CANAVAN CAPITAL PARTNERS

The Canavan Capital Partners Australian Share Fund

Information Memorandum (IM)

June 2026

FUNDHOST LIMITED
ABN 69 092 517 087

Australian Financial Services Licence (AFSL) 233 045

CANAVAN CAPITAL PARTNERS PTY LIMITED
ABN 24 696 806 041

Corporate Authorised Representative
CAR # 547262 of AFSL 547 262

Important Information

Fundhost Limited ABN 69 092 517 087, AFSL 233 045 (**Fundhost** or **Trustee**) is the trustee of, and issuer of units in The Canavan Capital Partners Australian Share Fund (**Fund**), offered in this Information Memorandum (**IM**). Fundhost has prepared this IM.

The information contained in this IM has been prepared without taking account of your personal objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness having regard to your objectives, financial situation and needs.

This IM is intended to provide a guide to the principal features of the Fund. An investment in the Fund is subject to the terms of the Fund's trust deed (**Trust Deed**). The IM is not a comprehensive statement of the Trust Deed or of all of the terms applicable to an investment in the Fund. A copy of the Fund's Trust Deed can be obtained by contacting us. This IM may not contain all of the information that a prospective investor or their advisers may expect or require in order to make an informed decision as to whether to subscribe for units in the Fund.

Prospective investors should rely upon their own enquiries in deciding whether to invest.

Neither Fundhost, Canavan Capital Partners Pty Limited ABN 24 696 806 041, CAR 547262 of AFSL 547 262 (**Canavan Capital Partners**, the **Investment Manager, we** or **us**) nor any related or associated companies guarantees the performance of the Fund, the return of investor's capital or any specific rate of return.

All amounts in this IM are given in Australian dollars. Fees and costs in this IM are disclosed inclusive of the net effect of Goods and Services Tax (**GST**) if applicable and any reduced input tax credits.

You should read this IM in full before deciding to invest.

This IM supersedes all preliminary information and other previous communications in connection with this offer and the Fund. All such preliminary information and previous communications should be disregarded. Any information or representation not contained in this IM may not be relied on as having been authorised by Fundhost or Canavan Capital Partners Pty Limited in connection with the offer.

Eligibility

This IM can only be used by wholesale investors (as defined in sections 761G or 761GA of the ***Corporations Act 2001***) who receive the IM (electronically or otherwise) and respond to this offer in Australia (**Eligible Investors**).

Other than as permitted by law, units in the Fund offered in this IM will only be issued on receipt of an application form issued with this IM together with evidence that the investor qualifies as an Eligible Investor. The units in the Fund are not available to retail investors. For information on this refer to Eligible Investor or contact Fundhost on +61 (0)2 8223 5400.

This IM is not a product disclosure statement under the *Corporations Act 2001* and has been prepared for use only by Eligible Investors. This IM is not required to be and has not been lodged with the Australian Securities and Investments Commission (**ASIC**) under the *Corporations Act 2001*.

Updated information

Information in this IM is subject to change from time to time. Updated information (such as performance information for the Fund) can be obtained by contacting Fundhost on +61 (0)2 8223 5400.

Changes to Fund details

Fundhost has the right to change the Fund's objective and investment strategy (including the benchmark), asset allocation and range and currency strategy (if any), without prior notice.

Fundhost will inform investors of any significant change to the Fund's details in their next regular communication.

Scheme registration

The Fund is not registered with ASIC pursuant to Chapter 5C of the *Corporations Act 2001*. At some stage in the future, Fundhost, in consultation with Canavan Capital Partners Pty Limited, may choose to register the Fund with ASIC. By investing in the Fund, you agree to Fundhost applying for registration with ASIC at some time in the future. Please see the application form. If the Fund does become a registered managed scheme the level of fees may change. If the fees do change Fundhost will write to you to notify you of the changes prior to the change becoming effective and give you sufficient time to withdraw from the Fund should you so choose.

	FUNDHOST (TRUSTEE)	**CANAVAN CAPITAL PARTNERS PTY LIMITED** (INVESTMENT MANAGER)
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Table of Contents

THE FUND AT A GLANCE	1
THE TRUSTEE - FUNDHOST	2
THE INVESTMENT MANAGER - CANAVAN CAPITAL PARTNERS PTY LIMITED	2
INVESTMENT OPPORTUNITY	3
WHAT ARE THE FEATURES AND BENEFITS OF THE FUND?	4
RISKS	5
FEES AND COSTS	7
HOW THE FUND OPERATES	9
REPORTING	12
TAXATION	13
HOW THE FUND WORKS	13
RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST	15
APPLICATION FORM	A1

The Fund at a Glance

FEATURE	SUMMARY
Name of Fund	The Canavan Capital Partners Australian Share Fund
Trustee	Fundhost Ltd
Investment Manager	Canavan Capital Partners Pty Limited
Investment objective	The Fund's objective is to provide investors with a differentiated portfolio of companies (benchmark-unaware) to deliver strong absolute returns over a three- to five-year rolling period. Returns and capital are not guaranteed.
Investment strategy	The Fund seeks to invest in a broad range of undervalued and unloved ASX-listed companies, predominantly from the ASX300.
Fund inception date	23 June 2026
Benchmark	RBA cash rate plus 5%
Major asset class	Listed Australian securities and cash
Income distribution frequency	Annually (as at 30th June)
Minimum initial investment	$250,000 commitment expected (can be provided in smaller tranches over time).
Minimum additional investment	$10,000
Minimum withdrawal	$10,000
Minimum balance	$100,000
Unit pricing frequency	Monthly
Application processed	Monthly, cutoff 4:00pm Sydney time, the last business day of the month
Withdrawals processed	Monthly, cutoff 4:00pm Sydney time, the last business day of the month
Cost of fund	Fees and expenses are capped at 1.26% p.a. of portfolio value excluding performance fees, abnormal expenses and transaction costs.
Performance fee	15.38% of the amount by which the Fund outperforms its benchmark, payable annually and subject to a high-water mark.

The Trustee Fundhost

Fundhost is the trustee of the Fund. The duties of the Trustee include:

- acting in the best interests of investors and, if there is a conflict between the investors' interest and its own interest, giving priority to the investors' interest;
- ensuring that the property of the Fund is clearly identified, held separately from any other property and is valued at regular intervals;
- ensuring that payments from the Fund are made in accordance with the Trust Deed of the Fund and the *Corporations Act 2001*.

Fundhost is a public company that has been established to provide essential services to managed investment schemes. More information on Fundhost is available on the website www.fundhost.com.au.

The Investment Manager Canavan Capital Partners Pty Limited

Canavan Capital Partners Pty Ltd (Canavan Capital or Canavan Partners or CCP or Canavan Capital Partners OR Manager) (ABN) is a boutique investment firm employing a contrarian investment strategy. It has a broad investment universe, with a focus on ASX300 companies that are unloved and out of favour with the market.

The Fund will be managed by Greg Canavan. Greg holds a Bachelor of Commerce degree from Wollongong University and has nearly 30 years of experience in Australian financial markets. He has held prior roles as an equity analyst with a Big Four bank, Head of Australian Research and Investment Director.

Prior to starting Canavan Capital Partners, Greg spent 15 years at Fat Tail Investment Research, Fat Tail Investment Research is an independent Australian financial publisher. During this time Greg offered specialized investment insights and market analysis and developed a following for his strong stock-picking track record. Over the 10 years to the end of November 2024, 156 individual stock recommendations were made, the average gain was 22.5%. These are raw numbers which do not take into account holding periods or position sizes. As such they should not be confused with an annual return. Details of historic stock picks are located on the Canavan Partners website.

In December 2024, Greg established a model portfolio for clients to follow. From 1 December 2024 to the end of May 2026 (a period of 18 months), the portfolio returned 22.47% pa gross of fees[1] (with the exception of brokerage costs).

While 18 months is not long enough to determine whether the returns were due to good luck or good management, the period covered highly volatile markets in Australia.

Greg believes a disciplined value approach, and the principle that investment decisions should be based on long-term outcomes rather than short-term performance chasing, contributed to those returns.

Greg also believes that too much diversification is detrimental to successful long-term compounding. Therefore, the Fund is benchmark-unaware and seeks to make concentrated bets, holding a maximum of 20-25 stocks.

The Fund can also hold up to 50% cash when compelling opportunities are absent.

[1]When adjusted to include management fees, performance fees and fund expenses aligned to this fund offering, the return is estimated to be 18.67% p.a.

Investment Opportunity

The Investment Objective of the Fund

The objective of the Fund is to deliver benchmark-beating absolute returns over a 3-5 year period. It seeks to do this by only purchasing companies that offer attractive absolute value, and where the risk/reward trade-off is favourable.

It is Canavan Capital Partner's view that the secret to long-term compounding of returns is to minimise the downside. The objective, therefore, is to always assess the downside risk and let the upside take care of itself.

Avoiding the big loss is much more important than aiming for big gains. Slow and steady wins the compounding race.

The Fund can hold concentrated positions in particular companies or sectors to achieve its goals. It's not constrained by benchmark considerations.

The Fund seeks to capitalise on the market's focus on short-term performance, which creates exploitable long-term inefficiencies. It is therefore prepared to underperform in the short-term to deliver long-term outperformance.

As a result, the Fund can hold up to 50% in cash and cash like instruments when the Investment Manager cannot find compelling investment opportunities. This is in keeping with the focus on long-term absolute returns.

Investment Process

The Fund can invest in any ASX listed security. The majority of investments will be listed shares from the ASX200 or ASX300 indices.

The investment process seeks to invest in high-quality, but out-of-favour companies facing short-term issues. These include a cyclical downturn, where a sector becomes unpopular, or company specific problems, like increased competitive threats, which lead to investors abandoning a stock.

Given the market's focus on short-term performance, these issues can create compelling long-term value for patient investors.

To be clear, the Manager doesn't advocate buying every out of favour company. Bad news is often followed by more bad news. Through poor management and changing industry structures, many companies don't recover. Negative sentiment towards a company or a sector is merely the due diligence starting point.

A key focus for the Manager is on buying established businesses with healthy balance sheets and cashflows.

In keeping with the objective of delivering benchmark beating, absolute long-term compounded returns, the Fund doesn't invest in speculative or pre-revenue companies. It is very difficult to protect against downside risk in these businesses.

A key aspect of the investment process is valuation discipline. For a given level of a company's earnings, the future investment return greatly depends on the price you pay.

When the market is excessively bullish and increasingly speculative, and share prices are high, future returns are likely to be less compelling. As a result, investment in cash or cash like products will typically be higher in this environment.

When the market is depressed and value opportunities are more widespread, future return prospects increase, so the Fund will typically be close to fully invested.

Charting, or basic technical analysis, is also an input into the investment process. Charts reflect market psychology. When the chart shows a company's share price to be in a strong downtrend, the Investment Manager will generally avoid taking a position, unless the valuation is compelling. In such cases, the initial investment will typically be relatively small.

When the share price trend changes and starts trending higher, (thus confirming the investment thesis) the investment weighting can be aggressively increased.

Portfolio Construction

The Fund will typically hold between 15-25 securities.

Portfolio weightings typically range from 1% to 8%. Cash levels can be as high as 50%.

No individual position will exceed 10% of the fund's Net Asset Value (at cost). No individual position will exceed 20% of the portfolio on an ongoing basis.

Risk will be managed through a process in which the portfolio weighting decreases in proportion to the stock price exceeding a conservative estimate of intrinsic value.

New positions will be managed conservatively depending on the prevailing individual stock price trend. If a stock price is trending down, the initial portfolio allocation will be small, at around 1-2%. This can increase to high levels in future should the investment thesis play out and the stock price starts to trend higher.

In this way, risk is managed by avoiding being overweight in positions that are trending lower, and reducing positions where price exceeds an estimate of value.

The Fund may invest in listed securities such as ETF's and listed funds from time to time. Derivatives, short selling, and gearing will not be used by the Investment Manager. .

The Investment Strategy of the Fund

Canavan Capital Partners seeks to exploit the market's focus on short-term performance relative to benchmarks. This focus puts pressure on many fund managers to avoid out-of-favour companies and sectors, and crowd into popular trades.

This creates long-term pricing inefficiencies.

Once an opportunity is identified, the Fund will invest with conviction, subject to the specific situation. This can involve starting with a large weighting (the maximum initial weighting is 10% of the portfolio) or starting small and building to a larger weighting as conviction grows.

The maximum number of stocks in the portfolio will be around 25, but often much less.

Canavan Capital Partners believe too much diversification is detrimental to long-term absolute performance.

Specifically, the Investment Manager seeks to buy companies that generate returns on tangible capital well in excess of the cost of capital. This is the foundation of shareholder wealth creation. Focusing on return on tangible capital (excluding goodwill) provides a good insight into the business's operational strength. The next step is to assess the share price against a company's return on tangible capital, with careful consideration given to the durability of those returns, the cost of capital, and the dividend payout ratio. The analysis is further informed by the company's competitive position, balance sheet strength, and ability to generate sustainable cash flow, all of which contribute to the final investment decision.

Another important consideration is the capital management abilities of the board and management. So many companies destroy value with expensive acquisitions that don't deliver. This will be a key input into the analytical process.

In general, the Fund seeks to hold higher than normal cash levels on average (say, 10-20%) to be able to take advantage of occasional market dislocations which often provide attractive prices in very short-term windows.

The focus on absolute (not relative) returns is designed to produce long-term compounding.

What are the Features & Benefits of the Fund?

The Canavan Capital Partners Australian Share Fund is a highly differentiated investment fund. It is not benchmarked to the market and is therefore not expected to be closely correlated to the market.

The Investment Manager's focus is on absolute returns and absolute value. The Fund will not invest in sectors or companies that don't represent attractive value on an absolute basis. It is the Investment Managers view that owning an expensive company because it is cheaper than a peer does not make sense.

The Investment Manager will sacrifice short-term returns and patiently wait for compelling value to appear before investing.

Given that most traditional fund managers have a mandate to be fully invested, they focus on relative value of one company to another. The Investment Manager believes this is detrimental to long-term compounding.

The Fund can invest in any company or sector listed on the ASX. It's not limited to large caps, small caps, industrials, resources or technology. Wherever there is perceived value, the Fund may invest.

The Fund may hold up to 50% cash when market conditions warrant. Although not an ideal outcome, this flexibility enables the Fund to avoid overvalued companies in expensive markets and remain well positioned to capitalise on more attractive opportunities as they arise.

The ability to compound returns successfully over the long-term comes down to disciplined buying. Buying at an attractive price, and holding cash when attractive prices aren't available, provides the best chance of compounding returns successfully over the long-term.

The Fund is a concentrated fund, with a maximum of 20-25 investments. This ensures only high conviction investments go into the fund. Over diversification is the enemy of successful long-term compounding. .

Alignment

Greg is committed to invest a significant portion of his investable wealth into the Fund.

Canavan Capital Partners Pty Limited and its investment team share in both the upside and downside, as well as having incentives that reward superior absolute and relative investment performance.

Corporate governance

Under the Australian Corporations Act and the Fund documents, investors are provided with several layers of independent oversight providing a robust and appropriate corporate governance structure.

The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated and administered by a trustee (**Fundhost**) that holds an appropriate AFSL. Fundhost has appointed an independent custodian to hold the assets of the Fund and an independent administrator to provide administration and registry services. Fundhost has appointed Canavan Capital Partners Pty Limited as the investment manager of the Fund.

Distributions

You have the right to receive any distributions made from the Fund (usually shortly after the end of June each year). Distributions may include taxable capital gains although they may also carry imputation and other tax credits. You should consult your tax adviser for any tax related enquiries.

Distributions can be reinvested in the Fund or credited to your nominated account. Distributions are automatically reinvested in the Fund unless you tell us not to do this (see the application form or contact us anytime).

Portfolio guidelines

Canavan Capital Partners will seek to manage the Fund's investments within certain portfolio guidelines. These are described in this section.

GUIDELINES	AS A % OF PORTFOLIO VALUE	
	Min	Max
Min Cash (or cash equivalents)	0%	50%
Securities	05%	100%
Unlisted securities	0%	
Number of positions (typically but not always)	20	25

Maximum weightings for unlisted securities are monitored at the time of acquisition. So for example the Fund would not generally acquire more unlisted securities if the effect of doing so would be that holdings in unlisted securities exceeded 10% of the portfolio. However, if the unlisted holdings increased in value over time so that they comprised more than 10% of the portfolio, Canavan Capital Partners would not be obliged to sell securities to bring the holdings below this level.

Maximum cash holdings are expected to be 30%, but could be higher in some situations such as at commencement of the Fund when it is building out its portfolio, or at times when the Fund is experiencing high inflows of investor money, or when the Fund has sold several investments and is receiving the proceeds, or in extreme market conditions.

Risks

About risk and return

All investments are subject to varying risks and the value of an investment can decrease as well as increase (i.e. you can experience investment losses or investment gains). Changes in value can be significant and they can happen quickly. Investments within categories can have varying performance results. These results are dictated by the individual risk characteristics of the investment, timing and market volatility.

The significant risks for the Fund are discussed below. Not all risks can be eliminated and the risk management strategies that are adopted may not always be successful. However, the Canavan Capital Partners investment team follows an investment process whereby risks are considered as an integral part of the investment process.

If these risks occur, distributions may be reduced or there may be none, the value of your investment could fall and you could lose money.

Concentration risk

The Fund will seek to hold a concentrated portfolio of investments. For example, at times it may hold only a few investments, with the rest of the Fund being held in cash. The value of the Fund's investments may be more affected by any single adverse event than the investments of a more diversified portfolio.

Canavan Capital Partners will seek to minimise the risks of holding a concentrated portfolio by employing careful investment selection.

Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or or personal data stored within our IT systems and networks and those of our service providers. Both Fundhost and Canavan Capital Partners seek to minimise cyber risk by having appropriate systems in place consistent with industry standards and updated regularly.

Fund risk

Risks particular to the Fund include that it could terminate (i.e. if its costs of operating become unreasonable), the fees and expenses could change (see the section entitled Can the fees change?), Canavan Capital Partners could be replaced or the Fund terminated, Fundhost could be replaced as trustee and its or Canavan Capital Partners Pty Limited's management and staff could change.

There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Individual investment risk

The Fund is exposed to the risk that poor stock selection occurs whereby individual investments selected by the Investment Manager for inclusion in the Fund either underperform the market or perform poorly in an absolute sense. This risk is magnified by the degree of concentration inherent in this portfolio.

Investment Manager risk

It is possible that Canavan Capital Partners could be wound up or liquidated, it might cease to manage the investments of the Fund and be replaced, its investment methodology could change or it could manage risks poorly.

If the investment strategy of this Fund changed significantly, you would be given at least 30 days' notice (where practicable).

Fundhost has the power to terminate and replace Canavan Capital Partners Pty Limited as the Investment Manager, or to terminate the Fund in the interests of unitholders.

Key person risk

Greg Canavan is the primary representative of Canavan Capital Partners performing investment management related activities. The Fund's performance depends on his expertise and on the consequences of the investment decisions that he makes. In the event of the death or incapacity of Mr Canavan, it is likely that a timely wind up of the Fund would occur. Fundhost would manage the process to support an orderly wind up.

Liquidity risk

There are circumstances under which access to your money may be delayed – refer to Accessing your investment.

Further, the level of overall market liquidity is an important factor that may contribute to the profitability of the Fund and access to your money. Illiquid markets can make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Unlisted shares can comprise up to 10% of the portfolio and are generally illiquid.

Please refer to Accessing your investment.

The investments the Fund will invest in may also face liquidity risk themselves.

Units in the Fund are not quoted on any stock exchange and you cannot sell them through a stockbroker.

Market risk

Economic, technological, climate, political or legal conditions, health conditions such as pandemics, interest rates and even market sentiment can (and do) change over time and this can lead to changes in the value of investment markets. While the Fund's exposure will be differentiated from the broad sharemarket indices and may perform very differently from the market at any particular point in time, because it will hold mostly listed securities, the Fund will carry market risk exposure and may decline more or less in line with the market during market downturns.

As these conditions change through time, they can cause unanticipated changes to the value of the investments in the Fund.

Small and micro caps risk

Canavan Capital Partners may seek opportunity in the micro and small capitalisation segments of the market. Micro cap companies can often be particularly illiquid, and the liquidity profile of investments across the portfolio may be strongly correlated such that market dislocations or an abrupt change in market sentiment can adversely affect both the value and the liquidity of large portions of the portfolio at the same time therefore posing additional risks to the Fund. This risk is mitigated by ensuring there is a basic degree of liquidity inherent within the portfolio, and that there is basic diversification not only of the economic types of securities, but also their perceived liquidity profile.

Ultimately, an investment in the Fund should be considered a long-term investment and investors should be prepared to accept a greater degree of valuation volatility and a reduction in the liquidity profile should the Fund seeks to benefit from mispricing among smaller and less liquid securities.

Fees and Costs

Management fees and costs

The Fund will pay Fundhost a fee equivalent to 0.16% per annum of portfolio value. This fee will be accrued and paid monthly in arrears. The Fund will pay the Investment Manager a fee equivalent to 1.13% per annum of portfolio value. This fee will be accrued and paid monthly in arrears. The Trust Deed of the Fund provides that expenses incurred in relation to the proper performance of Fundhost's duties as trustee are payable or reimbursable out of the assets of the Fund. These expenses include, but are not limited to, audit and legal fees.

Fee cap

Management fees and costs payable by the Fund (other than performance fees, abnormal costs and transaction costs) are capped at 1.26% p.a. Fees or expenses over these caps will be paid by the Investment Manager and may be recovered over time from the Fund. Fund build costs may also be recovered over time.

Abnormal costs

Fundhost and Canavan may incur non-recurrent expenses on behalf of the Fund. These expenses may include, but are not limited to, litigation, legal and other expert's fees, travel and accommodation costs, and other expenses arising from managing the Fund. Fundhost may charge additional fees for its own time spent on such matters.

These are deducted from the assets of the Fund as and when they are incurred. These are not included in the recurrent recoverable expense estimate or the fee cap.

Abnormal expenses are expected to occur infrequently.

Performance fee

Canavan is entitled to a performance fee of 15.38% of the amount by which the Fund (after fees and expenses but before distributions) outperforms its benchmark over a calculation period. The benchmark for the purpose of calculating the performance distribution is the RBA rate plus 5%. RBA rate changes will be reflected on the first day of the following month.

The performance fee is payable annually as at 30 June and is subject to a high water mark. The high water mark means the highest unit price at the end of a performance period where a performance fee has been paid, adjusted for subsequent distributions.

Transaction costs

Transaction costs include brokerage, settlement costs, clearing costs and stamp duty costs. The Fund will incur and pay transaction costs when buying or selling investments. Some of these costs are recovered through the buy-sell spread (see below).

Can the fees change?

Yes, all fees can change. The Trust Deed for the Fund sets the maximum amount that can be charged in fees. The approval of investors is needed in order to raise fees above the amounts allowed for in the Trust Deed.

You will receive at least 30 days' written notice of any proposed increase to fees charged under this IM.

Buy-sell spread

When you invest in the Fund, the Fund buys investments, and this incurs costs (for example, to buy shares, a broker charges a fee). When you withdraw, investments are sold so cash can be paid to you, and this costs money too. This is called a buy-sell spread. A buy-sell spread is an adjustment to the unit price reflecting Fundhost's estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the issue/withdrawal of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/withdrawing units in the Fund. The buy-sell spread is reflected in the buy and sell unit prices.

Currently, the buy-sell spread is estimated to be 0.40% of the unit price (that is an adjustment of +0.20% on the entry price and –0.20% on the exit price is made). So if the net asset value of each unit is $1.00, on entry the unit price is adjusted up approximately 0.20% (up 0.20 cents) and on exit down approximately 0.20% (down 0.20 cents). None of this amount is paid to Fundhost nor is money deducted from your account. You won't see the buy-sell spread on any account statement.

Can fees be different for different investors?

We may negotiate fees with investors. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at the discretion of Fundhost on advice from the Investment Manager. Any fee rebates paid to investors are a cost to Canavan Capital Partners and not to the Fund..

Government charges and taxation

Taxes such as GST will be applied to your account if required by law. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply. Some of these charges may incur additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in this document take into account applicable GST and any reduced input tax credits which may be available.

How the Fund Operates

How to invest

To invest in the Fund, use the application form accompanying this IM. The following minimum transactions, balance requirements and processing rules generally apply (although Fundhost may vary them at its discretion and without notice):

Transaction	Details
Minimum initial investment	$250,000 (may be invested in tranches)
Minimum additional investment	$20,000
Minimum withdrawal	$10,000 or remaining balance
Minimum balance	$100,000
Unit pricing frequency	Monthly

Applications and withdrawals processing

Application and redemption requests will be processed monthly. If your application request and investment is received before 4pm Sydney time, the last business day of the month it will be processed using the unit price effective for that month.

If it is received after 4pm, it will be processed effective for the following month. If your redemption request is received before 4pm, the last business day of the month, it will be processed using the unit price effective for that month. If it is received after 4pm, it will be processed effective for the following month.

Please note that both application and redemption prices effective on a particular date are not the same as the current prices shown on our website. Additional investments can be made at any time in writing using the additional investment form.

You may make investments into the Fund with an initial commitment of at least $250,000. This may be invested in a lump sum or may be provided for investment over time. To apply, use the application form accompanying this IM. The application form contains detailed instructions and will ask you to provide the identification documents required under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (**AML CTF Act**) and relevant tax legislation.

Fundhost does not earn interest, nor does it pay you interest, on application monies held prior to the time it issues units to you.

Fundhost accepts signed application forms and certified copies of documents required to identify applicants **(Application Documents**) by email or fax as well as paper. Provided Fundhost receives clear and legible copies of your Application Documents by the cutoff time, together with your application monies, Fundhost will process your application using the unit price effective for the month Fundhost receives your application monies and Application Documents. Applications via email need to be sent to admin@fundhost.com.au or by fax to +61 (0)2 9232 8600.

To apply for units in the Fund using email or fax, you must accept full responsibility (to the extent permitted by law) for any loss arising from Fundhost acting upon Application Documents received by email or fax.

You agree to release and indemnify Fundhost in respect of any liabilities arising from it acting on Application Documents received by email or fax, even if those documents are ultimately found to not be genuine. You also agree that neither you nor any other person has any claim against Fundhost in relation to a payment processed, units issued or other action taken by us if Fundhost relies on Application Documents received by email or fax.

Eligible investor

To be an Eligible Investor, you must satisfy one of these criteria:

- Invest at least A$500,000 at one time (excluding superannuation sourced monies[1]);
- Provide Fundhost with an accountant certificate (in form annexed) which is less than 24 months old indicating that the applicant has either net assets of least $2.5 million or a gross income for each of the last 2 financial years of at least $250,000 a year[2];
- Be a company or trust controlled by someone who has a certificate from a qualified accountant (such certificate referred to in the category immediately prior);
- Be a business that is not a small business (that is, companies that employ more than 20 people or 100 people if they are a manufacturer);

[1]Superannuation sourced monies are monies which the applicant knows the superannuation trustee will pay to a person as a superannuation lump sum or has been paid as an eligible termination payment or lump sum.

[2]In calculating the $2.5 million or $250,000 the person can include the net assets or gross income (as relevant) of any company or trust the person controls.

- Hold an Australian Financial Services Licence;
- Control at least $10 million (including any amount held by an associate or under a trust that the applicant manages);
- Be regulated by the Australian Prudential Regulatory Authority other than a trustee of an Australian superannuation fund, approved deposit fund, pooled superannuation trust or public sector superannuation scheme;
- Be the trustee of an Australian superannuation fund, approved deposit fund, pooled superannuation trust or public sector superannuation scheme with assets of at least $10 million;
- Be a body registered under the Financial Corporations Act 1974 of the Commonwealth of Australia;
- Be an exempt public authority;
- Be a listed entity or a related body corporate of a listed entity;
- Be a related body corporate of a wholesale client;
- Carry on a business of investment in financial products, interests in land or other investments and invest funds received (directly or indirectly) following an offer or invitation to the public, the terms of which provided for the funds subscribed to be invested for those purposes;
- Be a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs; or
- An Australian financial services licensee (or its representative) considers the investor has requisite experience to invest in the Fund.

Privacy

Fundhost collects and uses personal information about you to administer your investment and also to conduct research.

By applying for units in the Fund you consent and agree to information about you being obtained and used by Fundhost. Fundhost will collect and use your information in accordance with our Privacy Policy, a copy of which is available from Fundhost free of charge.

If you fail to provide Fundhost with the required information or if you provide Fundhost with incomplete or inaccurate information Fundhost may not be able to provide you with the products or services you are seeking within the time periods contemplated in this IM.

Your information will not be disclosed unless:

- the law requires;
- your financial adviser needs the information;
- it is in keeping with Fundhost's Privacy Policy and may be provided to external service providers including Canavan Capital Partners, auditors, taxation and legal advisers, and information technology consultants; or
- Fundhost needs it to send you promotional material. If you don't want this, indicate on the application form or contact Fundhost anytime.

Fundhost will disclose information if required by law to do so (including under anti-money laundering and counter-terrorism financing legislation).

If you think any of the details that Fundhost holds are wrong or out of date contact Fundhost and they will correct the details. You can always access the personal information held about you by contacting Fundhost.

Anti-Money Laundering and Counter-Terrorism Financing

In order to meet Fundhost's obligations under the AML CTF Act or other applicable taxation or reporting legislation (including the Foreign Account Tax Compliance Act and Common Reporting Standards legislation), Fundhost may require further information from you as to identity, the source of your funds and similar matters. Fundhost may be required to verify that information by sighting appropriate documentation. Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential.

By applying for units in the Fund, you also agree that Fundhost may in its absolute discretion determine not to issue units to you, may cancel units which have been issued to you or may redeem any units issued to you if Fundhost believe such action to be necessary or desirable in light of its obligations under the AML CTF Act or other legislation and Fundhost will not be liable to you for any resulting loss.

Accessing your investment

Generally, you may access your investment monthly. You must provide your written notice of withdrawal to us by mail, email or fax. See Applications and withdrawals processing for details of cutoff times.

Despite being able to redeem your units monthly, an investment in the Fund should be viewed as a medium to long term investment.

How to withdraw

Units in the Fund are not listed on any stock exchange like the ASX, so you cannot sell your units through a stockbroker.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw. This is called a redemption request.

Fundhost accepts scanned or faxed redemption requests on the following conditions:

- all instructions must be legible;
- instructions must bear your investor number and signature; and
- redemption proceeds will only be transferred to the financial institution account previously nominated on the application form or otherwise notified to Fundhost in writing (Fundhost needs an original signed by the account signatories to effect such a change).

To use this service, you will need to accept full responsibility (to the extent permitted by law) for loss arising from Fundhost acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify Fundhost in respect of any liabilities arising from it acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim against Fundhost in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The amount of money you receive is determined by the unit price applicable to your redemption request. Fundhost can withhold from amounts it pays you any amount you owe Fundhost or Fundhost owes someone else relating to you (for example, the tax office).

Fundhost generally pays all redemption proceeds in cash, but Fundhost is permitted under the trust deed for the Fund to pay proceeds in kind (i.e. in specie share transfer).

Payments can be delayed

In certain circumstances Fundhost may need to delay withdrawal of your money. Fundhost can delay withdrawal of your money for up to 180 days or such period as Fundhost considers appropriate including circumstances where:

- something outside Fundhost's control affects its ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash);
- Fundhost receives a quantity of withdrawal requests representing more than 20% of the value of the investments of the Fund. In this case Fundhost can stagger withdrawal payments; or
- Fundhost otherwise determines in its absolute discretion (but it must always act in the best interests of investors as a whole when deciding to do this).

The Trust Deed sets out the full range of circumstances in which Fundhost can delay withdrawal of your money.

We can give you back your invested money without you asking

In certain circumstances Fundhost can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- if you breach your obligations to Fundhost (for example, you provide misleading information in your application form);
- to satisfy any amount of money due to Fundhost (as trustee or in any other capacity relevant to the Fund) by you;
- to satisfy any amount of money Fundhost (as trustee or in any other capacity relevant to the Fund) owes someone else relating to you (for example, to the tax office);
- where Fundhost suspects that law prohibits you from legally being an investor; or

- such other circumstance as Fundhost determines in its absolute discretion (but Fundhost must always act in the best interests of investors as a whole when deciding to do this).

The Trust Deed sets out the full range of circumstances in which Fundhost can give you back your invested money without you asking.

How Fundhost calculates unit prices

Fundhost calculates unit prices in three steps:

- it calculates the value of the investments of the Fund and take away the value of the liabilities as defined in the Fund's Trust Deed;
- it divides this result by the number of units on issue to obtain the unit mid-price;
- it then makes an adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments) called a buy-sell spread. The buy-sell spread does not represent a fee to Fundhost or Canavan Capital Partners and is discussed in more detail in the section "Buy-sell spread".

These steps give a price per unit.

Fundhost determines the market value of the Fund at least each month end based on the closing market prices for the last business day of that month.

Distributions

The Fund generally distributes net realised gains and income annually as at 30th June. Income distributions are usually reinvested at the end of each financial year (June), but you can tell Fundhost if you do not want to automatically reinvest distributions or advise Fundhost in writing anytime if you would like Fundhost to pay them to your nominated Bank Account. Any distributions reinvested are reinvested at the ex-distribution mid price.

Distributions may also be paid at other times, or in some years, not paid at all.

Reporting

Keeping you informed

Fundhost will:

- confirm every transaction you make;
- soon after June each year send you a report to help you with your tax return;
- each year (around September) make the accounts of the Fund available to you on our website;
- send you your annual statement;
- notify you of any material changes to this IM and any other significant event as required by law; and
- send you a monthly investment report each month.

What about Fund performance?

If you are interested in:

- up to date Fund performance; or
- current unit prices

then ask your financial adviser, call Fundhost on +61 (0)2 8223 5400, or go to www.fundhost.com.au

Up to date information is always free of charge. Don't forget that any past returns are just that, just because they happened doesn't mean they will happen again. Returns are volatile and may go up and down significantly and sometimes quickly.

Taxation

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So it's important that you seek professional advice before you invest or deal with your investment.

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefit of some concessions.

Fundhost will send you the information you need each year to help you to complete your tax return.

Fundhost will generally distribute any income and realised gains, if any, annually. Distributions could comprise:

- income (like dividends and interest); and
- net taxable capital gains (from the sale of the Fund's investments); and
- tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Fundhost may also pay interim distributions.

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer units.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

If you choose not to provide Fundhost with your tax file number (**TFN**) or Australian business number (**ABN**) and don't have an exemption, Fundhost must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how Fundhost can use these details.

You should seek your own tax advice to ensure the Fund is appropriate for you. Neither Fundhost nor Canavan Capital Partners provide any tax advice.

A taxation regime for managed investment trusts has been introduced called the Attribution Managed Investment Trust (**AMIT**) regime. Subject to the Fund being eligible, Fundhost can elect to operate the Fund under this regime. As an AMIT the Fund can attribute amounts of income and tax offsets to investors on a fair and reasonable basis. There is also an ability to adjust the cost base of an investor's interest in a Fund upwards or downwards. Should Fundhost make this election investors will be advised on our website.

How the Fund Works

Fund structure

When you invest in the Fund your money (together with all other investors' monies) is gathered in one place and invested in assets. Fundhost has appointed Canavan Capital Partners to manage the Fund. Canavan Capital Partners uses its resources, experience and expertise to make the investment decisions.

Fundhost has appointed an independent custodian to hold the assets of the Fund and an independent administrator to provide administration and registry services.

Units

The Fund is a unit trust. This means your interests in the Fund are represented by units. Certain rights (such as the right to any income and a right to vote) attach to your units. You may also have obligations in respect of your units.

Each unit has a value which Fundhost calculates. When you invest, Fundhost issues you a number of units depending on the amount you invest. Similarly, when you withdraw from the Fund, Fundhost calculates your withdrawal proceeds by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Fund rises or falls.

Summary of the Trust Deed

The Fund is governed by a Trust Deed dated 23 June 2026, as amended. The Trust Deed sets out Fundhost's obligations as well as the rights of investors. Key aspects of the Trust Deed have been summarised in this section.

Fundhost may alter the Trust Deed.

You may view a copy of the Trust Deed at Fundhost's offices on any business day and you may obtain a copy free of charge by contacting Fundhost..

Classes of units

Under the Trust Deed for the Fund, Fundhost may issue units in one or more classes and may create additional classes of units at any time.

Rights of investors

Subject to the Trust Deed of the Fund, investors are generally entitled to:

- receive a share of the Fund's distributable income;
- request a redemption of units;
- transfer units; and
- inspect the Trust Deed.

Unitholder meetings

Subject to the Trust Deed of the Fund, investors are also entitled to requisition, attend and vote at investors' meetings for the Fund. An investor is bound by a resolution of investors, whether or not they attend the meeting at which it is passed.

Interest in the Fund

Each unit issued in the Fund entitles the investor to a beneficial interest in the total investments of the Fund but does not give the investor an interest in any particular part of the Fund.

Unitholder liability

The Trust Deed limits an investor's liability in relation to the Fund to the amount the investor has invested, however the law in relation to investor liability has not yet been settled. Under the Trust Deed Fundhost can recover from you any taxes or other amounts that the Fund is required to pay because you hold units or because of any action you have taken or failed to take, either by deduction from amounts payable to you or by redemption of some of your units.

Termination of the Fund

Fundhost can terminate the Fund at any time at its discretion or when required by law. If the Fund is terminated, Fundhost must generally convert the Fund's assets to cash and pay off the Fund's liabilities (including those incurred in winding up the Fund and any unpaid fees including performance fees).

Investors are then entitled to a share of the balance of the assets in accordance with the Trust Deed. This will be the final distribution of the Fund. The final distribution may include both a capital and income component.

Related Party Transactions and Conflicts of Interest

Fundhost does not engage in any related party transactions with any person. All dealings with other parties are at commercial, arms' length terms.

Fundhost has a conflicts of interest policy and register which it maintains in accordance with the law. It seeks to address any conflicts that may arise as part of Fundhost's business and that relate to the Fund.

Canavan Capital Partners is or may become the Investment Manager for other funds that invest in many of the same assets as this Fund. Canavan Capital Partners endeavours to ensure that all portfolios are treated fairly by ensuring that, where appropriate, trades in the assets are undertaken as block trades and allocated pro rata according to the size of each portfolio.

Greg Canavan the sole operator of the fund has worked at Fat Tail as a writer on macro and individual stock picks.

Canavan Capital Partners will pay Fat Tail Investment Research Pty Ltd a commission for each Fund investor who is a Fat Tail customer at the time of their investment in the Fund.