



**EAST COAST**®  
CAPITAL MANAGEMENT

**INFORMATION MEMORANDUM**  
for the  
**ECCM SYSTEMATIC TREND FUND**

**AVAILABLE TO WHOLESALE CLIENTS ONLY**

**IMPORTANT NOTICE**

This Information Memorandum (IM) provides a summary of the principal terms that apply to an investment in the ECCM Systematic Trend Fund. You should read this IM before making a decision to invest in ECCM Systematic Trend Fund. The information in this IM is general only and does not contain any recommendations, statements of opinion or advice or take into consideration your personal financial situation, objectives or needs.

Before making an investment decision based on this IM, you should obtain financial, taxation, legal and other relevant professional advice that is tailored to suit your personal circumstances.

## CONTENTS

■ 01.	IMPORTANT INFORMATION	01
■ 02.	SUMMARY	03
■ 03.	ECCM GROUP PROFILE	05
■ 04.	INVESTMENT MANAGEMENT TEAM	05
■ 05.	CUSTODIAN	07
■ 06.	INVESTMENT MANDATE, STRATEGY AND PROCESS	07
■ 07.	BENEFITS AND RISKS OF INVESTING IN MANAGED INVESTMENT SCHEMES	09
■ 08.	FEES AND OTHER COSTS	13
■ 09.	INVESTING IN THE FUND	14
■ 10.	REDEMPTIONS	15
■ 11.	DISTRIBUTIONS	16
■ 12.	COMMUNICATION AND REPORTING	16
■ 13.	TAXATION	17
■ 14.	DISPUTE RESOLUTION AND COMPLAINTS	17
■ 15.	ADDITIONAL INFORMATION	18
■ 16.	KEY TERMS AND GLOSSARY	20
■ 17.	WHOLESALE CLIENT INFORMATION	23

## SECTION 1

### ■ IMPORTANT INFORMATION

This Information Memorandum (**IM**) dated 1 July 2024 is for the issue of Units in the ECCM Systematic Trend Fund (the **Fund**).

ECCM STF Pty Ltd (**Trustee**) is the issuer of units in the Fund. The Trustee is a corporate authorised representative of East Coast Capital Management Pty Ltd (ABN 91 129 976 905, AFSL 339300) (**Arranger**). The Trustee has also appointed the Arranger as its intermediary pursuant to section 911A(2)(b) of the Corporations Act 2001 (Cth) to make offers to wholesale clients (as defined in the Corporations Act 2001 (Cth)) and to arrange for the issue, variation or disposal of Units in the Funds. The Trustee issues, varies or disposes of the Units in accordance with such offers, provided they are accepted. The Trustee has also appointed ECCM Australia Pty Ltd (ACN 664 662 846) as the investment manager (**Manager**) of the Fund. The Manager is a corporate authorised representative of the Arranger.

<b>Arranger (and AFSL Holder)</b>	East Coast Capital Management Pty Ltd (ABN 91 129 976 905, AFSL 339300)
<b>Trustee</b>	ECCM STF Pty Ltd (ACN 664 673 330, Corporate Authorised Representative number 001301400)
<b>Investment Manager</b>	ECCM Australia Pty Ltd (ACN 664 662 846, Corporate Authorised Representative number 001301457)
<b>Fund Administrator</b>	MSC Abacus Pty Ltd (ACN 630 730 684)

This IM is not a disclosure document under the Corporations Act 2001 (Cth) (**Corporations Act**) and has been prepared for use by wholesale investors only (as defined in section 761G of the Corporations Act. Please also see Section 17 of this IM). This document is not required to be and has not been lodged with the Australian Securities and Investment Commission (**ASIC**) and neither ASIC nor any of its officers take any responsibility for the contents of this IM.

The terms of your investment in the units of the Fund (**Units**) are set out in the following key documents:

- The trust deed of the Fund dated 1 March 2023 as amended from time to time (**Trust Deed**);
- This IM; and
- The application form accompanying this IM (**Application Form**).

The key documents outlined above (together, the **Transaction Documents**) must be read carefully before making a decision to invest in the Units of the Fund. Copies of the Transaction Documents will be provided to you upon request.

The Transaction Documents:

- Constitute your agreement to invest the amount specified in the Application Form;
- Describe the features, the risks and the fees and costs of the Fund's investment strategy; and
- Set out some of the key terms of investing in the Fund and contains certain representations and warranties from you as an investor in the Fund.

The information contained in this IM is general information only and does not consider your individual objectives, financial situation, needs or circumstances. It is not intended to be a recommendation by the Trustee, the Manager, the Arranger or any associate of the ECCM group or any other person to invest in the Fund. Before investing in the Fund, you should seek independent financial and taxation advice as to the suitability of an investment in the Units for you, having regard to your investment objectives, financial situation and particular needs.

Like any investment of this type, an investment in the Fund is subject to risk, including, but not limited to those set out in Section 7 below. Potential investors should carefully consider the risks, their individual risk tolerance and consult with their advisors before proceeding to invest in the Fund. None of the Trustee, the Manager or the Arranger guarantee the success, repayment of capital or any rate of return on income or capital or investment of the Fund, nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

No person has been authorised to make any representations concerning the Fund that are inconsistent with those contained in this IM, as supplemented from time to time, and no person may rely on any such other information or representations if they are given or made. This offering is suitable only for investors whose need for liquidity is consistent with the limitations on redemption and transferability described in this IM.

The distribution of this IM and the Application Form (including electronic copies) outside Australia may be restricted by law. This IM does not, and is not intended to, constitute an offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you come into possession of the IM and Application Form, you should observe such restrictions and should seek your own advice about such restrictions.

## SECTION 2

### SUMMARY

Name of Fund	ECCM Systematic Trend Fund (the <b>Fund</b> ).
Trustee	ECCM STF Pty Ltd (ACN 664 673 330), Corporate Authorised Representative 001301400.
Manager	ECCM Australia Pty Ltd (ACN 664 662 846), Corporate Authorised Representative 001301457.
Arranger (and AFSL Holder)	East Coast Capital Management Pty Ltd (ABN 91 129 976 905; AFSL 339300).
Custodian	East Coast Capital Management Pty Ltd and/or Interactive Brokers Australia Pty Ltd (ABN 98 166 929 568; AFSL 453554) or other third party Custodians engaged by the Trustee from time to time.
Currency	Australian Dollars (AUD Class), United States Dollars (USD Class), or other currencies as advised by the Trustee (for other foreign currency classes).
Risk	<p>All investments involve a certain amount of risk. Information about some of the risks associated with this investment is set out in Section 7.</p> <p>The Fund is only suitable for investors who are seeking a higher level of return while accepting a <b>higher level of risk</b>. The Fund may experience high month-to-month volatility in exchange for potential higher long term capital growth.</p>
Fund's Objective	Generate profits in excess of the RBA cash rate by executing a quantitative trend following system. Please refer to Section 6 for more detail.
Investment Mandate	See Section 6.
Investor Eligibility	Any Australian wholesale client. For an explanation as to what is a wholesale client, see Section 17.
Minimum Investment per Investor	A\$50,000 or, if agreed with the Trustee, a foreign currency equivalent.
Minimum Additional Investment	A\$10,000, or, if agreed with the Trustee, a foreign currency equivalent.
Applications	Applications are generally accepted at month end subject to the request being received at least five Business Days before the end of the month. Please refer to Section 9 for more information.
Minimum Withdrawals	A\$10,000 or, if agreed with the Trustee, a foreign currency equivalent, subject to maintaining the minimum investment of A\$50,000 or the foreign currency equivalent.
Fund Structure	The Fund is an unregistered, unlisted Unit Trust that is managed by the Manager. The Fund is a wholesale managed investment scheme that does not require registration with ASIC.

Issue Price	On the first allotment, A\$1.00 per Unit for the AUD Class, US\$1.00 per Unit for the USD Class or other initial foreign currency denomination as determined by the Trustee for other foreign currency classes. Thereafter, the Net Asset Value on the Dealing Day, divided by the number of Units on Issue, rounded up or down as appropriate to the nearest one tenth of one cent (or otherwise as the Trustee decides). The Trustee may decide to implement series accounting at some point in the future.
Management Fee	Up to 1.3% (plus GST) per annum of the Net Asset Value, payable monthly in arrears to the Manager.
Trustee Fee	50 bps (plus GST) per annum of the Net Asset Value, payable monthly in arrears.
Performance Fee	Up to 20% (plus GST) of excess returns above the relevant Hurdle Rate. Calculated monthly (as at the end of each calendar month) after deducting the Management Fee and Trustee Fee, and subject to a High-Water Mark. Paid quarterly in arrears within the first 30 days of each quarter, and payable to the Manager.
High Water Mark	The Net Asset Value per Unit at the end of the most recent Calculation Period in respect of which a Performance Fee was paid or a distribution paid to Unitholders of a particular class.
Hurdle Rate	The monthly Hurdle Rate for the AUD Class is the RBA cash rate, calculated daily. The monthly Hurdle Rate for the USD Class is the Effective Federal Fund Rate (EFFR), calculated daily. The Hurdle Rate for other classes of Units denominated in other currencies is the relevant central bank rate, as determined by the Trustee.
Fund Administrator	MSC Abacus Pty Ltd (ACN 630 730 684).
Buy-Sell Spread	Up to 20 bps, applied to Redemptions only.
Redemptions	Redemptions are generally accepted at month end subject to the redemption request being received at least ten Business Days before the end of the month. Please refer to Section 10 for more information.
Distributions	The Fund's net income (if any) will be distributed annually within 60 days after 30 June each year. Distributions will be determined based on the number of days that a Unitholder has held Units during that distribution period (financial year). All distributions are automatically reinvested into the Fund at the Issue Price prevailing on the Distribution payment date, unless a Unitholder has provided written notification to the Trustee (in the form specified by the Trustee) that it wishes to receive a cash distribution.
Reports	Performance data and investment commentary for the Fund will be part of the monthly reports sent to you by the Trustee.  As this is a new Fund, there are no past performance figures available. Past performance data for the Fund's predecessor fund operated by the Licensee is available from the Manager on request at <a href="mailto:manager@eccm.com.au">manager@eccm.com.au</a> .
Term	This is an open-ended fund.
Recommended Investment Timeframe	5 or more years.

## SECTION 3

### ■ ECCM GROUP PROFILE

ECCM STF Pty Ltd ACN 664 673 330 is the trustee of the Fund. It is based in Sydney. The Trustee is responsible for the day-to-day operation and management of the Fund.

ECCM Australia Pty Ltd ACN 664 662 846 is the investment manager of the Fund. It is based in Sydney. The Manager is responsible for managing the investments of the Fund in accordance with this IM.

East Coast Capital Management Pty Ltd ABN 91 129 976 905 is the Arranger and the holder of Australian Financial Services Licence No. 339300 (**ECCM** or the **Arranger**). It is based in Sydney. The Arranger appoints both the Trustee and the Manager as corporate authorised representatives and is responsible for arranging the issue, variation, or disposal of Units in the Fund in accordance with the terms of the offer in this IM. ECCM was founded in 2008 by Adam Havryliv (details below).

Further information regarding ECCM is available at its website [www.eccm.com.au](http://www.eccm.com.au).

## SECTION 4

### ■ INVESTMENT MANAGEMENT TEAM

The investment management team has the responsibility to formulate and give effect to an investment strategy that has regard to the whole of the circumstances of the Fund.

The objectives of the Investment Team are to:

- exercise due care and skill in relation to formulating and giving effect to an investment strategy;
- ensure compliance with the investment mandate;
- regularly review the investment strategy;
- make and execute investment decisions on behalf of investors;
- implement investment related policy approvals and compliance; and
- exercise investment risk management.

The Investment Committee holds meetings on a monthly basis. Special meetings may be convened as required.

The Investment Team consists of:



**Adam Havryliv**  
Chief Investment Officer

Adam is responsible for management and investment at ECCM. Adam personally developed ECCM's quantitative trading strategies. Prior to founding ECCM, Adam worked for Citigroup Australia from 2007 to 2008 in the Investment Banking division where he was responsible for corporate derivatives and structured solutions. From 2005 to 2007, Adam was a Trader at Shell Cove Capital Management, executing global macro trading strategies. From 2004 to 2005, Adam worked at Goldman Sachs JBWere in the Equities Trading division.

Adam holds a Bachelor of Commerce (Finance) degree from the University of New South Wales (UNSW), a Masters of Business Administration (MBA) from the Macquarie Graduate School of Management (MGSM), and a Graduate Diploma of Psychology from the University of Sydney.



**Richard Brennan**  
Strategy Ambassador

Richard undertakes quantitative analysis for the Manager and works alongside the Chief Investment Officer to market the ECCM systematic rules based investment process.

Richard has specialist expertise in diversified systematic trend following and is co-host of the popular Systematic Investor Series of the 'Top Traders Unplugged' podcast. Richard has also been featured in Michael Covel's Trend Following podcast and the 'Real Vision' podcast. Richard has had a long career in active trading and funds management acting as a CFO and Compliance Manager for a listed Responsible Entity in Australia and is a highly skilled risk manager with specialist expertise in portfolio 'tail risk protection'.

Richard holds a Bachelor of Science Degree and Bachelor of Business Degree from the University of Queensland.



**Paul Brech**  
Operations Consultant

Paul advises the ECCM group on its operational and compliance structure.

Paul has over 30 years experience and expertise in the Banking and Finance industry. He has run middle and back offices of trading and funds management operations, having worked for PwC (9 years), Macquarie Bank (8 years) and Shell Cove Capital Management (a global macro hedge fund manager). Most recently he was CEO of BTIG Australia, a boutique wholesale stockbroking business. Paul has a strong regulatory and compliance background, having managed compliance functions and been a Responsible Manager (under the AFSL regime) for nearly 20 years and a Responsible Executive (under the ASX Market Participant regime) for 9 years.

Paul holds a Masters of Arts degree from Oxford University and is a Chartered Accountant with CA ANZ.

## SECTION 5

### ■ CUSTODIAN

East Coast Capital Management Pty Ltd is the holder of AFSL 339300 and is licensed to act as custodian for its own managed investment schemes. Some scheme assets will be held by Interactive Brokers Australia Pty Ltd and/or other third party Custodians engaged by the Trustee.

## SECTION 6

### ■ INVESTMENT MANDATE, STRATEGY AND PROCESS

#### Investment Mandate and Strategy

The Fund seeks to earn positive absolute returns, in excess of the RBA cash rate (or equivalent benchmark for Unit classes denominated in other currencies), by executing a quantitative trend following strategy which can profit from the persistence of time series momentum in global asset markets.

Time series momentum, or serial correlation, is an asset-pricing anomaly in financial markets which is well documented in academic literature. This phenomena has been shown to persist over time and strategies which successfully exploit this anomaly have historically shown strong risk-adjusted returns and may outperform other strategies in periods of market dislocation and/or distress.

The Manager's trading strategy seeks to exploit directional price trends in equity indices, foreign exchange, fixed income and commodity markets. Exposure to approximately 60 individual markets within these asset classes will be created via listed futures markets and foreign exchange positions. These derivative positions will be held with securities and futures brokers in Australia. The Fund will also hold cash and cash equivalents such as bank deposits, cash ETFs, floating rate bonds, floating rate bond ETFs, and Australian government notes and bonds.

The trading strategy uses rules-based techniques to time individual derivative trade entry and exits. The trading algorithm also sizes individual positions based on the underlying volatility of each market. Initial and trailing stop orders are used to manage the risk of any individual trade and protect the Fund's capital in the event of a single position having an adverse price movement. The trading strategy permits the Fund to participate in trends as no profit targets are applied to individual positions. Profits are allowed to accumulate as long as trade exit signals have not been generated or position stop orders have not been triggered. To execute the Fund's strategy, the Manager utilises several order types including but not limited to stop orders (being an order placed with a broker to enter or exit a position at a market price once a particular price level has been reached).

The investment strategy is primarily executed with exchange listed futures. Futures markets are highly liquid, transparent, regulated, have low transaction costs, are available over many underlying assets and allow for optimal capital efficiency. In trading leveraged products, only a portion of capital of the Fund is used to meet margin obligations leaving the balance of fund capital to be invested in cash or cash equivalent securities at the discretion of the Manager.

The diversified nature of the portfolio and risk management characteristics of the trading strategy are expected to produce a return profile with favourable risk-adjusted returns and low correlation to traditional equity and bond portfolios. The performance of the strategy before fees will be a combination of both the investment returns in derivatives plus the net interest income earned from cash and cash equivalent holdings.

Whilst the Fund is expected to deliver returns in excess of the RBA cash rate over time, the Manager's quantitative trading strategy could exhibit periods during which it underperforms this benchmark. This could be the result of markets not trending sufficiently for the strategy to be profitable or because of one of the other Risks identified in this Information Memorandum. As such, the Manager recommends a holding period of 5 or more years for the Fund.

Note that the stated investment return objective, of exceeding the relevant Hurdle Rate, is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to longer term. Macro and microeconomic market conditions, changes in legislation and fluctuations in economic sensitive instruments like interest rates may mean the Fund may not be successful in meeting this objective. **Returns are not guaranteed.**

## Investment Process

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The Manager undertakes statistical analysis of historical data to construct its systematic trading programs. Research conducted on this data allows the Manager to draw inferences to develop trading systems and the portfolio management frameworks to manage risk and seek to maximise profit. The Manager's mathematical models have been formulated based on analysis of a long term trading horizon of over 20 years across the instruments the Fund trades. The Manager's mathematical models aim to exploit the phenomena of time series momentum. In addition to the long term analysis conducted by the Manager in relation to the Fund's trading strategies, academic literature provides evidence that time series momentum strategies generally deliver strong risk-adjusted returns over longer time horizons (for example, over the past century), including over periods of market dislocation and/or distress.

The Manager implements the Fund's trading strategy through applying ECCM's mathematical models with computer programs which generate trading signals.

## Portfolio Composition

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The implementation of the Fund's strategy includes decisions such as which instruments the Fund will trade, which investment signals are applied, and the sizes of the positions held in the portfolio. The Fund will look to rebalance the portfolio from time to time to accommodate new applications for, or redemptions from, the Fund.

## Diversification

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The trading strategy is inherently diversified because the Fund's trend following systems are applied across individual markets within multiple asset classes i.e., equity indices, fixed income securities, foreign exchange, and commodities. The Fund trades approximately 60 futures in those asset classes.

The aim of trading a diversified portfolio of futures markets is to be able to capture trends in any market or asset class that is trending at any point in time. Whilst a diversified portfolio improves the chances of the Fund being exposed to a trending and hence profitable market, it is not necessarily a guarantee of the profitability of the strategy during any particular period of time, especially timeframes less than 5 - 7 years.

There may be times where the Fund may have a relatively high percentage of its portfolio invested in a number of futures which exhibit a high level of correlation. This may cause the value of the derivative investments to be more affected by any single adverse economic, political or regulatory event. The same concentration of correlated positions has historically been associated with profitable periods for the Fund's trading strategy. The Fund may, at times, be made up entirely of cash or cash equivalents.

## SECTION 7

### ■ BENEFITS AND RISKS OF INVESTING IN MANAGED INVESTMENT SCHEMES

#### Benefits

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Benefits of the Fund include:

##### Quantitative Investment Approach

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The Fund employs a quantitative trading strategy developed by ECCM over many years and takes advantage of the attractive time series momentum factor which has been shown to persist over time and across asset classes.

##### Alternative Investment

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The strategy has had a low correlation with the performance of traditional asset classes such as equities, property and bonds, and provides access to less commonly held asset classes such as commodities and foreign exchange, in addition to equity indices and fixed income securities.

#### Risks

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All investments carry some level of risk, and there is typically a direct relationship between risk and return. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Investors who have a diversified portfolio, with exposure to different funds or other assets, and other asset classes, can reduce overall investment risk. The Fund is not intended to be an investor's only investment.

The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, investment horizon, other investments, or assets you may have and your risk tolerance. The Manager does not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial advisor.

Whilst the Fund is generally expected to be liquid, there are no guarantees as to the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund and the level of returns will fluctuate, and future returns may differ from past returns. Laws affecting managed investment schemes may also change in the future.

##### Diversification

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The Fund trades approximately 60 underlying instruments across asset classes of equity indices, fixed income, foreign exchange and commodity markets. The Fund, together with a client's other investments, can increase the diversification benefits in a client's broader portfolio.

##### Regular Reporting

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Clients are provided with monthly and annual reporting.

##### Market Risk

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The market price of the securities owned by the Fund may go up or down due to factors affecting financial markets generally or particular securities specifically, sometimes rapidly or unpredictably. Adverse market movements in the securities that the Fund is invested in will adversely affect the value of the Units in the Fund. This risk is generally outside our control, and includes movements in the general price level, and supply and demand in the market in which the investments are made. Markets will be affected by a range of factors including investor sentiment, geopolitical events, inflation, prevailing interest rates, economic and regulatory conditions, changes in technology, changes in law and environmental events. Prices will fluctuate. Multiple investment positions may decline in value simultaneously (i.e. exhibit high correlation). Any market disruptions could also prevent the Fund from executing investment decisions in a timely manner.

The Fund's strategy is anchored around exploiting the factor of time series momentum otherwise known as trend following. Accordingly, the reversal of a price trend (i.e. the market moves in the opposite direction to the position taken by the Fund), or the absence of upward or downward price trends in the markets the Fund accesses (e.g. the market is flat or volatile), will adversely affect the performance of the Fund.

## Model and Data Risk

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The Fund utilises a quantitative investment strategy and as such models and data, including data supplied by third parties, are used to construct investments and provide risk management insights. When models and data, and/or the assumptions underlying such models prove to be incorrect, misleading or incomplete, decisions made in reliance on these models, data or assumptions expose the Fund to potential risks including trading losses or not generating profitable trading signals. For example, by relying on mathematical models and data, the Manager may be induced to buy certain securities at prices that are too high, sell certain securities at prices that are too low, or miss favourable opportunities altogether.

Furthermore, models evaluate securities or securities markets based on certain assumptions concerning the interplay of market factors. Markets or the prices of individual securities may be affected by factors not foreseen in developing the models.

## Execution Risk

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In order to implement the Fund's quantitative investment strategy, the Manager executes trades to buy and sell securities based on mathematical models. There are a number of factors that may prevent the Manager's models being implemented as expected, including rapid market movements (for example, markets gapping or moving limit up or down), unexpected illiquidity in underlying securities markets, or missed stop orders associated with errors by third parties (for example, brokerage firms) or by the Manager. Such factors may result in underperformance of the Fund relative to expectations.

## Fund Volatility and Drawdown Risk

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The Fund makes investments in underlying securities which may be volatile. As a result, the value of an investment in the Fund may fluctuate more than for other less volatile investments such as fixed income securities. The Units are only suitable for investors with a medium to long term investment horizon, generally meaning an investment horizon of 5 years or more, who can sustain such volatility.

The Fund may experience large cumulative losses, potentially over a short period of time, which may result in the Unit price falling significantly below the price at which an investor entered the Fund. This is referred to as a drawdown. There is no guarantee that the Unit price will return to the level at which an investor invested, in which case an investor will incur a loss on their investment.

## Counterparty Risk

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Institutions such as brokerage firms or banks will have custody of some of the Fund's assets. The Fund is subject to the risk that these firms, and other counterparties or clearing houses or exchanges with which the Fund deals may default on their obligations to the Fund. Any default by any of such parties could result in material losses to the Fund. Bankruptcy, other insolvency proceedings or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund if the Fund's assets become subject to any legal proceedings or moratorium.

The Fund will hold certain cash or cash equivalent instruments as part of its strategy. These cash equivalent instruments include cash, exchange traded funds (ETFs) and floating rate bond ETFs. The value of an ETF may not track the value of the underlying assets as expected, may be subject to default, bankruptcy or insolvency risks, and may incur additional brokerage or operating costs, all of which are outside the control of the Manager.

The Manager has no formal internal credit function whose sole purpose is to evaluate the creditworthiness of the Fund's counterparties.

## Manager and Operational Risks

The Manager has responsibility for the investment activities of the Fund. The success of the Manager's trading and the investment performance is to a large degree dependent upon the services of its team. The loss of the services of these individuals could result in the Managers' inability to trade effectively for the Fund's accounts. In the event that the Manager withdraws from the Fund, or if any of its management team is no longer actively engaged in formulating the investment strategy of the Fund, there can be no assurance that a suitable successor could be located or appointed.

The main operational risk of the Fund is key man risk to Adam Havryliv, founder, director and Chief Investment Officer (CIO) of the Manager. There is a risk that the CIO may, in exceptional circumstances, become unavailable or incapacitated and not be able to be replaced, which could adversely affect the management of the Fund. In such exceptional circumstances and in the event that the Manager is not able to delegate the CIO's duties to other staff, the Manager intends to immediately move the Fund to be invested 100% in cash.

The Manager will apply investment techniques and risk analysis in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results. For example:

- certain securities in which the Fund seeks to invest may not be available in the quantities desired,
- regulatory restrictions, actual or potential conflicts of interest or other considerations may cause the Trustee to restrict or prohibit participation in certain investments, and
- there can be no guarantee that all of the personnel of the Manager will continue to be associated with the Manager for any perticale length of time.

Operational risks arising from any failure or disruption of the Manager's systems or processes due to human error, data transmission error or failures or other causes could materially disrupt the Fund's operations and result in losses. A failure or disruption in the infrastructure that supports the Manager's business may have a materially adverse effect on its ability to continue to operate the Fund without interruption. Extraordinary events outside of the control of the Manager, including both natural and man-made disasters as well as financial system disruptions may also have an adverse effect on the Fund. The Fund could also be adversely affected by disruptions occurring at third parties upon whose operations the Fund relies. In addition, the Manager's systems may not continue to be able to accommodate the Fund's growth, and the cost of maintaining such systems may increase from its current level. The failure to accommodate such growth, or an increase in costs associated with such systems could have an adverse effect on the Manager's ability to provide its services to the Fund.

## Risks associated with the use of Derivatives Contracts

The Fund trades predominately in futures contracts which are a form of derivatives contract. A derivatives contract typically involves leverage, and consequently an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivatives contract. This can have a significant impact on the value of the Fund and hence the NAV of the Fund's units.

Risks associated with futures contracts include:

- although the Fund invests within parameters designed to manage liquidity risks, there is the possibility that securities markets may lack liquidity, resulting in an inability to close a futures contract when desired. Futures exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily limits" (up or down), and during a single trading day no trades may be executed at prices beyond the daily limit;
- future prices can be highly volatile, and unanticipated market movements are potentially unlimited;
- future prices may not move in line with the underlying asset;
- future prices may gap, especially when the market is illiquid, and the leverage inherent in a derivatives contract (like a futures contract) may exaggerate the loss the Fund suffers, thereby having a potentially material impact on the Fund's NAV;
- the use of stop orders does not guarantee that the Manager is able to execute trades for the Fund at desired levels;
- if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements or may have to sell securities at a time when it may be disadvantageous to do so.

## Currency Risks

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The value of the Fund will be predominantly expressed in Australian dollars (AUD), although the Trustee may, from time to time, issue Classes of Units denominated in other currencies (such as USD, EUR, GBP, SGD, JPY). Investors should note also that the assets of the Fund may be denominated in currencies that are different from the denomination of their Class of Units, including any AUD Class of Units. The value of these other currencies may move in different directions to the value of the AUD, which will affect the Fund's returns as expressed in AUD (or other currencies for different Classes of Units). The Fund is therefore exposed to currency risk in a manner that does not comprise part of the Fund's investment strategy. Changes in exchange rates may mean that a holder's investment value may fall or rise. The Manager may hedge this risk using foreign exchange positions and/or futures but no guarantees can be made about the effectiveness of this currency risk management.

## Regulatory and Legal Risks

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Returns may be affected by any adverse regulatory changes in Australia or elsewhere, which could have an impact on the Fund, including impacting the Fund's existing investments, adversely affecting the Fund's ability to trade specific investments in the future, or requiring the Fund to disclose the identity of its investors. Securities markets are subject to comprehensive regulations and margin requirements enforced by regulators and self-regulatory organisations and exchanges authorised to take extraordinary actions in the event of market emergencies.

Changes in taxation rules or tax law interpretation may impact your investment returns.

There is also the potential for legal risks associated with legal issues such as non-enforcement of a contract, which could arise for example from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability in bankruptcy or insolvency.

## Cybersecurity Risks

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The Fund, the Manager and their third party service providers and counter parties are subject to risks associated with a breach in cybersecurity. Cyber-attacks may cause losses to the Fund by interfering with the processing of transactions, affecting the Fund's ability to calculate Unit prices or impeding trading or affecting instruments or securities in which the Fund invests. The Fund may also incur substantial costs or losses as a result of a cybersecurity breach. Any such breach could expose the Fund to financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention and/or reputational damage. It may also cause substantial redemptions from the Fund. Investors may be exposed to additional losses as a result of the unauthorised use of their personal information.

## Fund Liquidity Risk

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There is no public market for Units in the Fund. You will generally only be able to dispose of your Units by means of redemption at month end, subject to notice periods as described in Section 10. The Manager may not be able to convert some non-cash investments into cash and redemptions may be suspended because of disruptions in the market. Substantial withdrawals by Unitholders within a limited period of time could require the Manager to make substantial withdrawals from the Fund. This could require the Fund to liquidate its positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being withdrawn and the remaining Units. Any decline in the Net Asset Value of Units during the period from the date of notice of redemption until the redemption date will be borne by the redeeming investor.

## Effects of Substantial Subscriptions

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Investors in the Fund may be positively or negatively affected by trades relating to anticipated or actual subscriptions or withdrawals to or from the Fund by other investors.

## Industry Capacity

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The growth in assets managed in accordance with similar investment strategies may result in the Fund and other market participants inadvertently buying and selling the same or similar investments simultaneously, which may reduce liquidity and exacerbate market movements. The Fund may then be subject to an increased risk of suffering substantial losses.

## Other Activities of the ECCM Group

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ECCM and its members, officers, employees and affiliates (collectively referred to as the ECCM group), may be engaged in other businesses in addition to the investment management of the Fund. The ECCM group may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Fund and/or which may engage in transactions in the same types of securities and instruments as the Fund. The Fund's performance may differ significantly from the results achieved by the ECCM group for other accounts managed or advised by the ECCM group. When making an investment where conflicts of interest arise, the ECCM group will act in accordance with its legal and regulatory obligations, including its fiduciary duty to members of the Fund.

**This is not an exhaustive list and there may be additional risks which arise. Investors should consult with their financial and taxation advisors before investing in the Fund.**

## SECTION 8

### ■ FEES AND OTHER COSTS

FEES PAYABLE TO THE MANAGER		
<b>Management Fee</b> The fees and costs for managing your investment	Up to 1.3% per annum (plus GST) of the Net Asset Value as at the Dealing Day, payable to the Manager.	Monthly in arrears, non-refundable and deducted from the Fund.
<b>Performance Fee</b> Amounts deducted from your investment in relation to the performance of the product	Up to 20.0% (plus GST) of excess returns above the relevant Hurdle Rate after deducting the Management Fee and Trustee Fee. Calculated monthly and paid quarterly in arrears to the Manager, subject to the High-Water Mark.	Quarterly in arrears, non-refundable and deducted from the Fund within the first 30 days of the following quarter.
FEES PAYABLE TO THE TRUSTEE		
Establishment Expenses	See Trustee Fee directly below.	
Trustee Fee	50 bps per annum (plus GST) of the Net Asset Value payable to the Trustee.	Monthly in arrears, non-refundable and deducted from the Fund.
Auditor	An auditor may be appointed at the discretion of the Trustee.	The auditors' fees are incremental to the Trustee Fee, subject to the Trustee's discretion.

#### Other Fees and Costs

Prior to Allotment, the Trustee is entitled to any interest earned on the Application Money in the Application bank account (the period is likely to be too short to justify calculation).

Investors may not sell, assign, encumber or transfer any Unit in the Fund, or their rights or obligations in the Fund without the prior written consent of the Trustee (which may be granted or withheld in the Trustee's sole discretion). If the Trustee consents to the sale, assignment, encumbrance or transfer of a Unit, a handling fee may be payable by the Unitholder. Please contact [trustee@eccm.com.au](mailto:trustee@eccm.com.au) for more information.

By agreement with the Manager, certain significant Unitholders may negotiate a varied (including reduced) fee arrangement in return for contributing an agreed minimum investment amount subject to a minimum holding period (during which period the Unitholder undertakes not to redeem their Units (lock up period)). Any such Unitholder seeking redemption in breach of the lock up period will incur an early exit fee.

#### Expenses

All expenses reasonably and properly incurred by the Trustee, or on behalf of the Trustee, in connection with the Fund (including the establishment and administration of the Fund) or in performing the Trustee's obligations under the Trust Deed are payable or can be reimbursed out of the Fund. These expenses include trustee, administration, legal, custodial, transaction costs, accounting, audit, government charges, taxation, adviser, establishment and any extraordinary expenses.

Each of the Manager and the Trustee pay fees:

- To the Arranger for the Corporate Authorised Representative appointment, and in relation to administration of the Fund;
- In relation to the use of the trading methodology to another ECCM group company.

These fees are paid by the Manager and the Trustee out of the fees received from the Fund and are not an additional expense to Unitholders.

## SECTION 9

### ■ INVESTING IN THE FUND

#### Who Can Invest in the Fund?

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The Fund is only open to investors who qualify as a Wholesale Client as defined in the Corporations Act. An investor will generally be regarded as a Wholesale Client if:

- The investment into the Fund is at least A\$500,000 or, if agreed by the Trustee, the foreign currency equivalent, or
- A qualified accountant certifies that the person has net assets of at least A\$2.5 million, or
- A qualified accountant certifies that the person had a gross income for each of the last two financial years of at least A\$250,000, or
- The client is a professional investor, or
- The client is a Sophisticated Investor.

#### Minimum Investment

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The minimum investment into the Fund is A\$50,000 (or, if agreed by the Trustee, the foreign currency equivalent) subject to the Trustee's discretion to accept a lower amount. Subsequent investments must be greater than A\$10,000 (or, if agreed by the Trustee, the foreign currency equivalent).

#### When to invest in the Fund?

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Applications will be accepted monthly. Completed Application Forms for Units in the Fund and cleared Application Money must be received by the Trustee at least 5 Business Days prior to the end of the month. Units will be issued on the first Business Day of the next calendar month.

#### Issue Price

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On the first allotment, the Issue Price will be A\$1.00 per Unit for the AUD Class, US\$1.00 per Unit for the USD Class, or other initial foreign currency denomination as determined by the Trustee (for other foreign currency classes as applicable). The Issue Price for subsequent allotments will be the Net Asset Value on the last Dealing Day of the month in which an application is received, divided by the number of Units on Issue, rounded up or down as appropriate to the nearest one tenth of one cent (or otherwise as the Trustee decides).

#### Buy-Sell Spread

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The buy-sell spread is the amount determined by the Trustee or Manager, being an amount up to 20 bps of the Redemption Amount. The buy-sell spread is calculated as the amount that the Trustee or Manager reasonably estimate as reflecting any costs and expenses associated with the rebalancing of the Trust's Assets to facilitate the issuance of the new Units associated with the Unitholder's entry into the Trust and the redemption of a Unitholder's Units associated with that Unitholder's entry into and exit from the Trust, and which is necessary to avoid an adverse impact on other Unitholders because of an issue or a redemption. The Trustee or Manager may, in its discretion, at any time in connection with a particular Application or Redemption treat these costs to be a lesser sum or zero. Please refer to Section 10 for how the Redemption Amount, Buy-Sell Spread and the Redemption Price, are calculated.

#### How to Invest

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If you decide that you wish to invest in the Fund, please complete and submit the Application Form accompanying this IM, available at [www.eccm.com.au/stf/apply](http://www.eccm.com.au/stf/apply).

The Trustee has the right to accept or reject any Application in whole or in part in its absolute discretion. The address provided on the Application Form must be the address of the Applicant and not the address of their adviser.

#### Application Money

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Payment of the Application Money is to be made to the bank account notified by the Trustee on the relevant Application Form.

Payment details for Application Money under the USD Class, or any other foreign currency denominated Class, will be separately advised by the Trustee.

## Making Additional Investments

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Additional investments can be made at any time by completing an Existing Investor Application Form (which can be obtained from the Trustee) and making payment of additional application monies into the Application Account. These Application Forms must be received at least 5 Business Days prior to the end of a month.

Additional investment funds will be added to the Fund by the Trustee once accepted.

## Leverage

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The Trustee may, from time to time, in limited circumstances only provide a loan, or leverage, to potential investors, to acquire Units in the Fund. Any such loan, or leverage, will be facilitated by Fund Assets and will be on commercial, arm's length terms.

# SECTION 10

## REDEMPTIONS

### How to make a Redemption from the Fund

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Unitholders may redeem their Units on a monthly basis. If you wish to submit a Redemption Request, please contact the Fund Administrator by email at [administrator@eccm.com.au](mailto:administrator@eccm.com.au) and the necessary form will be provided to you for completion. The completed Redemption Request must be received by the Trustee at least ten Business Days prior to the end of the month. The redemption will be processed on the first Business Day of the month immediately following the receipt of the Redemption Request.

A Redemption Request must specify the number of Units to be redeemed or the dollar amount the Unitholder wishes to redeem. The minimum Redemption Amount is A\$10,000 (or, if agreed by the Trustee, the foreign currency equivalent), subject to maintaining a minimum investment value of A\$50,000 (or the foreign currency equivalent).

In the unlikely event that the Fund or underlying investments become illiquid, the Trustee may reject or holdover the Redemption Request and will notify the Unitholder in writing. The Trustee may also delay the redemption of Units if circumstances outside its control impact its ability to calculate the Redemption Price or realise Assets; or if the Unitholder has not provided appropriate documentation to comply with legal or regulatory requirements.

Unitholders may choose to send Redemption Requests by post or email to the Trustee. If a Redemption Request is sent by post the Unitholder bears the risk of such Redemption Request not being received. None of the Trustee, the Manager or the Arranger accept any responsibility or liability for any loss caused because of non-receipt or late receipt of any mail or for any loss caused in respect of any action taken as a consequence of such instruction believed in good faith to have originated from properly authorised persons.

### Redemption Price, Redemption Amount and the Buy-Sell Spread

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The Redemption Price will be calculated using the Net Asset Value on the last Dealing Day of the month in which the Redemption Request is received, divided by the number of Units on Issue.

The Trustee or Manager calculates the Units Redeemed as:  
 $(\text{Redemption Amount} - \text{Buy-Sell Spread}) / \text{Redemption Price}$

The Buy-Sell spread is 0.2%, which equals 20 bps.

Example of a Unitholder specifying a Redemption Amount on their Redemption Request:

- A Unitholder specifies a Redemption Amount on their Redemption Request seeking to redeem an illustrative \$10,000 from the Trust.
- The Buy-Sell Spread would be \$20 (being 20 bps of \$10,000), retained by the Trust to cover the transaction costs to the Trust of the entry and exit associated with the redeemed Units.
- The number of Units redeemed would be equal to  $\$10,000 - \$20 = \$9,980$  divided by the Trust's Redemption Price as at the end of the month in which the Redemption Request is received.
- If the Redemption Price was \$1.00 per Unit, the Unitholder would have 9,980 Units redeemed.
- The net proceeds to the redeeming Unitholder would be equal to  $\$1.00 \times 9,980 = \$9,980$ .

*Example of a Unitholder specifying a number of requested Units to be redeemed on their Redemption Request:*

- A Unitholder specifies a number of Units to redeem from the Trust on their Redemption Request of an illustrative 10,000 Units.
- The Redemption Price as at the end of the month in which the Redemption Request is received is \$1.00.
- The implied value of the redeemed units or implied Redemption Amount (prior to the application of the Buy-Sell Spread) is \$10,000.
- The Buy-Sell Spread would be \$20 (being 20 bps of \$10,000), retained by the Trust to cover the transaction costs to the Trust of the entry and exit associated with the redeemed Units.
- The net proceeds to the redeeming Unitholder would be equal to \$10,000 - \$20 = \$9,980.

## SECTION 11

### ■ DISTRIBUTIONS

The Fund will distribute all its net taxable income (gross assessable income net of deductible expenses) annually, being within 60 days of 30 June each year. Distributions will be determined based on the number of days that a Unitholder has held Units during that distribution period (financial year).

Distributions will automatically be reinvested in Units in the Fund unless the Trustee receives the Unitholder's instructions to pay out such distributions including the Unitholder's Australian bank account details. Distributions will be paid within one month following the end of the relevant distribution period.

The Trustee may at its absolute discretion distribute the capital of the Fund to Unitholders.

## SECTION 12

### ■ COMMUNICATION AND REPORTING

Unitholders in the Fund are provided with ongoing communication and comprehensive reporting comprised of the following:

#### **Monthly Report**

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A Monthly Report that provides market commentary and an overview of the Fund's performance.

#### **Transaction Confirmation Report**

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A Confirmation Report for any applications and redemptions to and from the Fund.

#### **Annual Unitholder Statement**

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An annual Unitholder Statement that summarises the Unitholder's investment in the Fund. The statement details the total Unit holdings, the Net Asset Value, applicable Unit Price and the current value of the investment. Unitholders may visit [www.eccm.com.au/stf/registry](http://www.eccm.com.au/stf/registry) to see current unitholder information.

#### **Distribution Report**

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A Distribution Report upon allocation of any annual (or special) distribution notifying the Unitholder of the value of the reinvestment and/or payment to their nominated bank account.

#### **Annual Taxation Statement**

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Unitholders will receive a Taxation Statement within 60 days of the end of each financial year. These are issued to provide the Unitholder with taxation information including a detailed summary of the components of any distributions that have been paid.

#### **Annual Report**

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Annual Financial Reports will be made available to Unitholders.

## SECTION 13

### ■ TAXATION

#### Tax Features

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Investing and dealing with investments often has tax implications which can be complex, and which are invariably particular to your circumstances.

**Before investing in the Fund, investors should seek their own independent tax advice in relation to the taxation implications which may arise from investing in the Fund.**

#### Tax Position of the Fund

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The Fund has been established as an Australian resident unit trust.

If the Fund qualifies as an “attribution managed investment trust” (AMIT) for Australian tax purposes, and an election is made to treat the trust as an AMIT, components of taxable income of an AMIT will be attributed to Unitholders on a fair and reasonable basis, rather than based on the share of the trust income to which Unitholders are presently entitled. The AMIT tax system also includes rules for dealing with identified variances in calculating an AMIT’s taxable income, increasing a Unitholder’s cost base of Units where the taxable components attributed to the Unitholder exceeds the amount distributed, decreasing a Unitholder’s cost base of Units where the taxable components attributed to the Unitholders are less than the amount distributed and various other changes.

#### Providing Your Tax File Number

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The Application that forms part of this Information Memorandum includes provision to quote your Tax File Number (TFN), Australian Business Number (ABN) or TFN exemption. As outlined there, you may choose not to do so, however, if you do not quote your TFN, ABN or exemption we are obliged to deduct tax at the highest marginal rate plus any relevant Government levies (including the Medicare Levy) from any income received on your behalf.

#### Goods and Services Tax (GST)

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The Fund is registered for GST. GST is not imposed on the application for, or redemption of Units in the Fund or on any distributions from it. GST will be charged on or incorporated in various expenses paid by the Fund, including the fees charged for managing and administering your investment.

#### Fiscal Year

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The fiscal year of the Fund will end on 30th June in each year.

## SECTION 14

### ■ DISPUTE RESOLUTION AND COMPLAINTS

#### Enquiries and complaints

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If you have a query or complaint, please contact your financial adviser who may be able to deal with it in the first instance on your behalf. If your financial adviser fails to resolve your complaint or query to your satisfaction, please contact [complaints@eccm.com.au](mailto:complaints@eccm.com.au).

## SECTION 15

### ■ ADDITIONAL INFORMATION

#### **No Assurance of Investment Performance or Suitability**

Investment in financial products involves risk. Past performance of financial products or indices is no assurance of their future performance. The performance of financial products (including hedging), portfolios and strategies, and the return of capital are not guaranteed or assured by the Trustee or the Manager or the Arranger or any other related entity or any of their respective directors or officers and employees. An investment in a financial product may have the potential for capital growth and income but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor.

The information in this Information Memorandum is produced without any consideration of the investment objectives, financial situation or particular needs of any person who may read it. Potential investors should obtain their own independent financial, legal and tax advice on investing in the Fund.

#### **Anti-Money Laundering**

In order to comply with current or future regulations aimed at the prevention of money laundering and counter-terrorism financing, including but not limited to the laws and regulations of Australia in force from time to time (AML/CTF law), appropriate detailed identification and verification about an Applicant will be required, which may include identification of underlying beneficial owner(s). The Trustee may delay or refuse to accept an Application (and return any funds received with the Application without interest) of a prospective Applicant who delays or fails to produce any information the Trustee request for verification purposes or if the Trustee is concerned that the Application may breach any obligation of, or cause us to commit or participate in an offence under the AML/CTF law, and the Trustee will incur no liability to you if they do so.

Applications will not be accepted or processed until all required information has been received to the Trustee's satisfaction (including any additional information that may be requested) and the Trustee is satisfied all client identification procedures have been completed, and any other obligations under the AML/CTF law have been complied with. The Trustee may also require you to provide additional information and identification documents to those listed in the Application Form.

The Trustee is obliged under the AML/CTF law to take and maintain copies of any information collected from an Applicant and, in certain circumstances, may be required to disclose an Applicant's information to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) or other government bodies and neither the Manager nor the Trustee nor the Arranger may be permitted to inform the Applicant of any such disclosure. The Manager may also keep such records on behalf of the Trustee.

The AML/CTF law also requires the Trustee to submit certain reports to AUSTRAC. An Applicant's information may be required under the AML/CTF law to be included in such reports. In addition to this disclosure, the AML/CTF law permits the Trustee to provide an Applicant's information to related entities and persons. Aside from disclosures permitted or required under the AML/CTF law, the Trustee and the Manager will ensure that an Applicant's information is kept confidential in accordance with any relevant legislation.

By applying for Units, an Applicant acknowledges that the Trustee may, in its absolute discretion, not issue Units, cancel any Units previously issued, delay, block or freeze any transactions or redeem any Units issued if the Trustee believes it necessary in order to comply with its obligations under the AML/CTF law. In the above circumstances, neither the Manager nor the Trustee will be liable to the Applicant or Unitholder for any resulting loss.

By applying, you warrant that:

- (a) You are not aware and have no reason to suspect that:
  - The monies used to fund your investment have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement ('illegal activity'); or
  - The proceeds of your investment will be used to finance any illegal activities.
- (b) You, your agent, or your nominated Authorised Representative, will provide to the Trustee with all additional information and assistance that may be requested in order to comply with their obligations under any AML/CTF law.
- (c) You are not a 'politically exposed' person or organisation for the purposes of any AML/CTF law.

## **Foreign Account Tax Compliance Act (FATCA)/Common Reporting Standards**

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As part of the application process, you must complete a self-certification form. This form is being used to comply with legislation which gives effect to the OECD Common Reporting Standard and the US legislation known as FATCA. The Trustee is required to collect and report to the Australian Taxation Office (ATO) certain information about the tax residency of account holders. The ATO shares this information with the competent authorities of other jurisdictions as a means of countering global tax evasion. For more information, refer to the ATO website: [www.ato.gov.au](http://www.ato.gov.au).

## **Privacy**

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The information requested on the Application Form is used by the Trustee for the purposes of processing your Application and, if your Application is accepted to administer your investment including reporting to you. The Trustee or the Manager may be unable to process your Application without this information.

You agree, by submitting your Application Form, that the Trustee and/or the Manager may disclose the information to any independent share registry, to any agents, contractors or service providers including banks and professional advisers.

The Corporations Act requires the Trustee to include information about you (including your name, address and details of the Units you hold) in the Register. The information contained in the Register must remain there even if you cease to be a Unitholder.

The Trustee may use your contact details to let you know of future offers of the Trustee or the Manager or the Arranger, but if you do not want to receive these, please contact the Trustee on 02 8090 2669 or by email to [trustee@eccm.com.au](mailto:trustee@eccm.com.au).

If you do not provide the information requested in the Application Form, your Application may not be processed. You have a right to seek access to the information held about you, and (in writing) to ask the Trustee or the Manager to correct any information which is held about you and which you believe is inaccurate, incorrect or out of date.

## **Labour, Environmental, Social and Ethical Standards**

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Neither the Trustee nor the Manager take into account any labour, environmental or ethical standards when investing in the Fund.

## **No Overall Minimum Subscription**

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There is no overall minimum subscription with respect to the Fund. This is different from the minimum subscription of A\$50,000 (or foreign currency equivalent), which is required with each Application.

## SECTION 16

### ■ KEY TERMS AND GLOSSARY

The following words and expressions have the following meanings in this Information Memorandum unless the context requires otherwise:

Adviser	The financial adviser identified in your Application Form who must be an Authorised Representative of an AFS licensee authorised to provide financial product advice to wholesale clients.
Allotment	The allotment or allocation of Units to a Unitholder on acceptance of their Application Form.
AML / CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
Allotment	The allotment or allocation of Units to a Unitholder on acceptance of their Application Form.
Applicant	Any person who has completed and delivered to (a) the Trustee; or (b) any person who is a duly authorised lawful agent of the Trustee; an Application Form but who is not yet a Unitholder.
Application Account	One or more special trust bank accounts or cash management accounts established in the name of the Trustee and kept solely for the purpose of depositing Application Money in relation to the Fund.
Application Form	The Application Form available from the Trustee at <a href="http://www.eccm.com.au/stf/apply">www.eccm.com.au/stf/apply</a> , and accompanying this Information Memorandum.
Application Money	The amount required to be paid, or the value of any cash or other property to be transferred, to the Trustee by an Applicant accompanying their Application Form.
Arranger	East Coast Capital Management Pty Ltd AFSL 339300.
ASIC	The Australian Securities and Investment Commission.
Assets	All the assets in the Fund, including cash and financial products.
ASX	The Australian Securities Exchange.
AUD Class	Class of units denominated in Australian dollars.
Business Day	Means a day on which banks are open for business in both NSW and Victoria.
Buy-Sell Spread	The buy-sell spread amount determined by the Trustee or Manager, being an amount up to 20 bps incurred on the disposal of Units. The buy-sell spread is calculated as the amount that the Trustee or Manager reasonably estimate as reflecting any costs and expenses associated with the rebalancing of the Trust's Assets to facilitate the issuance of the new Units associated with the Unitholder's entry in to the Trust and the redemption of the Unitholder's Units associated with the Unitholder's exit from the Trust, and which is necessary to avoid an adverse impact on other Unitholders because of an issue or a withdrawal of Units, but the Trustee or Manager may at any time, in its discretion, in connection with a particular Application or Redemption treat these costs to be a lesser sum or zero.

Calculation Period	Three month period ending on 31 March, 30 June, 30 September and 31 December each year.
Cash	Any funds which have not been converted into financial products.
Complainant	A person making a Complaint.
Complaint	Any expression of dissatisfaction with the services offered or provided whether internal or external, and if external, whether by a Unit Holder or otherwise.
Corporations Act	The Corporations Act 2001 (Cth).
Custodian	East Coast Capital Management Pty Ltd and/or Interactive Brokers Australia Pty Ltd and/or other third party Custodians engaged by the Trustee.
Dealing Day	The last calendar day of each month.
Derivative	A derivative is a security with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes.
ECCM group	A company within the ECCM group of companies.
Effective Federal Funds Rate (EFFR)	The effective federal funds rate published by the New York Fed daily.
Exchange	ASX, ASX 24 and Cboe Australia and of the clearing facilities operated by ASX Clear and ASX Clear (Futures) or any other exchange in which the Broker participates. This will include numerous overseas Exchanges.
FATCA	The Foreign Account Tax Compliance Act and is United States (US) legislation aimed at improving compliance with US tax laws. FATCA imposes certain due diligence and reporting obligations on Australian financial institutions including the Trustee and those of other non-US countries, to report US citizen or US tax-resident Account Holders to the US Internal Revenue Service.
Fund or Scheme	ECCM Systematic Trend Fund.
Fund Administrator	MSC Abacus Pty Ltd (ACN 630 730 684).
FUM	Funds Under Management being the aggregate amount of all Assets at that time.
GST	Goods and Services Tax as defined in A New Tax System ( <i>Goods and Services Tax</i> ) Act 1999.
High Water Mark	The Net Asset Value per unit at the end of the most recent Calculation Period in respect of which a Performance Fee was paid to the Manager or a Distribution paid to Unitholders. Where the Performance Fee is paid for the first time the Net Asset Value for the purposes of this definition means \$1.00.
Hurdle Rate	The Hurdle Rate for the AUD Class is the RBA cash rate, calculated daily. The Hurdle Rate for the USD Class is the Effective Federal Fund Rate (EFFR), calculated daily. The Hurdle Rate for other classes of Units denominated in other currencies is the relevant central bank rate, as determined by the Trustee.
Information Memorandum or IM	This Information Memorandum and any further supplementary or replacement information memorandums.

In specie	The actual financial product or Asset being transferred rather than selling the financial product or Asset and transferring the proceeds of the sale of the financial product or Asset.
Investment Mandate	The investment strategy or plan applied by the Manager on behalf of the Trustee and described in Section 6.
Management Fee	The fee described as the Management Fee in Section 8: Fees and Other Costs.
Manager	ECCM Australia Pty Ltd ACN 664 662 846.
Net Asset Value or NAV	The value of the assets less the liabilities of the Fund.
Open Positions	A generic term to describe ownership of any type of financial product such as securities or derivatives.
p.a.	Per annum.
Performance Fee	The fee described as the Performance Fee in Section 8: Fees and Other Costs.
Positions	See definition of "Open Positions".
RBA	Reserve Bank of Australia.
Rebalancing	Occurs when the Manager is required to buy or sell Assets to bring the Fund back in line with the Investment Mandate. For example, if there is a redemption or a subscription.
Redemption	Refers to a reduction of Assets as a result of a Unitholder requesting a payment of funds (in return for a cancellation of its corresponding Units). This may be achieved by a transfer of some of the Assets in specie.
Redemption Amount	Means the dollar value of a Unitholder's requested redemption of Units in the Trust (prior to the application of the Buy-Sell Spread).
Redemption Price	Means the NAV on the last Dealing Day of the month in which the Redemption Request is received divided by the number of Units on issue.
Redemption Request	A written request to the Trustee to redeem Units.
Trustee	ECCM STF Pty Ltd ACN 664 673 330.
Trustee Fee	The fee described as the Trustee Fee in Section 8: Fees and Other Costs.
Units Redeemed	Means (Redemption Amount - Buy-Sell Spread) / Redemption Price.

## SECTION 17

### ■ WHOLESALE CLIENT INFORMATION

Following is a summary of the main categories of what constitutes a “wholesale client”.

<p>1. Invest at least A\$500,000 at one time, or the equivalent in a foreign currency.</p>	
<p>2. Invest at least A\$500,000 (or the equivalent in a foreign currency) together with an associate at one time.</p>	<p>Reasons the investor and someone else can be associated include:</p> <ul style="list-style-type: none"> <li>■ The other person is a trustee of a trust in relation to which the investor benefits or is capable of benefiting.</li> <li>■ The other person is a person with whom the investor is acting in concert, or proposes to act in concert, in respect of the investment.</li> <li>■ The other person is a person with whom the investor is, or is proposing to become associated, whether formally or informally, in any other way in respect of the investment.</li> </ul>
<p>3. The investor and a body corporate which the investor wholly owns and controls together invest at least A\$500,000 (or the equivalent in a foreign currency) in aggregate.</p>	<p>See below for the meaning of ‘control’.</p>
<p>4. The investor has an accountant’s certificate that shows that they have net assets of at least A\$2.5 million or gross income for each of the last two financial years of at least A\$250,000. The certificate must not be more than 2 years old.</p>	<p>And in calculating the A\$2.5 million or A\$250,000 the investor can include the net assets or gross income (as relevant) of any company or trust it controls. See below for meaning of ‘control’.</p>
<p>5. The investor is a company or trust controlled by someone who has an accountant’s certificate as mentioned in number 4.</p>	<p>‘Control’ means you have the capacity to determine the outcome of decisions about the company or trust’s financial and operating policies. The practical influence you can exert (rather than the rights you can enforce) is the issue to be considered and any practice or pattern of behaviour affecting the company or trust’s financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).</p>
<p>6. The investor is a business which is not a small business.</p>	<p>A small business is one that employees less than 100 employees if that business is or includes the manufacture of goods, or otherwise is a business which employs less than 20 people.</p>
<p>7. The investor is a subsidiary or holding company of another body corporate which is a wholesale client.</p>	
<p>8. The investor has a financial services licence.</p>	

<p>9. The investor is the trustee of a superannuation fund with net assets of at least A\$10 million.</p>	
<p>10. The investor controls at least A\$10 million.</p>	<p>Including any amount held by an associate or under a trust that the investor manages.</p>
<p>11. The AFSL holder considers the investor to be a sophisticated investor.</p>	<p>(a) The Arranger or another AFSL holder must be satisfied on reasonable grounds, that the client has previous experience in using financial services and investing in financial products that allows the client to assess:</p> <ul style="list-style-type: none"> <li>■ the merits of the Trust;</li> <li>■ the value of the Units in the Trust;</li> <li>■ the risks associated with holding Units in the Trust;</li> <li>■ the client's own information needs; and</li> <li>■ the adequacy of the information given by the Trustee.</li> </ul> <p>(b) The Arranger or the other AFSL holder must give the client before or at the time when the Units are issued, a written statement of the Arranger's or AFSL holder's reasons for being satisfied as stated above.</p> <p>(c) The client must sign a written statement before or at the time when the product or service is provided, acknowledging that the Arranger or other AFSL holder:</p> <ul style="list-style-type: none"> <li>■ has not provided the client a Product Disclosure Statement or any other document that would normally be required to be given to a retail client; and</li> <li>■ has no other obligations towards the client that would apply if the client were retail.</li> </ul>





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