level 44, 101 Collins Street  
Melbourne VIC 3000

The Trustee will act in good faith to ensure your complaint is investigated and resolved. If your issue has not been satisfactorily resolved within 30 days, you can lodge a complaint with the Australian Financial Complaints Authority ("AFCA"). AFCA provides fair and independent financial services complaint resolution that is free to consumers. However, it is only available to retail clients. You can contact AFCA at:

Website: [www.afca.org.au](http://www.afca.org.au)

Telephone: 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

The dispute resolution process described in this PDS is only available in Australia.

### 9.9 Indirect investors

Investors and prospective investors may access the Fund indirectly. This PDS has been authorised for use by operators through an IDPS or master trust. Such indirect investors do not acquire the rights of a unitholder of the Fund. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive income distributions (if any) or reports directly from the Trustee, do not have the right to attend meetings of Unitholders and do not have cooling off rights. Indirect investors should not complete the Application Form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should generally be made directly to the IDPS operator or the trustee of the master trust. However, the Trustee's complaints handling procedure is also available to indirect investors.

A copy of the Constitution, which has been lodged with ASIC, is available free of charge by contacting the Administrator and will be sent within 5 Business Days of receiving a request.

### 9.10 Related Party transactions and conflicts

#### Conflicts of interests of the Fund Manager

The Fund Manager is appointed to provide certain advisory and platform services to the Master Fund or Hg (as the case may be), including product structuring, governance, oversight, investor lifecycle management and client reporting services and receives a fee for those services. The Fund Manager is entitled to be paid fees from the Master Fund or Hg for such services and may determine to rebate a portion of those fees to the Fund from time to time. The Fund Manager is, and may in the future be, connected with products or stakeholders who may be a competitor of the Fund and/or the Master Fund and the interests of the Fund Manager may conflict with the interests of the Fund and/or the Master Fund and Unitholders. The Fund Manager sponsors other funds, collective investment schemes, pooled investment vehicles, separate accounts and similar investment platforms that may acquire interests in, provide financing to, or otherwise deal with or have exposure to assets that may be suitable investments for the Fund and/or Master Fund. Conflicts of interest may exist or arise between the Fund Manager acting in such capacity as the sponsor of a relevant product and in various capacities in relation to the Fund. Subject always to its regulatory obligations, the Fund Manager will pursue actions and take steps that it deems appropriate to manage its risks and protect its interests, and this may have adverse consequences for Unitholders. The Fund Manager may be in possession, at any time, of information in relation to a fund, co-investment opportunity or other financial instrument which may not be available to Unitholders. There is no obligation on the Fund Manager to disclose to any Unitholder any such information.



## Additional Information (continued)

### Conflicts of interests of Hg and the Hg Underlying Funds

Hg is a large investment organisation. Inherent in Hg's large investment programme is the existence of a number of conflicts of interest, some of which are described below. **The measures taken to mitigate a conflict cannot guarantee that conflicts will not happen and Hg may not be successful in managing conflicts to ensure that investors (including Unitholders) are not adversely affected.**

#### General conflicts

The ultimate success of the Fund will be dependent on the Master Fund Investment Manager to identify investment opportunities and implement its investment strategy and the skill and expertise of the investment professionals employed by the Master Fund Investment Manager. A number of factors, including a departure of senior management from the Hg or investment teams of any Hg Underlying Fund, could adversely affect the ability of the Master Fund to implement its strategy.

In turn, certain Hg Underlying Fund vehicles may be managed by a third-party management company, which is otherwise unrelated to the general partner of such Hg Underlying Funds or the Master Fund Investment Manager. Where this is the case, the successful operation of the Hg Underlying Funds the Master Fund invests in will depend in part on the third-party management company's ability to provide these services. The loss or reduction of the services provided by the third-party management company could adversely affect the ongoing operation of the Hg Underlying Fund.

Investors should be aware that there will be situations where Hg and its affiliates may encounter conflicts of interest in connection with the Master Fund's investment activities and these should be carefully considered before making an investment in the Fund. Hg has established and implemented a conflict of interest policy which deals with, among other things, the identification of circumstances, which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Master Fund or its investors. The Master Fund Investment Manager will adhere to the terms of this conflict of interest policy, but situations may arise which are not covered by the policy.

Prospective investors should note in particular that the Master Fund Investment Manager and its affiliates have financial interests in the compensation paid by investors in the Hg Underlying Funds, including the Master Fund. Any allocation of the Master Fund's assets to a Hg Underlying Fund benefits the Master Fund Investment Manager and any reduction of such allocations would be detrimental to the Master Fund Investment Manager, creating potential conflicts of interest in allocation decisions. Further, the relative benefits and detriments to the Master Fund Investment Manager of allocating the Master Fund's assets to particular Hg Underlying Funds at any given time may differ based on various circumstances. The Master Fund Investment Manager acts as a fiduciary to the Master Fund in making portfolio management decisions regarding the allocation of the Master Fund's assets. In addition, the Master Fund Investment Manager acts as a fiduciary to each Hg Underlying Fund in making portfolio management decisions and other decisions with respect to each Hg Underlying Fund such as when to make and liquidate investments and how much exposure to maintain, among other decisions without regard to the specific needs to the Master Fund. The interests of the Fund, Master Fund and the Hg Underlying Funds, and therefore the Master Fund Investment Manager's fiduciary obligations, may conflict in this regard. For example, the Master Fund Investment Manager may conclude that, due to market conditions, it is inopportune to liquidate the assets of an Hg Underlying Fund while the Master Fund at that time has pending redemption requests for which it needs liquidity. Significantly, the Master Fund Investment Manager intends to make investment decisions with respect to the Hg Underlying Funds based solely on what it perceives to be in the best interests of those funds.

If any matter arises that the Master Fund Investment Manager determines in its good faith judgment constitutes an actual conflict of interest, the Master Fund Investment Manager is permitted to take such actions as it determines in good faith are necessary or appropriate to mitigate the conflict (and upon taking such actions, the Master Fund Investment Manager will, under the constituent documents of the Master Fund, be relieved of any liability, including to the Master Fund and its investors – including the Fund, for such conflict and the management thereof to the fullest extent permitted by law and will be deemed to have satisfied its fiduciary and other related duties to the fullest extent permitted by law).

There are certain actions that the Master Fund Investment Manager or its affiliates may take to manage conflicts of interest, including (without limitation):

- obtaining advice, waivers or consents for the conflict from the Board, or those Board members not affiliated with the Fund Manager or the Master Fund Investment Manager;
- acting in accordance with the conflict management procedures approved by the Board;
- disposing of the asset giving rise to the conflict;

## Additional Information (continued)

- disclosing the conflict to investors (including the Fund) or the Board with appropriate information;
- appointing an independent representative to act or provide consent to the conflict;
- validating that the transaction is taken at arm's length by reference to unaffiliated third parties;
- obtaining approval under the governance mechanisms in the constituent document of the relevant Hg Underlying Fund, which may include obtaining consent from representatives of investors in those funds;
- implementing policies to mitigate or manage the conflict; or
- taking other measures as determined by the Master Fund Investment Manager.

### 9.11 Warehousing

The Master Fund Investment Manager, Hg Underlying Funds and their respective affiliates may acquire an investment and subsequently sell it to the Aggregator or the Master Fund. Similarly, the Master Fund, Aggregator or Hg Underlying Funds may acquire investments and sell them to third parties or co-investors. The Master Fund Investment Manager has made a number of investments and expects to transfer these to Hg Fusion (**Warehoused Investments**). The Master Fund is likely to acquire these Warehoused Investments. The Master Fund Investment Manager seeks to transfer these Warehouse Investments at cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer.

**This may mean the Master Fund or another vehicle to which the Fund is exposed acquiring or selling such investments at a price above or below current market value.**

The Board (or the members of the Board that are not affiliated with the Fund Manager or the Master Fund Investment Manager) will, when required, approve the price, terms and conditions of such transfer and may approve or waive any conflicts arising in connection therewith on behalf of the direct investors in the Master Fund. Also, the Master Fund Investment Manager may charge expenses related to the transfers to either or both of the parties to them. The Master Fund Investment Manager or its affiliates will be permitted to retain any portion of an investment (including any Warehoused Investment) initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. As part of structuring such syndication and warehousing arrangements, the Master Fund Investment Manager may require Hg Fusion and Hg Underlying Funds to enter into conditional purchase agreements, where Hg Fusion and/or such Hg Underlying Funds agree to acquire future Warehoused Investments: (i) prior to their original acquisition; and (ii) prior to Hg Fusion and such Hg Underlying Funds having the requisite available capital to acquire such assets, in each case with such sale being conditional upon Hg Fusion and/or such Hg Underlying Funds (as the case may be) having sufficient available capital in order to acquire the relevant warehoused assets. Conflicts of interest are expected to arise in connection with these potential warehousing arrangements and any related affiliate transactions, including with respect to timing allocations of Investments (including any Warehoused Investment) to such warehousing, structuring, pricing and other terms of the transactions related thereto. For example, the Master Fund Investment Manager will have a conflict of interest if the Master Fund Investment Manager was to receive fees, including an incentive allocation, from a Hg Underlying Fund acquiring from or transferring to Hg Fusion all or a portion of an investment (including any Warehoused Investment).

These conflicts related to syndication of investments (including any Warehoused Investment) and warehousing will not necessarily be resolved in favour of Hg Fusion, and the Fund (as an investor in the Master Fund) may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

#### **Potential conflicting duties to other investment vehicles**

Hg may manage a number of underlying funds other than Hg Underlying Funds whose interests may conflict with the interests of the Master Fund. In addition, individual Hg Underlying Funds may have interests that are not consistent with the interests of the Master Fund or its Underlying Portfolio Interests.

#### **Transactions between the Master Fund and Hg Underlying Funds**

Other than investors participating in a Hg Underlying Fund or in a co-investment opportunity alongside a Hg Underlying Fund, there are unlikely to be any transactions between the Master Fund and a Hg Underlying Fund. If such a transaction occurred, it may give rise to a conflict and it may be managed in accordance with the general conflicts of interest management process described in the section "Conflicts of interests of Hg and the Hg Underlying Funds" above.

## Additional Information (continued)

### Conflicts amongst certain investors of the Master Fund

A conflict may exist relating to investments of the Master Fund if investors of the Master Fund have different economic, tax and other interests.

### Hg Underlying Fund limited partners as service providers

**Some investors in Hg Underlying Funds or their affiliates may provide services to Hg Underlying Funds or their portfolio companies. It is anticipated that these services would be provided to Hg Underlying Funds or their portfolio companies on arm's length or market standard terms.**

### Hg Underlying Funds conflicts

The Private Equity Funds are subject to potential conflicts for example where one Private Equity Fund sells an investment to another Private Equity Fund, or where a portfolio company owned by a Private Equity Fund seeks to purchase a company owned by another Private Equity Fund. In addition, a Private Equity Fund may invest in a company in which another Hg Private Equity Fund is already invested.

Hg Underlying Funds that are Private Equity Funds will appoint “**Investor Committees**” consisting of members not affiliated with the Master Fund Investment Manager selected from the Private Equity Funds’ investor bases or their representatives. The Investor Committee will meet as required with the Master Fund Investment Manager as to any such actual or potential conflicts, either in certain circumstances prescribed by the partnership agreements governing those Private Equity Funds, or where the actual or potential conflict is not contemplated specifically, but the Master Fund Investment Manager has determined, taking into account its regulatory obligations, that it should meet, be notified or consulted (as applicable). In the event the Investor Committee determines that the matter on which it is involved constitutes an unacceptable conflict of interest, the Master Fund Investment Manager will be required to take such determination into account when considering the matter (and upon taking such actions the Master Fund Investment Manager will be relieved of any responsibility for the conflict of interest).

Hg has also established an internal “**Conflicts Committee**” comprising Hg’s Senior Partner, COO, Head of Client Services, and General Counsel. The Conflicts Committee has primary responsibility for ensuring adherence to Hg’s conflicts principles and is the place to which all conflicts issues as contemplated above (including those that involve Hg’s credit funds, the **Titan Funds**) can be referred for adjudication.

Hg also manages the Titan Funds. The Titan Funds are intended to complement and support the existing Private Equity Funds. The Titan Funds invest in Junior Debt, including Mezzanine Debt and other subordinated debt, Preferred Equity, interests Senior to common Equity in portfolio companies of the Private Equity Funds. Hg has policies and procedures in place with respect to actual or potential conflicts of interest that may arise as a result of the operation of the Titan Funds and its investment in securities of portfolio companies of Private Equity Funds.

The Titan Funds may only participate in the securities of a portfolio company of a Private Equity Fund portfolio company if one or more “**Qualified Persons**” (as defined below) that, in the good faith determination of Hg: (i) rendered their investment decision with respect to such investment independently from the relevant Titan Fund, and (ii) will acquire and hold such credit securities on the same economic terms and on substantially similar other material terms to the relevant Hg Titan Fund, will hold at least 33% of the aggregate credit securities in such tranche. Where there are two or more such co-investing Qualified Investors, Hg will use commercially reasonable efforts to ensure that no Qualified Investor shall hold the same number of securities in the applicable tranche as another Qualified Investor.

The presence of a Qualified Investor on each investment by the relevant Titan Fund in the credit securities, and its agreement to the terms as a lender, will also demonstrate that such terms are arms’ length terms and are set by a party whose interests are aligned with those of the relevant Titan Fund.

In the event that a portfolio company in which a Titan Fund and another Hg fund are both invested defaults on a payment obligation to a Titan Fund or otherwise proposes to restructure all or a portion of its securities following a default or distress event, the relevant Titan Fund will be required to take actions (including voting) consistent with those of the Qualified Investor holding the largest proportion of the relevant tranche of credit fund securities.

A “**Qualified Investor**” can be any person, other than Hg and its affiliates, including any investor in the relevant Titan Fund or third party who, in Hg’s reasonable and good faith determination, will render an investment decision with respect to any

## Additional Information (continued)

tranche of credit fund securities or other investment of the relevant Titan Fund pursuant to an institutional investment programme of such person or its affiliates that is focused on making privately negotiated investments in an issuer.

Other potential conflicts of interest relevant to the Titan Funds – for example the role of Hg investment professionals with interests and responsibilities across the Private Equity Funds and the Titan Funds, or the approach to ‘workout’ situations involving Private Equity Fund portfolio companies and the Titan Funds, are also addressed in Hg’s conflict management policies and also subject to Conflicts Committee and Investor Committee oversight.

### 9.12 Labour standards and environmental, social or ethical considerations

None of the Trustee or the Fund Manager takes into account labour standards environmental, social or ethical considerations for the purpose of selecting, retaining or realising its investments.

The Fund is not designed for investors who are looking for funds that meet specific environmental, social and governance goals. Neither the Fund nor the Master Fund is marketed as an ESG product in Australia where ESG means:

- economic activity that contributes to an environmental or social objective;
- activities with no significant harm any environmental or social objective; and
- good governance practices.

However, when evaluating investment opportunities, the Master Fund Investment Manager will consider, among other things, sustainability risks associated with such opportunities including but not limited to risks associated with climate change, health & safety, cybersecurity and bribery and corruption, and any material ESG risks and mitigating factors the Master Fund Investment Manager identifies at its discretion.

The Master Fund Investment Manager expects to implement mechanisms to identify material ESG issues in making investments, and for reporting on key performance indicators. Once implemented, the Master Fund Investment Manager will evaluate on an on-going basis whether such indicators pose any material risks on the returns of a fund investment. The Master Fund Investment Manager compiles and analyses such information and where appropriate, reports the results to the investors in the Master Fund.

Hg maintains a Responsible Investment Policy that sets out its approach to the identification and management of sustainability and ESG related risks and opportunities throughout the investment activities, which can be found at <https://hgcapital.com/life-at-hg/responsible-investing>. Further information with respect to the integration of sustainability risks can be found on Hg’s website at <https://hgcapital.com/legal-privacy>.

Whilst the Master Fund Investment Manager may take ESG factors and sustainability risks into account, the Master Fund does not have an ESG mandate and accordingly, an investment in the Fund is not suitable for investors who wish to make investments with ESG and sustainability goals. The Master Fund invests in the Hg Underlying Funds which have separate approaches to ESG factors and sustainability risks.

### 9.13 Consents and disclaimers

Each of the parties who is named below:

- has not made any statement that is included in this PDS, or any statement on which a statement is made in this PDS is based, other than as specified in this section;
- has not authorised or caused the issue of any part of this PDS;
- makes no representations or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this PDS; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this PDS, other than as specified in this section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by an investor as a result of this PDS being inaccurate or incomplete in any way or for any reason.

## Additional Information (continued)

### Auditor

KPMG has given and, as at the time of lodgement of this PDS, has not withdrawn its consent to be named in this PDS as the auditor to the Fund, in the form and context in which it is named. KPMG has had no involvement in the preparation of any part of this PDS other than being named as the Auditor. KPMG has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

### Custodian and Administrator

Apex Fund Services Pty Ltd has given and, as at the time of lodgement of this PDS, has not withdrawn its consent to be named in this PDS as the Custodian and Administrator of the Fund, in the form and context in which it is named. Apex Fund Services Pty Ltd has had no involvement in the preparation of any part of this PDS other than being named as the Administrator. Apex Fund Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

### Fund Manager

S64 Ventures Limited has given and, as at the time of lodgement of this PDS, has not withdrawn its consent to be named in this PDS as the Fund Manager and to the inclusion in this PDS of the statements by it, or the statements based on statements made by it, concerning its business, investment strategy and philosophy, its opinions, expectations and beliefs, its financial and investment results, in the form and context in which those statements appear in this PDS.

### Hg

Hg Pooled Management Limited has given and, as at the time of lodgement of this PDS, has not withdrawn its consent to be named in this PDS as the Master Fund Investment Manager and to the inclusion in this PDS of the statements by it, or the statements based on statements made by it, concerning its business, affiliates, investment strategy and philosophy, its opinions, expectations and beliefs, its financial and investment results, in the form and context in which those statements appear in this PDS.

## 9.14 Anti-money laundering and counter terrorism financing

The Anti-Money Laundering Act and Counter-Terrorism Financing Act 2006 (Cth) (**AML Act**) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Trustee (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). In order to comply with the AML Requirements, the Trustee is required to, amongst other things:

- verify an investor's identity and the source of their application monies before providing services to them, and to re-identify them if they consider it necessary to do so; and
- where an investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Trustee and the Administrator as its agent (collectively, the **Entities**) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment. In the event of delay or failure by the investor to produce this information, the Entities may refuse to accept an Application and the application monies relating to such Application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds. The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Entities are not liable for any loss investors suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Trust;

## Additional Information (continued)

- the Trustee or administrator may from time to time require additional information from investors to assist it in this process. The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss an investor may suffer as a result of their compliance with the AML Requirements; and
- If you have any questions about the Trustee's requirements, please contact the Trustee.

### 9.15 Privacy

When investors apply to invest in the Fund, they acknowledge and agree that:

- they are required to provide the Trustee with certain personal information and;
- the Trustee may be required to disclose their information to:
  - third parties carrying out functions on behalf of the Trustee on a confidential basis, including the Fund Manager;
  - third parties if that disclosure is required by or to the extent permitted by law;
  - related entities to the Trustee, whether in Australia or any overseas jurisdiction; and,
  - government or regulatory bodies (such as the Australian Taxation Office) when required by law.

If you have nominated an authorised representative or financial adviser for your investment, your information may be provided to them at the authorised representative or financial adviser's request.

All personal information will be collected, used and stored by the Trustee in accordance with its Privacy Policy, a copy of which is available free of charge on request. The Trustee or the Fund Manager may use your information for the purpose of marketing products issued or managed by the Trustee or the Fund Manager and their related entities. To ensure that the personal information retained about you is accurate, complete and up to date, please contact the Trustee if any of your details change. You can unsubscribe from marketing communications from the Trustee or the Fund Manager at any time by contacting the Trustee or the Fund Manager.

If you choose not to disclose requested personal information, your application may not be processed and you may not be made aware of other investment opportunities.

#### Collecting and using your information

The Trustee will only collect personal information that is reasonably necessary for one or more of the Trustee's functions or required or authorised by law. Generally, this means the Trustee collects information for the following purposes to:

- process your application;
- administer your investment and provide you with reports;
- monitor and improve the quality of service provided to you; and
- comply with regulatory or legal requirements, including the Corporations Act, the AML/CTF Law, FATCA and CRS.

The Trustee may also ask you for some personal details so that the Trustee, the Fund Manager, and their related companies, can keep in touch with you and tell you on an ongoing basis about their other products and services that could be useful to you. This may be by telephone, electronic messages (e.g. email) and other means. Please contact the Trustee if you do not wish your details to be used for marketing purposes.

The Trustee and Fund Manager may gather information about you from a third party. These include credit agencies, financial advisers, fund managers or intermediaries and spouses. The Trustee and Fund Manager may also collect details of your interactions with them and their products and services (including from records of any telephone and email interactions).

If you provide someone else's personal information, you must ensure that they first agree on the basis of this privacy section.



## Additional Information (continued)

### Accessing and correcting your details

You can access, correct or update any personal information held about you, subject to some exceptions allowed by law, by contacting the Administrator:

#### Apex Group

**Email:** [SSG.AUS@apexgroup.com](mailto:SSG.AUS@apexgroup.com) **Phone:** +61 2 7201 9015 **Fax:** +61 2 9475 1417

**Address** PO Box 189, Flinders Lane, Melbourne VIC 8009. **www.apexgroup.com**

You may be charged a reasonable fee for access to your personal information.

What happens if you don't provide information?

If, for any reason, you don't provide all necessary information this may have implications for your account. For example:

- your transaction requests (additional application or withdrawal requests) may not be actioned until all required information has been provided;
- notification may be made to the Australian Taxation Office or international tax offices, or the highest marginal tax rate may be applied to any payments made to your accounts; or
- other possible consequences.

### Disclosing your information

Your personal information may be exchanged with your adviser, authorised representative, power of attorney and any other third parties if you request or provide consent. In addition, personal information may be exchanged about you in the following circumstances:

- you consent to the disclosure;
- such disclosure is to your joint investor (if any);
- such disclosure is to companies that provide services to the Trustee or its related bodies corporate (as defined in the Corporations Act), to the Fund, or on the Trustee's behalf (and the Trustee's related bodies corporate may also exchange personal information with these companies) – for example administration, custody, investment management (including to the Fund Manager), technology, identity verification, auditing, registry, mailing or printing services. These service providers may be located outside Australia, where your personal information may not receive the same level of protection as that afforded under Australian law;
- where required or authorised by law, which may include disclosures to the Australian Taxation Office and other Government or regulatory bodies; or
- such disclosure is to organisations related to the Trustee, whether in Australia or any overseas jurisdiction.

### 9.16 Governing Law

This PDS and the contracts formed on acceptance of Applications are governed by the laws in force in the State of Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

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## 10. Glossary

Unless otherwise defined in other parts of this PDS, capitalised terms used in this PDS shall have the following respective meanings:

AAS means the Australian Accounting Standards.

Additional Investment Form means the form for making additional investments as described in section 7.6, which is available at the Fund Website.

AFCA means the Australian Financial Complaint Authority.

AFSL means an Australian financial services licence issued by ASIC.

Aggregator means the Hg Fusion Aggregator, which is a Luxembourg special limited partnership.

Alternative Investments means investments in Hg Underlying Funds and Co-Investments.



## Additional Information (continued)

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

Applicant means a person who makes an application for Units in accordance with this PDS.

Application Form means the form for making initial investments in the Fund as described in section 7.1, available at the Fund Website.

Application means an application for Units under this PDS.

Application Monies means the monies payable in connection with an Application.

Application Unit means an initial Unit issued to an Applicant whose Application has been accepted by the Trustee.

ARSN means an Australian registered scheme number.

ASIC means the Australian Securities and Investments Commission.

ATO means the Australian taxation office.

AUD, AU\$, \$A or \$ means Australian dollars.

Benelux means Belgium, the Netherlands and Luxembourg.

Board or Board of Directors means the board of directors of the SICAV.

Business Day means a day, other than a Saturday, Sunday, bank holiday or public holiday in Victoria, Australia.

Buyout Funds means funds that focus on making Growth Buyout Equity investments.

Class means a class of Units.

CGT means capital gains tax.

Co-investments means co-investments alongside Hg and/or Hg Underlying Funds on an opportunistic basis.

Compliance Plan means the compliance plan for the Fund lodged with ASIC.

Constitution means the constitution for the Fund as amended and modified from time to time, a copy of which is available free of charge by contacting the Administrator.

Corporations Act means Corporations Act 2001(Cth) as amended from time to time.

CRS means the Common Reporting Standard as described in section 8.

DACH means Germany, Austria and Switzerland.

Dealing Date means the first Business Day of a Quarter.

Directors means the directors of the Trustee.

EBITDA means, in respect of a business, its earnings before interest, taxes, depreciation, and amortisation.

Equity means an interest in the capital of an issuer, which provides the holder with ownership rights in a company or trust which may be listed or unlisted.

ESG means environmental and social governance.

Establishment Expenses means the costs and expenses incurred in the establishment of the Fund.

FATCA means the Foreign Account Tax Compliance Act of the United States, as described in section 8.

First Close means the expected date of acceptance of first subscriptions which is expected to be 1 April 2025 or such other date as the Trustee may define at its discretion.

Fund means S64 Hg Fusion Private Capital AUD ARSN 676 036 856.

Fund Manager means S64 Ventures Limited, a company incorporated in England and Wales.

Fund Website means <https://s64-v1.apexgrouportal.com/apply/HG>.

Growth Buyout Equity refers to Equity investments in mature businesses that typically exhibit high revenue and EBITDA growth.

GST means Australian Goods and Services Tax.

Hg means the Master Fund Investment Manager and its affiliates.

## Additional Information (continued)

Hg Board means the Board of Directors of the Master Fund Investment Manager and any person to whom the relevant decision making powers have been delegated by the Hg Board.

Hg Underlying Funds means certain funds managed by Hg to which the Fund is indirectly exposed.

IRR means the 'internal rate of return' and is the discount rate at which all the cash-flows in and out are discounted to a present value where the sum of the present values result in a net present value of zero. The IRR shows the return on an investor's capital, recognising the time weighted impact on the invested capital.

IRS means the United States Internal Revenue Service.

Junior means, in relation to an investment or an instrument, where its entitlement to be paid from that investment or instrument, ranks behind the payment rights of another investor.

Liquid has the meaning given in section 601KA of the Corporations Act.

London and Luxembourg Business Day means a day on which banks are open for business in Luxembourg and London.

Management Agreement means the agreement between the Trustee and the Fund Manager under which the Fund Manager is appointed as the investment manager of the Fund.

Management Fee means the fee paid to the Fund Manager for its services as the investment manager of the Fund.

Master Fund means Hg Fusion Private Capital Fund, a sub-fund of the SICAV.

Master Fund Adjusted NAV means the greater of: (i) the Master Fund's NAV attributable to the relevant Share class, and (ii) the Master Fund's NAV, less cash and cash equivalents but plus the total of all capital commitments made by the Master Fund (directly or indirectly through the Aggregator) to Hg Underlying Funds but not yet drawn for investment, attributable to the relevant Share class.

Master Fund Investment Manager means Hg Pooled Management Limited, a company incorporated in England and Wales.

NAV means, (a) in respect of the Fund, the value of the assets of the Fund minus its liabilities, and (b) in respect of any other fund, the value of that fund's assets minus its liabilities.

Net Revenue Retention, in respect of a business, refers to the amount of revenue left over from customers over a specific period of time.

Ordinary Units means ordinary Units in the Fund, which are of a different Class to Application Units.

PDS means this Product Disclosure Statement.

Platform Management Fees means fees payable to the Fund Manager or its affiliates in consideration for the platform advisory services provided to the Master Fund.

Private Equity Funds mean the Hg Underlying Funds which invest in Private Equity as their investment strategy, which at the date of this PDS applies to the Saturn, Genesis and Mercury series.

Quarter means each of the following periods:

- (i) 1 January to 31 March;
- (ii) 1 April to 30 June;
- (iii) 1 July to 30 September; and
- (iv) 1 October to 31 December,

and Quarterly has a corresponding meaning.

RC means the realisation committee established by Hg, responsible for the delivery of the business plan and target returns for an investment, after the Master Fund has invested, as described in section 3.3.

Trustee means the responsible entity of the Fund, being K2 Asset Management Limited ACN 085 445 094.

Trustee Fee means the fees payable to the Trustee for acting as the Fund's responsible entity and trustee.

Responsible Investment Policy means the responsible investment policy for the Hg Underlying Funds developed by Hg as updated from time to time.

Retail Applicant, or Retail Investor or Retail Client means an Applicant or investor who is not a Wholesale Applicant, or Wholesale Investor or Wholesale Client.

## Additional Information (continued)

RITCs means reduced input tax credits.

Senior, in respect of a debt instrument, refers to the rights of investors in a debt instrument to be paid in priority to other obligations (including in respect of other debt obligations) or Equity holders of the relevant borrower.

Share means a share in the SICAV referable to the Master Fund.

SICAV means S64 AltoFlex VI Private Markets SICAV, a Luxembourg domiciled investment fund.

Titan or Titan Funds means the family of Hg Underlying Funds that invest in Junior Debt.

TFN means a tax file number.

Underlying Portfolio Interest means any Co-investment or any underlying interest held by any Hg Underlying Fund.

Unit means a fully paid ordinary unit in the Fund.

Unitholders means a holder of one or more Units.

Updated Information means any updated information in this PDS.

US person means 'U.S. person' as defined in Regulation S under the US Securities Act.

US Securities Act means the U.S. Securities Act of 1933 (as amended).

VAT means the United Kingdom value added tax.

Wholesale Applicant, Wholesale Investor or Wholesale Client means an Applicant or investor who is (in either and in each case) not a retail client under section 761G or 761GA of the Corporations Act.

Withdrawal Form means a form for requesting withdrawals from the Fund, as described in section 7.9.

## 11. Corporate Directory

Fund Manager	<b>S64 Ventures Limited</b>
Address:	<b>91 Wimpole Street, London W1G 0EF, England</b>
Email:	<b>S64AUTClientServices@s64capital.com</b>
Responsible Entity/Trustee	<b>K2 Asset Management Limited ACN 085 445 094</b>
	<b>Address: Level 44, 101 Collins St, Melbourne VIC 3000</b>
	<b>Phone: 03 9691 6111 (Australia)</b>
	<b>Email: <a href="mailto:invest@k2am.com.au">invest@k2am.com.au</a></b>
Custodian and Administrator	<b>Apex Fund Services Pty Ltd</b>
	<b>Address: PO Box 189, Flinders Lane, Melbourne VIC 8009</b>
	<b>Phone: +61 2 7201 9015</b>
	<b>Fax: +61 2 9475 1417</b>
	<b>Email: <a href="mailto:SSG.AUS@apexgroup.com">SSG.AUS@apexgroup.com</a></b>
Legal Advisor	<b>MinterEllison</b>
	<b>Address: Level 40 Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000</b>
Auditor	<b>KPMG</b>
Tax Adviser	<b>KPMG</b>