



Avangard Alpha Fund

Information Memorandum

1 August 2025

Version 2

1. CORPORATE DIRECTORY

Fund Manager: Avangard Pty Ltd

Directors: Avangard Capital Pty Ltd

Chief Executive Officer: Alfred Eggo (Investment Manager - Systems Developer)

Chief Operating Officer: Jules Aknin

Principal Place of Business & Registered Office:

Shop 4, 160 Central Arcade, 811 Hay Street, Perth, WA 6000 (AU)

Email: Office@avangard.au

Trustee: Banxly Investment Group Pty Ltd

Address: Level 21 – 567 Collins Street Melbourne 3000

Email: team@banxly.com.au

Solicitors: Hall & Wilcox

Address: Tower 376 - Level 31 390 Collins Street, Melbourne VIC 3000

Bankers: ANZ Banking Group, 161 Castlereagh Street, Sydney NSW 2000

Electronic copy of this document may be obtained from the following email address:

Jules.Aknin@Avangard.au

Table of Contents

1. CORPORATE DIRECTORY.....	2
2. IMPORTANT NOTICE AND CONFIDENTIALITY	7
3. SUMMARY.....	10
3.1. Objective of the Fund	10
3.2. Features of the Fund	11
3.3. How do Managed Funds Work?	13
3.4. Why should I Consider Managed Funds?	13
4. OUR INVESTMENT APPROACH	14
4.1. We are an Active Fund Manager	14
4.2. We adopt a Disciplined, Scientific Approach to Managing our Investments	14
4.3. Experience of Funds Management Team.....	15
5. MANAGEMENT OF THE AVANGARD ALPHA FUND.....	18
5.1. Background.....	18
5.1.1. Efficient Market Hypothesis	18
5.1.2. Machine learning.....	18
5.2. Rigorous Analysis Based on Scientific Disciplines.....	19
5.3. So how do we do it?	20
5.4. How do we apply this?	21
5.5. Why our Approach?	22
5.6. Our Competitive Advantage	23
5.7. Proprietary Portfolio Optimisation.....	23
5.8. Portfolio Index Modelling	23
5.9. AI and Machine Learning Technology.....	24
5.9.1. Development and Operation	24
5.9.2. Distinguishing Features.....	24
5.9.3. Key Dependencies	25
5.9.4. Inherent Risks	25
5.10. Weekly Portfolio Construction.....	25
6. RISK FACTORS.....	27
6.1. What the Risks Are?	27
6.2. Investment Returns.....	27

6.3. Returns Vary from Year to Year.....	28
6.4. Investment Timeframe	28
6.5. Fund Benchmark Performance	29
7. OTHER RISKS.....	30
7.1. Guarantee.....	30
7.2. Legal, Tax and Regulatory Risks.....	30
7.3. No Warranty.....	30
7.4. Past Performance is not Necessarily a Good Indicator of Future Performance.....	31
7.5. Reliance on the Fund Manager and Key Personnel.....	31
7.6. Suspension of Trading	31
7.7. Data	32
7.8. Interest Rate Fluctuations	32
7.9. Limitations of Hedging Techniques	32
7.10. Liquidity Risk	32
7.11. Size Risk.....	32
7.12. Transaction Costs & Expenses.....	32
7.13. Redemption risk.....	33
7.14. Tax risk.....	33
7.15. Fees and expenses risk	33
7.16. Currency risk.....	33
7.17. Cyber risk and exposure	34
7.18. Emerging market risks.....	34
7.19. Concentration and diversification risk	34
7.20. Company specific investment risk.....	34
7.21. Foreign investment risk.....	34
7.22. Information not complete or accurate	35
7.23. Fund Manager Investment Risk.....	35
7.24. Other risks	35
8. INVESTMENTS.....	36
8.1. What Types of Investments Can We Make?	36
9. FEES & EXPENSES.....	37

9.1. GST	37
9.2. Application Fee	38
9.3. Management & Performance Fees	38
9.3.1. Management Fee	38
9.3.2. Performance Fee	38
9.3. Redemption Fees	39
9.4. Differential Fees.....	39
9.5. Trustee Fees	40
9.6. Expenses.....	41
9.7. Establishment and Promotional Expenses	41
9.8. Transaction Costs and Government Charges	42
9.9. Income and Distributions.....	42
10. TAXATION	43
10.1. General information	43
10.2. Potential Taxation Issues for Investors	43
10.3. Tax File Number (TFN).....	44
10.4. Tax Reform.....	44
11. ADDITIONAL INFORMATION.....	45
11.1. Management and Administration of the Fund.....	45
11.1.1. The Fund Manager	45
11.1.2. Brokers & Facilitators	45
11.2. Custodian and Administrator.....	45
11.3. Auditor	46
11.4. Legal counsel	46
11.5. Trust Deed of the Fund	46
11.5.1. Units and Classes	47
11.5.2. Rights of Unit-holders	47
11.5.3. Liability of Unitholders	47
11.5.4. Creation & Issue of Units	47
11.5.5. Transfers	48
11.5.6. Redemption of Units	48
11.5.7. When the Fund is Liquid	49
11.5.8. When the Fund is Illiquid	49
11.5.9. General Provisions	49
11.5.10. Valuation of Assets	50
11.5.11. Removal of the Fund Manager.....	50

11.5.12.	Trustee Indemnity	50
11.5.13.	Temporary Suspension of Determination of NAV	50
11.5.14.	Powers of the Trustee	51
11.5.15.	Amendments to the Trust deed	51
11.5.16.	Complaints	51
11.5.17.	Instructions	52
11.5.18.	Benefits to the Fund Manager & Others	53
11.5.19.	Privacy Disclosure	53
11.5.20.	Information Rights	53
11.6.	Reporting	54
11.7.	Foreign Account Tax Compliance Act (FATCA)	54
11.8.	Common Reporting Standard (CRS)	54
11.9.	Anti-money laundering law	55
12.	<i>ELIGIBLE APPLICANTS</i>	<i>56</i>
12.1.	Eligible Investors – General	56
12.2.	Applicants Outside Australia	56
12.3.	Sophisticated or Professional Investors	56
12.4.	Evidence of Eligibility	56
12.5.	Application Forms	56
12.6.	Processing your Application	57
12.7.	Transaction Confirmation	57

2. IMPORTANT NOTICE AND CONFIDENTIALITY

This Information Memorandum (Information Memorandum or IM) provides general information on the Avangard Alpha Fund (the "Fund"), which will be established by Banxly Investment Group Pty Ltd ACN 652 385 807 (the "Trustee" or "Banxly") and managed by Avangard Pty Limited (the "Fund Manager", "Avangard", "we", "our", or "us"). The Fund Manager acts as a Corporate Authorised Representative under Banxly, which holds an Australian Financial Services Licence and Australian Credit Licence number 538864. Banxly is the trustee of the Fund. The recipient of this Information Memorandum (the "Recipient") can decide whether to invest in the Fund by thoroughly reviewing this Information Memorandum, subject to the disclaimer and other qualifications set out in this document.

Limited Purpose and Context of Memorandum

This Information Memorandum has been prepared for the sole purpose of assisting the Recipient to make their own assessment of the Fund so as to determine whether they wish to become an investor in the Fund. Recipients who are selected to participate will be expected to undertake their own due diligence investigations in relation to the decision to participate in the Fund. This Information Memorandum does not purport to contain all of the information that a Recipient may require for the purpose of considering an investment in the Fund. In this regard, it must be noted that this Information Memorandum is not a disclosure document nor a product disclosure statement prepared under the Corporations Act and does not contain or purport to contain information that would be required to be contained in a disclosure document or a product disclosure statement required by the Corporations Act.

No Representations, Warranties or Liabilities

The Trustee, Fund Manager and their advisers (or their respective associated companies or businesses, partners, directors, officers or employees) do not make any representations or warranties, express or implied, as to the accuracy, reliability or completeness of the information contained or referred to in this Information Memorandum or subsequently provided to the Recipients. To the maximum extent permitted by law, none of those persons will have any liability (whether arising from negligence or otherwise) for any loss or damage caused by any representations or warranties (expressed or implied) or information contained or referred to in, or for any omissions from, this Information Memorandum or any written, oral or other communications transmitted to Recipients in the course of their evaluation of the Fund or in connection with an investment in the Fund.

Qualification

The information included in this Information Memorandum involves subjective judgment and analysis and is subject to uncertainties and contingencies, many of which are outside the control of the Fund. Actual events may vary significantly from these prospects and the assumptions on which those prospects are based. Recipients should therefore make their own enquiries and investigations of those assumptions and prospects and the impact that different future outcomes may have on the Fund.

No Compensation

None of the persons referred to above are liable to compensate or reimburse any Recipient for any liabilities, costs or expenses incurred in reviewing, investigating, analysing or investing in the Fund.

No personal advice

Investors should read the whole of this IM before making a decision about whether to invest in the Fund.

The information contained in this IM is general information only and is not personal financial product advice. It does not take into account the individual objectives, financial situation, needs or circumstances of any person.

Investors should not construe the contents of this IM as tax or investment advice and should consult their own financial advisor, solicitor, business advisor and/or tax advisor as to financial, legal, business, tax, and related matters in relation to the Fund.

Acknowledgment by Recipient

By submitting an application to participate in the Fund, the Recipient acknowledges that this Information Memorandum has been prepared for the sole purpose of assisting Recipients to make their own assessment of the Fund to enable Recipients to decide whether to invest in the Fund.

Corporations Act Requirements

This Information Memorandum has not been and will not be lodged with the Australian Securities & Investments Commission. Any invitation to make an investment in the Fund will be an offer that does not need the issue of a product disclosure statement or prospectus under the Corporations Act. By submitting an Application to invest in the Fund pursuant to this Information Memorandum, the Recipient represents to the Trustee and Fund Manager that the Recipient is a wholesale client for the purposes of the Trustee issuing the Recipient with interests in the Funding accordance with the Corporations Act (if their Applicant is accepted).

The Fund does not constitute a managed investment scheme that is required to be registered under the Corporations Act.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Information Memorandum should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents of countries other than Australia should consult their professional advisers to determine whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

Avangard Alpha Fund

3. SUMMARY

3.1. Objective of the Fund

The objective of the Avangard Alpha Fund is to achieve strong medium to long-term capital growth by investing in listed Australian companies and financial products. It will be operated as a managed investment scheme where its investment strategy aims to protect its investors from potential capital losses that may be incurred by its investments during times of market stress and falling prices. In addition, by utilising its proprietary Portfolio Optimisation technology known as A.L.F.R.E.D. (owned by its sister company AGIO Capital - ABN 48 101 823 876 and exclusively licensed for use in the Australian market only), the Fund will aim to create low-volatility, uncorrelated, efficient portfolios to generate Alpha. None of the Trustee nor the Fund Manager guarantees protection from capital losses, the performance of the Fund, or the return of income or capital invested.

Investors should refer to section 5 of the Information Memorandum to understand the risks of investing in this Fund

The Fund Manager will determine its investments based on the output of A.L.F.R.E.D. technology machine learning models of the Australian financial markets. Use of this approach allows Avangard to design and implement investment strategies in relation to pricing and trading securities and attempt to exploit market inefficiencies that occur in financial markets. The Fund will be managed by Avangard Pty Ltd, which operates as a Corporate Authorised Representative under Banxly Investment Group Pty Ltd, trading as Banxly (ACN 652 385 807). Banxly holds an Australian Financial Services Licence and Australian Credit Licence number 538864.

Details of the Fund Manager are set out in Section 2. The Fund is an Open Fund with new applications processed monthly. Applicants will be limited to "wholesale clients" as that term is defined in the Corporations Act or to persons who do not require the issue of a product disclosure statement under the Corporations Act. Applications will only be made by completing the Application Form attached to this Information Memorandum, Avangard Capital will also implement an online onboarding on our website Avangard.au to make the process smoother. That form requires your confirmation that you fall within the category of wholesale client.

The Fund Manager (Avangard Pty Limited) may invest in the Avangard Alpha Fund by subscribing for 'Manager Class Units' in order to align the interests of the Fund Manager with those of investors. Related entities and parties of the Fund Manager, including officers, directors, employees, family, friends and associated affiliates may also subscribe for Manager Class Units. Please see section 1.2 below for more information on Manager Class Units.

Note: A.L.F.R.E.D. means Adaptive Learning For Ranking Equities & Derivatives.

3.2. Features of the Fund

The following are the key features of the Fund: Investors: Suitable investors with a medium to long term outlook who are seeking to diversify their exposure to the financial markets as part of their overall investment strategy.

- The Investment: Units in an Australian unit trust.
- Fund Size: The maximum Fund size is 250 million Units.
- Minimum Initial Investment: \$500,000.
- Minimum Additional Investment: \$20,000

The Trustee, in consultation with the Fund Manager, may accept applications for initial investments or additional investments of a lower amount.

Applications:

The Trustee, in consultation with the Fund Manager, intends to process applications to invest in the Fund on a monthly basis throughout the life of the Fund. Applications for units must be received no later than 14 Business Days prior to the last Business Day of each month to be considered for issue in that month, allowing time for processing and due diligence. Applications received after this time will be processed the following month. The value of additional units will be determined according to the Fund Trust Deed.

The Trustee, in consultation with the Fund Manager may reject applications at its absolute discretion. Applications which are not accepted, or are accepted for a lower number of units than the number applied for, will be refunded without interest, as applicable.

Distributions: Distributions generally will be calculated annually at the end of each Financial Year, and paid as soon as practicable after the end of each Financial Year once valuation, accounting and auditing requirements are complete, unless otherwise determined by the Trustee in consultation with the Fund Manager. Distributions may be reinvested and Unit-holders are required to nominate if they wish to reinvest their distribution entitlements. An election can be made on the attached Application Form. The Trustee, in consultation with the Fund Manager may determine that a distribution may not be reinvested.

Redemptions: Available monthly. Redemption requests must be received by 5pm, 30 Business Days prior to the last Business Day of the relevant month (the Redemption Date). The first available Redemption Date will be the last Business Day of the first two months of units first being issued in the Fund (Commencement Date). Funds will typically be paid within 10 Business Days after the Redemption Date, subject to the fund's liquidity."

Unit-holders should be aware that reinvestment of distributions will not provide any relief from income tax payable on such distributions. In some circumstances, unit-holders may need to fund income tax payable on distributions from sources other than distributions due to reinvestments. Unit-holders should seek their own tax advice in relation to the above.

Minimum Redemption Amount: \$20,000.

The Trustee, in consultation with the Investment Manager, may accept redemption requests of a lower amount.

Valuation Date: the last Business Day of each month, unless otherwise determined by the Trustee in consultation with the Fund Manager.

Unit Price: the first Units in the Fund will be issued on the Commencement Date at AUD \$1.00 each.

Unit Price Calculation: Calculated according to the Fund Trust deed on each Valuation Date.

Fees & Expenses: A summary of the fees and expenses that apply to investments in the Avangard Alpha Fund is set out in Part 9 (Fees & Expenses)

of this Information Memorandum. The Fund distinguishes between Early Investor Class Units (available to investors who apply and

are accepted prior to the Early Investor Cutoff date) and Ordinary Units. Early Investor Class Units benefit from lower ongoing fees

which are locked in for the life of those units. Fees & expenses can include application fees, management fees, performance fees,

redemption fees, trustee fees, and operational expenses. Details, definitions, and applicable rates for each fee, as well as conditions

for how and when they apply, can be found in Section 9 ("Fees & expenses") of this IM. The Trustee, in consultation with the Fund Manager, may extend the Early Investor Cutoff by updating this IM and notifying investors and/or issue Early Investor Units to new investors to the Fund after the Early Investor Cutoff, at its absolute discretion.

Manager Class Units: The Fund Manager or its related parties (including officers, directors, employees, family, friends and associated affiliates) may make a co-investment in the Fund by subscribing for Manager Class Units.

Manager Class Units will generally be issued on terms which mirror the terms of ordinary units in the Fund issued to investors, except that there will be no Application Fee, Management Fee, Performance Fee, Redemption Fee, or Trustee Fee payable in relation to the Manager Class Units.

The Trustee and Fund Manager have policies and procedures in place to manage any conflicts of interests that may arise in respect of the issue of Manager Class Units.

Australia taxation: Investors should obtain their own tax advice before investing in the Fund.

Term of Fund: 30 years.

Benchmark: We use the S&P/ASX 200 Accumulation Index to determine our performance relative to the broader market only. This benchmark is not used to determine the Performance Fee or any other performance obligation.

3.3. How do Managed Funds Work?

When you invest in any managed fund, you are issued units that represent your proportion of the underlying investments of the fund. Depending on the value of these underlying investments, the price of the units in the fund will rise and fall. Your funds are pooled together with that of other investors and invested according to the objectives and guidelines set out in this document and the Fund Trust deed.

At the end of each month, you can elect to redeem all of your investment or redeem part of your investment by providing a redemption request to the Trustee or Fund Manager with 30 Business Days notice of the relevant month you wish to redeem your investment. Redemptions may be accepted, refused, or partially satisfied at the absolute discretion of the Trustee in consultation with the Fund Manager and is subject to the liquidity of the Fund.

Unit-holders should seek their own advice in relation to any income tax consequences arising from redemption of units.

In addition, you can make additional monthly investments at the then prevailing unit price (which is determined by monthly valuations based on how the fund has performed).

3.4. Why should I Consider Managed Funds?

When you invest in a managed fund, your money is pooled with that of other investors, so you may be able to take advantage of a range of investment opportunities which may not otherwise be available to you if you wished to invest in that asset alone.

4. OUR INVESTMENT APPROACH

4.1. We are an Active Fund Manager

This means we make investment decisions based on our continual assessment of which assets are likely to maximise wealth creation over time. Our approach contrasts with that of passive investment managers who look to replicate particular market indices. Market indices, or 'benchmarks' as they are often called, are in the Fund Manager's opinion not a measure of good investments; rather they reflect an average of all investments making up the relevant index – both good and bad. We believe that the dynamic nature of investment markets enables us to add value through our active approach and, as such, our approach aims to achieve investment returns above those of relevant market indices.

In applying our active approach, we select investments which we believe offer the strongest prospects on a short, medium and long term basis. Final portfolio selection (usually 20 single investments) is based on identifying stocks (or bonds, currencies, ETFs, etc) that we believe contribute to a low volatility, uncorrelated set of highly liquid assets. Avangard's investment portfolios are modelled daily, using the same methodology that we employ for any individual asset thus attempting to ensure that the portfolio is kept under statistical control.

4.2. We adopt a Disciplined, Scientific Approach to Managing our Investments

This means that we continuously monitor and control various investment risks. As a professional investment manager, our role is not to avoid risk, but rather to understand the relationship between risk and return and to manage risk appropriately.

We recognise that in the short term two factors influence the direction and extent of market movements. Firstly, fundamental factors that we regularly analyse and that include leading economic indicators, supply and demand influences, political issues and taxation considerations. Furthermore, sentiment, which can dominate fundamental factors in the short & medium term and may manifest in highly emotive and 'herd-like' behaviour among investors. Avangard's models attempt to capture this important driver of the markets through our Risk-Adjusted Momentum Models (RAM).

4.3. Experience of Funds Management Team

The Fund Manager will be responsible for managing the Fund. The experience of the Directors of the Fund Manager is set out below.

Alfred Eggo - Chief Executive Officer & Investment Manager

Alfred (Alf) Eggo is CEO and Investment Manager and founding shareholder of the Fund Manager. Alf graduated with an Honours degree from Victoria University of Wellington in 1979. Alf joined the CRA/Rio Tinto Group in 1980 and in 1994 Alf was appointed manager of the Data/Information Visualisation and Geochemistry & Regolith Units of the CRA Exploration Information Group, based in Canberra. During this period he led development of new methods to assess and visualise extremely large volumes of scientific data, including research into the use of Expert Systems, Artificial Intelligence and Machine Learning and advanced statistical analysis with scientific data sets comprising thousands of variables. In 1996 Alf began using his specialist expertise to compile large commodity and financial databases. His research into the complex relationships between financial variables, such as commodity prices, currencies, interest rates, and equity prices led to the development of the quantitative methodology (A.L.F.R.E.D.) used by Avangard. In 2017 Alf entered into joint venture with RVF Capital, based in Melbourne, to apply his specialist knowledge in machine learning to the mineral exploration business. This eventually led to SensOre Limited, a business floated on the ASX in January 2022. Alf is the developer of the investment system (A.L.F.R.E.D.) utilised by the fund manager to make all investment decisions regarding the construction of the uncorrelated investment portfolios.

Jules Aknin - Chief Operating Officer

Jules Aknin is Chief Operating Officer and founding shareholder of the Fund Manager. Jules has extensive experience in entrepreneurship and operational management, Jules has successfully founded and scaled businesses in the food service and international education sectors, managing over \$5 million AUD in annual sales. At Avangard Capital, Jules oversees daily operations, business strategy, including budgeting and forecasting. He is responsible for developing relationships with investors and partners while ensuring regulatory compliance (With the help of the trustee of the fund "Banxly") and optimising operational efficiency. His diverse skill set includes business development, financial management, market analysis, and risk assessment. Bilingual in French and English, he leverages his entrepreneurial insight to drive the firm's success and deliver exceptional value to investors. Being in charge of the day-to-day operation, Jules strives for results and believes that our best marketing will always be our client satisfaction.

Dr. Dane Burkett - Chief Technical Officer

Dane has a strong background in database management, statistics, and data science, along with expertise in ML frameworks. Dane is also highly proficient in the use of "R" open source statistical analysis/machine learning software along with IBM's SPSS™ software also used for financial modelling, and is proficient in Python. Dane holds a PhD in Geology from the University of New South Wales and was a recipient of the University Medal for his undergraduate studies. During Dane's PhD he applied machine learning to geochemical data to predict rock types. Dane and Alf have worked together for several years applying machine learning techniques to geoscientific data from the mining and exploration sectors.

Aaron Gibson - Database Administrator/Modeler

Aaron Gibson is Agio Capital's database administrator and has been involved in the management of the large financial databases utilised by the system for modelling the markets worldwide for over 24 years. Aaron performs the critical QA/QC to ensure the integrity of the financial data supplied by our data suppliers and executes the machine learning code required by the investment system.

Importantly, he has also contributed significantly to the development of the investment system over the years including suggestions in the use of “proxy” data for new stock market floats and the desirability of developing methods to forecast future market prices.

Prior to his current work Aaron was contracts administrator for both Don Russell Homes and Ross North Homes.

The Fund Manager may in the future appoint other experienced executives.

We aim to select shares that we believe will perform well over the short, medium and long term and provide our investors with returns above the market average. In order to achieve this objective we focus on investing in companies which we believe may be undervalued by the broader share market (that is, when the share market valuation of a company, as seen in the share price, does not reflect our views on the true value of that company).

When selecting investments for our portfolio we make decisions using a range of valuation and analytical techniques. For example, we will carefully analyse the fundamental factors that influence a company's ability to create value for shareholders. Our analysis process is discussed in more detail below.

All of this analysis forms the basis of our investment selection. Once selected, we then manage the portfolio, deciding the quantity of each investment to hold to create a portfolio that we believe best meets the funds objectives. Finally, our portfolio is monitored (& modelled) daily to aim for an optimal blend of assets to attempt to provide our investors with the best chance of receiving above average growth in the medium to long term. The Avangard Alpha Fund will be

optimised using advanced machine learning tools to attempt to minimise volatility and at the same time outperform the market.

None of the Trustee nor the Fund Manager guarantees protection from capital losses, the performance of the Fund, or the return of income or capital invested. Investors should refer to section 5 of the Information Memorandum to understand the risks of investing in this Fund.

This Fund is being offered for the first time in this document.

5. MANAGEMENT OF THE AVANGARD ALPHA FUND

5.1. Background

5.1.1. Efficient Market Hypothesis

Avangard's quantitative models, as provided by Agio Capital Pty Limited, use machine learning methods to analyse vast global financial markets and quantitatively model the relationships between these and the many individual financial instruments or variables that make up each of these markets. One of the founding principles to our approach is that we believe markets are generally "Efficient". The "Efficient Markets Hypothesis" holds that markets are a collection of buyers and sellers all of whom are attempting to make a profit by predicting the future value of a given instrument based on their individual analyses of the likelihood of that instrument returning a profit. The resulting price is the consensus of all market participants analyses of that particular instrument and therefore represents all of the available information about that instrument and thus is a fair representation of its intrinsic value.

A statistical description of this theory is to view the markets as a "Random Walk" where daily returns are totally unpredictable in nature where actual movements in stock prices are the result of investors reacting (positively or negatively) to unpredictable news events and company announcements. This theory is demonstrated quite unambiguously in the daily returns in the ASX S&P200 Index of stocks.

The consensus view of investors can, however, temporarily result in an instrument changing hands at prices well above or below its potential future intrinsic value. We seek to identify these pricing "Anomalies" through the application of our sophisticated modelling capabilities and in turn exploit the resulting "mis-pricing" that can occur on a daily basis or at longer timeframes.

More importantly, Avangard's machine learning defined Momentum Models (i.e. RAM) measure the "Herding" of Investors, part of a new investment theory called "Behavioural Finance"),

Note: The database currently comprises nearly 12,400 individual financial variables held in multiple database tables in some cases containing daily financial data going back over 100 years. It is expected that this database will grow exponentially over time.

Avangard refers to these Momentum Models as RAM, Risk-adjusted Momentum.

5.1.2. Machine learning

Machine learning is a subfield of artificial intelligence (AI) that focuses on the development of algorithms and statistical models that enable computers to learn and improve their performance on a specific task without being explicitly programmed for that task.

The central idea behind machine learning is to allow computers to learn from data and make predictions or decisions based on patterns and relationships discovered within that data.

The process of machine learning typically involves the following steps:

- **Data Collection:** Gathering relevant data related to the problem at hand. This data serves as the training set for the machine learning algorithm.
- **Data Preprocessing:** Cleaning, transforming, and organising the data to ensure its quality and relevance to the learning task.
- **Feature Extraction:** Identifying and selecting the most important features or attributes from the data that are likely to influence the model's predictions.
- **Model Selection:** Choosing an appropriate machine learning algorithm or model based on the problem's nature and the available data.
- **Training:** The selected algorithm is fed with the training data, and it adjusts its internal parameters iteratively to find the best way to map inputs to desired outputs.
- **Evaluation:** After training, the model is tested on a separate set of data, called the test set, to assess its performance and generalisation abilities.
- **Fine-tuning:** If necessary, the model may undergo further adjustments to improve its performance, also known as hyper-parameter tuning.

Machine learning can be categorised into different types:

- **Supervised Learning:** The algorithm is trained on labeled data, where each input is associated with the correct output. The model learns to make predictions based on the input-output pairs.
- **Unsupervised Learning:** The algorithm is trained on unlabelled data, and it tries to find patterns or structures in the data without explicit guidance. Clustering and dimensionality reduction are common tasks in unsupervised learning.
- **Semi-Supervised Learning:** This is a combination of supervised and unsupervised learning, where the algorithm is trained on both labeled and unlabelled data.
- **Reinforcement Learning:** The algorithm learns through interactions with an environment, receiving feedback in the form of rewards or penalties based on its actions. The goal is to maximise the cumulative reward over time.

Machine learning has found applications in various domains, including image and speech recognition, mineral exploration and mining, natural language processing, recommendation systems, autonomous vehicles, medical diagnosis, financial forecasting, and much more. Its ability to learn from data and adapt to new situations makes it a powerful tool for solving complex problems in today's technology-driven world.

5.2. Rigorous Analysis Based on Scientific Disciplines

Our technology and knowhow has been developed over 20 years as a result of research on factors driving global financial markets since the late 1980's. We began by gaining a thorough

understanding of the conventional wisdom, techniques and systems used in the analysis of financial markets. It soon became apparent that all of the conventional systems had weaknesses and something bold, different and rigorous was needed.

1. Accordingly, we set about developing a system that:

- Incorporates a fundamental, data driven, approach;
- Uses historical financial data as the foundation block of the analysis;
- Integrates advanced machine learning algorithms analysis (both supervised and unsupervised`);
- Uses cost effective supercomputing technology;
- Aims to minimise risk through the computation of probabilities; and,
- Adapts continuously to new market conditions.

The overriding objective throughout this research and development has been to produce a system that:

- Is entirely quantitative and avoids subjectivity;
- Attempts to identify on a daily basis financial sectors and stocks which may produce optimal returns;
- Produces a simple buy/hold/sell output at various timescales; and,
- Ranks stocks and other financial assets to enable us to attempt to construct efficient portfolio's utilising our proprietary portfolio optimisation software.
- Automatically constructs a 20-stock (or other assets) uncorrelated, low volatility portfolio that aims to outperform the general market. The portfolio is held as long as possible, with minimum trading and constantly monitored on a daily basis to ensure that any downside risk is kept to a minimum.

5.3. So how do we do it?

We believe that, although it is difficult to predict the future direction of the financial markets, by studying the complex interrelationships between many thousands of variables from a number of markets (Figure 2) over time we may be able to identify an optimum combination of variables that reliably identifies, in a probabilistic manner, systematic trends (commonly called momentum) in financial assets.

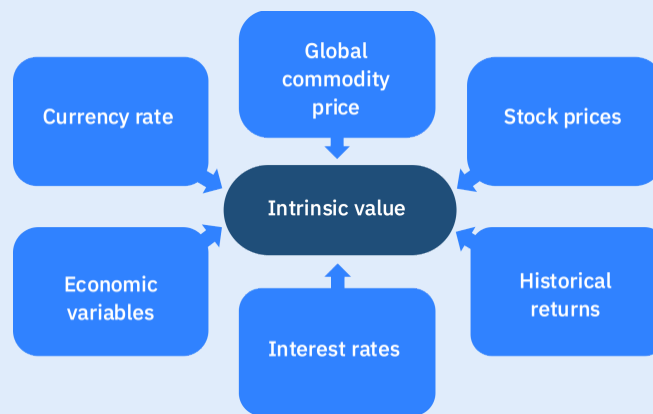


Figure 2: Avangard “Intrinsic Pricing Model” of the markets.

This is possible due to the “herding behaviour” of investors and which was formalised by Richard Thaler, the 2017 recipient of the Nobel Memorial Prize in Economics for “incorporating” psychologically realistic assumptions into analyses of economic decision-making. By exploring the consequences of limited rationality, social preferences, and lack of self-control, he has shown how these human traits systematically affect individual decisions as well as market outcomes.

Our modelling approach aims to do this and present the results of the analysis as a probabilistic estimate that can be used to rank any security for consideration in a portfolio of assets. Recommendations for a variety of investments such as commodities, currencies, stocks, derivatives and stock market indices. This is possible because we have created large financial databases compiled since 1997 and a data processing strategy that attempts to overcome many of the problems when attempting to do this using traditional data processing techniques.

5.4. How do we apply this?

The most fundamental input into our system is market price movements. Each day we integrate several thousand inputs from financial markets including:

- All ASX traded stocks and ETFs including new stock floats;
 - A selection of US stocks & American Depositary Receipts;
 - A selection of British, Canadian and New Zealand stocks;
 - All major US indices (some with history back 100 years);
 - The primary stock market indices for the major market economies of the world;
 - 1200 currency pairs;
 - Global commodity & futures markets;
 - Interest rate markets (Australia, New Zealand, Canada, United Kingdom, Europe & US);
- and,

- A selection of large, US mutual funds.

Price information includes open, high, low & close prices and wherever possible trading volumes, Open Interest for futures markets and critically, extensive cleaned historical data has been compiled for these markets. Extended time series data are particularly valuable for computing “Seasonalities” - reflecting the tendency for the markets to repeat seasonal price patterns.

5.5. Why our Approach?

A number of graphical techniques have been applied for many years for assessing market pricing data for investing purposes as used in “Technical Analysis”, or ‘charting’. The most well known of these techniques include graphing:

Open, High, Low, Close price data such as: Relative Strength Index, Moving Averages, Parabolic SAR, Bollinger Bands, Trend Lines, MACD, Rate of Change, Stochastic & Linear Regression.

There are thousands of these “Technical Indicators” used throughout the financial industry.

Without going into the details of these data analysis techniques it is safe to say that they all have one thing in common—they are generally derivatives of the one, underlying price. Our Data Mining technology exploits Market Inefficiencies because it is different from any of the classical techniques previously described as it combines approaches used in Artificial Intelligence and Machine Learning. It is based on the application of what we believe to be advanced multivariate statistical theory in a forecasting system, which responds and adapts daily to highly variable market conditions.

The Correlation Coefficients (i.e. r^2) between 250 financial variables which we use in part to model the Australian Markets are “Visualised” in a matrix which displays high positive r^2 values in orange and high negative r^2 values in blue. Variables that are not highly correlated are shown in green. Quantifying the relationships between financial variables is the key to the Funds modelling of equity prices as the markets are too complex for the human mind to comprehend.

More specifically, to accurately analyse momentum (i.e., trend, drift) it incorporates:

- Variables that are likely to influence global market movements;
- A number of advanced machine learning algorithms developed specifically for applications where many thousands of variables are available for analysis;
- Optimum data transformations of the financial data;
- Learn and Optimise Pattern Recognition techniques from the field of Artificial Intelligence; and,
- A filtering method to separate the orderly price moves from the random price moves (i.e. “Noise” reduction).

We identify statistically defined uptrends and downtrends which we call Risk-Adjusted Momentum (i.e. RAM) in equity prices that are then visually differentiated. This information is

then ranked to ensure trading is carried out based on the highest probability buy and sell signals determined by the output of our technology and modelling. Importantly, because market sentiment, which is a fundamental aspect of Behavioural Finance, is such a powerful force in the financial markets, we believe the system is especially useful during situations where financial assets trend higher (or lower) far beyond what the (immediate) fundamental data would suggest. This approach attempts to maximise investment outcomes as it is not possible for any fund manager to know everything about any one particular asset.

In the opinion of the Fund Manager, Australia Markets (i.e. Bull or Bear) can be very reliably estimated by the long-term RAM indicators for the major market indices.

Avangard's RAM signals are also used to control when portfolio investments are liquidated. Any stock (or commodity, currency, ETF, market hedge, etc.) that move into the red long-term are considered for sale although absolute timing depends on other factors including taxation implications and short term predictive forward models.

5.6. Our Competitive Advantage

The most significant advantage of our technology is that it integrates fundamental data to produce a probabilistic output that aims to be entirely objective. Imminent trend changes in any stock or other time based variable is clearly identified on the basis of a 90% probability of that imminent change occurring.

When applied to trading, this information is supplemented by the computation of RAM using intra-day and end-of-day probabilities plus refinements that have been made, including predicted intrinsic values (i.e. Historical Market Value), differentiated long and short term RAM indicators, "*Peaking*" and "*Troughing*" signals (i.e. using Pattern Recognition), and the visual comparison of different sectors. The net result this aims to achieve is to minimise risk and the timing of market entry and exit being optimised to attempt to achieve high returns normally associated with high risk derivative funds.

Neither the Trustee nor the Fund Manager guarantee any returns or the performance of the fund.

5.7. Proprietary Portfolio Optimisation

Once the Risk-adjusted Momentum Models (RAM) have been computed for all investable assets traded on the Australian market the top 100 are presented to our portfolio optimisation workflow. The purpose of this process is to enable us to attempt to construct an equally weighted portfolio of 20 (or more) stocks or other assets that are displaying high probability, long-term positive momentum but are not correlated with each other. The ultimate aim is to construct an "*Efficient*" portfolio that outperforms the market but with lower volatility than the general market as defined under the Modern Portfolio Theory of Markowitz.

5.8. Portfolio Index Modelling

Once a portfolio is constructed and the necessary investments made an equally weighted index of assets making up the portfolio is "*Modelled*" in the same manner as stocks or a market index. We believe there are several advantages to using this approach including:

- i. It provides a method for observing the RAM signals Avangard Alpha Fund current investment portfolio and others we construct on a monthly basis. Although we are not concerned with changes in short-term momentum, if the system signals that the fund is going to experience a negative month ahead it may suggest changes are required to the underlying portfolio,
- ii. It identifies if Avangard's current portfolio is under statistical control. For example, if the portfolio model signalled negative long-term momentum, it may imply that Avangard investment portfolio requires additional hedging which often occurs in protracted bear markets such as occurred during the GFC in 2009. Alternatively, the signal may indicate that the models are not working as expected and the possibility of liquidating the fund to protect investors funds should be considered,
- iii. It allows the Fund Manager to conduct "*What-If*" scenarios on the composition of the portfolio. For example, (a) is volatility reduced by adding additional hedge protection?, or, (b) are 4 week predicted returns enhanced by adding a highly ranked, uncorrelated asset not currently in the portfolio,
- iv. Modelling the various portfolios also allows Avangard to construct them with various investment scenarios in mind. For example, (a) how does a portfolio optimised to minimise volatility compare to one optimised for pure momentum or one optimised for expected monthly return?, (b) what does a portfolio comprising just stocks from the S&P 200 Index (i.e. XJO) look like?, or, (c) how does a long-short portfolio compare to a long-only portfolio? Avangard believes it is unique in the funds management industry in Australia with this ability to quantitatively model not only its own investment portfolio but others that are routinely constructed weekly from a basket of financial assets.

5.9. AI and Machine Learning Technology

5.9.1. Development and Operation

Our AI and machine learning technology has been developed over 20 years through rigorous research and testing. It operates by analysing vast amounts of financial data, identifying patterns, and making predictions based on these patterns. The system uses a combination of supervised and unsupervised learning algorithms to continuously adapt to changing market conditions.

5.9.2. Distinguishing Features

Our technology is distinguished from similar existing technologies in the market by its:

- Proprietary portfolio optimisation algorithm (A.L.F.R.E.D.)
- Integration of behavioural finance principles
- Ability to analyse multiple asset classes simultaneously
- Daily adaptation to market conditions

5.9.3. Key Dependencies

The commercialisation and scaling of our AI technology depends on:

- Continuous access to high-quality, real-time financial data
- Ongoing compliance with regulatory requirements
- Maintenance of robust cybersecurity measures
- Scalable cloud computing infrastructure

5.9.4. Inherent Risks

The use of AI in our investment process carries certain inherent risks:

- Potential for biased or erroneous results due to data quality issues or algorithmic errors
- Risk of overfitting models to historical data, potentially reducing future performance
- Exposure to legal liability if outputs are inaccurate or incorrect
- Cybersecurity risks associated with storing and processing large amounts of financial data

We have implemented rigorous testing and validation procedures to attempt to mitigate these risks, but the elimination of all risks associated with our use of AI and Machine Learning Technology cannot be guaranteed.

5.10. Weekly Portfolio Construction

At the end of each week we construct a number of Optimised Portfolios, each selected from the Top 100 highest RAM measures. In essence, this process continually identifies potential investments which could include commodities, stocks, currencies, bonds (treasuries), listed ETFs etc each displaying strong, long-term upward momentum, are predicted to perform well in the months ahead and where each individual component in the portfolio displays low correlation with the other components.

The portfolios are constructed with different investment objectives in mind and depending of the state of the broader market (e.g. bullish or bearish). Importantly, each portfolio is “Modelled” as though they were an individual stock or stock index and then monitored daily. This approach provides Avangard with the ability to select from a variety of portfolios each appropriate for current market conditions.

Note: Modern Portfolio Theory (MPT) is an investment framework developed by Harry Markowitz in 1952. It aims to maximise the expected return of a portfolio for a given level of risk through diversification. The theory posits that an assets risk and return should be evaluated based on its contribution to the overall portfolio, rather than in isolation.

As at the current date Avangard models the entire Australian market, including all stocks, indices, ETFs, commodity prices, all traded currencies and the stock market indices of all the major economies of the world.

6. RISK FACTORS

6.1. What the Risks Are?

Risk is defined as 'exposure to the chance of injury or loss'. For an investment this means exposure to the likelihood that your investment goals will not be met or of losing some or all of your investment. The investments you choose to achieve your investment goals, including an investment in the Avangard Alpha Fund, will be influenced by a number of factors. The timeframe over which you are expecting a return on your investments, your need for a regular income versus long-term capital growth, and your comfort with volatility in returns, are each key considerations in understanding which investments are right for you. The information provided in this IM is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should obtain financial advice before investing in the Fund.

Avangard aims to manage downside risk through its long-term RAM models of the major Australia Equity Indexes as noted in Section 3.5.

When appropriate we Hedge our downside risk by using inverse ETFs traded on the ASX some of which move in a leveraged manner.

Your financial adviser is best positioned to review this Information Memorandum and an investment in the Fund with you, including the risk factors below. It is, however, important to understand the key risks affecting your investment in the Avangard Alpha Fund.

The risks described below are not exhaustive and whether a risk is specifically referred to in this section or not, that risk may have a material effect on the performance and value of the Fund. Importantly, Investors should note that the value of an investment in the Fund, and income received by Investors, may rise or fall and, consequently, Investors may suffer losses (including the loss of all of their capital investment in the Fund or a loss of an investment return relating to their investment in the Fund). Distributions and any target returns are not guaranteed and neither is the return of Investor's capital.

The risks associated with investing in the Fund include, but are not limited to, the risks described in this section.

6.2. Investment Returns

An investment in the Fund involves investment risk. For example, the value of a Unit holder's investment in the Fund may rise or fall, investment returns may fluctuate, distributions may or may not be paid and a Unit holder's capital may or may not be returned.

Historically, US technology shares and international shares have provided the highest average return over time, followed by Australian shares, property securities, fixed interest and then cash. More recently the US markets (i.e., AMEX, NASDAQ & NYSE) are currently dominating markets worldwide so the fund's exposure to these via Australian listed ETFs is possible.

History also tells us that returns from share investments have fluctuated widely from year to year.

In fact, a strong performance in the Australia market or international share market in one year has often been followed by a poor or even negative performance the very next year. While this does lead to volatility in returns from share investments over short time periods, the potential reward is their potential for strong investment growth over the long term.

While we are unable to eliminate all investment risks, Avangard aims to manage downside risk through its long-term RAM models of the major Australia Equity Indexes as noted in Section 3.5. When appropriate we Hedge our downside risk by using inverse ETFs traded on the ASX.

6.3. Returns Vary from Year to Year

Variations in returns from different asset sectors are caused by many factors. In the cash and fixed interest markets, for example, returns are driven by changes in interest rates. Interest rates, in turn, are influenced by shifts in government monetary policy and inflation expectations. Property prices are also very sensitive to interest rate movements, together with the general level of economic activity.

Share prices react to many company-specific factors such as changes in management, corporate strategy or profit announcements. Investments made in international shares and fixed interest securities are exposed to fluctuating currency exchange rates, which may negatively affect returns.

Of course, all investments can be affected by external influences such as the political climate, legislation, economic growth and general investor or market sentiment.

6.4. Investment Timeframe

One way to manage investment risk is selecting investments that match your investment needs and timeframe.

If you are mainly concerned about protecting your capital over a relatively short period of time, then a secure cash-based or fixed interest investment may be suitable.

If, however, you want the value of your investment to increase significantly, then growth assets like shares and property may feature prominently in your investment portfolio.

Investment professionals will have differing views about the minimum period you should hold various investments and the type of assets you should hold, and your own personal circumstances will also affect your decision. You should regularly review your investment decision with your financial adviser because your investment needs or market conditions may change over time.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances.

6.5. Fund Benchmark Performance

As this is a new fund no historical performance figures are available. The Fund has no operating history on which investors may base an evaluation of its likely performance. The success of the Fund's investment activities will depend almost entirely on the Fund Manager's ability to carry out the proposed investment strategy successfully. There can be no assurance that the Fund's investments will achieve any target return or the Fund's objectives.

7. OTHER RISKS

7.1. Guarantee

Neither the Fund Manager, Trustee nor any of their affiliates guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital by the Fund.

Any target returns disclosed in this Information Memorandum is not a forecast. The Trustee or Fund Manager may not be successful in meeting any target returns or the objectives of the Fund.

Investors should also note that Fund operating expenses, including management fees, may exceed income or realised profits therefore requiring the difference to be paid from the Fund's capital.

Investors should note that an investment in the Fund is not an investment in an ADI (such as a bank) regulated by APRA and an investment in the Fund carries greater risk than an investment in a bank.

It is not the responsibility of the Trustee to assess the merits of each investment recommended by the Fund Manager, but rather to review that each investment is contemplated by this Information Memorandum and the Trust Deed.

7.2. Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes in the Australia investment environment, or otherwise, may occur during the term of the Fund which could have an adverse effect on the Fund. The Fund may not be able to take legal or management control of its investments. The Fund may have limited legal recourse in the event of a dispute, and remedies may have to be pursued in the courts.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Competition and Consumer Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and policies and this may result in the loss of authorisations under the AFSL held by the Trustee or the AFSL under which Fund Manager is authorised to act thereby preventing the continued operation of the Fund.

7.3. No Warranty

The Trustee, Fund Manager and their directors, officers, employees, advisers and representatives do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this document or any subsequent information provided to the recipient including but not limited to any projections, estimates, or any other historical information.

7.4. Past Performance is not Necessarily a Good Indicator of Future Performance

Market conditions and trading approaches are continually changing, and the fact that any trading adviser or investment manager happened to be successful in the past may largely be irrelevant to his or her prospects for future profitability.

7.5. Reliance on the Fund Manager and Key Personnel

The Fund will be managed exclusively by the Fund Manager. Investors will not be able to make investment or other decisions regarding the Fund. Accordingly, the success of the Fund will depend upon the ability of the Fund Manager and the individuals employed by the Fund Manager to source, select, complete and realise appropriate investments.

The Fund is relying on the ability of the Fund Manager to achieve the Fund's investment objectives. The Fund Manager is also dependent upon the expertise of its employees in providing advisory services with respect to investments in Australia. If the services of the Fund Manager or individuals employed by the Fund Manager cease, the Fund could be affected adversely.

The Trustee and Fund Manager may elect to retire or may be replaced as the Trustee or Fund Manager, or the services of key personnel of the Trustee or Fund Manager may become unavailable for any reason.

The contractual arrangements between the Trustee and the Fund Manager are negotiated at arm's length between the parties.

There is also a risk that the Trustee and Fund Manager may fail to identify and adequately manage the investment risks in the Fund's portfolio or execute the investment strategy effectively, affecting the ability to pay distributions or reduce the value of the Units.

Operational risks of the Trustee and the Fund Manager include the possibility of systems failure, cyber-attacks, documentation risk, fraud, legal and regulatory risk and other unforeseen circumstances.

The Fund Manager, and any other delegates of the Trustee, may also fail to adequately perform their contractual and other legal obligations.

7.6. Suspension of Trading

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchanges. A suspension could render it impossible for the Fund Manager to trade or liquidate holdings and thereby expose the Fund to losses or lead to the Fund being unable to achieve its objectives.

7.7. Data

Some of the economic, statistical and other financial information contained in this document and used by the Fund Manager to analyse various investments has been obtained from other sources. Whilst these sources are believed to be reliable by the Fund Manager, the Fund Manager does not assume any responsibility for the accuracy of this information. Any inaccuracy in the data used in the Fund Manager's machine learning models may lead to the Fund being unable to achieve its intended objectives.

7.8. Interest Rate Fluctuations

The prices of securities tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. Data from the international bond futures markets for Australia, Canada, New Zealand, Europe, the United Kingdom and the United States of America are used in Avangard models thus "Account" for changing interest rate expectations on a daily basis to try to manage interest rate risks.

7.9. Limitations of Hedging Techniques

The Fund employs ETFs traded on the Australian market to hedge its portfolio with a view to managing the risk of investment positions. However, a risk remains that these ETFs will not always be available and, when available, will not always be effective in limiting losses or locking in profits. However, Avangard employs Portfolio Optimisation procedures, which are procedures designed with an aim to minimise losses during periods of high stock market volatility.

7.10. Liquidity Risk

Unforeseen events can result in abnormal periods of lower market liquidity that can hamper the efforts of the Fund Manager to, among other things, liquidate unfavourable positions or make trades to achieve the Fund's objectives.

7.11. Size Risk

Large positions are more difficult and costly to acquire and divest. For this reason an upper limit is set on the size of the Fund and maximum investible thresholds in any one security or product. During the portfolio optimisation process Avangard places minimum daily liquidity constraints on stocks or ETFs available to be selected as part of any uncorrelated portfolio.

7.12. Transaction Costs & Expenses

The long term trading strategy of the Fund aims to result in lower brokerage and related transaction costs in comparison to a more actively traded share fund. These costs may increase the performance of the Fund relative to a traditional actively traded share fund. Potential investors must read the entire document and must consult their own professional advisers before deciding to invest in the Fund.

7.13. Redemption risk

There may be restrictions on withdrawals from the Fund including when the Fund is illiquid. See Sections 9.5.6 to 9.5.9 for more information about the redemption of Units.

Investors may only redeem their Units in accordance with the terms of issue of the Units.

There is currently no secondary market for Units in the Fund and it is unlikely that any active secondary market will develop. Transfers of Units will be registered at the discretion of the Trustee in consultation with the Fund Manager, and are subject to restrictions on the transferability of Fund interests under the Trust Deed and applicable securities laws.

7.14. Tax risk

Changes to taxation legislation may adversely affect the returns to Unit Holders. Changes to taxation legislation may necessitate changing the Fund's structure to ensure Investor interests are protected. Investors should consider their own circumstances before investing.

7.15. Fees and expenses risk

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay fund management, administration/registry and custodian fees whether or not it receives its returns.

There is a risk that the Trustee does not ensure that there is sufficient liquidity maintained in order to meet these and other expenses.

The Fund Manager expects to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit the Fund's investments including, but not limited to, financial, legal, technical, regulatory and commercial advisers which are engaged to assist the Fund Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit investments. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that investors might otherwise realise.

7.16. Currency risk

The Fund's investment will be domiciled in Australian dollars and therefore the weakening of a country's currency relative to the Australian dollar will negatively affect the value of the Fund's from the perspective of an international Investor. As the Fund's investments may also include foreign assets which generate returns in a foreign currency. These assets and returns will also be subject to fluctuations in the exchange rate between the foreign currency for which the investment is domiciled and the Australian dollar. The Fund Manager may use hedging to mitigate this risk.

7.17. Cyber risk and exposure

Investors should be aware that while the Trustee and Fund Manager has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or information technology systems) those information technology systems may still be subjected to malicious attack, damage, or unauthorised access.

Information technology systems may include the storage of information concerning an investor's identity, financial interests or other personal details provided to the Trustee or Fund Manager in connection with their investment in the Fund.

In the event serious harm is a likely outcome of a breach of the Trustee's or Fund Manager's information technology systems, the Trustee or Fund Manager (as may be required) will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee and Fund Manager may also be required to notify a government or regulatory authority as required by law.

7.18. Emerging market risks

The Fund may also invest in emerging markets. Investments in emerging markets involves heightened risk factors affecting the level and volatility of securities prices and the liquidity of the Fund's investments. By comparison with more developed securities markets, most emerging securities markets are comparatively small, less liquid and more volatile.

7.19. Concentration and diversification risk

Concentration risk is the risk that the investment portfolio of the Fund may lack a diversification of assets. While the Fund will be invested in a range of securities, and our approach and machine learning model aims to construct an uncorrelated, low volatility portfolio, there is nevertheless a risk associated with Fund's assets not being sufficiently diversified by industry, sector or geography. Additionally, it may take some time before a sufficient number of investments are made to provide genuine diversification of investments.

7.20. Company specific investment risk

The Fund Manager may make investments in companies that are at varying stages of development and size. Investments in shares in a company can fall in value for many reasons such as changes in internal operations, management or the business environment in which the company operates and there is a risk that certain companies may not be, or not become, profitable. These factors may not be predictable or identifiable whilst the Fund Manager is undertaking its due diligence. If such factors or circumstances arise this may impact the market value of shares and the overall value of your investment.

7.21. Foreign investment risk

Additional risks may arise when investing overseas, including changes in foreign exchange control regulations, foreign tax legislation and withholding tax and government policy.

Additionally, differences in accounting, legal, securities trading and settlement procedures can also impact the value of the Fund's investments.

7.22. Information not complete or accurate

The Trustee is not in a position to confirm the completeness, genuineness or accuracy of any information or data included in this Information Memorandum. A significant amount of the material provided in this Information Memorandum was supplied by third parties including the Fund Manager. This information has not been audited or independently reviewed.

7.23. Fund Manager Investment Risk

By making an investment in the Fund, Investors acknowledge that the Fund Manager or its related parties (including officers, directors, employees, family, friends and associated affiliates) may make a co-investment in the Fund by subscribing for Manager Class Units.

Manager Class Units will generally be issued on terms which mirror the terms of ordinary units in the Fund issued to investors, except that there will be no Application Fee, Management Fee, Performance Fee, Redemption Fee, or Trustee Fee payable in relation to the Manager Class Units.

By investing in the Fund, investors acknowledge that the Fund Manager is responsible for making investment decisions for the Fund and that they have made their own independent investigations and due diligence to satisfy themselves of the benefit of becoming an investor in the Fund.

In the course of managing the Fund including the issue of Manager Class Units, the Trustee and Fund Manager may face conflicts in respect of their duties in relation to the Fund, related funds and their own respective interests. The Trustee and Fund Manager have policies and procedures in place to manage these appropriately.

7.24. Other risks

Investors should be aware that not all risks can be foreseen. It is therefore not possible for the Trustee or Fund Manager to protect the value of the Fund's investments from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

We strongly recommend that Investors obtain independent tax and financial advice before investing in the Fund.

8. INVESTMENTS

8.1. What Types of Investments Can We Make?

Stocks or ETFs or cash products traded on the Australian market (see Table 1).

TABLE 1 Avangard Investment percentage limits.

Australian listed equities or ETF	0 - 100%
In any one Australia equity	0 - 10%
Cash or cash based products	0 - 100%

9. FEES & EXPENSES

Exclusive Benefit for Early Investors:

Any investor who makes an Application to join the Fund prior to and including 31st December 2024 or at a later date determined by the Trustee in consultation with the Fund Manager (Early Investor Cutoff), and who are accepted by the Trustee will be issued with Early Investor Class Units. Early Investor Class Units are a class of Units in the Fund which entitles its holders to be guaranteed the fees listed below as applying to Early Investor Class Units for the entire duration of their investment in the Fund. The rates stated as applying to Early Investor Class Units below are locked in and will never increase for these investors in relation to their Early Investor Class Units, regardless of any future changes to the Fund's fee structure, except where such changes result in fees lower than the fees listed below as applying to Early Investor Class Units.

Investors who have been issued Early Investor Class Units and who wish to make additional investments in the Fund following the Early Investor Cutoff will be entitled to be issued further Early Investor Class Units and receive the benefits of Early Investor Class Units in respect of their additional investments notwithstanding that they are applying for additional units after the Early Investor Cutoff. Any distribution reinvestments for investors who hold Early Investor Class Units will also be applied to subscribe for further Early Investor Class Units throughout the life of the Fund.

Future Investors:

New investors to the Fund who make an Application to join the Fund after the Early Investor Cutoff and who are accepted by the Trustee will generally be issued with Ordinary Units, unless the Trustee in consultation with the Fund Manager decides to issue further Early Investor Units after the Early Investor Cutoff at its absolute discretion. The fees stated below as applying to Ordinary Units below will apply investors who hold Ordinary Units and may be subject to change/ increase for those investors. Any modifications to the fee structure for new investors will be communicated clearly in future versions of the Information Memorandum or otherwise notified to Ordinary Unit investors in writing.

The Trustee, in consultation with the Fund Manager, may extend the Early Investor Cutoff by updating this IM and notifying investors and/or issue Early Investor Units to new investors to the Fund after the Early Investor Cutoff, at its absolute discretion.

9.1. GST

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST.

9.2. Application Fee

No application fee will be charged in relation to Early Investor Class Units for the entire duration of the Fund.

A 1% application fee (exclusive of GST) will be charged on an investor's application amount for Ordinary Units.

The Application Fee applying to Ordinary Units will be charged as a percentage of your application moneys and paid to the Fund Manager upon the Trustee accepting your Application and issuing you with Units in the Fund. The number of Units issued to you will be based on the amount of your application moneys after the Application Fee has been deducted.

9.3. Management & Performance Fees

9.3.1. Management Fee

A Management Fee of 0.85% p.a. calculated monthly on the Weighted Average Gross NAV of the Fund (exclusive of GST) will apply to Early Investor Class Units.

A Management Fee of 2% p.a. calculated monthly on the Weighted Average Gross NAV of the Fund (exclusive of GST) will apply to Ordinary Units.

Management Fees will be calculated, accrued and incorporated into the Unit Price at each Valuation Date and shall be payable to the Fund Manager at the end of the financial year out of the assets of the Fund. The Management Fee is to cover services provided by the Fund Manager on behalf of the Fund.

9.3.2. Performance Fee

The following Performance Fee will apply to both Early Investor Class Units and Ordinary Units, and will be calculated and payable to the Fund Manager at the end of each financial year (Performance Period). Provided that the increase in the gross NAV of the fund exceeds that for the MSCI Australian Index in any one Performance Period the Fund Manager will be entitled to a Performance Fee based on the following 4 scenarios:

- a. If the increase in NAV is above 0 but below 20%, a Performance Fee of 10% of the increase in NAV will be payable,
- b. If the increase in NAV is equal to or above 20% but below 30%, a Performance Fee of 15% of the increase in NAV will be payable,
- c. If the increase in NAV is equal to or above 30% but below 50%, a Performance Fee of 20% of the increase in NAV will be payable,

d. If the increase in NAV is equal to or above 50%, a Performance Fee of 30% of the increase in NAV will be payable.

For the avoidance of doubt:

- Where the increase in the gross NAV of the fund does not exceed that for the MSCI Australian Index for the Performance Period, the Fund Manager will not be entitled to a Performance Fee for that period.
- The Fund Manager will only be entitled to one Performance Fee for each Performance Period. For example, if the increase in NAV for a particular Performance Period is 55% (and this exceeds the MSCI Australian Index), then the Fund Manager will be entitled to a single Performance Fee amount equal to 30% of the increase in NAV. If the increase in NAV for a particular Performance Period is 25%, then the Fund Manager will be entitled to a single Performance Fee amount equal to 15% of the increase in NAV.
- All Performance Fees above are quotes exclusive of GST.

If the Fund Manager is removed or retires it is entitled to be paid any accrued Management Fees and Performance Fees up to the date of removal or retirement.

Note: The MSCI Australia Accumulation Index is designed to measure the performance of the large and mid-cap segments of the Australia market. With 200 constituents it includes all cash dividends reinvested on the ex-dividend date.

9.3. Redemption Fees

No exit or redemption fees will apply to the redemption of Early Investor Class Units, and this exemption will remain in effect for the entire duration of the fund. However, a redemption fee will be charged for redemptions of all Ordinary Units. Specifically, if an investor requests a fund withdrawal of Ordinary Units within the first 12 months of the investors holding those Ordinary Units, a redemption fee of 1% will apply on the redemption price (exclusive of GST). This fee will decrease to 0.50% of the redemption price (exclusive of GST) for withdrawals of Ordinary Units requested after the initial 12-month period. Redemption Fees will be paid to the Fund Manager at the time of redemption out of the redemption price.

9.4. Differential Fees

During the life of this Fund the Trustee may, in consultation with the Fund Manager, issue new Classes of units with fees different to those described above. Any new Classes of units to be offered will be updated in this IM and notified to investors.

The Fund Manager may also separately negotiate a fee rebate with Investors on an individual basis, provided the provision of such rebate is not excluded by the Corporations

Act or any applicable laws. Any fee rebate by the Fund Manager is to be negotiated by the investor with the Fund Manager is not guaranteed by the Trustee.

In the event rebates are offered by the Fund Manager, Investors will need to seek recovery of these amounts directly from the Fund Manager and not the Trustee. For the avoidance of doubt, the Trustee will not facilitate these payments, nor is under any obligation to monitor, and has no control or responsibility to control, the Fund Manager's use of fees once paid to the Fund Manager.

If you would like to negotiate a fee rebate with the Fund Manager, please contact the Fund Manager.

9.5. Trustee Fees

The Trustee is entitled to the following trustee fees:

- i. \$20,000 per annum plus GST payable monthly in advance by the Manager; plus
- ii. a percentage of the funds under management in the Fund as set out in the table below:

Funds under management	Percentage per annum	Terms of payment
\$0 to \$25m	0.1500%	In respect of the first year in which there are funds under management, to be paid within 14 days of the first anniversary of the first issue of units in the Fund based on the funds under management at the end of the first year.
\$25m to \$50m	0.1250%	
\$50m - \$100m	0.0950%	
\$100m - \$150m	0.0750%	Thereafter, paid monthly in arrears within 7 days of the end of each month based on the funds under management at the end of preceding month.
\$100m - \$200m	0.0650%	
\$200m+	0.0550%	

- iii. For the first financial year (Until the end of 2024-25), the Fund Manager has agreed to pay the above trustee fees out of the fees it is entitled to as described in this IM and the Fund Manager will not be reimbursed for payment of these trustee fees out of the assets of the Fund.

From the second financial year and after (2025-26 onward), all trustee fees in connection with the fund are payable out of the fund Assets or, if paid by the Fund Manager out of its own funds, may be reimbursed to the Fund Manager out of the Fund Assets, in accordance with the Trust Deed.

All trustee fees above are quoted exclusive of GST. The Trustee will invoice the Fund at the end of each month for both the fixed and variable components of the trustee fees, as applicable.

9.6. Expenses

All expenses and outgoings properly incurred by the Trustee (including those incurred by Fund Manager as a delegate of the Trustee) in connection with the Fund are payable out of the Fund Assets or, if paid by the Fund Manager out of its own funds, may be reimbursed to the Fund Manager out of the Fund Assets, in accordance with the Trust Deed. Such reimbursement or payment is only available to the extent that the amounts are incurred in the proper performance of the Trustee's duties (including the those performed by the Fund Manager as a delegate of the Trustee) and only to the extent that such reimbursement is not prohibited by the Law. This includes (but is not limited to) expenses connected with:

- Custodian, Broker/Facilitator, AFSL related and Administrator fees;
- audit, accounting and record keeping fees;
- amendments to the Trust deed or other legal documents relating to the Fund's activities;
- fees related to the provision of reports to Unit-holders;
- external compliance costs; and
- fees incurred in convening and conducting Unit-holder meetings.

For the first year from the date the Fund is established, the Fund Manager has agreed to pay for all ordinary expenses incurred for the administration and day-to-day operation of the Fund out of the fees it receives, including expenses and fees payable to the Administrator and Custodian of the Fund. Where the Fund Manager fails to meet its obligation to pay for such expenses, then the Trustee may be paid or reimbursed for those expenses from the assets of the Fund.

The Trust Deed for the Fund sets out the right of the Trustee to be paid or reimbursed for expenses of the Fund reasonably and properly incurred by the Trustee in the proper performance of its duties.

9.7. Establishment and Promotional Expenses

Expenses associated with the establishment and promotion of the Fund (including preparation of this document and related documentation) will be reimbursed from the Fund.

9.8. Transaction Costs and Government Charges

All transaction costs and government charges arising out of its trading activity and all costs to satisfy the Fund's regulatory requirements will be paid out of Fund assets.

9.9. Income and Distributions

The Fund Manager will calculate the distributable income from the Fund at each Distribution Date, being the end of each Financial Year and at any other time that the Trustee, in consultation with the Fund Manager, elects (Distribution Date) and may consist of net income, interest, company dividends, and distributions from investments or realised capital gains. This calculation will be audited by the Auditor. Payment of income and distributions will be made as soon as practicable after the Distribution Date and once valuation, accounting and auditing requirements are complete.

Unit-holders may nominate whether they wish to reinvest their distributions or have them paid into their nominated bank account. Notwithstanding any nomination made by a Unit-holder, the Trustee, in consultation with the Fund Manager may determine that a distribution may not be reinvested. The Application Form provides investors with an opportunity to nominate their preferred method for receiving distributions.

If an investor does not nominate a preferred method for receiving distributions, it will be assumed that the investor requires the distribution to be reinvested in additional Units in the Fund. Subsequent to making their initial nomination, Unit-holders can nominate a different method of receiving distributions, including opting into or out of distribution reinvestments, provided that they instruct the Trustee and Fund Manager accordingly in writing at least 30 Business Days prior to the Distribution Date.

Where a distribution is to be reinvested in additional Units in the Fund, the Application Price for Units will be calculated in accordance with the provisions of the Fund Trust deed. Unit-holders will be advised as soon as practicable of the prevailing Application Price for reinvested distributions upon the completion of all valuations, accounting and auditing requirements.

Any distribution reinvestments for investors who hold Early Investor Class Units will also be applied to subscribe for further Early Investor Class Units throughout the life of the Fund.

10. TAXATION

Investing in the Fund has tax implications which will depend on your situation. Investors should obtain professional taxation advice regarding their local and Australian tax obligations, before investing in the Fund.

This tax summary should not be relied upon as it may not relate to your circumstances and changes to tax legislation since the issue of this IM. The Trustee cannot give you tax advice and we recommend that you obtain professional advice on the tax implications of investing in the Fund.

The following general comments on taxation assume the investor is an Australian tax resident and any investment in the Fund is capital in nature, is not trading stock or for profit making purposes.

10.1. General information

The Fund is an Australian resident trust for Australian tax purposes. On the basis that the investors are presently entitled to all of the income of the Fund for each financial year, the trust is not in a net loss position and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for income tax purposes. This means that investors should be taxed on their share of the net income of the Fund, and the Fund itself should not be subject to Australian income tax.

10.2. Potential Taxation Issues for Investors

Investors will be assessable on their proportionate share of the net income of the Fund, regardless of whether distributions are received in cash, reinvested or retained by the Fund. Where the Fund derives net capital gains, these may be distributed to investors. Should the Fund distribute discountable capital gains to its investors, the entitlement to the 50% discount will depend on whether the ultimate beneficiary of the distribution is an individual.

Net tax losses made by the Fund cannot be distributed to Investors. The Fund may be able to offset any losses against future income.

Where the Fund makes non-assessable payments to its investors, this may trigger CGT event E4. Such non-assessable payments would reduce the cost base of the Investor's interest in the Fund. Should the non-assessable payments reduce the cost base to nil, any further non-assessable payments would give rise to capital gains for the Investor.

Depending on their circumstances, investors may make capital gain or loss when units in the Fund are disposed of or redeemed.

Investors should seek taxation advice relevant to their personal circumstances prior to investing in the Fund.

10.3. Tax File Number (TFN)

Investors may choose to quote their TFN in relation to their investment in the Fund. If an investor does not quote their TFN, the Fund may be required to withhold tax at the highest marginal tax rate plus Medicare levy from distributions.

10.4. Tax Reform

The comments above are based on the Australian tax law as at the date of this IM. It is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

11. ADDITIONAL INFORMATION

11.1. Management and Administration of the Fund

11.1.1. The Fund Manager

The Fund's investments will be managed by the Fund Manager.

11.1.2. Brokers & Facilitators

The Trustee, in consultation with the Fund Manager, may appoint various Brokers to act on behalf of the Fund from time to time in order to settle and finance transactions for the Fund. One or all of these parties may also be appointed to provide certain custodial services in respect of assets of the Fund deposited with it for that purpose. The fees of the Brokers are payable out of the Fund. The Brokers will have no decision-making discretion relating to the investment of the assets of the Fund and will make no representation in respect of the Fund or the investment of the assets.

Certain assets of the Fund may, subject to the following paragraphs, be held by a Broker in a segregated account together with assets deposited by it or the Broker's other customers. Such assets will not be mixed with the property of the Broker's or the Broker's other customers and will not be available to third party creditors of the Broker in the event of insolvency of a Broker.

However, the assets of the Fund held by the Broker may be subject to a charge to secure the Fund's obligations to the Broker. The Fund's liability to the Broker regarding any transactions will be secured by transferring to a Broker, by way of security, title to certain investments, cash or other assets of the Fund (together Collateral).

A Broker may be entitled to sell, lend or otherwise use any Collateral for its own purposes, subject to an obligation to return equivalent securities or cash value. Such Collateral is not segregated from the Broker's own property and may be available to third party creditors of a Broker in the event of the insolvency of the Broker and/or facilitator.

Any such agreement with a Broker may be terminated by either party on the giving of written notice of one Business Day. Under any such agreement, the Broker shall not be responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of the executing Broker, its employees or agents, non-compliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction.

11.2. Custodian and Administrator

The Trustee has appointed Banxly Fund Services Pty Ltd CAN 681 728 389, a related party of the Trustee, to act as the administrator and registrar of the Fund (Administrator). The

fees of the Administrator are payable out of the Fund. The Administrator will have no decision-making discretion relating to the investment of the assets of the Fund and will make no representation in respect of the Fund or the investment of the assets.

The Administrator is responsible for assisting the Trustee to maintain the Fund's register of Unit-holders, for arranging the issue, redemption and valuation of Units, for the preparation of unaudited financial statements of the Fund according to Australian Accounting Standards and for providing certain other administrative services to the Fund.

The administration services will be provided by the Administrator under the terms and conditions contained within a Administration and Registry Agreement between the Trustee and the Administrator.

The Trustee has also appointed One Managed Investment Funds Limited CAN 117 400 987 as the custodian of the Fund (Custodian) to hold the Fund's assets pursuant to the terms and conditions contained within a Custody Agreement between the Trustee and the Custodian. The fees of the Custodian are payable out of the Fund.

The Trustee has appointed the Administrator and Custodian in consultation with, and with the agreement of the Fund Manager.

11.3. Auditor

Pitcher Partners has been appointed as Auditor of the Fund.

11.4. Legal counsel

Hall & Wilcox has been appointed as legal counsel to the Fund.

11.5. Trust Deed of the Fund

The Fund has been established in the form of a unit trust pursuant to the Trust Deed. Banxly is appointed as the trustee under the Trust Deed. The Trustee has appointed Avangard as the Fund Manager. The main functions of the Fund Manager are to make investment decisions and to administer the Fund. The Fund Manager is the Corporate Authorised representative under Banxly's Wholesale AFSL licence which permits it to operate the Fund and take applications.

The following is a brief summary of the principal terms of the Trust Deed. To the extent that there is any inconsistency between this document and the Trust deed, the latter prevails. A copy of the Trust Deed can be viewed at the offices of the Trustee, the Fund Manager or is available to investors free of charge upon request from the Trustee or the Fund Manager. Provisions of the Corporations Act affect the manner in which the Trust Deed is interpreted and the rights and obligations of the Trustee, the Fund Manager as the Trustee's delegate,

and the Unit-holders under it. These provisions have not been summarised in this document. Investors should confirm all information by reference to the Trust Deed.

11.5.1. Units and Classes

The Trust is divided into Units, each of which represents an equal and undivided interest in the Trust. A Unit does not confer any interest in a particular part or asset of the Trust.

Trustee may, in consultation with the Fund Manager, create and issue one or more different classes of Units with rights, obligations or restrictions differing from each other class of Unit, and may at any time consolidate, divide or re-classify Units, provided that any consolidation, division or re-classification must be undertaken for all Units in a Class and does not alter the aggregate beneficial interest in the Fund's assets held by an Investor or value of the relevant Investor's aggregate holding of Units.

Where there are multiple Classes, each Class does not have segregated assets and liabilities, and does not constitute a separate trust.

At the date of this IM, the Trustee only intends to issue Early Investor Class Units and Ordinary Class Units.

11.5.2. Rights of Unit-holders

The rights of Unit-holders include rights to:

- Receive income and other distributions attributable to Units held;
- Convene, or request that the Trustee convene, a meeting of Unit-holders;
- Attend and vote at meetings of Unit-holders; and,
- Participate in the winding up of the Trust.

11.5.3. Liability of Unitholders

Subject to the Trust Deed, the liability of a unitholder is limited to the amount, if any, which remains unpaid in relation to the unitholder's subscription for Units. Please refer to the Trust Deed for more details.

11.5.4. Creation & Issue of Units

The Trustee may issue Units upon receipt of Application monies or the transfer of property of a kind acceptable to the Trustee in consultation with the Fund Manager. The Trustee may, in consultation with the Fund Manager, accept in whole or in part, or reject, an Application for Units. Units will be issued at the prevailing Unit Price.

The Trustee may issue Units up to a maximum of 250,000,000 units (excluding units issued for reinvestment of distributions) unless the amount is varied by a special resolution of Unit-holders. Applications together with a cheque or electronic funds transfer from a bank, building society, or credit union account in the name of the investor must be received and cleared no later than 5pm on the last Business Day, fourteen (14) Business Days prior to the end of the month or Valuation Date whichever is the sooner.

Applications received after this date will be processed the following month. Application monies will be held in an interest-bearing account, with all interest payable to the Fund and forming part of Fund assets.

11.5.5. Transfers

Transfers of Units will be registered at the discretion of the Trustee, in consultation with the Fund Manager, and are subject to restrictions on the transferability of Fund interests under the Trust Deed and applicable securities laws.

11.5.6. Redemption of Units

Investors can only make redemptions on the prescribed Redemption Dates, the first being the last Business Day of the second month subsequent to the Commencement Date and all subsequent Redemption Dates being the last Business Day of each following month. In order to be considered for redemption on a relevant Redemption Date, redemption requests must be received by the Trustee by 5pm 30 Business Days prior to the relevant Redemption Date. If accepted, the Trustee will aim to action the redemption within 30 Business Days. The Trustee, in consultation with the Fund Manager, reserves the right to change the Redemption Dates at its absolute discretion as notified to investors.

Whilst it is expected that the Fund will be liquid most of the time, it is possible that the Fund may experience illiquidity at times. The ability of a Unit-holder to redeem some or all of their Units is dependent on whether the Fund is liquid or illiquid at that time.

Redemptions may be accepted, refused, or partially satisfied at the absolute discretion of the Trustee in consultation with the Fund Manager.

Neither the Trustee nor the Fund Manager guarantee that requests for redemption will be satisfied in all circumstances.

GST on the Redemption of Units

GST should not be payable on the issue, redemption or sale of units in the Fund or on any distributions to Unit holders.

11.5.7. When the Fund is Liquid

If the Fund is liquid, a Unit-holder may redeem some or all of their Units by a redemption request at least 30 Business Days prior to the relevant Redemption Date the unitholder wishes to redeem their Units to the Trustee. Units may be redeemed only on the Redemption Date unless otherwise determined by the Trustee in consultation with the Fund Manager.

11.5.8. When the Fund is Illiquid

If the Fund is illiquid, the Trustee may suspend the redemption of Units. Please see section 9.5.14 below for more information.

11.5.9. General Provisions

Once made, a redemption request cannot be withdrawn, unless the Trustee, in consultation with the Fund Manager suspends the calculation of the NAV of the Fund or the redemption of Units at any time. To protect the interests of all Unit-holders, no more than 15% of total Units on issue may be redeemed on any one Redemption Date, although this restriction can be waived by the Trustee, in consultation with the Fund Manager.

The Trustee, in consultation with the Fund Manager, has discretion to restrict the total amount of funds to be paid or the total number of Units to be redeemed on a Redemption Date. Where the aggregate sum of redemption requests exceeds the amount of funds available to be paid out, or the total number of Units to be redeemed, then such redemption requests are to be met proportionately pro rata between investors who have requested to redeem within the relevant redemption period in accordance with the Trust deed. Where a redemption request results in the Unit-holder's remaining Units having a value of less than the Minimum Holding (being Units to the value of \$1,000), the Trustee may, in consultation with the Fund Manager, treat the redemption request as relating to the balance of the Unit-holder's holding.

Under certain circumstances the Trustee may compulsorily redeem Units, including in consultation with the Fund Manager. Redemption Prices will be calculated as at the close of business in the last relevant market to close on the Redemption Date as appropriate following the calculation of Performance Fees, Management Fees and Distributions. Unit-holders wishing to redeem their Units should provide the following written information to the Trustee and Fund Manager:

- Full name and address of the Unit-holder(s) applying to have Units redeemed;
- the number of Units to be redeemed or the amount of cash required from the redemption; and,
- bank account details for remittance of redemption proceeds.

All Unit-holders wishing to redeem Units must sign the request. If sent by fax, an original is to be delivered to the Trustee and Fund Manager prior to redemption proceeds being paid. Signature verification will be required to the satisfaction of the Trustee, Fund Manager and/or Administrator as the case may be in respect to any redemption request. In particular, where a Unit-holder requests redemption proceeds to be paid to a party other than the registered Unit-holder or to an overseas bank account, the Trustee or Administrator (if applicable) will require the Unit-holder on the relevant redemption request to be independently verified to its satisfaction, or may reject the redemption request.

11.5.10. Valuation of Assets

Avangard will be responsible for valuing the assets of the Fund and calculating the NAV.

11.5.11. Removal of the Fund Manager

The Fund Manager may be removed in accordance with the Trust Deed. If removed, the Fund Manager is entitled to any accrued Performance Fees and Management Fees. Any new Fund Manager must agree to be bound by the Trust deed and must release the existing Fund Manager from all its obligations in respect of the Fund.

11.5.12. Trustee Indemnity

Subject to the Trust Deed, to the fullest extent permitted by law, the Trustee is indemnified out of the assets of the Fund for any cost incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

Please refer to the Trust Deed for more information.

11.5.13. Temporary Suspension of Determination of NAV

Investments held by the Fund may not always be quickly or easily realised, and therefore requests for redemption of Units may not be met immediately. In this case, and the others set out below, the Trustee, in consultation with the Fund Manager, may temporarily suspend the determination of the NAV and the issue and redemption of Units and the payment of redemption proceeds (or any portion thereof) during any period or part thereof:

- when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Fund from time to time are quoted, listed, traded or dealt in is closed other than for ordinary holidays or during which valuations therein are restricted or suspended;
- when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Trustee and the Fund Manager, disposal or valuation of a material portion of investments of the Fund is not, in the opinion of the Trustee and Fund Manager, reasonably practicable

without this being materially detrimental to the interests of the Unit-holders or if, in the opinion of the Trustee and Fund Manager, the NAV cannot be calculated fairly;

- in which there is a breakdown in the means of communication normally employed in determining the price of any of the investments held by the Fund or when for any other reason the value of any of the investments or other assets of the Fund cannot reasonably or fairly be ascertained;
 - when the Fund or the Trustee, in consultation with the Fund Manager is unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets or when payments due on redemption cannot be effected at normal rates of exchange; or,
 - when the proceeds of any sale or redemptions of Units cannot be transmitted to or from the account of the Fund.
1. No Units may be issued (other than those that have already been allotted) nor may Units be redeemed during a period of suspension. In the event of suspension, a Unit-holder may withdraw his/her redemption request provided such withdrawal is actually received before the termination of the period of suspension,
 2. Where the request is not withdrawn, the days on which the redemption of the Units will be effected will (if later than the day in which the redemption would otherwise have been effected if there had been no suspension) be as soon as possible following the end of the suspension or such other date determined by the Trustee in consultation with the Fund Manager. Any suspension in the determination of the NAV or of the issue/redemption of Units will be notified to Unit-holders, and where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

11.5.14. Powers of the Trustee

The Trustee has all the powers available to be conferred under law as the trustee and absolute legal owner of all the assets of the Fund. This includes the power to raise capital.

11.5.15. Amendments to the Trust deed

The Trust deed may be amended by a deed executed by the Trustee, provided that the Trustee reasonably considers that the amendment will not adversely affect Unit-holders rights, or by a resolution of Unit-holders.

11.5.16. Complaints

The Trust deed contains procedures for complaints handling in full. If an investor is not satisfied with the conduct of the Trustee or Fund Manager in performing their obligations, a

complaint should initially be addressed to the Fund Manager at the address shown in this document who will inform the Trustee. The Trustee will:

- acknowledge the complaint promptly;
- investigate the complaint in consultation with the Fund Manager;
- decide upon appropriate action in consultation with the Fund Manager; and
- in consultation with the Fund Manager, respond and attempt to resolve the matter within 45 business days of receiving the complaint advising the investor of any decision, informing them of any remedy and avenues of appeal.
- All dispute resolution details are listed on the website.

11.5.17. Instructions

Subject to the requirements outlined, or as stipulated by the Trustee or Fund Manager, a Unit-holder, or persons authorised by a Unit-holder, can provide instructions in writing, by facsimile, or by any other method allowed from time to time by the Trustee or Fund Manager. The Unit-holder authorises the Trustee and Fund Manager to accept instructions provided by these methods. The Unit-holder acknowledges that there are risks associated with using various channels such as, but not limited to, fraud, loss, misappropriation, failure in technology or any other cause. The Unit-holder, or persons authorised by the Unit-holder, agrees to indemnify the Trustee and Fund Manager against any claims, damage, loss, cost or expense that it suffers or incurs because of its acting or not acting on instructions purporting to be from the Unit-holder or any person authorised by the Unit-holder.

The Trustee and Fund Manager are not required to make inquiries as to the genuineness or validity of any instruction provided the instruction sets out the purported Unit-holder's:

- full name as registered; and
- investor number.

The Unit-holder may instruct the Trustee or Fund Manager to accept instructions from a third party on the Unit-holder's behalf. The third party will be taken to be the Unit-holder if the third party quotes the purported Unit-holder's:

- full name as registered; and
- investor number.

A person is also taken to be a person authorised by the Unit-holder to give instructions if the Unit-holder has held out that person to the Trustee and Fund Manager as a person authorised by the Unit-holder to give instructions and has not yet notified the Trustee and Fund Manager in writing that such person has ceased to be authorised.

11.5.18. Benefits to the Fund Manager & Others

Except as disclosed in this document, the Fund Manager and its directors and employees have not and are not entitled to receive any benefit in relation to the offer of Units in the Fund. The Fund Manager, its directors, employees and related parties may hold Units in the Fund subject to the law. The directors and employees of the Fund Manager may receive compensation based on the performance of the Fund Manager.

11.5.19. Privacy Disclosure

The Trustee and Fund Manager will collect personal information from Unit-holders in order to process their applications, administer their investments and provide them with services related to their investments. To do that, the Trustee or Fund Manager may disclose investor details to its agents, contractors or third party service providers to whom the Trustee or Fund Manager outsources services such as mailing functions and accounting. The Fund Manager may use investor details to alert Unit-holders about other products and services offered by the Fund Manager or associated companies.

In order to do that the Fund Manager may disclose personal information to them or its service providers. The Fund Manager may also disclose investor details to his/ her financial adviser. Unit-holders should contact the Fund Manager by writing to the Fund Manager at the address on this document if he/she does not consent to the Fund Manager using or disclosing his/her personal information in these ways. It is important that the Unit-holder contact the Fund Manager because by investing in the Fund he/ she will be taken to have consented to these uses and disclosures.

A Unit-holder can at any time gain access to their investor details that the Trustee and Fund Manager holds about him/her. The Trustee and Fund Manager aim to ensure that this information is accurate, complete and up-to-date. To assist the Trustee and Fund Manager with this, the Unit-holder should contact the Fund Manager if any of the details provided change. The Fund Manager will attempt to respond to any concerns as soon as practicable after being made aware of them.

11.5.20. Information Rights

Unit-holders are entitled to be kept up-to-date about their investment, including:

- A letter confirming each investment, redemption or transfer;
- A half-yearly statement showing the value of the Unit-holder's investment;
- An annual financial report, together with reports from the Fund Manager and the Auditor; and
- Yearly tax information.

The Fund Manager will undertake to provide such reports in a timely and efficient manner. However, such reports can only be provided once all necessary valuations, accounting and auditing requirements have been completed. Unit-holders should be mindful when completing year end tax returns that some delays may occur in providing such reports.

11.6. Reporting

Investors will be provided with an annual tax statement after the end of each financial year, detailing the components of the distribution to assist in the preparation of their income tax return. The components of the distribution may include dividends, interest, other income, capital gains, foreign income, and tax credits

11.7. Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, then you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office. In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number. We will only use such information for this purpose if we are required to do so.

11.8. Common Reporting Standard (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the Australian Taxation Office (ATO) or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable)

The CRS regime will take effect on 1 July 2017, with the first exchange of information to occur in 2018.

11.9. Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units

12. ELIGIBLE APPLICANTS

12.1. Eligible Investors – General

You must be aged 18 or over to invest in the fund. You can appoint an authorised representative to act on your behalf in respect of your investment. The Trustee, in consultation with the Fund Manager, has the right to reject any valid application received.

12.2. Applicants Outside Australia

This Information Memorandum does not, and is not intended to constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Information Memorandum.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify these Units or otherwise permit a public offering of the Units the subject of this Information Memorandum in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Units pursuant to this Information Memorandum. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

12.3. Sophisticated or Professional Investors

The offer under this Information Memorandum is only being made to wholesale clients (including sophisticated or professional investors) under the Corporations Act or to persons who otherwise fall within the category of persons who do not require a product disclosure statement or a prospectus.

12.4. Evidence of Eligibility

The Trustee and Fund Manager may request evidence from you that you are a wholesale client as defined under the Corporations Act.

12.5. Application Forms

You are required to complete the Application Form and declarations attached to this Information Memorandum.

12.6. Processing your Application

An Application will not be processed until valid documentation is received. We will hold the money in an interest bearing account, normally for a maximum of one month before returning it to you if valid documentation is not received by this time. However, if it is not reasonably practicable for us to return the money within one month, we will return it by the end of such longer period as is reasonable in the circumstances. If valid documentation is not received by this time, the application money is returned by cheque or electronic funds transfer to the investor. All interest generated from application moneys held in the interest bearing account is payable to the Fund and will form part of Fund assets.

12.7. Transaction Confirmation

A transaction confirmation statement will be sent to you within 14 days of acceptance of your application. This statement will confirm that your Application has been received and accepted, and if possible we will notify you of your relevant interest in the Fund.

GENERAL TERMS, MEANINGS AND CONDITIONS

All references to times are a reference to Victoria, Australia time.

The following terms as used in this document should be taken to have the following particular meanings.

ABN means Australia Business Number.

Administrator has the meaning set out in Section 9.2 of this document.

Alpha often considered the active return on an investment, gauges the performance of an investment against a market index used as a benchmark, since they are often considered to represent the market's movement as a whole. The excess returns of a fund relative to the return of a benchmark index is the fund's alpha.

Applicant means an applicant for Units in the Fund under this document.

Application(s) means application(s) for Units in the Fund by the Application Form.

Application Fee means the fee payable to the Trustee as provided for in Section 7.1 of this document.

Application Form means the application form approved by the Trustee and set out in this document.

Application Price means the application price in respect of Units determined in accordance with the Trust Deed.

Artificial Intelligence (AI) is intelligence (apparent) exhibited by machines through computer code.

ASX means Australia Stock Exchange Limited (ABN 98 008 624 691).

Auditor means the auditor of the Fund. The initial auditor is Pitcher Partners.

Behavioural Finance the study of the effects of psychological, social, cognitive, and emotional factors on the economic decisions of individuals and institutions and the consequences for market prices, returns, and resource allocation.

Broker means the broker and/or facilitators described in Section 9.1.2 unless otherwise specified.

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

Collateral has the meaning set out in Section 9.1.2 of this document.

Commencement Date means the date from which the Fund first issues Units.

Corporations Act means the Corporations Act 2001 (Cth) as amended and associated regulations.

Custodian has the meaning set out in Section 9.2 of this document.

Data Mining is an interdisciplinary subfield of computer science. It is the computational process of discovering patterns in large data sets involving methods at the intersection of Artificial Intelligence, Machine Learning, Statistics, and Database Systems.

Distribution Date has the meaning set out in Section 7.13.

Distributions means distributions made by the Fund to Unit-holders.

Dollars or '\$ ' means Australian dollars.

ETF means Exchange Traded Fund and is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds, and trades close to its net asset value over the course of the trading day.

Equity Curve a graphical representation of the change in value of a trading account over a time period. An equity curve with a consistently positive slope would generally indicate that the trading strategies of the account are profitable, while a negative slope would indicate that the account is in the red.

Expert System a piece of software which uses databases of expert knowledge to offer advice or make decisions in such areas as medical diagnosis or financial analysis.

Fees has the meaning set out in Section 7 of this document.

Financial Adviser(s) means a licensed financial adviser(s).

Financial Year means the financial year of the Fund ending 30 June.

Fund means the Avangard Alpha Fund.

Fund Assets means the total assets of the Fund.

Fund Manager means Avangard Pty Ltd (ABN 676 999 456).

Gross or Gross NAV means the net asset value of the Fund as determined by the Trustee in accordance with accepted Australia accounting principles before the deduction of Management Fees, Performance Fees and Distributable Income.

GST means Goods & Services Tax.

Hedge is an investment position intended to offset potential losses/gains that may be incurred by a companion investment. In simple language, a hedge is used to reduce any substantial losses/gains suffered by an individual or an organisation. A hedge can be constructed from many types of financial instruments, including stocks, exchange-traded funds (ETFs), insurance, forward contracts, swaps, options, many types of over-the-counter and derivative products, and futures contracts.

iShares are a commonly used name for Exchange Traded Funds (see ETF) traded on the Australian Markets.

Law means the Corporations Act.

Machine learning is a subfield of artificial intelligence (AI) that focuses on the development of algorithms and statistical models that enable computers to learn and improve their performance on a specific task without being explicitly programmed for that task. Please refer to section 3.1.2 for more information.

Management Fee means the fee payable to the Fund Manager as provided for in Section 7.2 of this document.

Minimum Holding means Units to the value of \$1,000.

Momentum the rate of acceleration of a security's price or volume. The idea of momentum in securities is that their price is more likely to keep moving in the same direction than to change directions. In technical analysis, momentum is considered an oscillator and is used to help identify trend-lines.

Net Asset Value or NAV means the Total Value of all assets held by the Fund at any single point in time.

Open Fund means a fund that accepts applications at regular intervals with the entry price determined by the prevailing unit price.

Pattern Recognition is a branch of machine learning that focuses on the recognition of patterns and regularities in data, although it is in some cases considered to be nearly synonymous with machine learning.

Performance Fee means the fee payable to the Fund Manager based on the performance of the Fund as provided in Section 7.3 of this document.

Performance Period has the meaning set out in Section 7.2 of this document.

Redemption Date means the last Business Day of each month beginning from the last Business Day of the second month after the Commencement Date.

Redemption Price has the meaning set out in Section 9.5.9.

Risk-Adjusted Momentum (RAM) a term used by Avangard Pty Limited to describe the statistical definition of momentum (cf. Trend, Drift) commonly observed in financial assets. Trends occur in the financial markets and are a result of investors herd-like behaviour.

Short-Selling has the meaning set out in Section 5.15 of this document.

S&P 200 means Standard & Poor's ASX 200 Index.

TFN means tax file number.

Trust means the trust constituted under or governed by the trust deed. Unit(s) means unit(s) in the Fund.

Trust Deed means the trust deed of the Fund, as amended or replaced from time to time.

Trustee means Banxly Investment Group Pty Ltd ACN 652 385 807.

Trustee Fee means the fee payable to the Trustee as provided for in Section 7.5 of this document.

Unit means a unit in the Fund, with the rights, obligations and restrictions attaching to it as set out in the Trust Deed.

Unit-holder(s) a holder of a Unit.

Unit Price(s) means the price of Unit(s) calculated in accordance with the Trust Deed.

Valuation Date means the last Business Day of each month unless otherwise determined by the Trustee in consultation with the Fund Manager.