



Hamilton Asset Management Limited  
ACN 139 473 699  
Australian Financial Services Licence No. 343546

## Information Memorandum



# Newcastle Securities and General Trust

Dated 1 July 2022

Responsible Entity	Fund Administrator
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# Table of Contents

1. Key Features	3
2. About the trustee	4
3. Investment objectives and strategies	4
4. Investments and withdrawals	5
5. Benefits and risks of investing	6
6. Taxation	7
7. Fees and costs	8
8. Additional information	10
9. Glossary	11

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## Important Notes

### This information memorandum

This information memorandum ("IM") is made in relation to an offer of Units in the Newcastle Securities & General Trust ("Fund"). The IM is dated 1 July 2022 and is issued by Hamilton Asset Management Limited ACN 139 473 699 ("Hamilton") in its capacity as the trustee of the Fund. Hamilton holds Australian Financial Services Licence No 343546.

This IM is not a disclosure document under the Corporations Act and has been prepared for use by Wholesale Clients only. This document is not required to be and has not been lodged with the Australian Securities and Investments Commission ("ASIC"), and neither ASIC nor any of its officers take any responsibility for the contents of the IM.

No person guarantees any specific rate of return or that you will make a positive return on your investment or retain your capital.

### Your decision to invest

This IM is an important document which you should read before making a decision to acquire Units in the Fund ("Units"). A document of this kind cannot however take into account your investment objectives, financial situation or particular needs, and nothing in this IM should be regarded as a recommendation by Hamilton or by any other person concerning an investment in the Fund. Having considered the information in the IM, you should obtain independent financial and taxation advice as to the suitability of an investment in the Fund for you, having regard to your investment objectives, financial situation and particular needs.

### Applications

This IM is available in paper form and in electronic form. If you wish to invest in Units, you must complete the Application Form accompanying the IM and submit it as set out in accordance with the instructions set out in the Application Form. Units will only be issued to you upon receipt and acceptance of a completed Application Form.

### Restrictions on distribution of this IM

The offer to which this IM relates is only available to persons:

- receiving the IM in Australia and
- who qualify as Wholesale Clients.

The IM does not constitute an offer of Units in any place in which, or to any person to whom, it would not be lawful to make an offer of Units. The distribution of the IM in jurisdictions outside Australia may be restricted by law, and any person who resides outside Australia and who comes into possession of the IM should seek advice about it and observe any restrictions.

### Updated information

Updated information relating to this IM will be made available promptly. You can access this information at [www.hamiltonam.com.au](http://www.hamiltonam.com.au)

Alternatively, you can request a paper copy of this information free of charge from your financial adviser or by contacting Hamilton on +61 2 4920 2877. The information that will be made available by way of updates is information which is subject to change from time to time and is not materially adverse to you. If a change in information is materially adverse to you, Hamilton will replace this IM or issue a supplementary IM.

### Electronic IM

Investors who receive this IM in electronic form are entitled to obtain a paper copy of the IM, including the Application Form, without charge. Please contact Hamilton on +61 2 4920 2877.

### Scheme registration

The Fund is not registered with ASIC pursuant to Chapter 5C of the Corporations Act. At some stage in the future, Hamilton may choose to register the Fund with ASIC. By investing in the Fund, you agree to Hamilton applying for registration with ASIC at some time in the future.

### Definitions

Some expressions used in this IM are defined in the Glossary in Section 9. Unless the context requires otherwise, words used in the IM have the meaning given in the Glossary.

# 1. Key features

The following table sets out some of the important features of the Fund.

Fund Features	
<b>Fund name</b>	Newcastle Securities & General Trust
<b>Fund type</b>	Unregistered managed investment scheme
Investment objectives, philosophy and targeted returns	
<b>Investment objectives</b>	To preserve investors' capital and to provide investors with an attractive rate of return over the medium to long term.
<b>Investment philosophy</b>	The Fund is a contrarian value investor and looks to buy investments which Hamilton believes are undervalued. Many of these will be out of favour or less well known, or may be experiencing temporary duress which provides an opportunity to buy them cheaply. As a result of this the Fund's portfolio will be more eclectic and somewhat different to that of other investment funds.
<b>Targeted returns<sup>1</sup></b>	The Fund aims to achieve a return of 8% per annum over the medium to long term (five to seven years). However there is no guarantee of the rate of return.
Minimum investment requirements	
<b>Initial investment</b>	\$25,000
<b>Additional investments</b>	\$10,000
<b>Minimum balance</b>	\$25,000
<b>Minimum withdrawal</b>	\$10,000
<b>Withdrawals</b>	You must give 30 days' notice of a withdrawal. Withdrawals are processed on the 10th business day of each month. A withdrawal fee applies to any Units redeemed within 12 months of their date of issue.
Distributions	
<b>Income distributions</b>	Income will be payable annually to investors registered as at 30 June each year.
<b>Income payment options</b>	You can choose to receive your distributions by direct credit to your nominated Australian, bank, building society or credit union account, or reinvested in the Fund. Payment cannot be made by cheque. If you do not provide Hamilton with a valid Australian, bank, building society or credit union account, Hamilton will automatically reinvest your distributions in additional units in the Fund.
Reporting	
<b>Regular reporting</b>	<ul style="list-style-type: none"> <li>Confirmation of all applications and withdrawals</li> </ul>
<b>Annual tax reporting</b>	<ul style="list-style-type: none"> <li>Annual tax statement if the Fund has paid a distribution during the financial year</li> <li>Annual capital gains tax statement if you have withdrawn units over the financial year</li> </ul>
<b>Annual Fund reporting</b>	<ul style="list-style-type: none"> <li>Annual investment statement</li> <li>Annual report for the Fund</li> </ul>

<sup>1</sup> The Targeted Return is expressed after the deduction of management fees, expense recoveries but before taxation, i.e. performance is measured relative to the investment objective before taxes are deducted. See Section 7 for details on fees and costs and Section 6 for details on taxation. The Target Return is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over the medium to long term. **The Fund may not achieve its investment objective.**

## 2. About the Trustee

Hamilton is an Australian unlisted public company that was incorporated on 18 September 2009.

It was issued with an Australian Financial Services Licence Number 343546 by ASIC on 25 June 2010. This licence authorises Hamilton to (among other things) act as a responsible entity and trustee of registered and unregistered managed investment schemes.

### Directors

The Directors of Hamilton have had many years' experience in accounting, corporate advisory services, investment management and stockbroking. Details of each of the Directors are set out below.

#### Steven Pritchard B. Com, CPA, F.Finsia

Steven is a founding director of Hamilton Asset Management Limited.

Steven is a director of Rees Pritchard Pty Limited, a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a financial adviser and stockbroker. He is also a director of a number of public and private investment companies.

Steven was previously the Newcastle Branch Chairman of CPA Australia, where he received the President's Award for Service to CPA Australia.

As a member, director, chief executive officer and chairman of the Stock Exchange of Newcastle Limited, Steven developed and implemented a plan for the renaissance of NSX as an active stock exchange.

Steven has been providing investment advice to a wide range of private and corporate clients for over 30 years.

#### Enzo Pirillo B. Com, CPA, F.Finsia

Enzo is a founding director of Hamilton Asset Management Limited. Enzo is a director of Rees Pritchard Pty Limited, a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a stockbroker and financial adviser. He is also a director of a number of public and private investment companies.

Enzo was instrumental in the establishment of Australian Derivative Registries Pty Limited and built the business up until it became the second largest provider of registry services to warrant issuers listed on ASX, before the business was sold to Link Market Services Limited in 2015.

Enzo was previously a director and chief financial officer of Cameron Stockbrokers Limited.

#### Brett Hall B. Com, FCPA

Brett is a founding director of Hamilton Asset Management Limited.

Brett is a director of Rees Pritchard Pty Limited, a firm of Certified Practising Accountants, and a director of Pritchard & Partners Pty Limited, a stockbroker and financial adviser.

Brett has been the Company Secretary of Florin Mining Investment Company Limited since 2007.

Brett was previously the Newcastle Branch Chairman of CPA Australia, where he received the President's Award for Service to CPA Australia.

## 3. Investment objectives and strategies

This section tells you about the investment objectives, philosophy and strategy of the Fund.

### Investment objectives

The Fund aims to preserve investors' capital and to provide investors with an attractive return over the medium to long term (five to seven years).

The Fund aims to achieve a return of 8% per annum over the medium to long term (five to seven years). However, there is no guarantee of the actual rate of return. The targeted return is expressed after the deduction of management fees, expense recoveries but before taxation, i.e. performance is measured relative to the investment objective before taxes are deducted. See Section 7 for details on fees and costs and Section 6 for details on taxation. The targeted return is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over the medium to long term. The Fund may not achieve its investment objective.

### Investment philosophy

The Fund is a contrarian value investor and looks to buy investments which Hamilton believes are undervalued. Many of these will be out of favour or less well known, or may be experiencing temporary duress which provides an opportunity to buy them cheaply. As a result of this the Fund's portfolio will be more eclectic and somewhat different to that of other investment funds.

### Investment strategy

In evaluating investments Hamilton will look for those investments that have one or more of the following investment criteria:

- Investments selling for less than net asset value
- Strong balance sheet within minimal reliance on financial engineering
- A strong history of profit and cashflow with good earnings growth
- Low price earnings ratio
- Investments having a high yield
- A significant decline in an investment's price
- Small market capitalisation
- A significant pattern of purchases by directors and management

Whilst the Fund is generally a medium to long term investor it may from time to time acquire investments with a view to profit through short term trading opportunities. However any such investments will not exceed 10% of the Fund.

The Fund will not engage in short selling.

### Investment policy

The Fund may invest in any asset class including (but not limited to) cash, equities, fixed interest and other securities, managed funds, real estate, precious metals and derivatives in Australia and overseas.

There are no constraints on the number or types of assets that the Fund may hold at any time. However, Hamilton has adopted the following general guidelines for the operation of the Fund;

- (a) it will generally have between 20 and 50 investments at any one time;
- (b) the Fund will not normally invest more than 25 percent of the value of the Fund in any single investment. Where the market value of an investment exceeds the 25 percent level due to market gains, the Fund may (but is not obliged to) sell this investment to reduce the weighting to the 25 percent level;

- (c) at least 50 percent of the assets of the Fund should be income producing;
- (d) it will ensure that at least 25 percent of the assets of the Fund are listed or, if not listed, are generally capable of being realised within 180 days in the ordinary course of business;
- (e) it can invest up to a 100 percent of the Fund in deposits with an entity regulated by the Australian Prudential Regulatory Authority or fixed interest securities issued by or guaranteed by an Australian government or government authority;
- (f) where the Fund invests in derivatives it will not do so for the purpose of increasing the leverage of the Fund;
- (g) The Fund may temporarily depart from its normal investment policies and strategies when Hamilton believes that doing so is in the Fund's best interest, so long as the alternative is consistent with the Fund's investment objective. For instance, the Fund may invest beyond its normal limits in derivatives, listed investment company's or exchange-traded funds that are consistent with the Fund's objective when those instruments are more favourably priced or provide needed liquidity, as might be the case if the Fund receives large cash flows that it cannot prudently invest immediately.

If Hamilton wishes to vary its investment policy and it considers the variation as being material, it will notify all investors of the variation by giving 30 days' notice of such variation.

## 4. Investments and withdrawals

### Making an investment

To invest you need to complete the Application Form and send it to us with your Application Monies. Initial investments must be for a minimum of \$25,000. Payments can be made by cheque, bank transfer or by real time gross settlement ("RTGS").

#### Cheques should be payable to: Hamilton Asset Management Limited – CMT a/c

We will confirm with you if we accept your Application. If for any reason Hamilton is unable to process your Application (e.g. if your Application is incorrectly completed), we may hold your Application for up to 1 month (while we resolve any outstanding items) in which case your Application Monies will be held in our trust account. If your Application is not processed by the expiration of 1 month, your Application Monies may be returned to you without interest.

Additional investments (minimum \$10,000) can be made at any time by sending us a cheque with your Fund account details, or via bank transfer or RTGS. Further investment is made on the basis of the IM current as at the time of that investment.

Generally, you need to maintain a minimum account balance of \$25,000.

The minimum amount requirement may be waived at our discretion. We may also establish higher minimum investment amounts or reject an application for investment at our discretion.

Applicants must contact the Fund Administrator (contact details are on the inside back cover) for instructions before investing via bank transfer or RTGS.

Applications will generally be processed as at the first business day of each month using the Unit price effective for the last day of the previous month. If we receive and accept your completed Application together with your Application Monies before 4pm (Newcastle time) on the last business day of the month it will be processed using the Unit price effective for that day. If an Application is received after this it is treated as having been received before 4pm Newcastle time on the last business day of the next month.

### Making a withdrawal

You may request to withdraw part or all of your investment at any time, subject to a minimum withdrawal amount of \$10,000 and maintaining a minimum Fund account balance of \$25,000 when making a partial withdrawal.

To make a withdrawal, you must complete a withdrawal request form and send it to the Fund Administrator. When you withdraw money from the Fund, you may specify either the number of Units you wish to redeem or the amount of money you require. If you specify an amount of money, the Fund Administrator will round the number of Units to be redeemed up to the next whole Unit. This may mean that the sum of money you receive will be slightly more than you requested.

You must give 30 days' notice of a withdrawal.

Once you have made a withdrawal request it cannot be withdrawn without Hamilton's consent.

Withdrawals are processed on the 10th business day of the month following the end of the notice period.

Withdrawals will generally be credited directly to your bank, building society or credit union account. Hamilton cannot pay your money into anyone else's bank, building society or credit union account.

We may refuse a withdrawal request from you where:

- the value of the Units remaining after the withdrawal request is less than the minimum holding amount (in the case of partial withdrawal); or
- the Fund is being wound up.

Subject to the Fund's Constitution, we can delay withdrawal of your money in some circumstances including (but not limited to):

- if something outside our control affects our ability to calculate a withdrawal price (for example, restricted or suspended trading in the market for an asset);
- if we receive withdrawal requests representing more than 5% of the Units, or which have an aggregate withdrawal price of more than 5% of the value of the Fund's assets, then we can stagger processing of withdrawal requests over a period of time, as determined by us. In these circumstances, you would be exposed to any changes in the Unit price until your Units are redeemed. This means that you may receive different withdrawal prices for Units covered by one withdrawal request;
- where redemption would cause Hamilton to breach any law, regulation or obligation under which Hamilton operates; or
- such other circumstance as Hamilton determines to be appropriate in its absolute discretion having regard to the best interests of investors as a whole.

In some circumstances, and subject always to the Fund's Constitution, we can redeem some or all of your Units without the need for a withdrawal request from you, including (but not limited to):

- if your account balance falls below the minimum account balance (currently \$10,000);
- if you breach your obligations to us;
- we believe that the Units are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
- to recover any amount of money you owe to us (as trustee or in any other capacity relevant to the Fund), or to another person (such as the Australian Tax Office or to a lender of yours);
- we determine that your continued participation might cause us or any investor to violate any law or if any litigation is commenced or threatened to be commenced (or we reasonably consider may be commenced or may be threatened) against us or any investor arising out of your participation in the Fund; or
- it is otherwise legally permitted.

## 5. Benefits and risks of Investing

### What are the benefits of investing in the Fund?

The Fund aims to provide investors with:

- attractive long-term returns, comprising both income and capital growth;
- with access to a diversified portfolio of predominately equity investments; and
- access to the investment expertise of Hamilton.

### Risk and return – is the Fund right for me?

If you do not intend to hold your investment in the Fund for at least five years, then the Fund is unlikely to be right for you.

In addition investors seeking a guaranteed, market linked, fixed income or short term trading gains should not invest in the Fund.

### What are the significant risks of the Fund?

All investments are subject to risk. This means the value of your investment may rise or fall.

Before making an investment decision, it is important to understand the risks that can affect the value of your investment.

Because the Fund has a 30 day notice period for withdrawals (see Section 4), you will not be able to redeem your investment in the Fund immediately. Your investment in the Fund will continue to be exposed to investment risks during the withdrawal notice period – until your Units are redeemed.

While it is not possible to identify every risk of investing in the Fund, the risks identified below are significant risks that may affect your investment.

Type of Risk	Description
<b>Market risk</b>	Certain market conditions can be unfavourable for many investment strategies. Markets are subject to a host of factors, including economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues. These can give rise to periods of large falls, high volatility, or reduced liquidity in markets. There is always a risk of the suspension of trading on securities and commodities exchanges which could have a detrimental effect on the Fund. Even where there is no suspension of trading, the market for specific securities can reduce substantially for significant periods of time. In both cases this can make it difficult or impossible for Hamilton to sell assets at desired prices, or occasionally to sell at all.
<b>Income risk</b>	The Fund is expected to provide income returns. However, there is no guarantee that it will do so or that it will provide any particular level of income.
<b>Interest rate risk</b>	The income of the Fund reflects the aggregate income of its assets.
<b>Currency risk</b>	Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets in the Fund. Interest rates may directly or indirectly affect the value of securities because it affects a company's cost of borrowings as well as the value of fixed interest securities.
<b>Credit and counterparty risk</b>	This risk applies where the Fund (or in turn the Fund's investments) invests in international assets.
<b>Liquidity risk</b>	Exchange rates for a currency tend to rise when interest rates for that currency increase relative to interest rates for other currencies. A rise in the Australian dollar, relative to other currencies, may negatively affect investment values and returns. Hamilton does not seek to hedge any currency exposures.
<b>Derivative risk</b>	This risk applies where the Fund uses derivatives. The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.
<b>Fund and regulatory risks</b>	There may be changes to the Fund at any time, including (but not limited to): <ul style="list-style-type: none"> <li>• closure or termination of the Fund;</li> <li>• changing the Fund; or</li> <li>• changing the rules that govern the Fund (e.g. changing fees, notice periods or withdrawal processes).</li> </ul> There is also the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods. In some cases these things can occur without prior notice to investors.

## 6. Taxation

The tax information provided in this IM is intended to be a brief guide only and should not be relied upon as a complete statement of all relevant laws. It is based on our interpretation of current laws at the date of this IM. Investors should be aware that Australian tax laws are complex and are subject to constant change. You should obtain your own tax advice in respect of these laws prior to investing in the Fund.

This information is provided as a general overview of how these laws apply to you, but the application of these laws depends on your individual circumstances. Therefore, it is recommended that you seek independent professional tax advice about your specific circumstances.

Tax liabilities are the responsibility of each investor and Hamilton is not responsible for taxation liabilities of, or penalties incurred by, any investor. Further, the summary provided here is only relevant where an investor is a resident of Australia for Australian tax purposes (unless specific reference is made to investors that are not residents for Australian tax purposes) acquires and holds their investment in the Fund as a capital asset and not in connection with the conduct of a business or profit making scheme. Investors engaged in a trading business or investment business, investors who acquire their investment as part of a profit making scheme, and those which are banks, insurance companies, tax exempt organisations or superannuation funds, will, or may be subject to special or different tax consequences peculiar to their circumstances which are not discussed here. Investors who are not Australian residents for tax purposes should take into account not only the Australian tax implications of their investment in the Fund but also the tax implications of such an investment in their country of residence.

All taxable income including net capital gains of the Fund is distributed to investors each year. This means that under existing Australian tax legislation, the Fund should not be liable for income tax.

### Goods and Services Tax (GST)

GST will not be imposed on the application for, or withdrawal of, Units in the Fund. However, it will be charged on:

- the price of most purchases made by the Fund in carrying out its investment activities
- fees payable to us, and reimbursable expenses.

The Fund may be entitled to claim a refund for part of the GST included in the price of most purchases.

### Australian Investors

#### Tax on distributions

The taxable income of the Fund is calculated as if it were a separate Australian resident taxpayer. Your share of the Fund's net taxable income, calculated by reference to the portion of the Fund's distributable income to which you are entitled by year end, becomes part of your assessable income for that income year. This is the case regardless of whether the income is paid to you or reinvested, or if the income is received by you in the next income year.

The tax you may pay depends on, among other things, the type of distributions made to you. (These generally retain their character as income or capital as they pass through the Fund.)

Distributions can be made up of:

- income (such as dividends and interest)
- net capital gains, tax credits or offsets (such as franking credits attached to dividend income and tax offsets for tax paid on foreign income).

If you have acquired Units by way of transfer from another investor or by way of the issue of Units, you may be assessed on gains that relate to an appreciation in the value of the Fund's assets prior to your acquisition. This is an issue you should review with your tax adviser.

#### Dividends

The Fund may receive franked dividends from an Australian resident company. Where a dividend is fully or partly franked, the taxable income of the Fund is grossed up to include the franking credits attached to the dividends. Investors will generally include their share of the dividends and franking credits in their assessable income.

If certain requirements are satisfied, including a 45-day holding period rule (that is, where an investor has held the Units 'at risk' for 45 days or more where the relevant shares are ordinary shares, or 90 days or more where the relevant shares are preference shares), investors may be entitled to a tax offset equal to their share of the franking credits attached to the dividends. This tax offset reduces the investor's income tax liability in the relevant financial year. Where the investor's share of imputation credits exceeds the amount of their income tax liability for the financial year, they may be entitled to a refund of the excess imputation credits. These rules and their application can vary depending on an investor's particular circumstances, and as such, we recommend that you discuss this with your tax advisor.

#### Net capital gains

Where an investor becomes entitled to a net capital gain from the Fund, that gain should be included in the investor's calculation of their overall net capital gain or loss for the financial year. Capital gains may be offset by available capital losses incurred by an investor. Investors should be taxed on any net capital gain they make for the financial year at their own marginal tax rates.

Where the Fund has owned a capital asset for at least 12 months prior to the relevant capital gain arising (e.g. on a disposal or other ending of the capital asset), the Fund may qualify for a capital gains tax CGT discount to reduce the net capital gain by 50%. You are required to include your share of the gross (non-discounted) net capital gain in your assessable income for a financial year before applying any available capital losses. In these circumstances, you may qualify for a CGT discount on the net capital gain if you have held your Units for at least 12 months. If you are an individual or trust, you may qualify for a CGT discount of 50%. If you are a complying superannuation fund, you may qualify for a CGT discount of 33.33%. Investor companies are not entitled to claim the CGT discount and therefore any CGT discount claimed by the Fund would effectively be clawed back.

#### Treatment of losses

Where the net income of the Fund is a loss, that loss will not follow through to investors and will be carried forward for recoupment in future income years, subject to the Fund satisfying the trust loss recoupment rules and integrity provisions.

The trust loss measures generally do not apply to capital losses. Any capital losses cannot be offset against ordinary income but may be applied against a current or future capital gain (if any).

#### Tax-free and tax-deferred distributions

The Fund may distribute certain non-assessable capital amounts to investors. An investor will generally not be subject to tax on such distributions, although such distributions may have CGT consequences for an investor. Broadly, where an investor receives a distribution of non-assessable amounts, they are required to reduce the tax cost base of their Units in the Fund by an amount equal to the non-assessable distribution. This will impact the investor's CGT liability when they subsequently redeem or dispose of their Units in the Fund.

If the amount of non-assessable distribution exceeds the tax cost base of an investor's Units in the Fund, the tax cost base is reduced to nil and the excess is taxable to the investor as a capital gain. If the investor has held their Units in the Fund for at least 12 months and is an individual, trust or complying superannuation fund, they may be eligible for a CGT discount (see above under the sub-heading "net capital gains").

### Tax on withdrawals or disposal of Units

Partial or full withdrawals from the Fund will be treated as disposal of investments for tax purposes and you may be subject to CGT. Broadly, your capital gain on withdrawal from the Fund or disposal of your Units is equal to the amount by which your capital proceeds (generally the amount received for the withdrawal or disposal) exceeds your tax cost base in the Units. If the capital proceeds are less than your reduced cost base in the Units, a capital loss will arise. Your capital proceeds in calculating your gain for CGT purposes will exclude any taxable income of the Fund distributed to you at that time (which ensures the amount is not taxed twice).

If you have held your Units in the Fund for more than 12 months and you are an individual, trust or complying superannuation fund, you may be eligible for a CGT discount (see above under the sub-heading "net capital gains").

### Tax reporting

After the end of the financial year, we will send tax statements to investors.

### Tax File Number (TFN) or Australian Business Number (ABN) notification

You are not obliged to provide your TFN or ABN, but if you provide neither, and do not claim a valid exemption, we are required to deduct tax from your distributions at the highest marginal tax rate, plus the Medicare levy, to meet Australian Taxation Office requirements.

Australian companies and other entities that invest in the course or furtherance of their registered business can supply their ABN instead of their TFN to us.

### Non-Residents Of Australia

Non-resident investors will be subject to withholding tax on certain Australian sourced components of income. Distributions that are classified as foreign income, conduit foreign income (CFI) and capital gains that are non-taxable Australian real property will generally be distributed free of Australian withholding tax.

Non-resident investors in certain circumstances may be subject to CGT on capital gains they make on disposal or redemption of their Units in the Fund.

If you are a non-resident investor for Australian tax purposes, you should obtain independent tax advice in relation to your investment in the Fund.

### General Anti-Avoidance

Australia has a comprehensive tax anti-avoidance regime which can apply to any tax benefit obtained under a scheme where any party to the scheme has entered into it for the dominant purpose of enabling a tax payer to obtain a tax benefit in connection with the scheme. The application of the anti-avoidance regime will depend upon your individual circumstances and you should discuss these rules with your own tax adviser.

## 7. Fees and Costs

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

Taxation issues are set out in Section 6 of this document.

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

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your account	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil after the first 12 months of making the investment. 2% (2.05% including GST net of RITC) of the value of the withdrawal if within 12 months of making the investment.	This fee if applicable will be deducted from the value of any withdrawal.
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs – The fee for managing your investment</b>		
<b>Base fee</b>	1.00% per annum (1.025% per annum including GST net of RITC) of the Fund's gross asset value	This fee is calculated and paid to Hamilton monthly.
<b>Performance fee</b>	20% (20.5% including GST net of RITC) of the total return above 6% per annum in a financial year subject to a High Water Mark	This fee will be calculated and accrued monthly and paid to Hamilton subsequent to 30 June each year.
<b>Expense recovery</b>	0.50% per annum (0.5125% per annum including GST net of RITC) of the Fund's gross asset value (estimate only)	This is an estimate of the Fund expenses which we will recover from the Fund. This is an estimate only. Actual expenses recovered may be more or less.



## Additional explanation of fees and costs

### Withdrawal fee

A withdrawal fee is charged to investors who withdraw their investment within 12 months of making their investment. The purpose of the withdrawal fee is to discourage investors with a short-term investment horizon from investing in the Fund.

### Management costs

Management costs are the additional fees or costs that an investor incurs by investing in the Fund rather than investing directly in the underlying assets. These costs include the base fee, performance fee and expense recoveries.

### Base fee

This is the fee Hamilton charges for operating the Fund and managing its investments. This fee is calculated as a percentage of the gross asset value of the Fund.

### Performance fee

In addition to the Base fee, Hamilton is entitled to receive a performance incentive ("Performance Fee") calculated at the rate of 20% (or 20.5% including GST net of RITC) of the total return to investors after an investor has received an annual return (after fees and expenses) of at least 6% in a financial year (the "Hurdle"), or pro-rata in the case of Units issued or redeemed during a financial year.

The Performance Fee will be accrued monthly in the Unit price and paid subsequent to 30 June each year.

The Performance Fee is calculated on the Net Asset Value per Unit at the relevant calculation date. The Performance Fee is subject to both a High Watermark and the Hurdle.

The High Watermark of a Series is the previous highest Net Asset Value per Unit immediately after payment of a Performance Fee with respect to the Units (or if none has been paid, the initial issue price of the Units), adjusted for distributions and Performance Fees paid in relation to those Units. Should the Net Asset Value per Unit held by an investor fall below the highest Net Asset Value per Unit upon which a Performance Fee has previously been paid, no further Performance Fee is payable until the loss on that Unit has been fully recovered.

If an investor redeems Units during a financial year, the Performance Fee attributable to those Units will be calculated at the time of redemption and reflected in the Unit price.

### Expense recovery

Hamilton may recover from the Fund all expenses incurred in relation to the proper performance of its duties. The Constitution does not place any limit on the amount of the expenses that can be paid from the Fund.

We currently estimate expense recoveries of 0.5% per annum (0.5125% per annum including GST net of RITC). This estimate includes all the normal operating expenses of operating the Fund, for example, the costs of Fund promotion (including offer documents, advertising, promotional material and printing), registry services, accounts and audit, taxation advice, external consultants, compliance, insurance, stationery, communications and postage.

Nor does this estimate include any allowance for any abnormal expenses (such as the costs of holding investor meetings, legal advice and legal proceedings, and termination costs). These costs are rarely incurred and are likely to be insignificant over time.

### Transaction costs and buy/sell spread

Transaction costs are paid from the Fund's assets. When you invest or withdraw all or part of your investment, Hamilton uses a 'buy/sell' spread to recover transaction costs associated with buying and selling the Fund's assets. These costs are then borne by transacting investors rather than by investors remaining in the Fund. The amount recovered from transacting investors remains an asset of the Fund and is not part of the fees paid to Hamilton. The buy/sell spread that currently applies to the Fund is 0.50% of the application amount (\$250 for every \$50,000 you invest) and 0.50% of the withdrawal amount (\$250 for every \$50,000 you withdraw).

The transaction costs reflected in the above spreads include, stamp duty and other taxes. Hamilton will review the buy/sell spread at least annually and may vary it at any time, taking into account changes in transaction costs.

### Government charges

Government taxes such as stamp duties and GST are applied to your investment as appropriate.

See Section 6 for more information concerning the application of tax to your investment.

### Changes to fees

The fees are current as at the preparation date of this IM and include GST less any reduced input tax credits that may be claimed by the Fund.

Fees and costs can change without your consent. Reasons might include changing economic conditions and changes in regulation. However, we will give you 30 days' notice of any increase to fees. The Constitution for the Fund sets the maximum amount we can charge for all fees. If we wished to raise fees above the amounts allowed for in the Fund's Constitution, we would need the approval of investors.

### Alternative forms of remuneration

Subject to the Corporations Act, Hamilton may from time to time enter into arrangements with other parties under which we may make payments to such parties in return for promoting the Fund. Any such payments will be made by Hamilton and not out of the Fund. You should refer to relevant disclosure documents provided by your financial adviser in which details of any payments are set out.

## 8. Additional Information

### Cooling off rights

No cooling off rights apply to the issue of Units.

### Facsimile and email instruction conditions for investors

An initial Application will only be accepted if it is an original document. However Hamilton offers a facsimile instruction service which allows you to fax instructions about your account. An email instruction for a redemption will also be accepted if it is accompanied by a scanned instruction which bears your signature, name and account details. These services can save you time and allow you to use your account more effectively. By using the facsimile or email instruction service you release Hamilton from, and indemnify Hamilton against, all losses and liabilities arising from any payment made or action taken on any instruction that is received by facsimile or email and that bears your account number and a signature which appears to be yours or that of an authorised signatory on your account. You also agree that neither you, nor anyone claiming through you, has any claim against Hamilton in relation to any such payments or actions.

If you do not want the facsimile and email instructions service to apply to your account, you must notify Hamilton in writing. Please be careful! There is a risk that fraudulent facsimile or email withdrawal requests can be made by someone who has access to your account number and a copy of your signature.

Hamilton may vary these terms at any time.

### The role of the trustee

Hamilton is the trustee of the Fund. Hamilton is regulated principally by ASIC under the Corporations Act and is also subject to the general law as it applies to trusts and trustees.

### The Constitution

The rights and obligations of investors are governed by the Constitution of the Fund and this IM, but are also affected by the general law relating to trusts and, where applicable, the Corporations Act, exemptions and declarations issued by ASIC. To the extent that there is any inconsistency between the IM and the Constitution, the terms of the Constitution prevail.

The Constitution grants Hamilton rights to be paid fees and expenses and be indemnified from the Fund. It governs (amongst other things) Hamilton's powers (which are very broad), investor meetings and Unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The Constitution limits Hamilton's need to compensate you if things go wrong. Generally, Hamilton is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

The Constitution also contains a provision that it alone is the source of the relationship between you and Hamilton and not any other laws (except, of course, those laws that cannot be excluded).

Hamilton must have investor approval to make changes to the Constitution which adversely affect investors' rights.

You can obtain a free copy of the Fund's Constitution by calling Hamilton.

### Classes and Series of Units

The Trustee has the power to create and issue additional Classes, with different rights and conditions, in the future or to stop offering a Class.

The Units to be issued under this Information Memorandum are Investment Class Units.

The Fund has issued Foundation Class Units to persons and entities associated with the Trustee. Foundation Class Units will receive a rebate of the Performance Fees charged in respect of that Class.

The Trustee has the power to create and issue within each Classes, with different rights and conditions, in the future or to stop offering a Class.

The Trustee has the power to issue different Series of Units within each Class of Units. The Trustee is not issuing different Series of Units at the date of this Information Memorandum, but may do so under a future Information Memorandum without requiring the consent of existing Unit holders.

If the Trustee in the future decided to issue different Series of Units, then within each Class of Units, Unit holders will be issued Units in a particular Series, depending on when their investment in the Fund is made. Through the process of issuing different Series of Units for investments in the Fund, the Performance Fee applied to each Unit is directly reflective of the performance experienced by that Series of Units within a Class, rather than the Fund as a whole. This will enable Performance Fees to be allocated equitably among Unitholders. All Series of a particular Class of Units will be the same in respect of the rights, terms and conditions that attach to them, except for the fee accrual.

As soon as practicable after 30 June each year, all Units in each Series which have borne a Performance Fee will be consolidated into the initial Series of Units within that Class, and the High Watermark of all Units of the consolidated Series will be the Net Asset Value per Unit of the consolidated series as at the end of the relevant performance period after payment of the Performance Fee. If a Performance Fee is not payable for a particular Series at the end of the Performance Period, that Series will not be consolidated.

### How Units are priced and investments are valued

Unit prices for the Fund are calculated by:

- establishing the net asset value of the Fund;
- for entry – adding an allowance for the applicable transaction costs (buy spread) to the net asset value and then dividing the adjusted net asset value by the number of Units on issue to determine the entry price; and
- for exit – deducting an allowance for the applicable transaction costs (sell spread) from the net asset value and then dividing the adjusted net asset value by the number of Units on issue to determine the exit price.

Hamilton generally determines the net asset value of the Fund as at the last day of each month. Valuations may also be made when money is deposited into, or withdrawn from, the Fund. The net asset value is calculated by deducting the aggregate liabilities of the Fund from the value of its gross assets.

The net asset value of investments in the Fund includes unrealised gains and losses and any income and realised gains accrued but not yet distributed.

Investments of the Fund are valued at their market value, unless there is no market value, in which case another valuation method permitted by the Constitution. Where the Fund invests in another managed fund, the value of the investment will normally be based on the exit price of Units in the underlying fund.

Hamilton can defer the calculation of Unit prices where this is permitted by the Constitution and the general law.

### Fund Administrator

Hamilton has appointed an administrator for the Fund. Hamilton will pay the administrator a fee for acting as administrator. This fee is not an additional fee, but is included in the management costs described in Section 7.

## Dealing with related parties

When Hamilton invests for the Fund it deals with professional organisations in the execution of transactions. These organisations may include Pritchard & Partners Pty Limited (a related body corporate of Hamilton). Hamilton can trade investments through, or with, Pritchard & Partners Pty Limited companies unless Hamilton believes that the investments are not in the best interest of investors. These companies may receive commissions at prevailing market rates for the execution of transactions.

The Fund may invest from time to time in other funds of which Hamilton is the trustee, responsible entity or trustee ("related funds"). There is no limit on the level of investment in related funds. Details of holdings of related funds and related party dealings in the Fund are set out in the Fund's annual report.

Additionally, Rees Pritchard Investor Services Pty Limited provides fund administration and accounting services to the Fund. These services are charged at ordinary market rates.

## Labour standards, environmental, social and ethical considerations

Hamilton does not take into account labour standards or environmental, social or ethical considerations in determining the selection, retention or realisation of the assets of the Fund.

## Privacy policy

Hamilton collects personal information from you in order to administer your investment, to liaise with your financial adviser and to conduct research. Hamilton may also tell you about other products and services offered, or distributed, by Hamilton. You should advise Hamilton if you do not want your personal information to be used in this way. You are entitled to view your

personal information we hold. If you think that records kept by Hamilton are wrong or out of date – particularly your address or email address – please contact Hamilton so that the records can be corrected.

In order to meet the requirements of anti-money laundering, counter-terrorism and taxation legislation, Hamilton may require further information from you as to your identity or source of funds. If you do not provide this information, Hamilton may not be able to process your transactions.

Hamilton will not share any information that we have about you unless:

- you agree;
- the law requires Hamilton to, or a regulator requests;
- Hamilton considered that they need the information; or
- to administer your investment

If you do not provide Hamilton with your contact details and other personal information that we ask for, we may not be able to have or keep you as an investor.

Hamilton's privacy policy can be found at [www.hamiltonam.com.au](http://www.hamiltonam.com.au)

## Complaints

If you have a complaint or concern, please contact Hamilton either by phone or in writing. Hamilton will always acknowledge any written complaint within 14 days of receipt and will attempt to resolve the complaint within 45 days. Contact details are:

**Hamilton Asset Management  
Limited PO Box 402  
Hamilton NSW 2303  
Telephone +61 2 4920 2877**

# 9. Glossary

Terms used in this Information Memorandum have the following meanings:

Term	Meaning
AFSL	Australian financial services licence
Applicant	a person who submits an Application
Application	an application for Units under this IM
Application Form	the application form accompanying this IM
Application Monies	monies lodged with an Application
ASIC	the Australian Securities and Investments Commission
Banking Day	means a day that banks are open for business in Newcastle and Sydney, New South Wales.
Constitution	The trust deed governing the Fund, as amended from time to time
Corporations Act	Corporations Act 2001 (Cth), and its regulations, as amended from time to time
Custodian	Newcastle Nominees Proprietary Limited ACN 652 117 710
Fund Administrator	Rees Pritchard Investor Services Pty Limited ACN 147 393 271
Fund	Hamilton Cash Management Trust
Hamilton	Hamilton Asset Management Limited ACN 139 473 699 AFSL No. 343546
IM	This information memorandum, as amended or updated from time to time
Net Asset Value	the value of the assets of the Fund (as defined in the Constitution) less the value of the liabilities of the Fund (as defined in the Constitution)
NSX	The Stock Exchange of Newcastle Limited (now the National Stock Exchange of Australia Limited)

<b>Performance Fee</b>	the performance fee charged by Hamilton, as set out in Section 7
<b>Politically Exposed Person</b>	<p>Any of the following investors will be a "Politically Exposed Person":</p> <ol style="list-style-type: none"> <li>1) an individual who holds a prominent public position or function in a government body or an international organisation, including: <ol style="list-style-type: none"> <li>a) Head of State or head of a country or government; or</li> <li>b) government minister or equivalent senior politician; or</li> <li>c) senior government official; or</li> <li>d) Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation; or</li> <li>e) governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia; or</li> <li>f) senior foreign representative, ambassador, or high commissioner; or</li> <li>g) high-ranking member of the armed forces; or board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation; and</li> </ol> </li> <li>2) an individual who is an immediate family member of a person referred to in 1) above including: <ol style="list-style-type: none"> <li>a) a spouse; or</li> <li>b) a de facto partner; or</li> <li>c) a child and a child's spouse or de facto partner; or</li> <li>d) a parent; and</li> </ol> </li> <li>3) an individual who is a close associate of a person referred to in 1) above, which means any individual who is known (having regard to information that is public or readily available) to have: <ol style="list-style-type: none"> <li>a) joint beneficial ownership of a legal entity or legal arrangement with a person referred to in 1) above; or</li> <li>b) sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person described in 1) above.</li> </ol> </li> </ol>
<b>Pritchard &amp; Partners Pty Ltd</b>	Pritchard & Partners Pty Limited ACN 073 393 049
<b>RTGS</b>	real time gross settlement
<b>Series</b>	a Series of Units in a Class
<b>SPSE</b>	South Pacific Stock Exchange Limited
<b>Trustee</b>	Hamilton Asset Management Limited ACN 139 473 699
<b>Unit</b>	a unit in the Fund
<b>Wholesale Clients</b>	<p>Any of the following investors will be a "Wholesale Client":</p> <ul style="list-style-type: none"> <li>• a person that invests \$500,000 or more  Note: <i>One may aggregate amounts invested at or about the same time by the person, an associate of the person or a body corporate controlled and wholly owned by the person, in products within the same class offered by the same issuer "Superannuation-sourced monies" cannot form part of the \$500,000. Superannuation sourced monies are monies which the applicant knows the superannuation trustee will pay to a person as a superannuation lump sum or has been paid as an eligible termination payment or lump sum superannuation benefit during the previous 6 months</i></li> <li>• a person that can demonstrate, by way of an accountant's certificate that is not more than 2 years old, that the person has net assets of at least \$2.5 million or a gross income for each of the last 2 financial years of at least \$250,000  Note: <i>In determining whether the person has net assets of at least \$2.5 million, the net assets or gross income (as relevant) of a company or trust controlled by the person may be included. If the person qualifies as a wholesale client under this test, then a company or trust controlled by the person who has a certificate from a qualified accountant is also a wholesale client (regardless of the financial position of the company or trust).</i></li> <li>• a financial services licensee</li> <li>• a person who is regulated by APRA, other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme</li> <li>• a person registered as a body under the Financial Corporations Act 1974 (Cth)</li> <li>• a person who is the trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme and the fund, trust or scheme has net assets of at least \$10 million</li> <li>• a person that has or controls at least \$10 million (including any assets held by an associate or under a trust that the person manages)</li> <li>• a person who is a listed entity, or a related body corporate of a listed entity</li> <li>• a person who is an exempt public authority</li> <li>• a person who is a body corporate or an unincorporated body that carries on a business of investment in financial products, interests in land or other investments, and for those purposes invests funds received following an offer or invitation to the public where the terms of the offer provided for the funds subscribed to be invested for those purposes</li> <li>• a related body corporate of any body corporate that is a wholesale client</li> <li>• a person who is a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding categories of wholesale client (apart from the first two categories)</li> <li>• a person that is a business other than a small business  Note: <i>generally a business is a small business if it employs less than 20 people. However, a manufacturing business is a small business if it employs less than 100 people</i></li> <li>• a person that a financial services licensee is satisfied has previous experience in using financial services and investing in financial products that allows the person to assess the merits, value and risks of the investment (amongst other things), and the licensee gives the person a statement of its reasons for being satisfied as to those matters and the person signs an acknowledgement</li> </ul>