

**ARNOTT OPPORTUNITIES TRUST
SERIES CLASS
INFORMATION MEMORANDUM
October 2021**



This Information Memorandum is dated 19 October 2021 and is issued by Arnott Capital Pty Ltd ACN 086 081 889 (**Arnott Capital or Trustee**) AFSL 233 743. This offer to subscribe for units in the Arnott Opportunities Trust (**Fund**) is only made to Wholesale Clients (as defined in the Corporations Act 2001 (Cth) (**Act**)). The Fund is an unregistered managed investment scheme. This offer is only open to investors who receive this Information Memorandum in Australia and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Information Memorandum is not, and is not required to be, a disclosure document or product disclosure statement within the meaning of the Act. This Information Memorandum may not contain the same level of disclosure as those documents and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission.

This Information Memorandum is not a recommendation to invest in the Fund and may not include all of the information that an investor needs to make an investment decision. The Trustee does not take into account the individual circumstances of any investor, nor does it or any of its Specified Persons (defined below) give financial product advice with respect to this Information Memorandum. Accordingly, investors should make their own enquiries and obtain professional legal, financial, tax and accounting advice before making an investment decision with respect to the Fund. An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. Investors should read carefully the "Risks" in Section 6 of this Information Memorandum.

This Information Memorandum does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction or in circumstances in which such offer or solicitation is not authorised or where a regulated disclosure document is required. No person receiving a copy of this Information Memorandum in any jurisdiction may treat it as constituting an offer or invitation to that person to apply for units in the Fund unless, in the relevant jurisdiction, such an offer or invitation could lawfully be made to the person.

This Information Memorandum supersedes all preliminary information and other previous communications in respect of the Fund. All such preliminary information and previous communications should be disregarded.

The information in this Information Memorandum is up to date at the time of preparation. The Trustee may amend or withdraw this Information Memorandum at any time and may issue a new or amended Information Memorandum from time to time. A copy of the Constitution for the Fund is available from the Trustee. If you are unsure about anything contained in this Information Memorandum or have questions, please contact the Trustee via email at investor@arnott.com.au.

To the extent permitted by law, neither the Trustee, the Administrator, the Prime Broker/Custodian nor their respective affiliates, related bodies corporate, directors, officers, employees, representatives or advisors (**Specified Persons**) accepts any responsibility or liability (including in negligence) for any loss or damage suffered or incurred by the person to whom this Information Memorandum has been delivered (**Recipient**) or any other person or entity however caused arising from or in connection with any act or omission directly in reliance upon or relating in any way to this Information Memorandum including, without limitation, the information contained in it, and from any errors or omissions however caused by the Recipient or any other person or entity placing any reliance on this Information Memorandum, its accuracy or reliability, and for the avoidance of doubt this exclusion of liability includes any cost, expense, loss or other liability directly or indirectly arising from, or in connection with, any omission from or defects, or any failure to correct any information, in this Information Memorandum or any other communication (oral or written) about or concerning them, or the issue of units in the Fund.

Other than to the extent required by law, neither the Trustee, nor any of the Specified Persons makes any representations or warranties, express or implied, as to the accuracy or completeness of any of the information contained in this Information Memorandum or any other information (whether written or oral) made available to investors, and each of such parties expressly disclaims any and all liability relating to or resulting from the use of this Information Memorandum or such other information by the Recipient. This Information Memorandum may contain assumptions, opinions, estimates and forecasts. Except to the extent implied by law, no representation or warranty as to the validity, certainty or completeness of any of the assumptions or the accuracy of the information, opinions, estimates or forecasts contained in this Information Memorandum is made by the Trustee, nor any of the Specified Persons. Neither the Trustee, nor any of the Specified Persons guarantees the rate of capital or income return of any investment in the Fund, the meeting of the investment objectives of the Fund, the performance of the Fund nor repayment of capital from the Fund.

THIS INFORMATION MEMORANDUM IS AN IMPORTANT DOCUMENT THAT SHOULD BE READ IN ITS ENTIRETY. INVESTORS SHOULD OBTAIN PROFESSIONAL ADVICE BEFORE MAKING AN INVESTMENT DECISION IN RELATION TO THE FUND.

Dear Investor,

I am pleased to offer you the opportunity to invest in the Arnott Opportunities Trust (**Fund**).

Goal

The Fund's strategy is managed with the intention of delivering annual positive absolute returns, regardless of how any financial market performs.

Approach

The Fund adopts an absolute return strategy, focussing on thematic investment opportunities with an equity bias. We seek to achieve positive average annual returns for investors through our asymmetric investment approach. In simple terms, asymmetric investing seeks to produce above average returns with below average drawdowns. In order to achieve this, we aim to:

1. find what we perceive to be good quality investments based on our analysis; and
2. not lose money in the pursuit of realising these investments.

Process

We strive to achieve asymmetric returns through a thematic investment process. This has four pillars:

1. Find asymmetric themes;
2. Invest in the best ideas within those themes;
3. Focus on macro drivers for risk & opportunities; and
4. Generate an asymmetric return profile.

Timeframe

The Fund is suited to investors that have a longer-term investment horizon.

No relative benchmark

The Fund does not seek to replicate any global stock market performance, and there may be periods where the Fund's return is flat or negative when the global stock market rises.

Investment universe

The Fund investment universe is unconstrained. In seeking out thematic opportunities, the Fund may invest in different asset classes, including not limited to:

1. commodities;
2. carbon products;
3. all derivatives;
4. fixed income;
5. hybrids;
6. currencies (including digital and crypto assets);
7. listed and unlisted equities; and
8. other assets from time to time.

Leverage and short selling

The Fund's strategy may include the use of leverage to enhance the Fund's exposure to certain investments. The strategy may also short sell securities where the investment manager believes they may fall in value.

I look forward to welcoming investors and encourage you to read this Information Memorandum thoroughly to make sure the Arnott Opportunities Trust is suitable for your requirements.

Sincerely,



Kenny Arnott
Chief Investment Officer

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1 FUND DIRECTORY

FUND	Arnett Opportunities Trust (Fund), an unregistered managed investment scheme.
TRUSTEE/ INVESTMENT MANAGER	<p>Arnett Capital Pty Ltd, an Australian proprietary company (ABN 23 086 081 889) holding Australian financial services licence number 233743.</p> <p>Arnett Capital has claimed an exemption under Commodity Futures Trading Commission (“CFTC”) Rule 4.13(a)(3) from registration as a commodity pool operator with the CFTC.</p> <p>Arnett Capital Pty Ltd is an absolute return manager, focusing on thematic investment opportunities with an equity bias. Arnett Capital Pty Ltd has been in operation since 1999.</p> <p>Level 5, 175 Macquarie Street Sydney NSW 2000 Australia (Arnett Capital or the Trustee)</p>
ADMINISTRATOR	<p>Mainstream Fund Services Pty Limited (ACN 118 902 891)</p> <p>Level 1, 51-57 Pitt Street Sydney NSW 2000 Australia (Administrator)</p>
PRIME BROKER AND CUSTODIAN	<p>Morgan Stanley International plc</p> <p>25 Cabot Square, Canary Wharf London, E14 4QA (Prime Broker)</p>
AUDITOR	<p>Ernst & Young (ABN 75 288 172 749)</p> <p>200 George Street, Sydney, NSW, 2000 (Auditor)</p>

2 THE FUND AT A GLANCE

*The Trustee reserves the right to accept lower amounts from wholesale clients.

INVESTMENT OBJECTIVE	<p>The Arnott Opportunities Strategy is managed with the intention of delivering positive annual returns, regardless of how any financial market performs.</p> <p>We seek to achieve this through our asymmetric investment approach. In simple terms, our goal is to produce above average returns with below average drawdowns.</p>
INVESTMENT STRATEGY	<p>The Fund adopts an absolute return strategy, focussing on thematic investment opportunities with an equity bias. We seek to achieve the investment objective through our asymmetric investment approach which includes:</p> <ol style="list-style-type: none"> 1. Finding what we perceive to be good quality investments based on our analysis; and 2. Not losing money in the pursuit of realising these investments. <p>We strive to achieve asymmetric returns through a thematic investment process. This has four pillars.</p> <ol style="list-style-type: none"> 1. Find asymmetric themes; 2. Invest in the best ideas within those themes; 3. Focus on macro drivers for risk & opportunities; and 4. Generate an asymmetric return profile.
INVESTOR ELIGIBILITY	Wholesale Clients, as defined in the Corporations Act 2001
MINIMUM INITIAL INVESTMENT	A\$100,000*
VALUATIONS	Monthly
DISTRIBUTIONS	Annually as of 30 June each year. Unitholders may elect to receive all or some of the distributions in cash or elect to reinvest them in the Fund (refer to section 9).
APPLICATIONS	Monthly, due no later than 5pm AEST at least three (3) Business Days prior to the relevant Subscription Day
WITHDRAWAL	Monthly, with 1 month's notice
MANAGEMENT FEE	1.5% pa (plus GST) of the Net Asset Value of the relevant Series, calculated and paid monthly in arrears.
PERFORMANCE FEE	20% of the increase in the unit price of the relevant Series, subject to a high-water mark (refer to section 7).
INVESTMENT RISK	You should carefully consider the key risks of investing in the Fund described in section 6 and, where necessary, seek professional advice as to the suitability of investing in the Fund. There is no guarantee that the investment objective will be achieved, or the implementation of the investment strategy will not result in losses to investors.

3 ARNOTT CAPITAL

3.1 TRUSTEE AND INVESTMENT MANAGER

Arnott Capital Pty Ltd is the Trustee and investment manager of the Fund and is responsible for the operation of the Fund. The Trustee's responsibilities and obligations are governed by the Fund's Constitution and general trust law.

The Trustee has the power to delegate certain aspects of its duties. The Trustee has appointed Mainstream Fund Services Pty Limited as the Administrator of the Fund and Morgan Stanley International plc as the Prime Broker and Custodian of the Fund.

4 THE ARNOTT OPPORTUNITIES FUND

4.1 INVESTMENT STRUCTURE

The Fund is an unregistered wholesale Australian resident unit trust. Arnott Capital is the Investment Manager and Trustee of the Fund. The governing rules of the Fund are detailed in the Fund's Constitution. A copy of the Constitution is available from Arnott Capital.

5 INVESTMENT STRATEGY

5.1 INVESTMENT OBJECTIVE

The Fund seeks to achieve positive annual returns for investors through our asymmetric investment approach (please refer to section 5.3).

5.2 INVESTMENT UNIVERSE

The Fund investment universe is unconstrained. In seeking out thematic opportunities, the fund may invest in different asset classes, including but not limited to;

1. Commodities (including heavy metals);
2. Carbon products;
3. All derivatives
4. Fixed income;
5. Listed and unlisted equities;
6. Hybrids;
7. Currencies (including digital and crypto assets);
8. Other new asset classes as they are developed.

5.3 INVESTMENT PROCESS

We strive to achieve asymmetric returns through a thematic investment process. In simple terms, asymmetric investing is about producing above average returns with below average drawdowns. This has four pillars.

1. Find asymmetric themes;
2. Invest in the best ideas within those themes;
3. Focus on macro drivers for risk & opportunities; and
4. To generate an asymmetric return profile.

Interests in the Fund will be issued in Australian dollars. The Fund will also have exposure to investments which are denominated in currencies other than the functional currency. The current operating policy of the Fund is to hedge all currency exposure back to Australian dollars but this may change without notice.

5.4 INVESTMENT EXPOSURE

The Fund may invest directly or indirectly through investments in other funds managed by Arnott Capital or its affiliates which may be domiciled in offshore jurisdictions (**Underlying Funds**). Where the Fund invests in an Underlying Fund, it will indirectly bear a portion of the expenses of the Underlying Fund.

6 RISKS OF INVESTING

Unitholders should be aware that there is no guarantee that the implementation of the investment objective or strategy will not result in losses to Unitholders. The return of capital and the performance of the Fund are not guaranteed by any person or organisation, including Arnott Capital or the Prime Broker/Custodian. Therefore, each investor should carefully consider the risks of investing and, where necessary, seek professional advice as to the suitability of investing in the Fund. Some risks of investing in the Fund include, but are not limited to:

6.1 MANAGER SKILL

The Fund relies heavily on the ability of Arnott Capital to identify investments that will outperform other investments. Furthermore, the Fund relies on the ability of Arnott Capital to identify overall market direction. If Arnott Capital makes the wrong decisions, the Fund can have negative returns.

6.2 LEVERAGE

The Trustee may leverage the Fund's capital because it believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Trustee may pledge the Fund's securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with derivatives and short sales. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and Unitholders may experience increased volatility in the value of their investments.

6.3 LIQUIDITY

The Trustee may invest in listed or unlisted securities or other instruments which suffer from a lack of liquidity. Under certain conditions the liquidity of a particular market or security may be restricted, thus affecting the performance of the Fund. Lack of liquidity or market depth can affect the valuation of the Fund's assets as it looks to realise securities at quoted prices.

6.4 SHORT SELLING

The Trustee may engage in short selling. Selling securities short creates the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which may reduce profits or create losses in particular positions.

6.5 DIVERSIFICATION

The Trustee intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. If the Fund's investment portfolio is concentrated in a small number of investments, the portfolio may be subject to a greater level of volatility.

6.6 SPECULATIVE NATURE OF CERTAIN INVESTMENTS

Certain investments by the Fund may be regarded as speculative in nature and involve increased levels of investment risk. An inherent part of a strategy may be to identify

investments which are undervalued (or, in the case of short positions, overvalued) by the marketplace. Success of such strategy necessarily depends upon the market eventually recognising such value in the price of the investment, which may not necessarily occur. Equity positions, including IPOs, may involve highly speculative securities.

6.7 DERIVATIVES RISK

Derivatives, such as options, futures and swaps, may be used by the Trustee for hedging and non-hedging purposes, such as:

- To manage particular risks;
- To implement an investment strategy in a cost-efficient manner;
- As a substitute for direct investment in securities; or
- To reduce risk or gain exposure to other types of investments when appropriate.

The risks of using derivatives might include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected, and counterparty risk.

6.8 COUNTERPARTY RISK

Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. A party defaulting on its obligations could subject the Fund to substantial losses because the Fund will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.

6.9 KEY PERSON RISK

The success and profitability of the Fund is dependent on the ability of Arnott Capital's team to make investments which provide superior returns. Consequently, there is a risk that the key people involved in the management of the Fund become unable to perform their role for an extended period of time, or indefinitely.

6.10 CURRENCY RISK

At the date of this IM, it is intended that the functional currency of the Fund's principal trading account will be AUD dollars and other currencies, although the Trustee retains the discretion to change this. The Fund will have exposure to investments which are denominated in currencies other than the functional currency. If the value of foreign currencies changes relative to the functional currency, the value of the investments of the Fund may change. While the operating policy of the Fund is to hedge all currency exposure back to Australian dollars, there are cases where hedging may be inaccurate or ineffective and result in material movements in the Fund value. There is a risk that the value of investments of the Fund will change due to movements in the exchange rate between the local currency and the Australian dollar.

6.11 INTEREST RATE RISK

Changes in interest rates can have a direct impact on the returns available on cash holdings of the Fund. They can also have an indirect positive or negative impact on the relative attractiveness of shares to other asset classes, or on the capacity to service indebtedness of individual companies in which the Fund may be invested.

6.12 FOREIGN TAXATION

The Fund may trade on markets located in many jurisdictions around the world with different tax regimes, some of which may subject the Fund to withholding or other taxation, which may impact the Fund's returns.

6.13 MARKET RISK

Any investment made in a specific group of securities is exposed to the universal risks of the securities market. There can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such securities.

6.14 FUND RISK

Common risks associated with most managed funds include the risk that: the Fund may be terminated; the fees and expenses could change; or the Trustee or the Investment Manager could change. The Trustee has the discretion to compulsorily redeem Units. In addition, the results of investing in the Fund may lead to different results compared with investing directly because of income or capital gains accrued in the Fund and the consequences of other investors investing in, or withdrawing from, the Fund.

6.15 SERVICE PROVIDER RISK

The Fund relies on external service providers in connection with its operations. Services include prime brokerage/custody, fund administration and middle office. There is a risk that these service providers may not meet their contractual obligations, or seek to terminate their services to the Fund. In this situation, the Fund may be required to replace a service provider and this may lead to a disruption to the activities of the Fund.

6.16 LEGAL, REGULATORY & TAX RISK

Legal, regulatory and tax changes could occur during the term of the Fund, which may adversely affect the Fund and its underlying investments. The value or tax treatment of an investment, 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.

6.17 WITHDRAWAL RISK

If market events reduce the liquidity of an investment or asset class, the generally applicable timeframe for meeting withdrawal requests may not be met. The Fund also invests in unlisted assets and it may take longer to sell these types of investments at an acceptable price. In addition, if an investor or a group of investors seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price received by the Fund for those assets. In certain circumstances, it may be necessary to suspend withdrawals to allow sufficient time for liquidation of assets to meet withdrawals. It may also be necessary to distribute capital of the Fund by way of an in-specie distribution of the underlying assets to investors.

7 FEES AND EXPENSES

7.1 OVERVIEW

MANAGEMENT FEE	1.5% pa (plus GST) of the Net Asset Value of the relevant Series
PERFORMANCE FEE	20% of the increase in unit price of the relevant Series above the High Watermark
BUY/SELL SPREAD	+/- 0.30%

7.2 MANAGEMENT FEE

A management fee of 1.5% per annum (plus GST) of the Net Asset Value of the relevant Series is payable to Arnott Capital. The management fee is calculated and paid monthly in arrears.

7.3 PERFORMANCE FEE

A performance fee of 20% (plus GST) of the Outperformance is payable to Arnott Capital. The performance fee is referable to the performance of the Series in which you are invested. Outperformance is calculated as the amount by which there is an increase in the unit price of the relevant Series above the High Watermark. The performance fee is payable out of the Fund's assets to Arnott Capital. The High Watermark means the highest unit price of the Series at the end of a period where a performance fee has been paid, adjusted for subsequent distributions. This means that a performance fee is only payable if the Series' investment performance is positive and has exceeded the High Watermark.

The performance fee is calculated monthly against the relevant Series and paid in arrears at the end of each month.

In order to ensure that unitholders bear the performance fee according to the actual performance of their units, having regard to the different dates and prices at which units were acquired, a new Series of units will be issued in the Series Class in respect of each Subscription Day.

As soon as practicable after the last Valuation Day in each performance period, all units in all Series which have borne a performance fee in respect of the relevant performance period will normally be consolidated into a single Series, being the oldest Series of the Series Class to have borne a performance fee in respect of the relevant performance period. The High Watermark for all units of the consolidated Series will be the unit price of that consolidated Series as at the last Valuation Day in 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, the Series will not be consolidated.

7.4 OTHER FEES AND EXPENSES

Other Fees and Expenses

The Trustee is entitled in accordance with the Fund's Constitution to be reimbursed for all expenses incurred in relation to the establishment, administration or management of the Fund in the proper performance of its duties. The Fund will pay out of Fund assets ordinary direct expenses such as custodial, administrative, middle office, accounting, registry, legal, transactional and operational costs (including hedging costs), banking and audit expenses properly incurred in respect of the Fund. These represent the operating expenses and outgoings in connection with the start-up costs and day-to-day operation of the Fund. Extraordinary expenses, such as the costs of convening Unitholder meetings or defending a third-party claim made against the Fund, will also be paid by the Fund.

Buy/sell spread

Applications and redemptions are generally subject to a spread of 0.30%. For more information on the buy/sell spread, please refer to section 8.

Redemption fee

Unitholders who redeem their units within the first 12 months of the issue of those units may be charged a redemption fee of 1% of the redemption proceeds.

Fees Waiver, Deferral or Reduction

Arnott Capital retains the sole discretion to elect to waive, defer or reduce any fees from time to time. Any such waiver, deferral or reduction will in no way affect the right to receive any fees payable. Arnott Capital retains the absolute discretion to rebate, waive, defer or reduce all or any part of any fees applicable to Units for certain Unitholders. Different management fees, performance fees and redemption fees may be charged in respect of different classes of units, including in respect of the founder class units.

8 UNIT PRICING AND VALUATIONS

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal undivided part of the market value of the portfolio of investments that the Fund holds. The unit price of a Series is calculated by dividing the total asset value of the Fund referable to the Series, less its liabilities, by the total number of units in the Series on that day. All unit prices are calculated to four (4) decimal places. The number of units issued is calculated and rounded to the nearest whole number.

The Fund employs series accounting in respect of the Series Class meaning each new application is allocated to a specific Series. Units will be issued in the Series Class unless the unitholder and Trustee agree otherwise.

Units are priced for each relevant Series on the last Business Day of every calendar month with reference to the last traded share price for that day, and/or such other time or times as Arnott Capital may determine ('Valuation Day'). All Units in a specific Series will have the same Unit price, but the Unit price of each Series will vary depending on the specific performance attributable to that Series.

The net asset value of the Fund includes the value of income accumulated since the previous distribution date.

There is a difference between the application and the redemption unit price which is a result of transaction costs. The buy/sell spread is applied because an application or redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes. So that existing Unitholders do not continually bear the transaction costs resulting from new investments or redemptions that are made, each Unitholder pays a spread of up to 0.30% when they transact in the Fund. This is paid into the Fund for the benefit of all Unitholders.

The spread of the Fund may be reviewed by Arnott Capital and altered or waived from time to time. Arnott Capital may also determine a reasonable estimate of the actual amount necessary to avoid an adverse impact on other Unitholder's due to the acquisition or disposal of assets carried out because of a particular application or redemption and apply this as the buy/sell spread for that particular application or redemption.

A nil or reduced buy/sell spread may also be applied where an application from one Unitholder coincides with a redemption from an existing Unitholder, i.e. a 'crossing'.

In calculating the net asset value of the Fund, the Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties, including automatic processing services, brokers, market makers or intermediaries, the Investment Manager, Trustee and any administrator or valuations agent of other collective investments into which the Fund invests. If, and to the extent that, Arnott Capital is responsible for or otherwise involved in the pricing of any of the Fund's assets (for example, in the case of unlisted or suspended securities), the Administrator may accept, use and rely on such prices, without verification, in determining the net asset value of the Fund and shall not be liable to the Fund, any investor or any other person in doing so.

9 DISTRIBUTIONS

Distributions will usually be determined annually as at 30 June each year or more frequently at Arnott Capital's discretion. Distributions will generally be paid within 30 Business Days after the distribution date.

Distributions are automatically reinvested unless a Unitholder elects for the distribution to be paid out in cash. For the Series Class, distributions are reinvested in the new Series of the Series Class at the unit price effective immediately after the end of the distribution period. A Unitholder can change their distribution option by notifying the Administrator in writing at least twenty (20) Business Days prior to the relevant distribution date. Unitholders will still have to pay tax on a distribution, even if it is reinvested.

In certain circumstances, such as where shares are sold to meet a significant redemption, Arnott Capital may choose to allocate undistributed income and any net realised capital gains to withdrawing Unitholders based on a pro-rata allocation with reference to the number of units being withdrawn. This would only be utilised to ensure a fair and reasonable allocation of any undistributed income and net realised capital gains amongst all Unitholders.

Arnott Capital has absolute discretion, in performing its obligation as trustee, and may accept or reject a written direction from a Unitholder. Arnott Capital may also in its discretion waive the minimum initial investment and minimum holding amount requirements.

Arnott Capital reserves the right to cancel distribution reinvestments. Unitholders will be notified if this occurs.

Distribution statements are forwarded to all Unitholders annually.

10 INVESTING IN THE FUND - APPLICATIONS

10.1 WHO CAN INVEST

The Fund is a wholesale fund and only Wholesale Clients within the meaning of section 761G (7) or 761GA of the Act may invest in the Fund. Accordingly, the Trustee will only accept investments in the Fund from investors who:

- invest over \$500,000 in the Fund;
- provide the Trustee with a copy of a qualified accountant's certificate dated within the preceding two (2) years that certifies the required level of income or assets; or
- the investor qualifies as a "professional investor" within the meaning of the Act.

10.2 APPLICATION PROCESS AND CUT-OFF TIMES

Applications are accepted at the absolute discretion of Arnott Capital. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on any application monies.

Application Process and Cut-Off Times

Applications can be made by completing the attached Subscription Agreement for initial investments or the Additional Subscription Form for subsequent additional investments and forwarding it to the Administrator - see the Subscription Agreement or Additional Subscription Form (which are both attached at the end of this Information Memorandum) for the Administrator's address. Applications will generally be processed on the first Business Day of each month ('Subscription Day'). The application price will be the unit price as at the immediately preceding Valuation Day.

Cleared funds must be electronically transferred into the Fund's Application Account (see below for bank account details) no later than 5pm AEST at least three (3) Business Days prior to the relevant Subscription Day (or such earlier or later time as Arnott Capital may determine). The relevant Subscription Agreement or Additional Subscription Form must be received by the Administrator no later than 5pm AEST at least three (3) Business Days prior to the relevant Subscription Day (or such earlier or later time as Arnott Capital may determine).

The bank account details are as follows:

BSB: 082 401
Account Number: 341 396 453
SWIFT Address: NATAAU3302S
Account Name: Arnott Capital Pty Ltd ATF Arnott Opportunities Trust Fund Application
Bank: NAB
Reference: [investor name]

Any interest earned on application money (less applicable withholding tax) paid in advance of a Valuation Day will be retained by the Fund; it will not be credited in favour of the applicant.

A copy of the original executed and completed Subscription Agreement may be faxed to the Administrator on +61 2 9251 3525, but no Subscription Agreement will be processed until the Administrator has received a properly completed original.

Subsequent additional investments may be effected by properly completing the Additional Subscription Form which is attached to this Information Memorandum and sending the original executed and completed Additional Subscription Form to the Administrator.

10.3 MINIMUM INITIAL INVESTMENT

The minimum initial investment is \$100,000 subject to Arnott Capital's discretion to accept a lower amount. Arnott Capital may in its discretion raise or lower the minimum initial investment amount provided that the status of the investor as a wholesale client.

10.4 ADDITIONAL INVESTMENTS

The minimum amount for additional investments is \$100,000.

Additional Unitholders may be admitted to the Fund upon such terms and conditions as are permitted by Arnott Capital (without the consent of any other Unitholders), which terms and conditions may differ from those applicable to other Unitholders on matters relating to, without limitation, notice periods, fee waivers, rebates or reductions and information rights. New classes of units in the Fund may be established by Arnott Capital without the approval of the existing Unitholders. However, Arnott Capital will provide existing Unitholders with written notice of any classification or reclassification of their existing units in the Fund.

11 WITHDRAWALS

11.1 MINIMUM WITHDRAWALS

The minimum redemption is \$50,000 (or such lesser amount as Arnott Capital may determine). A requested partial redemption which would cause the Unitholder's investment to fall below the minimum holding of \$100,000 (or such lesser amount as Arnott Capital may determine) will not be permitted.

11.2 WITHDRAWAL PROCESS AND CUT OFF TIMES

Withdrawals are generally permitted on the first Business Day of each month, provided the request is received by the Administrator by 5pm AEST at least 30 Days prior to the proposed withdrawal. Arnott Capital may at its discretion allow withdrawals at other times and with longer or shorter notice periods. The withdrawal price will be the unit price as at the immediately preceding Valuation Day (see Section 8). If the withdrawal request is received by the Administrator after the deadline for receipt of requests for any particular withdrawal date, it will be treated as a request for redemption on the next relevant withdrawal date. Unitholders who redeem their units within the first 12 months of the issue of those units may also be charged a redemption fee of 1% of the redemption proceeds.

Unitholders may withdraw all or part of their investments in the Fund by completing the attached Withdrawal Request. Withdrawals require the executed copy of the properly completed Withdrawal Request to be sent to the Administrator, but the Administrator will not process any Withdrawal Request until it has received a properly completed form.

In normal circumstances, proceeds from withdrawals will be available within ten (10) Business Days after the withdrawal has been processed. Withdrawals will be effected by electronic funds transfer to the bank account registered with the Administrator.

Arnott Capital may stagger withdrawals on a pro-rata basis if Arnott Capital receives withdrawal requests for a withdrawal date in relation to more than 20% of the units in a class (or such higher percentage as Arnott Capital may in its discretion determine). The unredeemed portion of the withdrawal request will be carried forward to the next withdrawal date (where withdrawal request may again be staggered).

A Withdrawal Request must be made in the form approved by Arnott Capital and the Administrator, and it must be signed by the Unitholder. If required, please contact the Administrator for a copy of this form (contact details are set out in Section 13.6 of this IM).

11.3 SUSPENSIONS

Arnott Capital may suspend for a reasonable period the application, withdrawal or both, of units, or the payment of withdrawals (in whole or in part), if Arnott Capital considers it is in the interests of Unitholders as a whole. These circumstances include where Arnott Capital cannot accurately determine the unit price as a result of closure or restriction on trading in a market or exchange or if the realisation of assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market, if an emergency exists as a result of which it is not reasonably practicable to fairly determine the unit price. Applications and withdrawals received during a suspension period will be processed as of the next application or withdrawal date

(as the case may be) after the end of the suspension period, on the basis of the unit price as at that application or withdrawal date (as the case may be).

12 TAXATION

12.1 TAXATION

There are tax implications when investing, withdrawing and receiving income from the Fund. Arnott Capital cannot give tax advice and we recommend that you consult your tax adviser. The following summary is general in nature and does not constitute tax advice. You should seek independent professional advice on the tax consequences of an investment in the Fund, based on your particular circumstances, before making a decision to invest.

The following summary is relevant for Australian resident Unitholders who are individuals, complying superannuation entities and companies that hold their units on capital account.

As the Fund is principally investing in derivatives, it is not anticipated that the Fund will be in receipt of substantial franking credits.

At the end of the Fund's tax year we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

12.2 CAPITAL GAINS TAX

Your assessable income for each year includes net capital gains (i.e. after offsetting capital losses). You may derive capital gains from either:

- A component of the distribution made to you as a Unitholder in the Fund; or
- Withdrawing from the Fund.

Individuals, trusts and complying superannuation entities may be eligible for a CGT discount in relation to capital gains derived upon the disposal of units where they have held the units continuously for at least twelve (12) months. Certain capital gains distributed to Unitholders from the Fund may also qualify as discount capital gains. The CGT discount percentage is 50% for individuals and trusts and 33 1/3% for complying superannuation entities.

The distribution by the Fund of certain non-taxable amounts (if any) may give rise to capital gains tax cost base adjustments to a Unitholder's units in the Fund. This may result in a larger capital gain or reduced capital loss on the subsequent disposal of the units, or may result in an immediate capital gain to the extent that any non-taxable amounts received exceed the CGT cost base of the units.

Despite the above, it should be noted that the Fund anticipates holding its investments on revenue account, meaning that any gains should be distributed as ordinary income instead of net capital gains. Capital losses cannot be applied against non-capital gains, and non-capital gains are not subject to the 50% CGT discount.

12.3 GOODS AND SERVICES TAX (GST)

The issue and redemption of units in the Fund and receipt of distributions will not be subject to GST. GST is payable by the Fund on Arnott Capital's fees and certain reimbursement of expenses. The Fund will generally be able to claim input tax credits and/or reduced input tax credits of either 55% or 75%.

12.4 NON-RESIDENT TAXATION

Australian tax will be deducted from distributions of certain Australian sourced taxable income to non-resident Unitholders. The amounts will be withheld at the rates of tax applicable to non-resident Unitholders and will depend on the type of income and country of residence of the investor. Non-resident Unitholders may also be subject to tax in the country they reside in, but may be entitled to a credit for some of all of the tax deducted in Australia.

On the basis that the assets of the Fund are unlikely to be direct or indirect interests in Australian real property, no Australian capital gains tax consequences should arise for non-resident Unitholders who hold their units on capital account.

Non-residents seeking to invest in the Fund should obtain tax advice on their specific circumstances.

12.5 FOREIGN TAX CREDITS

Australian residents are required to include in their assessable income their share of any foreign taxes paid by the Fund. Unitholders may be entitled to a tax offset for foreign taxes paid by the Fund, subject to certain conditions.

12.6 TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN) (AUSTRALIAN UNITHOLDERS ONLY)

It is not compulsory for Unitholders to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy and any other applicable levies or taxes. The ABN, TFN or an appropriate exemption can be provided on the Subscription Agreement when making an initial investment.

12.7 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) THE COMMON REPORTING STANDARD (CRS) AND OTHER SIMILAR REGIMES

The Foreign Account Tax Compliance Act of 2010 (FATCA) is United States (U.S.) tax legislation which aims at enabling the U.S. Internal Revenue Service (IRS) to identify and collect tax from U.S. residents that invest via non-U.S. entities, such as the Fund.

FATCA requires certain Foreign Financial Institutions (FFIs) to register with the IRS and collect and provide certain information about U.S. investors (relating to their identity, account balance and payments) to the IRS. Such U.S. investor account information is either reported to the IRS directly, or via a local regulatory or taxation authority in a country which has entered into an Intergovernmental Agreement with the U.S.. FATCA also imposes diligence requirements upon FFI's which require them to review investor account records for certain indicia of U.S. ownership, and obtain documentation sufficient to the IRS from clients whose accounts have such indicia of U.S. ownership. If you or (where you are applying on behalf of an entity) a Controlling Person of the entity (including 25% or greater owners) are a U.S. citizen or U.S. tax resident, you must contact Arnott Capital at the time of applying for Units in the Fund. Non-compliance with FATCA may result in a flat rate of 30% withholding tax on payments of certain U.S. source income.

The Common Reporting Standard (CRS) is a standardised set of information sharing rules which have been developed by the OECD with the aim of preventing tax evasion. Australia has enacted legislation to implement the CRS from 1 July 2017. Unlike FATCA, there is no withholding applicable under CRS.

Under FATCA and the CRS, Arnott Capital and the Fund will be required to implement due diligence procedures to document and identify Unitholders that are non-residents or entities that are controlled by non-residents and report certain information about those Unitholders to the ATO. The ATO may exchange this information with the relevant foreign tax authorities.

Arnott Capital and the Fund, as registered FFI's under FATCA and reporting entities under CRS, intend to comply with their FATCA and CRS obligations (and any other obligations which may arise under similar regimes to be implemented in the future).

Arnott Capital will request that you provide certain information about yourself and your tax status.

Any Unitholder who does not provide information requested by Arnott Capital for FATCA or CRS purposes, or for the purposes of any similar regime in another country, is subject to a compulsory redemption of their units. In addition, if you do not provide us with the required information for FATCA or CRS compliance, Arnott Capital may be required to report your account details to the appropriate local tax authority, such as the ATO.

In certain instances, the Fund may not be able to escape the imposition of withholding tax or other taxes under FATCA or any similar regime. While the Fund will seek to apportion any such tax burden on Unitholders whose actions or inactions have caused the Fund to be subject to tax, there can be no assurance that it will be able to do so, and if the Fund cannot, any such tax will reduce the amount of cash available to pay all Unitholders, including those Unitholders who have provided all requested information.

13 ADDITIONAL INFORMATION

13.1 CONSTITUTION

The Fund is governed by a constitution which binds Arnott Capital, as trustee, and the Unitholders of the Fund (**Constitution**). The Constitution sets out the conditions under which the Trustee operates and the rights, responsibilities and duties of the Trustee in respect of the Fund, particularly the right of the Trustee to retire and the ability of the Trustee to charge fees and recover expenses are included in the Constitution.

The Trustee may alter the Constitution in certain circumstances if it reasonably considers that the change will not adversely affect Unitholders' rights. Otherwise, the Trustee must obtain Unitholders' written consent, or approval by special resolution at a meeting convened for that purpose. The Fund may be terminated in certain circumstances stated in its Constitution.

The Constitution contains provisions limiting the requirement of the Trustee to compensate Unitholders. Generally, if the Trustee complies with its duties, it will not be required to compensate a Unitholder for the loss unless required by law. The Constitution also contains provisions regarding the Trustee's liabilities and rights for reimbursement out of the Fund.

Unitholders' rights

The rights of a Unitholder in the Fund are outlined in the Constitution. These include the right (subject to the other terms of the Constitution and this Information Memorandum) to:

- withdraw units;
- receive income and capital distributions;
- participate in distributions upon termination or winding up of the Fund; and
- call, attend and vote at Unitholder meetings.

Each unit a Unitholder holds in the Fund gives that Unitholder a beneficial interest in the Fund as a whole, but not in any particular asset of the Fund. Holding units in the Fund does not give a Unitholder the right to participate in the management or operation of the Fund.

As at the date of this Information Memorandum, the Trustee has issued units in a founder class, which is subject to different management fees, performance fees and redemption fees to those set out in this Information Memorandum. Additional investments received from founder class unitholders will be invested in the new class of units offered under this Information Memorandum unless otherwise agreed by the Trustee. The Trustee also offers a Non-Series Class to certain investors that adopts a whole of fund accounting methodology under a different Information Memorandum. The Trustee may issue further classes of units and may determine different rights, obligations and restrictions which will attach to the units within those Classes. The Trustee may refuse to register any transfer of units by a Unitholder without providing any reason.

Termination

The Trustee may terminate the Fund in a number of circumstances provided for in the Constitution including on written notice to Unitholders.

Limitation of Unitholders' liability

The liability of Unitholders is limited in the Constitution to the amount of their investment. The Constitution provides that Unitholders shall not be under any personal obligation to indemnify the Trustee (or its creditors) in respect of the liabilities of the Trustee in relation to the Fund. However, the Trustee cannot give an absolute assurance that a Unitholder's liability is limited in all circumstances as the issue has not been finally determined in court.

13.2 ADMINISTRATION AGREEMENT

The Trustee has entered into an administration agreement with the Administrator. The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Fund.

13.3 PRIME BROKER AND CUSTODIAN AGREEMENT

The Fund has appointed the Prime Broker and the Custodian listed in Section 1 of this IM. Prime broking is the term given to bundled service packages offered by brokerage firms to funds which require cash or securities lending facilities - prime brokerage services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities and may also involve their broker and dealer networks for the purposes of executing transactions. Fees for prime brokerage services are payable by the Fund and are therefore reflected in the returns you receive.

To enter into margin financing and stock borrowing arrangements, assets of the Fund are generally placed with the Prime Broker (or their Custodians) to form collateral under a custodial arrangement. The Prime Broker is entitled to sell, lend, or otherwise use this collateral for its own purposes, subject to an obligation to return equivalent securities or cash value.

The Fund's investments may be borrowed, lent or otherwise used by the Prime Broker for its own purposes. These assets become the property of the Prime Broker and the Fund has a right against the Prime Broker for the return of equivalent assets. The Fund ranks as an unsecured creditor for the equivalent assets, and if the Prime Broker becomes insolvent the Fund may not be able to recover the equivalent assets in full.

The Prime Broker has no decision-making discretion relating to the investment of the assets of the Fund and make no representation in respect of the Fund or the investment of the assets.

The Fund reserves the right to change prime brokerage and custody arrangements by agreement with the existing Prime Broker and Custodian, and to appoint additional or alternative Prime Brokers or Custodians without notice to Unitholders. The Prime Broker and the Custodian is a service provider to the Fund and is not responsible for the preparation of this Information Memorandum or the activities of the Fund and therefore accept no responsibility for any information contained in this document. The Prime Broker and Custodian will not participate in the investment decision-making process for the Fund.

13.4 INVESTORS' PERSONAL INFORMATION

The application form accompanying this Information Memorandum requests personal information. The Trustee collects personal information so that it may provide investors with the products and services associated with this Fund. The law may also require the

Trustee to collect personal information. The Trustee may disclose personal information to other parties (confidentiality arrangements apply) that provide services to the Fund, including to the Administrator. The Trustee also seeks expert help from time to time to help it improve its systems, products and services. Investors' personal information may be disclosed to these third parties in such circumstances. Investors' personal information will not otherwise be shared with other third parties. The Trustee does not currently transfer investors' personal information overseas, other than personal information may be held by the Administrator in its Singapore office. Investors' personal information may also be used by the Trustee to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist investors with any queries and take measures to detect and prevent fraud or other illegal activity. The Trustee may also be allowed or obliged to disclose information by law and to report on prudential or risk management matters.

The Trustee aims to ensure that the personal information it retains about investors is accurate, complete and up-to-date. If investors provide the Trustee with incomplete or inaccurate information, the Trustee may not be able to provide investors with the products or services they are seeking. Each investor will be required to acknowledge in its application form that the Trustee and the Administrator may disclose to each other, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction copies of the applicant's application form and any information concerning the applicant provided by the applicant to the Trustee and/or the Administrator and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise.

If investors have concerns about the completeness or accuracy of the information the Trustee holds about them, or would like to access or amend their information, or if investors would like a copy of the Trustee's Privacy Policy, simply email the Trustee at investor@arnott.com.au. The Trustee's privacy policy contains information about how investors can lodge a complaint about a breach by the Trustee of the Australian Privacy Principles and how such a complaint will be handled. Investors will be taken to agree to the collection, use and disclosure of their personal information as set out above when they make an investment in the Fund.

13.5 ANTI-MONEY LAUNDERING

As part of the Trustee's responsibility for the prevention of money laundering and counter terrorism, the Trustee and the Administrator or any of their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will require a detailed verification of the applicant's identity and the source of the payment from any person delivering a completed application form. In Australia, money laundering and terrorist financing is a criminal offence.

The Administrator will request verification of identity from all prospective investors to the extent required under the Trustee's Know Your Customer (KYC) identification policy. Investors are required to send the completed application form and KYC identification information to the Administrator. The Administrator will notify investors if additional proof of identity is required. Failure to provide the necessary evidence may result in applications being rejected or in delays in the issuance of units.

The Fund and the Administrator, and each of their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will be held harmless and will be fully indemnified by a potential investor against any loss arising as a

result of a failure to process an application if such information as has been requested by any of them has not been satisfactorily provided by the applicant. By subscribing, applicants acknowledge that the Trustee may be required by law to provide information about them or to file suspicious transaction reports to regulators.

13.6 EMAIL AND FACSIMILE INSTRUCTIONS

The Administrator will process application and withdrawal requests which are initially received by email or facsimile. The original application, transfer and redemption requests should follow by courier or post. Neither the Trustee nor the Administrator shall be responsible for any miss-delivery or non-receipt of any email or facsimile. Emails and facsimiles sent to the Trustee or the Administrator will only be effective when actually acknowledged by the Trustee or the Administrator. In the event that no acknowledgement is received from the Administrator within five (5) days of submission of the request, you should contact the Administrator on telephone number +61 2 9251 3525 to confirm receipt by the Administrator of the request.

13.7 ENQUIRIES

If you have any queries in relation to this offer of the Fund, please contact our Investment Specialist team at investor@arnott.com.au

14 GLOSSARY

ACT	The Corporations Act 2001 (Cth) for the time being in force, together with the regulations.
APPLICATION FORM	The application form that accompanies this Information Memorandum.
BUSINESS DAY	Any day other than a Saturday, Sunday or public holiday in Sydney.
CLASS	Class means a class of units in the Fund and includes the Series, founder and Non-Series classes.
CONSTITUTION	The constitution governing the Fund, as amended from time to time.
FUND	Arnott Opportunities Trust, an unregistered managed investment scheme.
HIGH WATERMARK	The High Watermark means, until a performance fee for that Series first becomes payable, the issue price or otherwise, the highest unit price of the Series, as applicable at the beginning of any performance period.
TRUSTEE AND INVESTMENT MANAGER	Arnott Capital Pty Limited.
NET ASSET VALUE	Net Asset Value means the gross asset value of the Fund less the total value of the liabilities of the Fund.
SERIES	A separate class issued on different Subscription Days.
SUBSCRIPTION DAY	The first Business Day of each month.
UNITHOLDER	A registered holder of units in the Fund.
VALUATION DAY	The last Business Day of every calendar month with reference to the last traded share price for that day, and/or such other time or times as Arnott Capital may determine.
WHOLESALE CLIENT	Means a "Wholesale Client", as defined in the Act.

15 HOW TO INVEST

APPLICATION PROCESS:

1. Read this Information Memorandum.
2. Complete the Subscription Agreement, including the relevant Identification Form, which accompanies this IM.

To request a copy of the Subscription Agreement, please contact Arnott Capital Investor Services via email: investor@arnott.com.au.

3. Make payment in cash via wire transfer direct to the Administrator's trust account. Follow the instructions in Section 1 of the Subscription Agreement.

4. Applicants should note the times by which Subscription Agreements must be received in order to be processed on a Subscription Day. Applicants should also note that cleared funds must be received into the account for value before 5pm AEST at least three (3) Business Days prior to the relevant Subscription Day as specified in this Information Memorandum. All application monies must originate from an account held in the name of the applicant. No third-party payments will be permitted.

Please send the completed Subscription Agreement and all required documents to the Administrator by email to admin@mainstreamgroup.com or by fax on +61 2 9251 3525.

* Please note that Applications may be refused or not processed if the required documents are not provided.

Additional subscriptions can be made by completing the Additional Subscription Form which is available from the Administrator.