

# **Victor Smorgon Partners Resources Gold Fund**

**An investment opportunity presented by Victor Smorgon Partners Pty Ltd**

## **INFORMATION MEMORANDUM – AN OFFERING TO WHOLESALE & SOPHISTICATED INVESTORS**

23 March 2022

Manager: Victor Smorgon Partners Pty Ltd

an authorised representative of Gannet Capital Pty Ltd (AR 1273787)

Trustee: Gannet Capital Pty Ltd

AFSL 340799 & ACN 139 264 690

**THIS OFFER DOCUMENT SUPERSEDES THE DOCUMENT ISSUED ON 12 OCTOBER 2020**

This Information Memorandum has been prepared for the general information of prospective investors in the Victor Smorgon Partners Resources Gold Fund ('Fund') by Victor Smorgon Partners Pty Ltd ACN 630 512 739 ('VSP', 'Investment Manager'), the investment manager of the Fund. The Investment Manager is an authorized representative of Gannet Capital Pty Ltd (Gannet) ACN 139 264 690 (AFSL 340799). The Trustee of the Fund is Gannet Capital Pty Ltd ACN 139 264 690 ('Trustee'). The Investment Manager is the issuer of this information memorandum ('Information Memorandum') dated 23 March 2022, relating to the offer of units in the Fund ('Offer'). Terms are defined throughout this Information Memorandum and in the Glossary.

The Fund is governed by the Trust Deed and Application Form ('Investment Documents') which regulate, among other things, the rights and obligations of the Trustee, Investment Manager and the investor. A copy of the Trust Deed is available free of charge by contacting VSP. The information in this Information Memorandum is subject to (i) change and (ii) the Investment Documents. To the extent of any inconsistency between this Information Memorandum and the Investment Documents, the Investment Documents prevail.

Note – the return of capital and the performance of the Fund are not guaranteed by any person or organisation, including Gannet, VSP or the Administrator.

This Information Memorandum is intended solely for the use of the person to whom it has been delivered ('Recipient' or 'you') on the conditions set out below for the purpose of evaluation of a possible investment by the recipient in the units described in it. By accepting and reading this Information Memorandum you accept these conditions. The information contained in this Information Memorandum is provided on a confidential basis and is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this Information Memorandum).

All information provided in this Information Memorandum is correct as at the issue date of this Information Memorandum, and statements in the Information Memorandum are only made at that date. Its delivery at any time after that date does not imply that the information contained in it is accurate, timely or complete at any time subsequent to that date. Gannet or VSP may in its absolute discretion without notice, but without being under any obligation to do so, update or supplement this Information Memorandum. Any further information shall be provided subject to these conditions.

Information contained in this Information Memorandum is general information only and does not take into account your individual objectives, financial situation, taxation position or needs and should not be relied on for the purposes of making an investment decision. This Information Memorandum has not been, and is not required to be, lodged with the Australian Securities and Investments Commission under the Corporations Act 2001 (Cth) ('Corporations Act'). The Fund is not required to be and is not registered as a managed investment scheme under the Corporations Act. Accordingly, an invitation to subscribe for units in the Fund will be an offer that does not need disclosure for the purposes of the Corporations Act and this Information Memorandum is not required to, and does not, contain all of the information which would be required to be set out in a product disclosure statement or a prospectus.

Unless otherwise indicated, all fees quoted in this Information Memorandum are exclusive of the effect of GST and any input tax credit, and all dollar amounts refer to Australian (AUD) dollars.

This offer is only principally available to eligible wholesale investors who receive this Information Memorandum in Australia. Applications from outside Australia will generally not be accepted. This Offer does not constitute an offer in any jurisdiction in which, or to any person to whom it would be unlawful to make such an offer.

There is no cooling off period or cooling off rights in relation to an investment in the Fund as cooling off rights which are provided under Corporations Act are not available to wholesale clients. Investments in this Fund are subject to risk and market fluctuations. Investors should ensure that they understand the risks and where necessary seek independent professional advice before investing in this product. Investors should be aware that the risks may result in possible loss of income and principal and may involve delays with repayment.

To the maximum extent permitted by law, the Fund and the Investment Manager:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information); and
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum.

There may be no secondary public market for units in the Fund and no market is expected to develop in the future. An investment in the Fund may not be transferred, resold, exchanged or otherwise disposed of except in accordance with the terms of this Information Memorandum and the Trust Deed. By accepting this Information Memorandum, you are:

- representing that you are a wholesale client; and
- agreeing to keep the Information Memorandum and its content confidential and not to provide it to other persons other than your advisers provided they also maintain such confidentiality

INVESTMENTS OF THIS KIND ARE NOT SUITABLE FOR RETAIL INVESTORS.

ASK QUESTIONS, READ ALL DOCUMENTS CAREFULLY, AND SEEK INDEPENDENT FINANCIAL ADVICE BEFORE COMMITTING YOURSELF.

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Dear Investor,

The Victor Smorgon Partners Resources Gold Fund (Fund) is an Australian listed equity portfolio of gold producers and explorers (Companies) which was launched and cornerstoned by the Victor Smorgon Group on 14 May 2020.

Victor Smorgon Group is a privately owned Family Office that manages and invests its own capital, together with 'friends' of the family, in special investment opportunities.

- VSG has a proven track record, unique insights, access, and knowledge in the gold sector from being an owner/operator of the Stawell Gold mine in Victoria, owning/storing gold bullion at the Perth mint, investor in junior listed explorers, and other local global investments.
- The Fund aims to deliver investors superior returns by offering access to a concentrated long/short portfolio of ASX listed gold stocks.
- The Fund seeks to diversify its portfolio and manage its risks by maintaining exposure predominantly to gold producers (40-80%), developers (10-30%), and explorers (10-30%).
- VSG believes that many of the global dynamics evident over the last few years will remain supportive of higher gold pricing. Increased market volatility, ongoing geopolitical uncertainty, high global debt levels, low to negative interest rates, and modest global economic growth, are all supportive of higher gold pricing.
- Historically gold is negatively correlated to equities during times of market stress as it is viewed as a 'safe haven' asset.

VSG initially cornerstoned the Fund with \$10m and has subsequently added to its investment.

Best,

Glenn Poswell, Peter Edwards and David Leeton  
Co-Founders, Victor Smorgon Partners

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## OVERVIEW OF TERMS

<b>Investment Vehicle</b>	Victor Smorgon Partners Resources Gold Fund ('Fund'), an unregistered unit trust domiciled in Australia
<b>Investment Manager</b>	Victor Smorgon Partners Pty Ltd ACN 630 512 739 ('Investment Manager'), as an authorised representative no. 1273787 of Gannet Capital Pty Ltd, Australian financial services licence number 340799 ('VSP')
<b>Trustee</b>	Gannet Capital Pty Ltd ACN 139 264 690 / AFSL no. 340799 ('Gannet')
<b>Administrator</b>	Unity Fund Services Pty Ltd ABN 16 146 747 122, a company incorporated in Australia
<b>Investment Policy</b>	The Fund has been established to manage a portfolio of ASX listed gold producers, developers, and explorers
<b>Investment Style</b>	Fundamental research-based process, focused on companies with good management that offer value and above-average growth potential
<b>Portfolio Allocation Guidelines</b>	Diversified portfolio with exposure predominantly to gold producers (40-80%), developers (10-30%), and explorers (10-30%)
<b>Investment Approach</b>	<p>The Fund will:</p> <ul style="list-style-type: none"> <li>a) consist of a concentrated long/short portfolio of ASX listed companies with operations predominantly in Australia (low jurisdictional risk).</li> <li>b) have a maximum concentration risk for any single stock position of 20% of the portfolio at cost.</li> <li>c) consist of a portfolio that includes a majority position in large, lower risk, gold producers. The balance of the portfolio will include higher risk/return gold explorers and developers to increase the breadth of investment opportunities for enhanced potential to outperform</li> </ul>
<b>Applications</b>	Monthly (until closed)
<b>Offering of Units / Fund Size</b>	Investment is only available to eligible investors, defined as wholesale clients under the Corporations Act. The terms are described within this Investment Memorandum and the Fund's Application Form.
<b>Unit Price</b>	Monthly Pricing
<b>Payment</b>	100% of investment amount is required to clear in the application bank account (details in the attached Application Form) before applications are accepted
<b>Term</b>	The Fund will be open ended. The ultimate term of the Fund will largely be dependent on Gold being a compelling investment category by the Manager
<b>Redemptions</b>	Monthly, with 30 days' notice
<b>Distributions</b>	Quarterly distributions where appropriate
<b>Investor Eligibility</b>	Wholesale Clients
<b>Minimum Investment</b>	AUD\$100,000 – the Trustee reserves the right to accept lower amounts from Wholesale Clients in its sole discretion
<b>Transfers</b>	Transfers between existing unit holders or new unit holders permitted subject to approval by the Investment Manager on behalf of the Trustee

<b>Management Fee</b>	<p><b>Foundation Investors</b></p> <p>Zero Management Fee.</p> <p><b>New Investors</b></p> <p>The Trustee is entitled to a Management Fee of 1.00% p.a. (exclusive of GST) on the Net Asset Value, payable monthly in arrears.</p> <p>Refer to page 10 for more specific details in relation to the calculation of the Management Fee.</p>
<b>Performance Fee</b>	<p>The Fund will (if applicable) pay the Trustee a Performance Fee (<b>Performance Fee</b>).</p> <p>The Trustee will be entitled to a 20% (exclusive of GST) Performance Fee (subject to a high water mark and catch up), which is to be calculated and accrued monthly and payable annually (30 June) (Calculation Period) or upon redemption, subject to the Fund achieving a Hurdle Rate of 10% p.a.</p> <p>Refer to page 10 for more specific details in relation to the calculation of the Performance Fee.</p>
<b>Fund Expenses</b>	<p>All expenses reasonably and properly incurred by the Trustee or Manager are to be borne by the Fund.</p>
<b>Buy/sell spread (i.e. application and redemption transaction costs)</b>	<p>30 bps. Upon redemption a performance fee may apply.</p>

## THE VICTOR SMORGON PARTNERS RESOURCES GOLD FUND

### FUND STRUCTURE

The Fund is an unregistered wholesale Australian resident unit trust. Gannet Capital Pty Ltd is the trustee of the Fund.

The governing rules of the Fund are detailed in the Trust Deed.

### INVESTMENT MANAGER

The Investment Manager for the Fund is Victor Smorgon Partners Pty Ltd.

### INVESTMENT STRATEGY OF THE FUND

The Fund will:

- (a) consist of a concentrated long/short portfolio of ASX listed companies with operations predominantly in Australia (low jurisdictional risk).
- (b) have a maximum concentration risk for any single stock position of 20% of the portfolio at cost.
- (c) consist of a portfolio that includes a majority position in large, lower risk, gold producers. The balance of the portfolio will include higher risk/return gold explorers and developers to increase the breadth of investment opportunities for enhanced potential to outperform

The Investment Manager will employ a fundamental research-based process, focused on companies with good management that offer value and above-average growth potential.

### BENEFITS OF INVESTING IN THE FUND

Investing in the Fund gives investors investment exposure to:

- A single commodity (gold) portfolio of investments that historically is negatively correlated to the general market.
- Empirical evidence shows that a gold allocation of 5-10% in a typical investment portfolio has provided a better risk-adjusted return and lower volatility over the past 20 years than a portfolio with no exposure.
- A more balanced exposure to the full mine life cycle of gold explorers, developers and producers versus the market weighted ASX Gold Index which has extreme concentration risk towards the large producers.
- A portfolio of investments with their assets located primarily in Australia. This minimises the jurisdictional risk of the portfolio. This is particularly important during times of heightened geo-political risk.

### VICTOR SMORGON PARTNERS

#### Cameron Judd, Portfolio Manager

Cameron has over 20 years' experience in the resources sector in both global and local markets. As an Engineer, Cameron worked on several mining projects in construction and operation roles.

He then transitioned into mining finance, working as a Mining Analyst with Morgan Stanley (5 years) and Wilson HTM (2 years) and joined Arete Capital, a mining private equity company. In addition to reviewing numerous global mining projects, he was also instrumental in the acquisition of the Stawell Gold mine on behalf of the Victor Smorgon Group. Cameron joined the Victor Smorgon Group to lead and grow the company's investment in the resources sector.

#### Glenn Poswell, Founder & Partner

Co-Founder of Victor Smorgon Partners, Founder of Gannet Capital and Centennial Asset Management. Glenn was previously a Founder and the Chief Executive Officer of Ellerston Capital (2004 – 2010), an alternative asset management business established to manage the Packer Family's wealth and external investors capital. Assets grew to more than \$4bn to become a leading global alternative asset manager.

Previously, Glenn was the Head of Deutsche Bank's Asia Pacific Absolute Return Strategies Group and a member of the Investment Committee and Compliance Committees.

Glenn is currently an Advisory Board Member of the Adam Scott Foundation, Marcy Venture Partners Funds (USA), Board Member of Giant Steps – Sydney & Melbourne, and a Board Member of eToro Australia, a global social trading and multi-asset brokerage company.

Glenn has a Bachelor of Arts and a Bachelor of Commerce from Monash University, Melbourne Australia

#### Peter Edwards, Founder & Partner

Managing Director of the Victor Smorgon Group (appointed 1996). Peter's management of the diversified VSG portfolio includes Fresh Produce, Aquaculture, Waste Management and Recycling, Fashion Retail, Property Finance and Development, and Mining. Peter is the current Trustee of the Victor Smorgon Charitable Fund and a member of the National Gallery of Victoria Foundation.

#### David Leeton, Founder & Partner

David is a co-founder of Victor Smorgon Partners, having joined VSG in 1997 and working as the VSG CFO for 17 years. David sits on the investment board and is company secretary of all VSG entities. David is a Trustee of the Victor Smorgon Charitable Fund, a director of the Victor Smorgon Scholarship Fund trustee company, a director of the Trustee of the Fouress Foundation and company secretary of the Victor Smorgon Institute at Epworth. He is also a director of Future Generation Ltd (FGX), and a member of the (FGX) ARC. David is a CPA member.

David has a Bachelor of Business (Banking and Finance) and a Graduate Diploma in Accounting from Monash University, Melbourne Australia.

## RISKS

Unitholders should be aware that there is no guarantee that the implementation of the investment strategy or process 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 VSP, Gannet or any related or associated entity or person. 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:

### GENERAL INVESTMENT RISK

Like any investment, the returns will be subject to economic variables (including interest rates, unemployment, inflation and economic growth), market conditions, factors impacting particular investee companies and government policy. Some investee companies will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities.

### MANAGER RISK

The Fund relies heavily on the ability of VSP to monitor and manage the investment opportunity that will generate a return commensurate with the underlying risk. If the underlying investments of the Fund are wrong decisions, the Fund can have negative returns.

Unfavourable circumstances may affect the Fund's ability to make investments at acceptable prices. The Fund may not be successful in implementing its investment strategy.

Further, there is a risk that key personnel may depart.

### LIQUIDITY

Where the liquidity of a particular market or security is restricted, it can affect 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 and the ability of the Fund to exit a position in a timely manner including after the end of the term of the Fund.

### LIMITED DIVERSIFICATION

The Fund is inherently volatile due to it being a single commodity portfolio of investments.

### SPECULATIVE NATURE OF CERTAIN INVESTMENTS

The Fund does have an allocation to junior gold explorers which may be regarded as speculative in nature and involve increased levels of investment risk.

### LEVERAGE RISK

The Fund's portfolio assets may have significant debt in their capital structure. Investee companies with a leveraged capital structure have increased exposure to rising interest rates, refinance risk, and economic downturns. Leverage may also exacerbate losses.

## DERIVATIVES RISK

Derivatives, such as options, warrants, futures and swaps, may be used by the Fund for hedging and non-hedging purposes.

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.

## MARKET RISK

Any investment 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.

## CONFLICTS OF INTEREST

Conflicts of interest may exist in the structure and operation of the Fund's investment: VSP serves as the investment manager or investment advisor to other client accounts.

## PORTFOLIO COMPANIES FAILURE

The investment by the Fund could suffer financial difficulties and/or fail leading to financial difficulties for the Fund and/or a loss of capital to investors. Follow on funding may be required that may dilute the Fund's interest in an investment.

There is a risk that the Fund will not receive an expected return or any return at all on the investment.

## LEGAL, REGULATORY AND TAX RISK

The Fund is not required to be registered under the Corporations Act 2001 (Cth) and accordingly the investors do not receive the protections provided as a registered scheme.

Legal and tax regulations that apply to VSP, the Fund and its investments may change. Changes to tax law, interpretation or practice could adversely affect the tax treatment of an investment in the Fund and the tax treatment of the Fund's investments. Investors should obtain their own tax advice in relation to an investment in the Fund.



## INVESTING IN THE FUND

### WHO CAN INVEST?

Gannet may only issue interests in the Fund to Wholesale Clients.

Please contact us if you are unsure as to whether you are eligible to invest in the Fund.

Only wholesale clients (as defined under the Corporations Act 2001) are eligible to invest in the Fund.

### APPLICATIONS

#### Minimum Initial Investment

The minimum investment is AUD\$100,000 subject to Gannet's discretion to accept a lower amount. Gannet may in its discretion raise or lower the minimum investment amount provided that the status of the investor as a Wholesale Client, is not prejudiced. Certification of investor status will be required as a prerequisite for investing in the Fund.

#### Application Acceptances

In respect of each initial investment, an investor must qualify as a Wholesale Client.

Applications are accepted at the absolute discretion of Gannet.

It is the responsibility of each applicant to contact Gannet to ascertain the status of their subscription. An applicant cannot assume their subscription has been successful until they receive confirmation from Gannet.

Rejected, invalid, incomplete applications will be returned to applicants as soon as possible. Interest is not payable on

rejected or scaled back application monies. Subscription monies will be held in an interest-bearing account until invested by the Fund, and interest (if any) will be retained by the Fund.

#### Application Process and Cut-Off Times

Applications can be made by completing the attached Application Form and forwarding it to the Administrator – see the Application Form (attached at the end of this Information Memorandum) for the Administrator's address.

Cleared funds must be electronically transferred into the Fund's Application Account (see below for bank account details). The original signed Application Form must be received by the Administrator.

#### The AUD bank account details are as follows:

Bank:	NAB
Bank Address:	500 Bourke Street, Melbourne, Victoria 3000
Reference:	"Investor name"
BSB Number:	082-057
Account Number:	56-373-6900
Account Name:	Victor Smorgon Partners Resource Gold Fund

A copy of the original executed and completed Application Form may be emailed to [info@oneregistryservices.com.au](mailto:info@oneregistryservices.com.au), but no Application Form will be processed until the Administrator has received a properly completed original and cleared subscription monies.

## REDEMPTIONS

### Redemption Frequency

A Unitholder may request Gannet to redeem its units prior to termination of the Fund. Gannet is entitled but not obliged to approve a redemption request and such a request cannot be withdrawn unless Gannet agrees.

The unit redemption price will be calculated based on the Fund Net Asset Value plus the buy/sell spread and any uncalled portion of partly paid units divided by the number of units on issue.

Gannet currently intends to allow monthly redemptions, with 30 days' notice.

### Fax/Email Arrangements

Where Application Forms are initially sent by electronic means (fax or email), the original signed document must also be sent to the Administrator. Subscriptions will not be accepted until after the Administrator's receipt of the original properly completed and signed document. None of the Administrator, Gannet or their duly appointed agents will be responsible to an applicant for any loss resulting from the non-receipt or illegibility of any electronic notice or for any loss caused in respect of any action taken as a consequence of such fax believed in good faith to have originated from properly authorised persons.

It is the responsibility of the investor to seek the confirmation of receipt from Administrator. The Administrator will generally confirm the receipt of instruction within 5 Business Days.

## UNIT HOLDER COMMUNICATION

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

### Monthly Email

A monthly email providing an update on the Fund and a valuation statement will be sent to all Unitholders.

### Tax, Distribution and Annual Statements

Unaudited unit pricing, taxation and distribution statements will be forwarded to all Unitholders at least annually

## FEES

### MANAGEMENT FEE

Foundation Investors – no fee

New Investors – Gannet is entitled to a Management Fee of 1.00% p.a. class (exclusive of GST) of the Net Asset Value, payable monthly in arrears.

### PERFORMANCE FEE

The Fund will (if applicable) pay the Trustee a Performance Fee (**Performance Fee**).

The Trustee will be entitled to a 20% (exclusive of GST) Performance Fee (subject to a high-water mark), which is to be calculated and accrued monthly and payable annually (30 June) (Calculation Period) or upon redemption, subject to the Fund achieving a Hurdle Rate of 10% per annum as follows:

- Investors will receive the initial 10% p.a. return net of any management fees and expenses (or pro rata where applicable) calculated on the total of their invested capital.
- After each Investor has received their initial net 10% p.a. return, the Trustee will then be entitled to participate in a Performance Catch up Fee, that being the full performance amount between 10% and 12.5% p.a. (or pro rata where applicable).
- All performance thereafter (if applicable) shall be split 80% to the Investor and 20% to the Trustee for the Calculation Period
- For the purposes of determining the Trustee's Performance Fee entitlements, net income is calculated exclusive of any accrued Performance Fee.

Series accounting may be used to calculate the Performance Fee. Gannet in its discretion may from time to time elect to receive less than the fees referred to in this Information Memorandum or the Trust Deed in respect of all or any units in the Fund (whether determined by reference to a minimum balance, a class or series, the inclusion of a performance hurdle criteria, or on another basis or otherwise) and may pay a Unitholder, from its own resources, any amount which it in its discretion so determines by way of offset or rebate of fees or for any other reason.

### OTHER FEES AND COSTS

The Fund incurs other expenses, such as legal fees, administrator fees, transaction costs, taxes, fund formation costs and other expenses allowable under the Trust Deed, including abnormal expenses (if any). An abnormal expense would, for example, be the cost of holding a Unitholder meeting. The Trust Deed allows for such expenses to be paid directly by the Fund or paid by Gannet and reimbursed to Gannet from the Fund.

## UNIT PRICING, DISTRIBUTIONS & TAXATION

### UNIT PRICING

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. As a result, each unit has a dollar value or unit price.

The unit price will be calculated monthly based on the prior month's Net Asset Value plus the buy/sell spread and any uncalled portion of partly paid units divided by the number of units on issue.

### DISTRIBUTIONS

Gannet may elect that an amount (capital or income) be distributed from the Fund to Unitholders.

Gannet proposes to effect distributions of income and capital to Unitholders in line with the distributions of income and capital to the Fund.

Distribution statements are forwarded to all Unitholders annually.

### TAXATION

There are tax implications when investing in and receiving income from the Fund. **Gannet 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.

Generally, the Fund will not pay Australian income tax because the unit holders will be 'presently entitled' to all of the income (including net capital gains) of the Fund. Your taxable income will include your share of the net taxable income of the Fund (including net capital gains) which is allocated to you in respect of that income year. This may not coincide with the actual cash distribution you have received (if any) during the same period. Depending on the personal circumstances of each Unitholder, each Unitholder will be liable to pay income tax on their share of the Fund's taxable income for each income year ending 30 June, at the tax rate applicable to the Unitholder. Unitholders may need to make a cash payment to the Australian Taxation Office ('ATO') for income tax on their share of the net taxable income of the Fund each year. The Fund cannot guarantee that annual cash distributions from the Fund will be sufficient to fund a Unitholder's tax liability for that year.

Unitholders who become entitled to a distribution from the Fund in respect of a financial year will receive an annual tax statement detailing all relevant taxation information concerning distributions, including details of the assessable income (if any), capital gains, tax credits, foreign credits, returns of capital and any other relevant tax information.

Distributions by the Fund generally retain their source and character. For example, a capital gain derived by the Fund will be treated as a capital gain in the hands of the Unitholder. Distributions from the trust may include various components, the taxation treatment of which may differ depending on the status of the Investor.

A realised capital gain distributed by the Fund should be included with a Unitholder's other capital gains and losses (i.e. calculation of their net capital gain or loss) for the relevant income year.

The Unitholder may be entitled in their own right to a CGT discount if it is an individual, a trust or a complying superannuation entity (50% in the case of an individual or trust and 33 1/3% in the case of a complying superannuation entity). Companies do not receive a discount on capital gains.

If the Fund makes a loss for Australian income tax purposes in an income year, the tax loss will not be distributed to Unitholders but may be carried forward by the Fund to be offset against taxable income of the Fund in future income years, subject to the satisfaction of certain tax loss recoupment rules that apply to trusts. Any capital losses incurred by the Fund can be used to offset only capital gains, while revenue losses can be used to offset both income and capital gains.

The Fund is expected to predominantly derive foreign source income that may be subject to taxation in a foreign jurisdiction. Unitholders may potentially be entitled to a foreign income tax offset ("FITO") in respect of any foreign taxes paid in respect of the foreign source income of the trust.

The Fund may derive foreign source income that is subject to foreign tax, for example federal income tax or withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

It is expected that the Fund should not be considered a public trading the Fund is not intended to either carry on or control a trading business.

In the event that the Fund qualifies as a "managed investment trust" for Australian income tax purposes, the Fund intends to make the capital account election, to treat certain qualifying investments such as shares in companies and units in unit trusts as being held on capital account for income tax purposes.

The Australian Government's Controlled Foreign Corporation ('CFC') rules can impose accruals tax liability on any fund that invests in overseas companies or limited partnerships which are controlled by Australian investors. The following summary is relevant for Australian resident unit holders who are individuals, complying superannuation entities and companies that hold their units on capital account.

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.

### Tax File Number (TFN) and Australian Business Number (ABN) (Australian Unit Holders Only)

It is not compulsory for unit holders 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 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 Application Form when making an initial investment.

**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 the appropriate local tax authority such as the Australian Taxation Office (ATO). 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 Gannet 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, Gannet and the Fund, will be required to implement due diligence procedures to document

and identify unit holders that are non-residents or entities that are controlled by non-residents and report certain information about those unit holders to the ATO. The ATO may exchange this information with the relevant foreign tax authorities.

Gannet 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).

Gannet will request that you provide certain information about yourself, and your tax status.

Any unit holder who does not provide information requested by Gannet 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, Gannet 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 unit holders 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 unit holders, including those unit holders who have provided all requested information.

## ADDITIONAL INFORMATION

### FUND TRUST DEED

The Trust Deed in respect of the Fund provides an operational framework for the ongoing management of the Fund. Gannet and the Unitholders are bound by the terms of the Trust Deed. It sets out the rights, duties and obligations of the Trustee in respect of the Fund. In the event of any inconsistency between this Information Memorandum and the Trust Deed, the Trust Deed will prevail.

The Fund terminates when the Fund's interest is completely realised and all proceeds of such realisation are distributed.

The main operative provisions outlined in the Trust Deed include:

- Applications, redemptions, reinvestments and suspension of units in the Fund;
- Rights of Unitholders;
- Classes and series of units in the Fund;
- Valuation of assets;
- Partly Paid Units and calls;
- Defaults and consequences of default;
- Fees and expenses;
- Meetings of Unitholders;
- Consequences of default;
- Transfers of units in the Fund
- Trustee's power and indemnity;
- Trustee's removal;
- Unitholder liability; and
- Termination of the Fund.
- The Fund may issue different classes of units from time to time.

Under the Trust Deed, Gannet may issue partly paid units in the Fund, where the issue price is payable in one or more instalments.

Gannet may give a default notice to a Unitholder if a Unitholder fails to pay a call in respect of its units on the day when it is due for payment together with any interest which may have accrued;

The Default Notice must specify the amounts that may be payable; and state that if payment is not made within the period specified (being not earlier than seven days after the date of the notice), the units in respect of which the call was made will be liable to be forfeited.

Upon the issue of a default notice to a Unitholder, all of that person's rights in relation to their units are suspended, including but not limited to the right to vote, receive reports, redeem units or receive distributions.

A Unitholder who fails to comply with a default notice will forfeit their units which were the subject of the Default Notice.

On forfeiture the unit becomes the property of the Fund and the forfeited unit must be sold or cancelled. Units which are forfeited as a result of a default notice for failure to pay a call are not eligible to be redeemed.

The net proceeds of any sale of a forfeited unit (if any) must be applied in the following order:

- (a) in payment of the costs incurred in relation to enforcing the forfeiture and the sale;
- (b) in payment of any amounts that were payable in respect of the forfeited unit;
- (c) in payment of any surplus to the former holder of the unit.

Gannet has absolute discretion in performing its obligations as Trustee and may accept or reject a written direction from a Unitholder.

Holding units in the Fund does not give a Unitholder the right to participate in the management or operation of the Fund.

The Trustee may enter into agreements with Unitholders to fetter its discretions under the Trust Deed and agree matters in relation to the operation of the Fund or a class of units in the Fund.

In no event will the Trustee be liable to Unitholders, the Fund, any creditors of the Fund or any other person for any amount beyond the amount which the Trustee is entitled to recover and is actually indemnified for out of the assets of the Fund. As trustee of the Fund, Gannet is entitled to be indemnified from the assets of the Fund against all expenses, liabilities and costs that are incurred by it in the performance of its duties. The Trust Deed for the Fund is available by contacting Gannet (refer to the contact details on page 17).

The Trustee may retire as trustee of the Fund by giving notice to Unitholders.

The Trust Deed may be modified, repealed or replaced in accordance with the provisions as set out in the Trust Deed. For example, the Trust Deed may be amended by the Trustee, provided that where any amendment adversely affects the Unitholders' rights the Trustee must obtain the approval of the Unitholders by way of Special Resolution.

Gannet may amend or withdraw this Information Memorandum at any time and may reissue a new or amended Information Memorandum from time to time.

### TRANSFER OF UNITS

Transferring units in the Fund is restricted under the Trust Deed and may have tax implications and you should consult your taxation adviser before you arrange any transfer of units.

A Unitholder may transfer Units in the manner prescribed by Gannet but must not do so without the express written consent of Gannet. Gannet may in its discretion refuse to register any transfer of units in the Fund and is not required to give any reasons. Gannet may void any transfer of units in the Fund that has been made without Gannet's express written approval.



## REGISTER OF UNIT HOLDERS

The register of unit holders is maintained by the Administrator or its affiliates.

## COMPLAINTS

If you have any queries or complaints, please contact Gannet in writing. Please refer to the Directory for full address and contact details. We will acknowledge your query or complaint in writing within 24 hours of receiving it. We will then give proper consideration to the complaint and advise you of the outcome as soon as practicable.

## APPOINTING AN AUTHORISED REPRESENTATIVE

If you wish to appoint someone else to operate your investment on your behalf, the following conditions apply:

- (a) Your authorised representative can do everything you can do with your investment except appoint another authorised representative;
- (b) To cancel your authorised representative, you must give Gannet seven (7) Business Days written notice; and
- (c) You release and indemnify Gannet (including for the purposes of this section each of its respective affiliates, directors and other officers, shareholders, employees, agents, permitted delegates and sub-delegates) from and against all liability which may be suffered by you or by Gannet or brought against Gannet in respect of any acts or omission of your authorised representative, whether authorised by you or not.

To appoint an authorised representative, complete the relevant sections in the Application Form which is attached to this Information Memorandum.

## ANTI-MONEY LAUNDERING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('AML Act') and the AML Requirements regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ('AUSTRAC').

In order to comply with the AML Requirements, Gannet or the Administrator is required to, amongst other things:

- (a) Verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- (b) Where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Gannet, the Administrator and their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, permitted delegates and sub-delegates (collectively 'the entities'), reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment before applications can be processed. In the event of delay or failure by the investor to produce this information, the entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of redemption proceeds if necessary to comply with AML Requirements applicable to them. The

entities and their delegates shall not be liable to the applicant for any loss suffered by the applicant as a result of the rejection or delay of any subscription or payment of redemption proceeds.

The entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Unitholders. As a result of the implementation of these measures and controls:

- (a) Transactions may be delayed, blocked, frozen or refused where an entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- (b) Where transactions are delayed, blocked, frozen or refused the entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- (c) Any of the entities may from time to time require additional information from you to assist them in this process. The entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

Please contact Gannet for more information. By signing the Application Form, you also acknowledge that Gannet may decide to delay or refuse any request or transaction, including by suspending your investment or delaying payment of realisation proceeds, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under AML Act or the AML Requirements, and neither the Fund nor Gannet will incur any liability to you if it does so.

## PRIVACY

The Privacy Act 1988 (Cth) and the Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Cth) (together, the Privacy Laws) regulate, among other matters, the way organisations collect, use, keep secure and give people access to their personal information.

We respect your privacy. Any personal information provided to Gannet and the Administrator when you invest, or at any other time in relation to your investment, will be used to administer and report on your investment, and for purposes related to that. For example, your personal information may be used to establish your initial investment, process ongoing transactions, respond to any queries you may have, provide you with transaction, distribution, tax and annual statements and to provide you with information on the performance of your investment, change in product features, fund commentary and other topical information. This collection of your personal information may be required under the AML Act and the Corporations Act 2001 (Cth).

As well as using your personal information within Gannet, we may disclose your personal information to other persons and may be required to transfer your personal information to

entities located outside Australia, to enable us to provide services to you. Such people include:

- (a) Third parties we appoint as advisers, agents or service providers such as auditors, custodians, administrators or legal advisers or any of their affiliates in other countries;
- (b) Third parties you authorise to act on your behalf in relation to your investment, such as your investment consultant, financial adviser, broker or solicitor or any of their affiliates; and
- (c) Government entities and regulators as required by law.

If you provide incomplete or inaccurate information, Gannet may not be able to process your application. We may also disclose your personal information to other persons and entities as permitted under the Privacy Laws.

We aim to keep your personal information as up-to-date and accurate as possible. Gannet's privacy policy contains information about how you are able to access and correct any of your personal information held by Gannet or the Administrator that is incorrect or has changed, by writing to us. The privacy policy also addresses how complaints may be made and how they will be dealt with by Gannet. A copy of Gannet's Privacy Policy can be made available upon request.

Each investor will be required to consent in its Application Form that the Fund, the Administrator and/or Gannet/VSP may disclose personal information to each other, to affiliated entities/entities that share a common ownership, to any other service provider or to any regulatory body in Australia or other overseas countries in which they operate. Personal information disclosed to these overseas recipients might not receive the level of protection afforded under Australian law. Any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by the Privacy Laws or otherwise. If you wish to find out what personal information we hold with respect to you, please contact us.

Gannet may also use personal information collected about you to notify you of other products. By completing and returning the Application Form, you consent, for the purposes of the Spam Act 2003 (Cth) to receiving commercial electronic messages from Gannet.

#### **SERVICE PROVIDERS**

As at the date of this Information Memorandum, Gannet has appointed the service providers listed on page 17 to provide services to the Fund. The service providers may be changed and added to at any time without notice to Unitholders.

#### **ADMINISTRATOR**

Unity Fund Services Pty Ltd (also referred to as 'Administrator' in this Information Memorandum) has been appointed as the

administrator of the Fund. The Administrator has not been involved in the preparation of this Information Memorandum and takes no responsibility for its contents.

The Administrator and its affiliates are responsible for the general administration of the Fund that includes keeping the register of Unitholders, arranging for the issue and redemption of units and calculation of asset valuations and fees.

For the purposes of determining the time at which called amounts are paid into the Fund, the Administrator and Trustee may at their absolute discretion determine a date at which called amounts are taken to have been paid to the Fund ('Paid-in Date'). Called amounts paid prior to the Paid-in Date will still be taken to have been paid into the Fund on the Paid-in Date. The Administrator and Trustee may at their absolute discretion determine that late payments of called amounts will be taken to have been paid on the Paid-in Date.

The Administrator and its affiliates are entitled to be indemnified by the Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from negligence, wilful misconduct, fraud or material breach of the Administrator) which may be incurred by the Administrator in performing its obligations or duties.

The Administrator and its affiliates are a service provider to the Fund and have no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for and accepts no responsibility or liability for any losses suffered by the Fund as a result of any investment decision.

None of the Administrator, any of its affiliates or any of its related bodies corporate, guarantees in any way the performance of the Fund, repayment of capital from the Fund, any particular return from, or any increase in, the value of the Fund.

The Administrator and its affiliates are not responsible for any failure by the Fund or the Investment Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in U.S. dollars, which, if carried out by a U.S. person, would be subject to OFAC sanctions.

The Administrator may delegate certain functions and duties to its affiliates in Australia and may use other affiliates in other countries to perform obligations in connection with the Fund in the future. However, the principal register will be maintained by Unity Fund Services Pty Ltd in Australia.

## GLOSSARY

Capitalised terms used in this Information Memorandum and the Fund forms have the following defined meanings unless the context provides otherwise.

Term	Definition
Accounting Standards	The Australian equivalents to International Financial Reporting Standards
Administrator	Unity Fund Services Pty Ltd
AML Requirements	The AML Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Gannet in respect of the Fund
Application Form	The document with that title attached at the end of this Information Memorandum
Business Day	Any day trading banks are open for general banking business in Sydney (other than Saturday or Sunday) or such other day as the Trustee determines.
Commitment	Means in respect of an applicant for units, the total subscription moneys which that applicant has agreed to pay to the Trustee if the application is accepted by the Trustee.
Financial Year	Means each 12-month period ending on 30 June and the shorter periods ending on the first 30 June after the commencement of the Fund or commencing on a 1 July and ending on the date of termination of the Fund
Foundation Investors	Investors who hold units in the Fund as at 23 March 2022 and continue to hold some of those units
Fund	Victor Smorgon Partners Resources Gold Fund, an Australian unregistered unit trust
GST	Goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Initial Units	Units that were issued on 15 May 2020
Investment Manager or VSP	Victor Smorgon Partners Pty Ltd, ABN 13 630 512 739, Authorised Representative Number 001273787
Unit Price	Monthly Pricing
Net Asset Value	Means the value of all the relevant class' assets less all its liabilities
New Investor	Investors (excluding Foundation Investors) to whom units are issued after 23 March 2022
Special Resolution	Has the same meaning given to 'special resolution' in the Corporations Act, as if the Fund is a registered scheme.
Term	The Fund will be open ended. The ultimate term of the Fund will largely be dependent on Gold being a compelling investment category by the Investment Manager
Trust Deed	The deed establishing the Fund as amended by supplementary deed from time to time
Trustee or Gannet	Gannet Capital Pty. Ltd. ABN 84 139 264 690, AFSL 340799
Unitholder	A person indicated in the unitholder register as a holder of a unit and where required by the Corporations Act, a person determined under the Corporations Act for the time being as a member of the Fund
Wholesale Clients	As defined in the Corporations Act 2001 (Cth)



## SERVICE PROVIDERS

### Investment Manager

#### **Victor Smorgon Partners Pty Ltd**

Level 12, 644 Chapel Street

South Yarra VIC 3141

Phone: +61 414541809

E-mail: [vspartners@vsg.com.au](mailto:vspartners@vsg.com.au)

### Trustee

#### **Gannet Capital Pty. Ltd.**

Phone: +61 419339277

E-mail: [gposwell@gannetcapital.com](mailto:gposwell@gannetcapital.com)

### One Registry Services Pty Ltd

Level 16, Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

Phone: +61 2 8188 1510

Fax: +61 2 8580 5790

### Unity Fund Services Pty Ltd

#### **Level 16, Governor Macquarie Tower**

1 Farrer Place

Sydney NSW 2000

Phone: +61 2 8277 0070

Fax: +61 2 8580 5781

### Legal Advisers

#### **DLA Piper**

Level 22, 1 Martin Place

Sydney NSW 2000

Phone: +61 2 9286 8059

Fax: +61 2 9286 8007