



Harness Asset Management

# Small Companies Value Fund

*“Bringing value to the world”*

**Investment Manager**

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## Index

### MANAGERS VALUES:

	INTEGRITY	KNOWLEDGE	INDEPENDENCE	TRUST
1. Key features				
2. Investment philosophy				
3. Selecting investments				
4. The team				
5. Risks				
6. Costs				
7. Investing with us				
8. Distributions of income				
9. Withdrawing your investment				
10. Reporting				
11. Tax				
12. Legal				
13. Directory				
14. How to invest Application form				

## Before you start

Harness Asset Management Pty Limited (**Harness** or the **Investment Manager**) is the investment manager for the Harness Asset Management Small Companies Value Fund (the **Fund**).

Theta Asset Management Ltd (**Theta, we, us** or the **Trustee**) is the trustee of the Fund and the issuer of this information memorandum (**Information Memorandum**).

This is an important document and we encourage you to read it carefully. Because it does not take into account your personal circumstances, we encourage you to seek professional advice before investing. The Information Memorandum is not intended to be a recommendation by us, Harness, or any of our or Harness's associates or any other person to invest in the Fund. Information in this document is subject to change from time to time and, provided the changes are not materially adverse to investors may be updated by us by publishing such information at [www.harnessam.com.au](http://www.harnessam.com.au). A paper copy of any updated information will be given upon request and is free of charge.



## 1. Key features

<b>Fund name</b>	Harness Asset Management Small Companies Value Fund
<b>Investment focus</b>	The focus of the Fund is to invest in under researched and undervalued Australian listed, small to medium sized, primarily industrial, companies that have the potential to be compelling investments. When such investment opportunities cannot be found the Investment Manager will remain invested in cash, and can use some derivatives subject to strict limits.
<b>Return objective</b>	The investment objective of the Fund is to preserve capital and produce consistent risk-adjusted absolute returns, after management fees and usual expenses, over rolling 3 year periods. Returns will comprise both capital and income. The goal is that overall returns from the Fund outperform the broad Australian share market over time.
<b>Investment Manager</b>	Harness Asset Management <sup>1</sup> was established in 2014 and is an independent Australian fund manager lead by Nigel Littlewood.
<b>Investment timeframe</b>	You should consider this a longer term investment of at least 3-5 years.
<b>Risk</b>	As a standalone investment, the Fund should be considered medium to high risk but as an appropriate part of an overall investment strategy, the Fund has the potential to reduce overall risk and volatility, and smooth returns.
<b>Volatility</b>	Medium to high
<b>Who can invest</b>	The Fund is a wholesale fund so you need to be a wholesale client as defined by law. Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.
<b>Costs paid from the Fund</b>	<ul style="list-style-type: none"><li>■ <b>Management fee:</b> 0.5% of the value of the Fund plus net GST.</li><li>■ <b>Expenses:</b> usual expenses estimated at \$110,000 p/a.</li><li>■ <b>Performance fee:</b> 20% plus GST of any gains made, subject to a high water mark.</li></ul> Please see the Costs section for more information.
<b>Applications</b>	The minimum initial application that will be accepted is \$100,000 (unless otherwise agreed with the Manager) with additional applications subject to a minimum of \$25,000. Applications will be accepted on a monthly basis and must be received at least 10 Sydney business days before the end of the relevant period.
<b>Withdrawals</b>	The minimum withdrawal request is \$25,000 subject to your balance being at least \$100,000. Withdrawals will be processed on a monthly basis providing the withdrawal request is received at least 30 Sydney business days before the end of the relevant period.
<b>Buy/sell spread</b>	+0.5% on entry and -0.5% on exit
<b>Distributions</b>	Distributions of income will be paid annually, at the end of each financial year. Distributions will automatically be reinvested unless you request they be paid to your nominated bank account.

<sup>1</sup> The manager or its officers, from time to time, may own shares in companies that are also owned by the fund. For further information refer to the section Assets held by the Manager on page 8.



## 2. Investment philosophy

### Inefficiencies exist to exploit

Harness believes that the Australian equity market is often inefficient. As a result, opportunities exist to add value for active, value-oriented investors and their managers and for those who take a long-term focus and display a patient temperament.

Harness considers that the market inefficiency is particularly evident in small cap stocks where coverage by the stockbroking and investment community is less extensive and where small market capitalisations often constrain investors from taking exposure to those stocks. Companies that are not listed on the ASX index are also subject to less investor attention due to structural bias toward index stocks.

Harness is primarily focussed on ASX listed securities but may also invest on the National Stock Exchange (NSX).

### Our passion is small caps

Harness's passion is identifying the best small to medium sized Australian listed (primarily) industrial companies.

Small caps offer what Harness believes is a fruitful risk reward trade-off for the astute investor. What is often perceived as a higher risk type of stock, a mispriced small cap can reap attractive returns in the long run.

Harness considers that small caps represent an opportunity for investors with conviction and wisdom to buy sensibly.

### Small caps vs large caps

Harness also believes that over the long term small cap stocks should outperform their large cap rivals for a number of reasons, as outlined below.

#### Elephants don't run

Small companies often have the ability to grow earnings at a faster pace than a big company.

Many big companies have large market shares in established, lower growth industries. As legendary investor Jim Slater said "elephants don't run." In contrast, small cap companies are often in the position of operating in either a new and rapidly expanding

industry or are busy stealing market share in a larger, established industry.

Investors not only benefit from the significant earnings growth, but the corresponding market re-rating (Price/Earnings expansion) can be equally profitable.

If an investor can select a small cap company at the right time in its business cycle then the upside can be very attractive.

#### Inefficiency = opportunity

Efficient Market Hypothesis is the theory that says it is impossible to beat the market because stock market efficiency causes existing share prices to incorporate and reflect all relevant information. However, Harness believes that markets are not so easily explained and inefficiencies abound.

Harness believes that as you move from large cap stocks to small cap stocks, market inefficiency increases providing investment opportunities.

Although there is a large group of analysts and investors closely watching the top 100 listed companies in Australia, there remains over 2000 stocks that are not covered with the same scrutiny, or in many cases not covered at all.

It is in this space that Harness operates, seeking the value, which others miss.

#### Better to be a target

Corporate activity such as takeovers, mergers and reconstructions often generate attractive return for investors.

Bigger companies swallow smaller companies on a regular basis, but it is virtually impossible for the opposite to happen.

When a company is taken over and control passes from one group of shareholders to the bidder company, then a premium for control is usually paid. The size of the premium is often in dispute but Harness believes that the long-term average sits at close to 30% above the prevailing share price. This can provide an enormous kick for a small cap stock, one that does not usually exist in the big cap realm.

#### Feast not famine

The small cap universe is significantly larger and considerably more diverse than the large cap end of the market. There are close to 2,300 companies listed



on the ASX of which about 2,000 are small caps. This gives Harness a vast range of potential investments to choose from, often neglected by other investors. Harness can also invest on the NSX, providing even greater choice.

The opportunity is to uncover the hidden value not yet unearthed by the stock broking or professional investment market and not yet 'priced in' by such investors.

This scenario is virtually impossible to replicate among the top 200 companies, which are followed in microscopic detail. This fundamental difference between small and large cap stocks is a tremendous benefit to those investing in this space.

### Volatility as a marker

Smaller companies often carry the challenge of operating in a less liquid environment, increasing their volatility and market beta (volatility relative to the market).

This relative illiquidity is often perceived by the investment community (and investment theoreticians) as higher risk. However, it also creates an investment opportunity for those prepared to invest.

Investors in the small cap space should accept the possibility that their portfolio may be more volatile in the short run than the broader market.

Harness maintains the view that although there are no guarantees in this world, higher levels of volatility are, for the patient investor, often the fair exchange for long run higher potential returns. This market volatility may also be exploited by investors with a thorough understanding of the value of their underlying investments.

### Index unaware

Market indices are often used as a benchmark to compare investment performance of fund managers. However, this can result in many fund managers running quasi index funds with a core focus on being under or over-weight particular stocks that are represented in their benchmark index.

Harness prefers to be index ambivalent and does not consider index weightings when making investment decisions. This can include investing in stocks that are not components of any index when initially purchased.

### Flexibility is a key

Harness considers that investing with a flexible mandate is important because:

- looking for diversification for the sake of diversification – for example a minimum number of stocks or a specific spread across industries - can be sub-optimal. Concentration may well be warranted from time to time.
- flexibility allows Harness to shift the portfolio to the most attractive value at any given time, and
- cash can act as a safe haven when markets are overpriced and investment risk excessive.

This flexibility allows Harness to buy in gloom and sell in boom and sit in cash rather than be forced to stay invested through the cycle, as many investment managers are required to do.

This style of investing may result in underperformance in a mature bull market (or boom) when value is hard to find. Harness believes this is a necessary short-term cost when the goal is capital preservation and long-term out-performance.

### Industrials vs resources

Harness does not usually favour owning small mining companies due to their unpredictability, the volatility of revenue and what is often an unfavourable risk reward equation. Having said that, Harness is a value manager, and at the right price, a mining opportunity could be compelling.

Harness considers generally that restricting investments primarily to small industrial companies provides ample scope for a depth of ideas and opportunities.

### Alignment of incentive

Many fund managers are incentivised (via their fee structure) to grow funds under management (FUM) as their fees are mostly a fixed percentage of FUM.

A fund manager in such a situation has significant incentive to continually raise more money and grow its FUM. As FUM get bigger their investment universe shrinks as does their ability to outperform. Large fund managers are forced to focus on large capped stocks, which makes out-performance significantly more difficult.

Harness's response is to focus on FUM growth via



investment performance, charging a modest ongoing management fees and an appropriate performance fee so that the manager and client interests are aligned.

The Chief Investment Officer is also a significant investor in the Fund.

## 3. Selecting investments

### The ideal investment

The ideal investment the Harness Asset Management Small Companies Value Fund is hunting for has five key attributes:

- the price represents **good value** (meaning 'it's on sale')
- the company possesses **good management**
- the company has a **strong core business**
- the stock is suffering from **poor sentiment**, which Harness understands the roots of but which it disagrees with or no longer thinks is relevant, and
- there are **few if any professional shareholders** on the register.

Such investments are shunned by much of the market. However, in some cases what lies beneath the surface of these unpopular stocks makes them attractive investments.

### Identifying targets

There are several catalysts monitored that may pique Harness's initial interest in a company including:

- trading activity by management and board
- share buy-back announcements
- substantial shareholder changes, and
- ideas generated from our regular meetings with companies, investors and/or brokers.

Harness maintains an open and curious view of the world and understands that insight can come from anywhere at anytime.

### Value

Harness's valuation process attempts to assess the financial position of a company and calculate an assessed fair value range. To do this, they look at:

- forecast two year Earnings Per Share growth relative to Price/Earnings (known as the PEG ratio)

- cashflow yield: provided by current operating and free cashflow relative to capitalisation and enterprise value,
- return on equity/assets, and
- balance sheet strength.

Ideally, the Fund will purchase an entity attractively priced relative to its appraised value while exhibiting strong growth and surplus cashflow. In addition, Harness is looking for well managed companies having a sound position in an industry with a solid long term outlook.

While this may be the ideal scenario, it is unusual to find the 'perfect' investment. Invariably the Fund is forced to make compromises. However, Harness will not compromise on its primary principle of capital preservation.

Once Harness decides what it considers to be the fair value and target price for a company, buy, hold and sell decisions are then based on this.

### Good management

Harness puts significant weight in assessing the quality of management in the companies the Fund invests in, believing that high quality management outperforms poor management over time. As in most endeavours, winners keep winning.

Harness looks for management with

- integrity
- good capital allocation skills
- passion
- significant equity in the companies they run, and
- strong individualism that allows them to exploit cycles rather than fall victim to them.

The decisions made by senior management have far more impact on a smaller company's performance than a large company. For small cap companies, one false step can be terminal, but for a large cap company poor management is less likely to destroy the business.

Excellent management helps Harness maintain the confidence to buy when others are selling.

If Harness is not totally comfortable with the quality and integrity of senior management and board, the Fund is unlikely to invest.

### Buying quality

To review the quality of the business, Harness attempts to assess its future competitiveness and



ability to survive and thrive. This is generally determined by studying the industry and changes occurring at the margin of the company. Some of the variables Harness considers are:

- industry trends
- management skills/depth
- proprietary technology
- innovative marketing/brand
- corporate culture, and
- board composition.
- 

## Company visits

Harness visits companies in order to assist their understanding of the business, management, strategy, culture and so on. Being able to check research with such due diligence is a key part of its investment process.

Harness may also attempt to visit competitors or other industry experts to improve its understanding of a company or industry.

## The purchase catalyst

To further narrow its focus, Harness often seeks to identify a potential catalyst or an event that, should it occur, would likely lead to an upward revaluation of a company.

This is designed to specifically avoid stocks commonly known as 'value traps'. These are stocks that remain cheap for prolonged periods of time and where shareholders are not compensated for their patience.

## How long do we hold?

Harness is prepared to take a long term view and may hold an investment for a number of years.

Harness's view is that markets will usually reflect true value in the long run, but timing is difficult to predict. The team will generally sell a stock once its price exceeds their valuation of it, or where they form a view that their initial assessment was sub optimal.

Harness may also take advantage of relative short-term arbitrages and mispricing, rather than feeling compelled on all occasions to take a long-term position in a stock.

## Diversification

Harness aims that the Fund will hold between 10 and 30 stocks at any one time with no single stock comprising more than 25% of the portfolio.

When appropriate investment opportunities cannot be found the Investment Manager will remain invested in cash

in unusual circumstances cash could be up to 100%.

## Special situations

Although the primary focus of the Fund is investing in small to medium cap Australian listed industrial stocks, the Fund can also exploit special situations which represent attractive risk/reward propositions. These may include:

- initial public offerings
- capital raisings
- block trades
- oversold positions
- takeovers
- listed investment companies (**LIC**) arbitrage
- stocks trading at a discount to their net tangible asset (**NTA**) backing, and
- earnings momentum / surprises.

## Leverage and derivatives

The Fund will not borrow.

Derivatives use is limited and focussed. The Fund will not use futures. Equity-oriented listed options and warrants can be employed, but Fund exposure will not exceed 25% of the Fund's net assets at the time of their purchase. These instruments may be used to capitalise on expected shorter-term movements in individual stocks.

## Short selling

The Investment Manager has the ability to short sell stocks in this Fund. This involves selling a security the Fund does not own in anticipation that the security's price will decline.

Short sales can generate performance in declining markets or provide a hedge to long market exposure.

In searching for companies with dynamic positive change, the Investment Manager invariably will identify companies which exhibit deteriorating



fundamentals or which appear to have become significantly overvalued relative to their prospects.

The ability to short sell will enable the Fund to capitalise on such opportunities and should help to reduce the market risk associated with a portfolio that is generally long equities.

Having the ability to short sell also allows Harness to pairs trade, where the Fund purchases a stock believed to be undervalued and at the same time sells short another company in the same industry that appears overvalued. This allows the overall market risk as well as industry risk of the portfolio can be reduced.

## 4. The team

### The Investment Manager

Harness Asset Management was established in 2014 by Nigel Littlewood and is an independent Australian fund manager.

Nigel Littlewood began his stock market career in 1986 with Rivkin James Capel. He moved from floor trading to advising and ultimately finished his institutional advisory role at SBC Australia (now UBS) in 1995 before establishing the Rivkin Report with Rene Rivkin in 1996.

In 2000, Nigel left The Rivkin Report and joined MMC asset manager as assistant portfolio manager and CEO.

In 2002, Nigel left MMC to return as CEO to The Rivkin Report after Rene Rivkin left the business.

In 2008 Nigel finally ended his relationship with the Rivkin Report by selling his equity and pursuing a full time investment career. He considers his Rivkin Report experience invaluable providing direct exposure to crisis management, business building and then management of a challenged venture. The lessons learnt and skills developed have been unique and powerful.

After managing a large portion of his own capital from 2008 to 2013, Nigel decided he was ready to start another venture with the establishment of Harness Asset Management as a wholesale funds management business with a primary purpose "To bring value to the world" while adopting core values of integrity, knowledge and independence.

Nigel is both a passionate practitioner and student, of the art of investing and is the largest single investor in

the Fund.

This newly established fund represents Nigel's vision to make available his deep trading experience to a small group of valued investors via a wholesale managed fund with a fee structure that aligns the interests of the Investment Manager and the investor.

Nigel has a significant investment in the Fund reinforcing the alignment of interests between manager and clients.

### Assets held by the Manager

The manager, Harness Asset Management Pty Ltd, or any one of the officers of the company, or the investment committee members, may from time to time, invest in and therefore own shares in the underlying investee companies that are also owned by the fund.

It is the intention of the manager, for its officers and employees to refrain from investing in the same assets that the fund holds however, when the fund was established in 2014 the manager maintained some positions in stocks that were also owned by the fund for short to medium term costs such as tax. Wherever there is a conflict of interest between assets of the manager and or its officers, the decision will always be made to prioritise the interests of the fund over all others. (Details are maintained in a conflicts register).

The investment committee members provide general advisory services to Harness Asset Management only and have no direct responsibility for making investment decisions nor are they included in portfolio management decisions. In any discussions between the manager and committee members, holdings of members are disclosed for the sake of transparency. However, due to their independence, the investment committees personal investment activities are not considered a potential conflict of interest by the manager, as such no register is maintained in this instance.

### The Investment Committee

Harness also utilises an Investment Committee, which assists with stock ideas and robust debate around the outlook for various stocks. In addition to Nigel Littlewood, this Committee comprises 3 other investment professionals, as follows.

#### **Matthew Kidman**

Matthew sits on the investment committee in a non-executive capacity and is a responsible manager of Harness. Matthew is also a founder of Centennial



Asset Management.

Mathew was a Fairfax, finance journalist from 1994 before joining Wilson Asset Management in 1998 as Chief Investment Officer helping to build an excellent long-term investment track record. In 2011 Matthew left his executive position (he remains a director of listed company WAM) to pursue various interests including writing an investment book *Bulls Bear and a Croupier*. Matthew also co-authored two other investment books: *Master CEOs* (2010) and *Masters of the Market* (2003).

Matthew currently sits on the board of six publicly listed companies, including the chairmanship of the listed Watermark Market Neutral Fund. He is also a director of not for profit SCEGGS Darlinghurst Trust Ltd.

Matthew is a passionate hunter of undervalued small companies with a contrarian nature.

#### **Kristian Dibble**

Kristian has over 14 years' experience in financial services and has developed management, analytical and advisory skills.

He has had experience across a variety of industries including privately owned businesses and government agencies.

Kristian is a partner in several businesses while providing additional investment analysis capacity at Harness. He is a passionate value investor having launched his own blog known as the *cigar butt investor*.

#### **Paul Hinds**

Paul sits on the investment committee in a non-executive capacity. He is a passionate stock analyst with a love of value investing and a true energy for the hunt of undervalued companies.

After graduating from University in 1993, Paul immediately commenced his career in the financial markets with the Bank of Queensland, working in the Treasury & Money Markets division. In 1997 he moved into equity analysis with Deutsche Bank, Australia. During the subsequent eight years Paul was a highly rated research analyst covering Banks and Diversified Financials before heading up the Emerging Companies Research Team.

In 2005 he moved to Mathews Capital Partners for 2 years in order to obtain valuable funds management experience, investing directly in domestic and international equity markets as well as trading a broad spectrum of commodity markets.

In 2007 Paul returned to Deutsche Bank to help reinvigorate The Emerging Companies Research Team. However this proved to be a brief stint, with Paul electing to leave the constraints of the corporate world towards the end of 2007 to become a full time investor, by starting and continuing to operate Alexander Capital Investment, which is responsible for investing the bulk of his personal wealth.

### The Trustee

Part of the Theta group of companies, Theta is a professional Australian independent trustee company and operator of investment trusts.

The Theta group is dedicated to providing comprehensive and independent responsible entity and trustee services to boutique and established fund managers.

The Theta group offers an effective mix of expertise, experience and perspective with over 70 years in aggregate in the financial services sector. Its clients range from start up boutique managers through to large and well recognised global managers.

Robert Marie, is the managing director, with over 20 years' experience in financial services at Macquarie Bank, the Bridges group and BankWest.

The total retail and wholesale funds under issuance by the Theta group is approximately \$600 million.

Theta is independent of the Investment Manager and as trustee, is responsible for all compliance and regulatory aspects of operating the Fund in addition to representing the interests of investors.

Theta provides access to, and management of, all the essential functions required to operate the Fund including:

- fund accounting
- unit registry
- custody providers, and
- co-ordination of Fund audit.

### The administrator and custodian

Theta has appointed White Outsourcing Pty Ltd (WO) as an independent professional administrator and as custodian of the Fund.

WO is a specialist provider of outsourced middle and back office administration and accounting services to a range of fund managers.

WO has a proud history built on its reputation for



quality, tailored and cost effective integrated solutions for fund managers. Its business has grown as a result of referrals.

As at June 2014, WO service over 70 clients and have around \$35 billion of funds under administration.

### The sub-custodian

WO has appointed J.P.Morgan as an independent professional sub-custodian.

J.P.Morgan is one of the world's leading investment banks with deep client relationships and broad product capabilities in Australia. The firm's offices are located in the financial centres of Sydney and Melbourne in Australia, and in Wellington, New Zealand.

J.P. Morgan's Worldwide Securities Services safekeeps, values, clears and services securities and portfolios for investors and broker/dealers. The business is a global leader in providing innovative solutions, helping clients in more than 90 markets optimise efficiency, mitigate risk and enhance revenue through custody and investor services, as well as securities clearance and collateral management offerings.

### The auditors

The accounts of the Fund are audited, as is the AFSL held by Harness, by G.C.C. Business & Assurance Pty Ltd (trading as Graeme Green Chartered Accountant, Sydney (GCC)). GCC is a registered with ASIC as an audit company.

The firm specialises in company audits and superannuation fund audits. It conducts audits of over 20 Australian financial services companies. These companies are involved in a range of activities including consultancy firms, fund managers and operators, managed discretionary account operations and insurance brokers and agents.

The firm also undertakes audit of public listed and large private companies together with foreign companies.

## 5. Risks

An investment in Harness Asset Management Small Companies Value Fund should be seen as a medium to high risk, relatively volatile and long term investment. Investors should be thinking to invest for at least 3-5 years.

Neither the performance of your investment, nor

capital invested in the Fund is guaranteed. This is a new fund and there is no performance history.

All investments are subject to varying risks, and the value of your investment in the Fund will rise and fall over time. Changes in value can be significant and they can happen quickly - the greater and faster the changes the greater the volatility.

Different types of investments have different risk characteristics, which will affect investment performance. As risk cannot be entirely avoided when investing, the philosophy employed for the Fund is to identify and manage risk as far as is practicable.

However, neither we nor the Investment Manager, can promise that the ways in which risks are managed will always be successful and, if certain risks materialise, any distributions and the value of your investment could be adversely affected. Some risks can never be practically managed.

Significant risks associated with investments in the Fund are discussed below.

### Markets

Markets and economies change in value and become more volatile. Reasons include changes in political, economic, financial, technological or legal conditions, natural and man-made disasters, conflicts and changes in market sentiment.

### Small caps

Small caps stocks are less researched and market pricing is often based on less information. Whilst mispricing creates opportunity, it comes with associated risks, which as a general rule are higher than the market average.

The market in small cap stocks is shallower, meaning that buy as well as sell opportunities are more limited. Their price tends to be more volatile, and they are with smaller capitalisation subject to greater speculation and price movement.

Small caps tend to be more susceptible to investment risk, being the risk that the value of an individual investment may change in value or become more volatile, potentially causing a reduction in the value of the portfolio and increasing its volatility.

Matters which may be a hiccup for a large company can move a small cap price significantly. Reasons can be many, and include changes in a company's



operations, management or business environment, or what people think of the company.

The Fund has a small cap focus. As such is it relatively concentrated in comparison to the entire investment universe. Within the portfolio there may be a limited number of stocks.

Investment opportunities may not present themselves and at times cash holdings can be high.

## Structural

Risks associated with investing in the Fund include:

- it could be terminated
- there can be changes in the Trustee or the Investment Manager, or in investment and management teams or key relationships, or there could be disputes amongst them
- the dependence on Nigel Littlewood
- someone involved with your investment (even remotely) does not meet their obligations or perform as expected
- assets may be lost, not recorded properly or misappropriated
- the Fund may not grow as anticipated and usual expenses, as a percentage of funds under management, could remain relatively high
- laws and regulator practices may adversely change
- investment decisions, although taken carefully, are not always successful and
- investing in the Fund may give inferior results compared to investing directly  
for example, you avoid the impact of others coming and going and may be able to manage your tax situation better.

We and the Investment Manager take as much care as is practicable. We both diligently comply with laws.

We have, and regularly test, disaster recovery systems and procedures and we both maintain insurance as law requires.

## Financial instruments

The Fund can use certain listed financial instruments such as exchange traded options and warrants to gain exposure to investments and to manage risk.

Risks associated with using these instruments include:

- the value of a derivative failing to move in line with the underlying asset  
especially when there are significant and fast changes in the prices of the underlying assets
- potential illiquidity making positions being difficult

or costly to reverse

- the underlying physical market moving quickly or being low in liquidity causing gapping issues
- the Fund not being able to meet payment obligations as they arise
- the other party to a transaction not being able to meet payment obligations as they arise
- margin calls requiring assets to be realised at less than ideal prices
- the passing of time eroding the value of some derivatives, and
- risks associated with trading electronically such as communications, computers and networks.

Derivatives use is limited and focussed. The Fund will not use futures. Equity-oriented listed options and warrants can be employed, but Fund exposure will not exceed 25% of the Fund's net assets at the time of their purchase. These instruments may be used to capitalise on expected shorter-term movements in individual stocks.

Exposures are monitored daily, and adjusted to maintain exposures considered appropriate by Harness at the time.

## Liquidity

Harness's goal is to provide monthly access to your investment.

Many of the stocks the Fund will own are expected to be relatively illiquid so high levels of relative volatility are common. This is part of the landscape of small company investing.

Harness seeks to ensure it has, or anticipates having, access to enough liquid assets when this is expected to be needed.

In limited circumstances we may not be able to meet your withdrawal requests when you expect. This is because selling investments is not always possible, practicable or consistent with the best interests of investors.

The constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal requests, calculating unit prices or paying distributions. See the section 10.

## Leverage

The Fund will not directly borrow. However the Fund may use derivatives which can create significant leverage. Harness's policy is to manage this such that



the Fund exposure will not exceed 25% of the Fund’s net assets at the time of their purchase.

Equity investments of the Fund may also borrow or be exposed to borrowing. The extent of borrowing is considered as part of Harness’s due diligence on each investment.

### Inflation

There is the risk that increases in inflation will undermine the performance of the various companies in which the Fund invests.

Reasons for inflation are varied. Some reasons can include (but are not limited to) growth of the money supply and the rising costs of raw materials, labour and/or production.

### Currency risk

This is the risk that changes in the value of currencies can have a negative impact on returns.

This risk arises because the Fund invests in Australian companies, but those companies can be exposed to other countries. When currencies change in value relative to one another, the value of investments based on those currencies can change as well.

### Interest rates

Changes in interest rates can have a negative impact on the Fund. Reasons for interest rate changes include changes in inflation, economic activity and Central Bank policies.

Interest rate risk is inherent in the Fund and rate movements will have both a positive and negative impact on the Fund.

### Short sales

The Investment Manager has the ability to short sell stocks in this Fund. This theoretically presents unlimited risk on an individual stock basis since the Fund may be required to buy back the security sold short at a time when the security has appreciated in value.

However, the Investment Manager always imposes a limit order it considers prudent in all the circumstances.

### Management of risks

Whenever the Fund invests, Harness carefully assesses

the potential for returns in light of the likely risks involved.

As the investment manager for the Fund, Harness rigorously monitors and seeks to manage, as far as is practicable, risk across the entire investment process.

As the trustee for the Fund, Theta:

- has completed due diligence on Harness and continues to monitor the performance of its obligations regularly, and
- maintains a comprehensive risk management program at the company operational level and maintain a business continuity plan which is tested regularly.

However, many risks are difficult or impractical to manage effectively and some risks are beyond our control altogether.

## 6. Costs

### Summary

<b>Entry fee</b>	nil	-
<b>Management fees</b>	0.5% pa of the value of the Fund plus net GST	Calculated and paid in arrears at the end of each month
<b>Performance fees</b>	20% (plus net GST) of any increase of an investor’s unit price, subject to a high water mark as detailed below	Generally payable as at the end of the financial year or on exit from the Fund
<b>Expenses paid from the Fund</b>	usual expenses estimated as 1% of the value of the Fund	Paid in arrears at the end of each month
<b>Exit fee</b>	nil	-

### Management fee

Under the Fund’s constitution, we are entitled to a management fee but in practice we waive this and instead pay the Investment Manager an investment management fee of 0.5% pa of the value of the Fund plus net GST.

### Performance fee



The performance fee is essentially 20% plus net GST of any increase in an investor's unit price.

Importantly, a performance fee is calculated for each investor on the performance achieved for their particular unit holding.

This means that if because of timing differences, your units in the Fund have not increased in value over the relevant period, no performance fee is payable by you nor do you bear the burden of any performance fee payable on others' unit holdings.

To implement this, holdings will be consolidated by reference to the net asset value (**NAV**) of each series of units being consolidated. Applications will then be made at the NAV for the oldest series of units to have borne the performance fee for that performance fee period and fund will issue such additional units and redeem.

The entitlement to a performance fee is subject to a high-water mark. This is the highest price calculated for the Fund in the period during which you have held your units. This is the first thing we calculate. To then see if you must pay a performance fee, we next calculate:

- your opening unit price, being the price either at the start of the financial year if you were an investor at that time, or else if you joined the Fund during the year, the price when you joined, and
- your closing unit price, being the price either at the end of the financial year if you are still an investor, or if you left during the year, the price when you left.

If your closing price is higher than both the high water mark and your opening price, then Harness is entitled to 20% plus net GST of that difference.

When we calculate prices for these purposes we adjust for any distributions and ignore any buy/sell spread.

You authorise us to redeem units, or deduct from withdrawal proceeds payable to you, to pay any performance fee to Harness. Note also that when we redeem units, there are likely to be tax implications for you.

## Expenses

Expenses are paid from the Fund. These include Fund establishment costs, Trustee costs, administration and custody, accounting and audit, professional advice, the Trustee's external consultants, stationery and postage,

compliance, operations costs, insurance costs and regulatory expenses.

Usual expenses are initially estimated as 2% of funds under management. If the Fund reaches its initial target size of \$10 million, then usual expenses are expected to fall, and be in the range 1% to 1.2% of funds under management.

If incurred, unusual expenses, such as investor meetings, Fund termination or any dispute management, may be additionally recovered from the Fund.

The Investment Manager pays its personal costs from its own moneys, including premises, research, wages and director fees, insurance, its own accounting and any audit, licensing and any early termination fee payable to the Trustee for terminating the agreement without cause.

There is no cap on either usual or unusual expenses.

The fund usually pays our fees. In the event the fund cannot pay our fees or there is a shortfall, the Investment Manager is expected to pay.

## Changes in fees and costs

All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations.

The constitution for the Fund sets the maximum amount we can charge for all fees. There is no specific limit in the constitution on the level of expense recovery. A copy of the constitution is available free on request.

We currently charge fees at less than the maximum amounts allowed for in the Fund's constitution or waive those rights to fee payment and expense recovery. If we wished to raise management fees or performance fees above the maximums, we would need to amend the constitution.

We will ensure that there is at least a withdrawal processing date before any increase to fees takes effect.

## Buy/Sell spread

We adjust the unit prices by a small amount, known as a 'spread', for our estimate of transaction costs (being those costs associated with buying and selling such as



brokerage, stamp duty, government or bank charges).  
The adjustment is:

- down for the withdrawal price, currently -0.5% of the unit price, and
- up for the application price, currently +0.5% of the unit price.

These spreads are paid to the Fund and not to us.

### Does anyone else receive fees?

We and the Investment Manager can pay some of our fees to others if we choose and subject to relevant law may charge lower fees to some investors. These payments do not impact returns you may receive from the Fund.

### Are fees negotiable?

Fees are not usually negotiable. Any discussion you may wish to have about fees should be directed to the Investment Manager.

### Bank and government charges

All government fees, duties and bank charges will apply to your applications and withdrawals as appropriate.

### Goods & Services Tax

Quoted fees and other costs take into consideration the net effect of GST. That is, including any benefit of reduced input tax credits.

## 7. Investing with us

The Fund is a wholesale fund so you need to be a wholesale client as defined by law. To be a wholesale client the general rule is that you need to invest at least \$500,000 or if you invest less (the minimum is \$100,000) then ask your accountant to complete an Accountant's Certificate. An accountant's certificate simply states that the investing entity has a certain minimum income or assets, and in working this out, some aggregation is allowed. There are some other categories: if in doubt, seek advice.

Subject to this, the Fund is available to all types of investors, including individuals, super funds and family trusts/companies, as well as professional investors and family offices.

### Getting started

The minimum investment is generally \$100,000 or as agreed with the Manager.

Simply complete the attached application form and the identification form which is right for you, and send them to our administrator, WO, as follows:

#### **White Outsourcing Pty Limited**

GPO Box 5482  
Sydney NSW 2001

Faxes and emails are not accepted for initial applications.

You need to pay for your investment by electronic transfer from your Australian financial institution account as follows:

### How to pay

<b>Bank</b>	ANZ
<b>BSB</b>	012-006
<b>Account</b>	8365-14087
<b>Account Name</b>	Theta Asset Management Ltd Harness Asset Management Small Companies Value Fund

You will receive confirmation when your application is accepted.

All EFT payments must be accompanied by a notification email to [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au) in order to ensure that the investor account is properly credited.

### Processing days

We generally process applications as at the last calendar day each month, using the unit price struck at the end of that month.

To allow the Investment Manager to manage the portfolio appropriately, we usually need to have your completed application and cleared application monies by 5pm at least 10 Sydney business days before the end of the month.

For applications, the unit price next calculated after 5pm Sydney time as at the last calendar day each month is used.

Interest on application monies received prior to processing days is credited to the Fund.



We may refuse investment applications and need not provide reasons.

### Additional applications

The minimum amount for further investments into the Fund is generally \$25,000.

Use the **Additional Investment Form** available from Harness. Please mail, fax or email this form:

**White Outsourcing Pty Limited**

GPO Box 5482, Sydney NSW 2001

E: [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au)

F: 02 9221 1194

Payment of your additional investment can be by electronic funds transfer from your Australian financial institution account.

You will receive confirmation when your additional application is accepted.

### Application price

We determine the unit price at the end of each month based on the information we have most recently available.

We calculate unit prices in three steps:

- we calculate the value of the investments of the portfolio and subtract the value of any liabilities – this gives us the net asset value
- we divide this by the number of units we have on issue, and
- we generally make an adjustment of 0.5% for the buy spread.

### Cooling off

There are no cooling off rights as this is a wholesale fund. Lodged applications cannot generally be withdrawn.

## 8. Distributions of income

It is intended that no income tax will be payable by the Fund. As such, in each financial year ending on 30 June the full amount of taxable income available for distribution from the Fund will be distributed to investors. This income will generally be distributed to investors annually in June, with the payment expected to be made within six weeks after 30 June.

You may elect to have your distributions from the Fund

reinvested in further units in the Fund or paid to you by direct credit to your nominated bank account. You make the choice on the application form but if no election is made your distribution will automatically be reinvested. Any change to your choice should be advised to the administrator at least 10 Sydney business days before the end of the relevant distribution period.

Immediately after a distribution is declared, the unit price of the Fund will usually fall by the amount of the distribution. This is because the distribution reduces the Fund's assets. Distributions are not pro-rated for investors who were not unitholders for the whole period, meaning that you may receive some of your investment back immediately as income if you invest just before a distribution. Conversely, if you withdraw from the Fund just before a distribution, you might in effect turn income into a capital gain.

## 9. Withdrawing your investment

### How to withdraw

To withdraw part or all of your investment in the Fund, complete the Redemption Request Form available from Harness.

The minimum withdrawal amount is \$25,000, and you need to keep a minimum of \$100,000 invested otherwise we may redeem your investment. We may waive these requirements generally, or on a case-by-case basis.

Send your Redemption Request Form by mail, fax or email to our administrator, WO, as follows:

**White Outsourcing Pty Limited**

GPO Box 5482, Sydney NSW 2001

E: [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au)

F: 02 9221 1194

Once lodged, withdrawal requests cannot generally be withdrawn.

Your withdrawal will be paid by transfer to your nominated account, normally at least 10 Sydney business days of the request being processed. There can be delays in certain circumstances, as set out below.

### Processing days

We generally process redemptions as at the last calendar day each month.

To allow the Investment Manager to manage the portfolio appropriately, we usually need to have your completed redemption request by 5pm at least 30 Sydney business days before the end of the relevant month.

### Withdrawal price

We determine the unit price to apply to withdrawals at least each month based on the information we have most recently available.

We calculate unit prices in three steps:

- we calculate the value of the investments of the portfolio and subtract the value of any liabilities – this gives us the net asset value
- we divide this by the number of units we have on

issue and

- we generally make an adjustment of 0.5% for the sell spread.

### Delays

We can delay unit redemption for up to 180 days or such longer or shorter period as is appropriate in all the circumstances for example if:

- there is a circumstance outside our reasonable control which we consider impacts on our ability to properly or fairly calculate unit price, for so long as the circumstance continues  
*for example, if the assets or relevant currencies are subject to restrictions or if there is material market uncertainty*
- we have determined to honour redemption requests in relation to a particular processing day and the total redemption moneys which would be payable at this time represent more than 20% of the value of the net assets of the Fund  
*and in this case we can redeem the units at such future time, or at times over such period, as we determine, and payments to each investor must be in the proportion that their redemption moneys bear to all other redemption moneys which were payable at that time , and*
- such other circumstance as we determine to be appropriate in our absolute discretion having regard to the best interests of investors as a whole.

Unit prices are generally calculated at the time the delay ends.

For more information on unit prices, visit [www.harnessam.com.au](http://www.harnessam.com.au) or contact Harness directly.

### Deductions

We may deduct from any money payable to an investor (including on winding up) or otherwise recover from an investor:

- any moneys due to us by the investor, and
- any money we (as trustee or in any other capacity) owes someone else relating to the investor  
*for example, to the tax office.*

### Compulsory redemptions

We may redeem units without a withdrawal request in limited circumstances, including:

- if you have otherwise agreed  
*for example, to pay any performance fee owing to the Investment Manager,*



- if you have breached your obligations to us,
- to satisfy any amount of money due to us (as Trustee or in any other capacity) by you,
- to satisfy any amount of money we (as Trustee or in any other capacity) owe someone else relating to your investment *for example, to the tax office,*
- if you cease to maintain the minimum holding of units current from time to time  
currently \$100,000
- where we suspect that law prohibits you from legally being an investor in the Fund, and
- such other circumstance as we determine to be appropriate in our absolute discretion having regard to the best interests of investors as a whole.

## 10. Reporting

### Regular reports

You will receive the following regular reports:

- **transaction statements**  
*each time you invest or withdraw*
- **distribution / income statements**  
*each time the Fund makes a distribution*
- **monthly reports**  
*detailing Fund pricing and*
- **tax return information**  
*as soon as we can after the end of the financial year.*

The Fund's most recent audited annual financial statements are available from Harness on request usually completed within 12 weeks of the end of financial year.

We and Harness usually communicate by email but paper copies of documents which sent to you are available on request.

For more information on unit prices and Fund performance, visit [www.harnessam.com.au](http://www.harnessam.com.au) or contact Harness directly.

### Privacy

We use personal information about you to administer your investment and comply with laws.

We won't tell anyone any information that we have about you unless:

- you agree
- the law requires
- it is the Investment Manager we are telling
- we consider that they need the information

typically because they are your adviser or assist us to administer your investment **OR**

- the Investment Manager wishes to contact you regarding further investment opportunities.

If you think our records are wrong or out of date - particularly your address, email address or adviser - it's important that you contact us and we'll correct them.

If you do not provide us with your contact details and other information we may not be able to have or keep you as an investor.

Our privacy policy is available on our website.

Any personal information you provide will also be handled in accordance with WO's privacy policy, a copy of which can be found at

[www.whiteoutsourcing.com.au](http://www.whiteoutsourcing.com.au) or free from WO on request.

By making application to be an investor, you consent to your personal information being collected and handled by WO in accordance with that policy.

### AML

We are committed to meeting the regulatory requirements for anti-money laundering and counter terrorism financing (AML). To comply with these requirements we may:

- require you to provide to us, or otherwise obtain, any additional documentation or other information
- suspend, block or delay transactions on your account, or refuse to provide services to you, and
- report any, or any proposed, transaction or activity to anybody authorised to accept such reports relating to AML or any other law.

### Information from you

You must provide to us in a timely way all information that we reasonably request or which you suspect that we should know to perform our functions

*for example, regarding your identity or the source or use of invested moneys – if you do not, we may refuse to provide financial service to you and/or redeem your investment.*

## 11. Tax

This section is not tax advice. You should seek professional tax advice in relation to your own position.

### Generally

You may need to pay tax in relation to your investment in the Fund, generally income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability depends on your circumstances and we recommend that you seek professional advice before you invest or deal with your investment.

We will send you all the information you need each year to complete your tax return.

### Tax on distributions

You may have a tax liability when you receive distributions from the Fund. The amount depends on what makes up the distributions, and on your personal financial circumstances. Distributions could comprise:

- income  
for example, dividends and interest
- net capital gains  
from the sale of portfolio investments
- tax credits  
for example, franking credits attached to dividend income and credits for tax paid on foreign income and
- tax deferred income.

### Tax when you withdraw

You may have a tax liability when you withdraw from the Fund.

Australian residents are generally subject to capital gains tax on gains when they withdraw any money for themselves or to invest in another fund or transfer units to someone.

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.

### ABN and TFN

If you are making this investment in the course of a

business or enterprise carried on by you, you may quote an Australian Business Number (**ABN**) instead of a Tax File Number (**TFN**). It is not mandatory to quote your TFN, however, failure to quote an ABN or TFN or claim an exemption may cause us, as trustee, to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to you.

You may be able to claim a credit in your tax return for any TFN/ABN tax withheld.

By quoting your TFN or ABN, you authorise us to apply it in respect of all your investments with us.

### US tax

Certain US legislation will target US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (**IRS**). We are required to comply with certain requirements including the provision of information to the IRS. The information will only relate to investors who are or are assumed to be US residents for tax purposes. See the Application Form.

Those identified may be subject to a 30% withholding tax on part or all of the payments they receive from US sources.

## 12. Legal

### Wholesale

The Fund is an Australian resident open-ended unit trust and is not required to be nor is it registered under the Corporations Act. An investment in the Fund is only available to wholesale clients as defined by the Corporations Act.

### The constitution

Our legal relationship with you is governed by the Fund's constitution together with this Information Memorandum and certain financial services laws. Some provisions are discussed elsewhere in this Information Memorandum and others include:

- the nature of units of the Fund  
all units are of the same class, although the amount of accrued performance fee and unpaid performance fees for each investor will vary
- our powers  
and how and when we can exercise them



- **when the Fund terminates**  
subject to our agreement with the Investment Manager, we can terminate the Fund at any time, and if we do the relevant investors share the net proceeds on a pro-rata basis, adjusted for any unpaid performance fees, **and**
- **changing the constitution**  
with the Investment Manager's agreement not to be unreasonably withheld, we may amend the constitution however approval of 50% by value of units voted (in person or by proxy) at any relevant meeting is needed if we consider the amendments are not in the best interests of investors as a whole.

The investments of the Fund can be combined with other assets.

We will send you a copy of the constitution free of charge if you ask.

## Our duties

We are the trustee of the Fund.

However all obligations which might otherwise be implied or imposed on us by law or equity are expressly excluded to the extent permitted by law.

If we act in good faith and without gross negligence we are not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

Our liability to any person other than an investor in respect of the Fund is limited to our actual indemnification from the assets for that liability.

We have entered into the constitution in our capacity as trustee of the Fund and not in our personal capacity.

We are entitled to be indemnified out of the assets of the Fund for any liability incurred by us in relation to the Fund including any liability incurred because of a delegate or agent.

We may take and may act (or not act as relevant) on any advice, information and documents which we have no reason to doubt as to authenticity, accuracy or genuineness.

We may:

- deal with ourselves (as trustee of the Fund or in any other capacity), any associate or any investor
- be interested in any contract or transaction with ourselves (as trustee of the Fund or in any other capacity), any associate or investor and
- may act in the same or a similar capacity in relation to any other trust or managed investment scheme, and retain any benefit or benefits from so.

Each Investor indemnifies us for all liability incurred by us arising directly or indirectly from the investor's breach of its obligations to us

this indemnity is in addition to any indemnity under law and continues to apply after the investor ceases to be an investor.

## Investor meetings

### Calling a meeting

We may at any time call a meeting of investors to consider any matter, including resolutions and must do so if the Investment Manager requires.

We need not convene a meeting if requisitioned to do so.

### Notice

A meeting of investors must be convened by notice sent to every investor entitled to attend and vote at the meeting.

We must give at least 5 Sydney business days' notice of a meeting to relevant investors or such shorter notice as 25% by value of all relevant units agree.

### Quorum

The quorum for a meeting of investors is at least 2 investors present in person or by proxy together holding at least 10% of all units, unless:

- there is only 1 relevant investor  
in which case that investor constitutes a quorum OR
- there is any proposal to remove us (other than a proposal contemplated by our agreement with the Investment Manager), then the quorum is at least 2 investors present in person or by proxy together holding at least 75% of all units.

If a quorum is not present within 15 minutes after the scheduled time for the meeting, the meeting is:

- if it was to consider any proposal to remove the Trustee (other than a proposal contemplated by our agreement with the Investment Manager) or if convened by investors, dissolved else
- adjourned to such place and time as we decide.

At any adjourned meeting, those investors present in person or by proxy constitute a quorum.

### The chair

We may appoint a person to chair a meeting of investors. A poll cannot be called by investors on the issue of appointment of the chair unless we agree.

The decision of the chair on any matter relating to



the conduct of the meeting is final  
for example who can address the meeting.

The chair has power to adjourn a meeting for any reason to such place and time as the chair thinks fit. A poll cannot be called by investors on the issue of adjournment unless the chair agrees.

The chair of the meeting has a casting vote.

### Voting

We, the chair or at least 2 Investors present in person or by proxy holding at least 10% by value of relevant units may demand a poll.

On a show of hands each Investor has 1 vote and on a poll each whole unit is worth 1 vote.

Generally all resolutions are decided by a simple majority, that is a majority of half plus one, by number or, on a poll, by value, of those actually voting (in person or by proxy).

We, the Investment Manager and any associate of either may vote on any units held in connection with any resolution. The value of a vote is reduced to the extent that the unit is not fully paid or, being partly paid, all moneys called are not paid.

If a unit is held jointly, only the person whose name appears first in the register may vote.

A resolution binds all investors, whether or not they were present at the meeting.

### Other matters

A meeting of investors, any notice of meeting or any proceeding at a meeting is not invalidated because of the accidental omission to give notice of the meeting or the non-receipt of the notice or because of any procedural irregularity.

We may hold meetings any way we determine  
for example, phone hook-up, video conference, electronic voting, circular resolution or the necessary investors agreeing in writing (this includes e-mail and fax).

### Change of trustee

The constitution provides that we may retire on 1 month's notice to investors or such shorter period as Investors agree by ordinary resolution. However this is subject to our agreement with the Investment Manager and under our agreement, often this would be a longer period to allow for the orderly transition to a new trustee.

We must retire when required by law.

When the trustee changes, we may appoint a replacement. However under our agreement with the Investment Manager, it is sometimes the Investment Manager that would choose or propose the replacement. Generally, if a replacement is not appointed, the Fund will terminate.

### Investment management agreement

We have an investment management agreement with the Investment Manager which governs:

- the investment services which the Investment Manager provides to us, and
- the services we provide such as operating the Fund.

The Investment Manager's role includes promoting, investing and managing the Fund consistently with the investment policy, objectives and strategy of the Fund.

The Investment Manager has promised to us that it will exercise all care, skill, due diligence and vigilance expected of a professional investment manager in carrying out its functions, powers and duties under that agreement.

The appointment of the Investment Manager in relation to the Fund is exclusive.

Our agreement with the Investment Manager continues for 5 years (the Initial Term) unless terminated earlier as the agreement contemplates. At the end of this period this agreement continues for rolling 1 year periods.

As a general rule, if our agreement with the Investment Manager ends then a replacement trustee will be sought but if one cannot be appointed, the Fund would terminate.

We can terminate the agreement on 3 months' notice or if Nigel Littlewood ceases to be substantially involved in the performance of the Investment Manager's obligations under the agreement without our consent.

Either we or the Investment Manager can terminate the agreement by notice if there is a Termination Event, which includes:

- a party fails to comply with a provision of the relevant law which causes material loss to the Fund or material reputational damage to the other party and such non-compliance is not remedied
- a party fails to perform its role under the agreement in a professional and diligent manner, or to a standard reasonably expected of a



person who professionally performs such functions

- a party fails to maintain adequate resources or
- an insolvency event happens to the other party.

We can also terminate the agreement if the Fund does not reach a size of at least \$10 million within 24 months of the start of our agreement.

The Investment Manager can terminate the agreement by simply giving us notice, but must pay to us a termination fee. The Investment Manager can also terminate the agreement by 3 months' notice.

The agreement contains other provisions we do not consider unusual including fees and expense arrangements, dispute management, limits on indirect loss and indemnities.

## Transferring your units

You can transfer your units and we can refuse to register transfers and need not give reasons. Contact us for the required form and remember that you will generally need to pay stamp duty.

## Terminating the Fund

Subject to our agreement with the Investment Manager we can decide to terminate the Fund anytime.

Withdrawal processing ceases on termination of the Trust. This means that we may not exercise any discretion to allow a withdrawal, lodged withdrawal requests which are unprocessed lapse and, if we determine, withdrawal requests processed but awaiting payment lapse.

After termination, we will wind up the Fund: generally we will sell all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as appropriate as soon as we consider practicable.

We can distribute assets rather than cash to some investors and not to others. We would first deduct any moneys an investor owes. It can take some time to finalise this process.

In spite of our powers under our agreement with the Investment Manager, in some circumstances we must allow the Investment Manager to arrange for the Fund to continue.

## Limits on your responsibility

The constitution limits your liability to any unpaid part of the issue price of your units and that you need not indemnify us if there are not enough assets to meet the claim of any creditor of ours.

In the absence of separate agreement with an investor, our recourse and any creditor is limited to the Fund assets.

However, we cannot give you an absolute assurance about these things – the issue has not been finally determined by Australian courts.

## Other matters

The Information Memorandum which is current time to time is the one which governs your investment.

If we issue a new Information Memorandum or a supplement, a copy will be sent to you. We recommend that you read it carefully.

Copies are always available at [www.harnessam.com.au](http://www.harnessam.com.au) or contact Harness directly.

The offer made in this Information Memorandum is available only to persons who may legally receive this Information Memorandum (electronically or otherwise). If you received this Information Memorandum electronically, we will provide a paper copy free of charge upon request during the life of this Information Memorandum.

The Fund is not currently registered with the Australian Securities and Investments Commission, but may be at some future point in time. By investing in the Fund, you consent to the Fund being registered at some future point should the Trustee consider it appropriate. You also consent to registration taking place without the Trustee holding a meeting of investors to approve the application for registration.

Unless otherwise stated, all figures are in Australian dollars and are inclusive of the net impact of GST (that is, taking into account any reduced input tax credits).

The ASIC takes no responsibility for the contents of this Information Memorandum.

## 13. Directory

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Investment Manager

**Harness Asset Management Pty Limited**

ACN 168 523 171 AFS licence 469551

P: 02 92233751

M: 0414 585 070 Nigel Littlewood

E: [info@harnessam.com.au](mailto:info@harnessam.com.au)

Suite 11.02, Level 11, 37 Bligh Street | Sydney NSW 2000

[www.harnessam.com.au](http://www.harnessam.com.au)

Administrator and registry enquiries

**White Outsourcing Pty Limited**

E: [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au)

P: 02 8262 2800

F: 02 9221 1194

GPO Box 5482, Sydney NSW 2001

Level 3 | 99 Bathurst Street | Sydney NSW 2000

[www.whiteoutsourcing.com.au](http://www.whiteoutsourcing.com.au)

Trustee

**Theta Asset Management Ltd**

ABN 37 071 807 684 AFS licence 230920

E: [invest@thetaasset.com.au](mailto:invest@thetaasset.com.au)

**Sydney Office**

Suite 501, Level 5, 210 Clarence Street, Sydney NSW 2000

PO Box Q423, QVB Sydney NSW 1230

P: +612 8012 0638

[www.thetaasset.com.au](http://www.thetaasset.com.au)

Auditor

**Graeme Green**

GCC Business & Assurance Pty Ltd

trading as

Graeme Green Chartered Accountant, Sydney

Level 8 | 109 Pitt Street

Sydney, NSW, 2000

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**How to Invest**

To invest in the Fund you will need to complete and sign the attached Application Form.

- Supply of Tax File Numbers (TFN) is discretionary. It is not an offence if you decide not to supply your TFN. If you do not supply your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.
- Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.
- Applications under Power of Attorney must be accompanied by a certified copy or the original of the Power of Attorney with specimen signatures.

The minimum initial investment in the Fund is \$100,000 and additional investment is \$25,000. All investors will need to qualify as a Wholesale Investor. The Manager may vary these minimum investment amounts from time to time. Application monies should be received 10 days before the end of the month by electronic transfer to:

**Account Name:           Theta Asset management Ltd.**

**Harness Asset Management.**

**Small Companies Value Fund**

**Bank:                     ANZ**  
**BSB:                     012-006**  
**Account number:       8365-14087**

Application forms received and monies received 10 business days prior to the last calendar day of the month will receive the unit price that is calculated for the next valuation date (for applications). Generally this unit price will be available within 5 business days of month end. Please send completed Application Form with relevant AML documentation to:

**White Outsourcing Pty Limited**  
**Harness Asset Management Small Companies Value Fund Unit Registry**  
**GPO Box 5482**  
**Sydney NSW 2001**

### **How do you qualify as a Wholesale Investor**

If you are applying for \$500,000 or more you'll be automatically deemed Wholesale Investor and no additional documentation is required. If you are investing less than \$500,000 and you are an Australian Investor, additional documentation will be required to certify that you are a Wholesale Investor in the form of:

1. An accountant's certificate certifying that the proposed Unitholder has:
  - net assets of at least A\$2.5million, or
  - gross income for each of the last two financial years of at least \$250,000.

OR

2. A statutory declaration that the proposed Unitholder:
  - is a trustee of a superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993 with net assets of at least A\$10 million,
  - controls at least A\$10 million (including any amount held by an associate or under a trust that the investing entity manages),
  - is a manufacturer and employs 100 or more people, or the investing entity is not a manufacturer and employs 20 or more people,
  - holds an Australian financial services licence, or
  - is a 'professional investor' as otherwise defined in the Corporations Act.

### **Examples of correct names and required signatures**

Type of Investor	<input checked="" type="checkbox"/> Correct Name	<input checked="" type="checkbox"/> Incorrect Name	Signature Required
<b>Individual/ joint investors</b> <ul style="list-style-type: none"> <li>use full name of each applicant, do not use initials</li> </ul>	Alexander John Smith Laura Sue Barden	Alex Smith Laura S Barden	<ul style="list-style-type: none"> <li>signature of each applicant</li> </ul>
<b>Company</b> <ul style="list-style-type: none"> <li>use full company title, do not use abbreviations</li> </ul>	ABC Pty Ltd  XYZ Limited	ABC P/L, ABC Co,  XYZ Inc.	<ul style="list-style-type: none"> <li>by two directors, or</li> <li>by a director and a secretary, or</li> <li>if there is only one director by that sole director</li> </ul>
<b>Trusts/minors</b> <ul style="list-style-type: none"> <li>use trustee(s)/ individual(s)name(s)</li> <li>use trust/minor name as designation</li> </ul>	Paul Ryan Smith ATF Smith Family Trust  Paul Ryan Smith ATF Joel Smith	Paul Smith Family Trust  Joel Smith	<ul style="list-style-type: none"> <li>signature of each trustee/ individual</li> <li>if trustee is a company see above</li> </ul>
<b>Superannuation fund</b> <ul style="list-style-type: none"> <li>use trustee(s)personal name(s)</li> <li>use fund name as designation</li> </ul>	Amy Rachel Wood ATF Amy Wood Super Fund  ABC Pty Ltd ATF Smith Superannuation Fund	A R Wood Super Fund  Smith Super Fund	<ul style="list-style-type: none"> <li>signature of each trustee</li> <li>if trustee is a company see above</li> </ul>
<b>Deceased estates</b> <ul style="list-style-type: none"> <li>use executor(s) personal names, do not use name of the deceased</li> </ul>	John Smith ATF Est of the Late Jane Smith	Estate of the Late Jane Smith	<ul style="list-style-type: none"> <li>signature of the executor(s)</li> </ul>

## Regular information

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully and contact the Administrator if you have any questions.

## Additional investment

The minimum amount for further investments is generally \$25,000.

To invest more, use the **Additional Investment Form** available at [www.harnessam.com.au](http://www.harnessam.com.au) or contact Harness directly.

Originals, but also faxes and emails, are accepted for additional investments.

You need to pay for your additional investment by electronic funds transfer. All EFT payments must be accompanied by a notification email to [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au) in order to ensure that the investor account is properly credited.

You will receive confirmation when your additional application is accepted.

## If you have any questions

If you have any questions about any matter relating to the Fund, please telephone the Trustee, Investment Manager or Administrator as appropriate. Refer to the **Contacts** page at the end of this Information Memorandum.

# APPLICATION FORM

## Harness Asset Management

## Small Companies Value Fund

This Application Form relates to the Information Memorandum dated 11<sup>th</sup> June 2017 (**Information Memorandum**) issued by Theta Asset Management Ltd ABN 37 071 807 684 AFSL 230920. Please read the Information Memorandum in full before completing this Application Form. Unless otherwise specified, terms defined in the Information Memorandum have the same meaning in this Application Form.

**INDIVIDUALS, COMPANIES, TRUSTS & TRUSTEE**

### PART A: INVESTOR & INVESTMENT DETAILS (all investors must complete this section)

Investor Name:

*Please refer to previous page for correct naming convention*

**Type of Investor: (Please tick applicable box)**

	Account Type	Identification Requirement Groups to Complete	Sections to Complete after Part A is completed
<input type="checkbox"/>	Individual/Joint investors	Group A	Sections 3, 4, 5
<input type="checkbox"/>	Trust/Superannuation fund with individual trustee(s)	Group B or C, & D	Sections 1, 4, 5
<input type="checkbox"/>	Trust/Superannuation fund with corporate trustee	Group B or C, & D	Sections 1, 2, 4, 5
<input type="checkbox"/>	Company	Group E, F or G	Sections 2, 4, 5

#### AML Identity Verification Requirements

- Identification documentation provided must be in the name of the Applicant.
- Non-English language documents must be translated by an accredited translator.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please call Nigel Littlewood on 0414 585 070.

**These documents should be provided as an original or a CERTIFIED COPY of the original.**

#### GROUP A – Individuals

Each individual investor, individual trustee, and beneficial owner must provide **one** of the following primary photographic ID:

- A current Australian driver's licence (or foreign equivalent) that includes a photo and signature
- An Australian or foreign passport (Australian passport can be expired within preceding 2 years)
- An identity card issued by a State or Territory Government that includes a photo

If you do NOT own one of the above ID documents, please provide one valid option from Column A and one valid option from Column B.

Column A	Column B
<ul style="list-style-type: none"> <li><input type="checkbox"/> Australian birth certificate</li> <li><input type="checkbox"/> Australian citizenship certificate</li> <li><input type="checkbox"/> Pension card issued by Department of Human Services (previously known as Centrelink)</li> <li><input type="checkbox"/> Health care card issued by Department of Human Services (previously known as Centrelink)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> A document issued by the government within the last 12 months which contains the individual's name and residential address.</li> <li><input type="checkbox"/> A document issued by the Australian Taxation Office within the last 12 months which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.</li> <li><input type="checkbox"/> A document issued by a local government body or utilities provider within the preceding 3 months which contains the individual's name and residential address.</li> </ul>

**GROUP B – Registered Managed Investment Scheme, Regulated Superannuation Fund (including a self- managed super fund), Government Superannuation Fund or a trust registered with the Australian Charities and Not-for-profit Commission (ACNC)**

Provide **one** of the following:

- A copy of the company search of the relevant regulator's website e.g. APRA, ASIC or the ATO
- A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.
- A copy from the ACNC of information registered about the trust as a charity

All the above must show the Trust's full name and type (i.e. registered managed investment scheme, regulated superannuation fund (including a self-managed super fund) or government superannuation fund).

**GROUP C – Other Trusts (unregulated)**

**Provide Group A verification documents** for each beneficial owner of the trust who is directly or indirectly entitled to benefit from a 25% or greater interest in the trust, or who directly or indirectly controls the trust, **and** in relation to the Trust, the following:

- A certified copy or certified extract\* of the Trust Deed. Extracts of Trust Deeds must include the name of the Trust, Trustees, Beneficiaries, Settlor and Settled Sum and be executed.

**GROUP D – Trustees**

- If you are an **Individual Trustee** – please provide the identification documents listed under Group A.
- If you are a **Corporate Trustee** – please provide the identification documents listed under Group E, F or G.
- If you are a **combination** of both – please provide the identification documents for each investor type listed under Group A and E, F or G.

**GROUP E – Regulated Australian Companies**

Provide **one** of the following:

- A copy of information regarding the company's licence or other information held by the relevant Commonwealth, State or Territory regulatory body e.g. AFSL, RSL, ACL etc.
- If the company is listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code
- If the company is a majority owned subsidiary of a company listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code for the holding company
- An Annual Statement from ASIC issued in the previous 12 months
- A full company search issued in the previous 3 months
- A certificate of Company Registration

All of above must clearly show the company's full name, its type (i.e. public or proprietary) and ACN issued to the company.

**GROUP F – Other Australian Companies (unregulated)**

**Provide Group A verification documents** for each beneficial owner (including any shareholder who directly or indirectly owns or controls 25% or more of the issued capital, or who exerts control over the company), **and** in relation to the unregulated company, one of the following:

- An Annual Statement from ASIC issued in the previous 12 months
- A full company search issued in the previous 6 months
- A certificate of Company Registration

All of above must clearly show the company's full name, its type (i.e. public or private) and ACN issued to the company.

**GROUP G – Non-Australian Companies**

**Provide Group A verification documents** for each beneficial owner (including any shareholder who directly or indirectly owns or controls 25% or more the issued capital, or who exerts control over the company), **and** in relation to the foreign company, one of the following:

- A certified copy of the company's Certificate of Registration or incorporation issued by ASIC or the equivalent issued by the foreign jurisdiction's in which the company was incorporated, established or formed.
- A certified copy of the company's articles of association or constitution.
- A copy of a company search on the ASIC database or relevant foreign registration body. The company search from a foreign regulator must include the name of the regulator, the name of the company and the foreign registration number.

All of above must clearly show the company's full name, its type (i.e. public or private) and the ARBN issued by ASIC, or the identification number issued to the company by the foreign regulator.

**PART A: (continued)**

**1. Contact Details**

Full given name(s)

Surname

--	--

**Company name / Trustee Name** (if applicable)

--

**Telephone**

--

**Facsimile**

--

**Email** (required, will be used for all correspondence)

--

**Postal Address**

Street

--

Suburb

--

State

--

Postcode

--

Country

--

**2. Investment Details**

**Amount:**

AUD \$
--------

Please note the minimum initial investment amount is \$100,000.00 and the minimum additional investment amount is \$25,000.00.

**Source of funds being invested:**

- retirement income  
  employment income/savings  
  business activities  
  sale of assets  
 inheritance/gift  
  financial investments  
 Other

**3. Payment Details**

Electronic Funds Transfer (EFT) to:

**Bank:** ANZ  
**BSB:** 012-006  
**Account Number:** 8365-14087  
**Account Name:** Theta Asset Management Ltd  
 Harness Asset Management  
 Small Companies Value Fund

*Please include your Investor Name in the reference field of your EFT*

**4. Distributions**

**Distributions**

Please confirm how you would like to receive any distributions – either paid into an Australian bank account or automatically reinvested as additional units in the Fund.

- Reinvestment**  
  **Payment into bank account** (as specified on the next page)

*If no election is made, any distributions will be reinvested.*

**5. Bank Account**

**IMPORTANT INFORMATION:**

Distributions and withdrawal proceeds can only be paid to an Australian bank account in the name of the investor and cannot be paid by cheque or to third party accounts. By completing this section you confirm that any distributions and withdrawal proceeds sent by Electronic Funds Transfer (EFT) to a designated bank account are sent at your risk insofar as the onus to provide bank account details rests solely on you.

If this section is not completed it may cause a delay in processing of your withdrawal proceeds. Additional security checks to verify bank account changes will be performed at the time of payment of your withdrawal proceeds.

Please pay distributions and withdrawal proceeds to the following bank account:

<b>Beneficiary Bank</b>	<input type="text"/>	<b>Branch Name</b>	<input type="text"/>
<b>BSB</b>	<input type="text"/>	<b>Account Number</b>	<input type="text"/>
<b>Account Name</b>	<input type="text"/>		

### 6. Financial Adviser (if applicable)

By completing this section you nominate the named adviser as your financial adviser for the purposes of your investment in the Fund. You also consent to give your financial adviser access to your account information.

<b>Adviser Name:</b>	<input type="text"/>		
<b>Dealer Group:</b>	<input type="text"/>		
<b>Advisory Firm:</b>	<input type="text"/>		
<b>AFSL Number:</b>	<input type="text"/>	<b>Contact Phone:</b>	<input type="text"/>
<b>Contact Email:</b>	<input type="text"/>		

### 7. Taxation Details

Where the investment in the fund is held jointly by 2 or more unitholders taxation details for each unitholder needs to be provided. If there are more than 2 investors provide details on a separate sheet of paper and attach it to your application form.

INVESTOR 1												
<b>Name:</b>												
<b>Are you a resident of Australia for taxation purposes?</b> (Select <input checked="" type="checkbox"/> one of the following options) <input type="checkbox"/> <b>Yes</b> - please complete the below <input type="checkbox"/> <b>No</b> – please provide country of tax residence: _____												
<b>Tax File Number (TFN) or Australian Business Number (ABN):</b>												
<b>Please indicate to whom this TFN or ABN belongs</b> (Select <input checked="" type="checkbox"/> one of the following options): <input type="checkbox"/> Company <input type="checkbox"/> Trust or Superannuation Fund <input type="checkbox"/> Individual <input type="checkbox"/> Other – please specify: _____												
<b>Exemption Number (if applicable):</b>												

<b>INVESTOR 2</b>												
<b>Name:</b>												
<b>Are you a resident of Australia for taxation purposes?</b> (Select <input checked="" type="checkbox"/> one of the following options) <input type="checkbox"/> <b>Yes</b> - please complete the below <input type="checkbox"/> <b>No</b> – please provide country of tax residence: _____												
<b>Tax File Number (TFN) or Australian Business Number (ABN):</b>												
<b>Please indicate to whom this TFN or ABN belongs</b> (Select <input checked="" type="checkbox"/> one of the following options): <input type="checkbox"/> Company <input type="checkbox"/> Trust or Superannuation Fund <input type="checkbox"/> Individual <input type="checkbox"/> Other – please specify: _____												
<b>Exemption Number (if applicable):</b>												

Please note: You are not obliged to provide your TFN but if you do not provide your TFN (or an ABN) and unless you claim a TFN exemption, the Responsible Entity will be required to deduct tax at the highest marginal tax rate (plus Medicare levy). By inserting the TFN (or ABN) and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. Collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act 1988 (Cth).

## PART B: INVESTOR IDENTIFICATION

### SECTION 1 - INVESTOR TYPE : ALL TRUSTS (INCLUDING SUPERANNUATION FUNDS)

#### 1.1 General Information

Full name of trust

Country where trust established

#### 1.2 Trustee Details

How many trustees are there?

Type of Trustee (please select):

**Corporate Trustee:**

Full name of Company *(please then complete section 2)*

**Individual Trustee(s):**

Please fill out details of individual trustee(s) below *(Individual's name must match provided ID exactly)*:

##### **Individual Trustee 1**

<b>Full given name(s)</b>	<b>Surname</b>	<b>Date of Birth (dd/mm/yyyy)</b>
<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px; text-align: center;" type="text" value="/ /"/>

##### **Residential address** *(PO Box is NOT acceptable)*

Street

Suburb  State  Postcode  Country

##### **Individual Trustee 2**

<b>Full given name(s)</b>	<b>Surname</b>	<b>Date of Birth (dd/mm/yyyy)</b>
<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px; text-align: center;" type="text" value="/ /"/>

##### **Residential address** *(PO Box is NOT acceptable)*

Street

Suburb  State  Postcode  Country

If there are more trustees, provide details on a separate sheet of paper and attached it to your application form.

**1.3 Type of Trust** (select  only one of the following trust types and provide the information requested)

**Registered managed investment scheme**

Provide Australian Registered Scheme Number (ARSN)

**Regulated trust (e.g. a Self-Managed Superfund)**

Provide name of the regulator (e.g. ASIC, APRA, ATO)

Provide the trust's ABN or registration / licensing details

**Government superannuation fund**

Provide name of the legislation establishing the fund

**Other trust type**

Trust description (e.g. unregistered, fixed, family, unit)

Full name of settlor(s) <sup>1</sup>

<sup>1</sup> Provide name of settlor of the trust where the initial asset contribution to the trust was greater than \$10,000 (unless settlor is now deceased). Group A verification will also be required.

**1.4 Beneficiary Details** (only complete if "Other trust type" is selected in section 1.2 above)

**Do NOT complete if the trust is a registered managed investment scheme, regulated trust (SMSF) or government superannuation fund.**

Does the Trust Deed name beneficiaries?

**Yes, how many?**

provide full name of each beneficiary below:

	Full given name(s)	Surname
1	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>

If there are more beneficiaries, provide details on a separate sheet of paper and attached it to your application form.

**No, describe the class of beneficiary (e.g. unitholders, family members of named person, charitable purpose)**

Provide details of the membership class(-es)

**1.5 Beneficial Ownership Details** (only complete if "Other trust type" is selected in section 1.2 above)

**Do NOT complete if the trust is a registered managed investment scheme, regulated trust (SMSF) or government superannuation fund.**

Please provide the names and details of any beneficial owner of the trust. A beneficial owner of a trust is any individual who has a 25% or more interest in the trust or who directly or indirectly controls\* the trust.

\* includes control by acting as trustee; or by means of trusts, agreements, arrangements, understandings and practices; or exercising control through the capacity to direct the trustees; or the ability to appoint or remove the trustees.

**Beneficial Owner 1**

Full given name(s)

Surname

Date of Birth (dd/mm/yyyy)

**Residential address** (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

Role (such as trustee or appointor)

**Beneficial Owner 2**

Full given name(s)

Surname

Date of Birth (dd/mm/yyyy)

 /  / 

**Residential address** (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

Role (such as trustee or appointor)

If there are more beneficial owners, provide details on a separate sheet of paper and attach it to your application form.

**SECTION 2 - INVESTOR TYPE : AUSTRALIAN & FOREIGN COMPANY**

Please note, if you are an Australian Company acting as trustee of a fund, please also complete Section 1.

**2.1 General Information**

**Full name**

as registered by ASIC or foreign registration body

**Registration number**

(select  the following categories which apply to the company and provide the information requested)

ACN

ARBN

Foreign body registration number

Please also provide name of the foreign registration body below:

**Country of formation / incorporation / registration**

**Registered office address** (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

**Principal place of business** (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

**2.2 Regulatory and listing details** (select  the following categories which apply to the company and provide the information requested)

**Regulated company** (subject to the supervision of a Commonwealth, State or Territory statutory regulator beyond that provided by ASIC as company registration body. Examples include Australian Financial Services Licensees (AFSL); Australian Credit Licensees (ACL); or Registrable Superannuation Entity (RSE) Licensees)

Regulator name

Licence Details (e.g. AFSL, ACL, RSE)

Australian listed company or Foreign listed company as defined in the IFSA/FPA Guidelines

Name of market / exchange

Majority-owned subsidiary of an Australian listed company

Australian listed company name

Name of market or exchange

Foreign company

Country of formation / incorporation / registration

**2.3 Company Type** (select  only ONE of the following categories)

Australian Listed Public Company

Section 2 now completed

Australian Proprietary/Private Company or Non- Listed Public Company

Go to Section 2.4 and 2.5 below.

Foreign Company

Go to Section 2.4 and 2.5 below

**2.4 Directors** (only needs to be completed for proprietary/private, non-listed public company and foreign companies)

How many directors are there?  provide full name of each director

	Full given name(s)	Surname
1	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>

If there are more directors, provide details on a separate sheet of paper and attached it to your application form.

**2.5 Beneficial Ownership Details** (only needs to be completed for proprietary/private, non-listed public company and foreign companies that are not regulated companies as selected in Section 2.2)

Provide details of **ALL individuals** who owns directly, jointly or beneficially at least 25% of the company's issued share capital (through direct or indirect shareholdings).

**Shareholder/Beneficial Owner 1**

Full given name(s)	Surname	Date of Birth (dd/mm/yyyy)
<input type="text"/>	<input type="text"/>	<input type="text"/>

Residential address (PO Box is NOT acceptable)

Street

Suburb  State  Postcode  Country

**Shareholder/Beneficial Owner 2**

<b>Full given name(s)</b>	<b>Surname</b>	<b>Date of Birth (dd/mm/yyyy)</b>
<input type="text"/>	<input type="text"/>	<input type="text" value="/ /"/>

Residential address (PO Box is NOT acceptable)

Street	<input type="text"/>						
Suburb	<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>	Country	<input type="text"/>

If there are more shareholder/beneficial owners, provide details on a separate sheet of paper and attach it to your application form.

**SECTION 3 - INVESTOR TYPE : INDIVIDUAL OR JOINT INDIVIDUALS**

**INVESTOR 1**

Investor's name must match investor's ID exactly.

<b>Full given name(s)</b>	<b>Surname</b>	<b>Date of Birth (dd/mm/yyyy)</b>
<input type="text"/>	<input type="text"/>	<input type="text" value="/ /"/>

Residential address (PO Box is NOT acceptable)

Street	<input type="text"/>						
Suburb	<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>	Country	<input type="text"/>

**COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER**

<b>Full business name</b>	<b>ABN (if any)</b>
<input type="text"/>	<input type="text"/>

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street	<input type="text"/>						
Suburb	<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>	Country	<input type="text"/>

**INVESTOR 2**

Investor's name must match investor's ID exactly.

<b>Full given name(s)</b>	<b>Surname</b>	<b>Date of Birth (dd/mm/yyyy)</b>
<input type="text"/>	<input type="text"/>	<input type="text" value="/ /"/>

Residential address (PO Box is NOT acceptable)

Street	<input type="text"/>						
Suburb	<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>	Country	<input type="text"/>

**COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER**

Full business name

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

**If there are more than 2 joint individual investors, provide details on a separate sheet of paper and attach it to your application form.**

**SECTION 4: FATCA & CRS – Self-certification Declaration**

*This certification must be completed by all investors to declare their FATCA & CRS status. Please refer to section 8 for explanations of terms before completing this form. Neither the Trustee of the Fund or White Outsourcing is able to provide you with tax or professional advice in respect of FATCA & CRS and we strongly encourage you to seek the advice of an experienced tax professional in relation to completing this form.*

**What are FATCA & CRS?**

The U.S. Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) are two ways in which a large number of governments are seeking the same thing – to improve global tax compliance. Both require financial institutions to capture relevant information on foreign tax payers, as follows:

- FATCA promotes cross border tax compliance by U.S. taxpayers, by implementing an international standard for the automatic exchange of information related to those taxpayers. Australia has entered into an inter-governmental agreement (IGA) with the U.S. to implement FATCA in Australia, to be administered through the ATO. The AUS-USA FATCA IGA requires the ATO to obtain detailed account information for U.S. citizens and/or taxpayers on an annual basis. The effect of this is that, to satisfy their FATCA obligations, relevant Australian financial institutions must identify any U.S. taxpayers and report those taxpayers' financial account data to the ATO.
- CRS is a global reporting standard, developed by the OECD, for the automatic exchange of information (AEOI). Its goal is to allow tax authorities to obtain a clearer understanding of financial assets held abroad by their residents, for tax purposes. Over 88 countries (refer to OECD link in section IV for participating jurisdictions) have agreed to share information on residents' assets and incomes in accordance with defined reporting standards. Once again, this means that financial institutions around the globe must provide tax authorities with taxpayer financial account data, and the financial institutions must therefore collect this information from their customers and pass it on.

**I. Individual & Joint Investors**

*Please provide details for each individual. If there are more than 2 individuals please provide their details on a separate page.*

**FATCA**

**1. Are you a U.S. citizen or U.S. resident for tax purposes?**

- Yes ► Provide your Name & U.S. Taxpayer Identification Number (TIN) below and continue to question 2:

**Individual 1**

Full Name

TIN

**Individual 2**

Full Name

TIN

- No ► Continue to question 2

**CRS**

**2. Are you a tax resident of any other country outside of Australia?**

- Yes ► Provide details below and skip to section 5. If resident in more than one jurisdiction please include details for all jurisdictions below (if more than 2 jurisdictions please provide them on a separate piece of paper)

**Individual 1**

	Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided
1.			
2.			

**Individual 2**

	Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided

1.			
2.			

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- Reason C:** No TIN is required. (Note: Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If Reason B has been selected above, explain why you are unable to obtain a TIN:

No ▶ [Skip to section 5](#)

## II. Superannuation Funds

Full legal name of the Superannuation Fund

3. Are you an Australian Retirement Fund? (refer to FATCA definitions in section 8)

- Yes ▶ [Skip to section 5](#)  
 No ▶ [Continue to section III](#)

## III. Entities (Company, Trust, Partnership, Association etc.)

Full legal name of the Entity

### FATCA

4. Select only ONE of the following three FATCA categories that best describes the entity and provide the information requested.

**U.S. person as defined under FATCA and U.S. Internal Revenue Code.**

This includes but is not limited to company, trust or partnership that is established under the laws of a U.S. and is considered a U.S. resident for tax purposes.

(a) **U.S. federal tax classification** ▶ [Please confirm entity's U.S. federal tax classification below](#)

- Single-member LLC   
  C Corporation   
  S Corporation   
  Partnership   
  Trust/estate  
 Limited liability company - C corporation   
  Limited liability company - S corporation  
 Limited liability company – Partnership   
  Other ▶ [Please provide detail:](#) \_\_\_\_\_

(b) **Are you exempt from FATCA reporting?**

Yes ▶ [Please provide your FATCA exemption code](#)

FATCA exemption code

U.S. Tin

No ▶ [Please provide your U.S. Taxpayer Identification Number \(TIN\)](#)

**Financial institution (FFI)** ▶ [Select one of the options from \(a\) to \(e\) to confirm which type of FFI are you](#)

(a) **Reporting IGA FFI or Participating FFI**

▶ [Provide entity's GIIN and continue to question 5](#)

GIIN

(b) **Sponsored FFI or Trustee Documented Trust**

▶ [Please complete details of the Sponsoring entity or Trustee below and continue to question 5](#)

Name of Sponsoring entity or Trustee

GIIN of Sponsoring entity or Trustee

(c) **FFI that does not need to register (e.g. Non-Reporting IGA FFI)** ▶ [Please complete details below and continue to question 5](#)

FATCA status

GIIN (if applicable)

(d) **Non-participating FFI** ▶ [Note that information about you will be reported to ATO and IRS. Continue to question 5](#)

(e) **Exempt Beneficial Owner** ▶ [Continue to question 5](#)

**Non-Financial Foreign Entity (NFFE)** ▶ [Select one of the options from \(a\) to \(c\) to confirm which type of NFFE are you](#)

(a) **Active NFFE** ▶ [Continue to question 5](#)

(b) **Passive NFFE with no controlling U.S. persons** ▶ [Continue to question 5](#)

(c) **Passive NFFE with controlling persons (refer to FATCA definitions in section 8) who are U.S. citizens or U.S. residents for**

**tax purposes** ► Provide details of each of the controlling U.S. persons below (if there are more than 2 controlling U.S. persons please provide their details on a separate page and attach to this form) and continue to question 5:

**U.S. Person 1**

- Controlling Person  Beneficiary  Trustee  Owner  
 Director  Other – please specify \_\_\_\_\_

Full Name

Residential address (PO box is not acceptable)

  


U.S. Taxpayer Identification Number (TIN)

**U.S. Person 2**

- Controlling Person  Beneficiary  Trustee  Owner  
 Director  Other – please specify \_\_\_\_\_

Full Name

Residential address (PO box is not acceptable)

  


U.S. Taxpayer Identification Number (TIN)

**CRS**

**5. Are you a tax resident of any other country outside of Australia?**

- Yes** ► Provide details below and continue to question 6. If resident in more than one jurisdiction please include details for all jurisdictions below (if more than 2 jurisdictions please provide them on a separate piece of paper)

	Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided
1.			
2.			

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- Reason C:** No TIN is required. (Note: Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If **Reason B** has been selected above, explain why you are unable to obtain a TIN:

- No** ► Continue to question 6

**6. Are you a Financial Institution for the purposes of CRS?**

- Yes** ► Continue to question 7  
 **No** ► Skip to question 8

**7. Are you an Investment Entity (Financial Institution) located in a Non-Participating Jurisdiction for CRS purposes and managed by another Financial Institution?**

- Yes** ► Continue to question 9  
 **No** ► Skip to section 5

**8. Are you an Active Non-Financial Entity (Active NFE)?**

- Yes** ► Specify the type of Active NFE below and then skip to section 5
- Less than 50% of the Active NFE's gross income from the preceding calendar year is passive income and less than 50% of its assets during the preceding calendar year are assets held for the production of passive income
  - Corporation that is regularly traded or a related entity of a regularly traded corporation
  - Governmental Entity, International Organisation or Central Bank
- No** ► You are a Passive Non-Financial Entity (Passive NFE). Continue to question 9

**9. Controlling Persons – Does one or more of the following apply to you:**

- Is any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital) a tax resident of any country outside of Australia?
- If you are a trust, is any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust a tax resident of any country outside of Australia?

- Yes** ► Complete details below for these persons and continue to section 5

	Name	Date of Birth	Residential Address	Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided
1.						

2.						
----	--	--	--	--	--	--

*If there are more than 2 controlling persons, please list them on a separate piece of paper*

If TIN or equivalent is not provided, please provide reason from the following options:

- **Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- **Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- **Reason C:** No TIN is required. (Note: Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If **Reason B** has been selected above, explain why you are unable to obtain a TIN:

--

**No** ► [Continue to section 5](#)



## IV. Explanations

### Common terms

**Financial institution** (also referred to as *Foreign financial institution* or “**FFI**” under FATCA) - an entity created or organised outside of the U.S. and includes:

- a) **Depository institution** – entity that accepts deposits in the ordinary course of banking or similar business (banks, credit unions), or
- b) **Custodial institution** – entity that holds financial assets for the account of others as a substantial portion of its business (brokers, custodians), or
- c) **Investments entity** – means any entity that conducts as a business (or is managed by an entity that conducts as a business) one or more of the following activities or operations for or on behalf of a customer:
  - trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange; interest rate and index instruments; transferable securities; or commodity futures trading;
  - individual and collective portfolio management; or
  - otherwise investing, administering, or managing funds or money on behalf of other persons.

**Non-Financial Foreign Entity (“NFFE”)** - any non-U.S. entity that is not a financial institution. NFFE can be either *Active NFFE* or *Passive NFFE* (refer below for more details).

**U.S. citizen or U.S. resident for tax purposes** – includes:

- anyone born in the U.S. (who hasn’t renounced their citizenship)
- anyone living in the U.S.
- a green card holder
- U.S. passport holder
- U.S. companies, trusts or partnerships

**Controlling Persons** - means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

**GIIN** - Global Intermediary Identification Number is an IRS registration number for financial institutions.

**TIN** – is U.S. Taxpayer Identification Number and may include Social Security Number (SSN) or Employer Identification Number (EIN).

**IGA** - Agreement between the Government of Australia and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA.

#### Australian Retirement Fund

1. Any plan, scheme, fund, trust, or other arrangement operated principally to administer or provide pension, retirement, superannuation, or death benefits that is a superannuation entity or public sector superannuation scheme (including an exempt public sector superannuation scheme) as defined in the *Superannuation Industry (Supervision) Act 1993*, or a constitutionally protected fund as defined in the *Income Tax Assessment Act 1997*.
2. A pooled superannuation trust as defined in the *Income Tax Assessment Act 1997*.
3. Any Entity that is wholly owned by, and conducts investment activities, accepts deposits from, or holds financial assets exclusively for or on behalf of, one or more plans, schemes, funds, trusts, or other arrangements referred to in subparagraphs (1) or (2) of this paragraph.

Further information about FATCA & CRS can found at:

<http://www.irs.gov/fatca>

<http://treasury.gov.au/Policy-Topics/Taxation/Tax-Treaties/HTML/Intergovernmental-Agreement>

[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1314/QG/FATCA](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/FATCA)

<http://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/>

<http://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/MCAA-Signatories.pdf>

### FATCA status

FATCA status refers to entity classification under FATCA and may include:

1. **Active NFFE** - any NFFE that meets following criteria:
  - NFFE where less than 50% of income is passive income (i.e. dividends, interest, annuities etc.) and less than 50% of its assets produce passive income; or
  - Entity’s stock is regularly traded on established securities market (e.g. entity listed on ASX) or affiliated group of such entity; or
  - Entity organised in U.S. Territory and owned by its residents; or
  - Foreign government; or
  - International organisation; or
  - Foreign Central Bank of Issue; or
  - Any other specifically identified class of entities, including those posing a low risk of tax evasion, as determined by the IRS (e.g. start-up entities, entities in liquidation, not-for profit entities etc.)
2. **Passive NFFE with controlling U.S. persons** - any NFFE that is not an Active NFFE or is not a withholding foreign partnership or trust and has controlling U.S. persons.
3. **Passive NFFE with no controlling U.S. persons** - any NFFE that is not an Active NFFE or is not a withholding foreign partnership or trust and where none of the entity’s controlling persons are U.S. persons.
4. **Participating FFI** – an FFI that enters into an agreement with the IRS to undertake certain due diligence, withholding and reporting requirements for U.S. account holders in accordance with FATCA and is generally able to provide GIIN.
5. **Exempt Beneficial Owner** - this is non-reporting entity under FATCA and may include:
  - the Australian Government, State and local governments and local authorities and their wholly owned agencies or instrumentalities, including certain named entities;
  - International, intergovernmental and supranational organisations;



- Reserve Bank of Australia and its subsidiaries;
  - Complying Australian superannuation funds (including self-managed super funds);
  - Investment entity wholly owned by *exempt beneficial owners*;
6. **Non-Reporting IGA FFI** – this is non-reporting entity (certified or registered deemed-compliant FFI) under FATCA and may include:
- Financial institution with Australian client base (must satisfy all condition listed in paragraph III. A of Annex II of the IGA, including at least 98% of the U.S. dollar value of all account balances must be held by Australian residents);
  - Small local banks that meet criteria listed in the IGA;
  - Financial Institution that is not an Investment Entity with only Low-Value Accounts (i.e. with value of U.S.\$ 50,000 or less) and with total assets of no more than U.S.\$50 million;
  - Qualified credit card issuer (with customer deposits of U.S.\$50,000 or less);
  - Trustee-Documented Trust – A trust established under the laws of Australia to the extent that the trustee of the trust is a Reporting U.S. Financial Institution, Reporting Model 1 FFI, or Participating FFI and reports all information required to be reported pursuant to the Agreement with respect to all U.S. Reportable Accounts of the trust;
  - Sponsored investment entity - an investment entity established in Australia that has a Sponsoring entity;
  - Certain Investment Manager and Investment Advisors;
  - Certain Collective Investment Vehicles that meet criteria listed in the IGA.
7. **Non-Participating FFI** - an entity that does not comply with FATCA and generally will not fall into any of the below categories:
- Participating FFI; or
  - Reporting FFI; or
  - Exempt Beneficial Owner

**SECTION 5: DECLARATION AND SIGNATURE**

- I acknowledge declare and agree that by signing this application form:
- I have received and read the IM to which this Application Form applies and have received and accepted the offer to invest in Australia.
- I declare that I am a wholesale investor as defined in section 761G of the Corporations Act
- If I have received the IM from the internet or other electronic means that I received it personally or a print out of it, accompanied by this Application Form.
- All details provided by me in this Application Form are true and correct.
- I agree to be bound by the terms and conditions of the current IM and of the Constitution of the Fund, as amended.
- That the Trustee/Responsible Entity is authorised to apply the TFN or ABN provided above to all future applications for units, including reinvestments, unless I notify the Trustee/Responsible Entity otherwise.
- None of Investment Manager, the Trustee/Responsible Entity or any other person guarantees the repayment of capital invested in, the Fund, the performance of nor any particular return from the Fund and I understand the risks involved in investing in the Fund.
- I acknowledge that the Trustee/Responsible Entity may be required to pass on information about me or my investment to the relevant regulatory authority in compliance with the AML Act. I will provide such information and assistance that may be requested by the Trustee/Responsible Entity to comply with its obligations under the AML Act and I indemnify it against any loss caused by my failure to provide such information or assistance.
- I acknowledge that the Trustee/Responsible Entity may be required to pass on information about me or my investment to the relevant regulatory authority in compliance with the US Foreign Account Tax Compliance Act ("FATCA"). I will provide such information and assistance that may be requested by the Trustee/Responsible Entity to comply with its obligations under the FATCA Act and I indemnify it against any loss caused by my failure to provide such information or assistance.
- The monies used to fund my investment in the Fund are not derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention ('illegal activity') and the proceeds of my investment in the Fund will not be used to finance any illegal activities.
- I am not a 'politically exposed' person or organisation for the purpose of any AML law.
- I acknowledge that any personal information I provide to White Outsourcing ("WO") will be collected and handled in accordance with White Outsourcing's privacy policy, a copy of which can be found at [www.whiteoutsourcing.com.au](http://www.whiteoutsourcing.com.au) or posted / emailed to me if I contact WO on +612 8262 2800 or [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au) . By submitting this form or any other paperwork relating to my investment I consent to my/our personal information being collected and handled by the unit registry in accordance with that policy.
- I confirm that the Trustee/Responsible Entity and Administrator are authorised to accept and act upon any instructions in respect of this application and the units to which it relates given by me by facsimile. If instructions are given by facsimile, the onus is on me to ensure that such instructions are received in legible form and I undertake to confirm them in writing. I indemnify the Trustee/Responsible Entity and Administrator against any loss arising as a result of any of them acting on facsimile instructions. The Trustee/Responsible Entity and Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.
- I acknowledge that the Trustee/Responsible Entity reserves the right to reject any application.

**Account operating instructions** (if no selection is made, all individuals to sign will be assumed)

- Any individual to sign       Any two individuals to sign       All individuals to sign
- Other (please specify– e.g. *per attached Power of Attorney*): \_\_\_\_\_



**Harness Asset Management**  
**Small Companies Value Fund**  
Information Memorandum

1	Signature <input type="text"/>	Name and title (block letters please) <input type="text"/>	Date <input type="text"/>
2	Signature <input type="text"/>	Name and title (block letters please) <input type="text"/>	Date <input type="text"/>
3	Signature <input type="text"/>	Name and title (block letters please) <input type="text"/>	Date <input type="text"/>
4	Signature <input type="text"/>	Name and title (block letters please) <input type="text"/>	Date <input type="text"/>



**CERTIFIED COPY OF AN ORIGINAL DOCUMENT**

**Certified copy** means a document that has been certified as a true copy of an original document.

**Certified extract** means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the sub-paragraphs below.

People who can certify documents or extracts are:

- a **lawyer** - a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a **judge** of a court;
- a **magistrate**;
- a **chief executive officer** of a Commonwealth court;
- a **registrar** or **deputy registrar** of a court;
- a **Justice of Peace**;
- a **notary public** (for the purposes of the Statutory Declaration Regulations 1993);
- a **police officer**;
- a **postal agent** - an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- the **post office** - an **permanent employee** of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
- an **officer** with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
- a **finance company officer** with 2 or more continuous years of service with one or more financial companies (for the purposes of the Statutory Declaration Regulations 1993);
- an **officer** with, or **authorised representative** of, a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees; and
- an **accountant** - a member of the institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.
- person authorised as a notary public in a foreign country

The eligible certifier must include the following information:

- Their full name
- Address
- Telephone number
- The date of certifying
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable

The certified copy must include the statement, ***"I certify this is a true copy of the original document"***.

For photographic documents, the certified copy must include the statement, ***"I certify this is a true copy of the original document and the photograph is a true likeness"***.

**Documents that are written in a language that is not English** must be accompanied by an English translation prepared by an accredited translator.



## WHOLESALE OR PROFESSIONAL INVESTOR CERTIFICATE

If you are investing less than \$500,000 you will need to complete this form or submit an equivalent qualified accountants certificate to satisfy the Trustee that you are a wholesale client

### OPTION A: Wholesale Investor

This certificate is issued for the purposes of Section 708(8) and Section 761G of the Corporations Act 2001.

I hereby certify that the following person (or persons) has:

Please show the name of each person this applies to  
(print full legal name of the person – individual or company)

1) \_\_\_\_\_

2) \_\_\_\_\_

- Net assets of at least AUD \$2.5 million; *or*  
 A gross income for each of the last 2 financial years of at least AUD\$250,000 a year

### Controlled Companies or Trusts

It is confirmed that for the purposes of the Corporation Act, that the above named person (or persons) controls the following companies or trusts:

Please list the name of the entities  
(include details of trusts for which the entity acts as a trustee)

\_\_\_\_\_

I confirm that I am a qualified accountant as defined in section 88B of the Corporations Act.

I belong to (name of the professional body) \_\_\_\_\_

My membership designation from this professional body is \_\_\_\_\_

I comply with this body's continuing professional education requirements.

Signature

Name and title (block letters please)

Date

\* "Qualified accountant" means a member of a professional body that is approved by ASIC in writing for the purpose of the definition. ASIC has indicated that it will approve any member of:

- (a) The Australian Society of Certified Practising Accountants ("ASPCA"), who is entitled to use the post-nominals "CPA" or "FCPA", and is subject to and complies with the ICAA's continuing professional development requirements;
- (b) The Institute of Chartered Accountants in Australia ("the ICAA"), who is entitled to use the post-nominals "CA", "ACA" or "FCA", and is subject to and complies with the ICAA's continuing professional education requirements; or
- (c) The National Institute of Accountants ("the NIA"), who is entitled to use the post-nominals "MNIA" or "FNIA", and it subject to and complies with NIA's continuing professional education requirements.

\*\* In calculating the net assets of \$2,500,000 or gross income of \$250,000, the Unit holder may include the net assets or gross income (as relevant) of any company or trust the Unit holder controls [see Corporations Regulation 7.6.02AC].

\*\*\* Where the Unit holder is a company or trust controlled by someone who has a certificate from a qualified accountant, the Unit holder may be considered wholesale [see Corporations Regulation 7.6.02AB].



**OPTION B: Professional Investor**

Investor Name

I certify that I am (tick whichever box is applicable):

- A person who controls at least \$10 million (including any amount held by an associate or under a trust that the person manages) for the purpose of investment in securities; or
- A person who is a licensed or exempt dealer and is acting as principal. **License No.:** \_\_\_\_\_; or
- A regulated superannuation fund (APRA regulated), an approved deposit fund, a pooled superannuation trust, or a public sector superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993 if the fund, trust or scheme has net assets of at least \$10 million; or
- A person who is regulated by APRA (other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme); or
- A person who is a body registered under the Financial Corporations Act 1974; or
- A listed entity or a related body corporate of a listed entity; or
- An exempt public authority; or
- A person who is a body corporate or an unincorporated body that carries on a business of investment in financial products, interests in land or other investments, and for those purposes invests funds received following an offer or invitation to the public where the terms of the offer provided for the funds subscribed to be invested for those purposes; or
- A foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.

Details of the Managed Fund or Superannuation Fund/Trust/Scheme (block letters please)

Name

Address

Street

Suburb

State

Postcode

Country

Telephone

Facsimile

Email

I declare that I have read and understood this form, and that the information set out is true and correct.

Signature

Name of investor (block letters please)

Date



**ADDITIONAL APPLICATION FORM**  
**Harness Asset Management**  
**Small Companies Value Fund**

This form should be used by existing unit holders provided your details have not changed.

Investor Number

Investor Name

**AMOUNT OF ADDITIONAL INVESTMENT**

Please indicate how much you wish to invest

Please note the minimum initial investment amount is \$100,000.00 and the minimum additional investment amount is \$25,000.00. Please make payment net of all bank changes. Only net amount received will be invested in the Fund.

**PAYMENT DETAILS**

Electronic Funds Transfer (EFT) to :

Bank:	ANZ
BSB:	012-006
Account Number:	8365-14087
Account Name:	Theta Asset Management Ltd. Harness Asset Management Small Companies Value Fund

IMPORTANT: All EFT payments must be accompanied by a notification email to [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au) in order to ensure that the investor account is properly credited.

**CONTACT DETAILS**

Contact Name  Contact Number

**DECLARATION AND AUTHORISATION**

Please make sure you have completed the section above.

- In signing, I/we authorise that these instructions be made on my/our behalf and acknowledge that this form is provided on the basis that the Theta Asset Management will affect it according to the terms and conditions of the current IM.

<b>Signature</b>	<b>Name and title of Signatory (block letters please)</b>	<b>Date</b>
<input style="width: 250px; height: 30px;" type="text"/>	<input style="width: 330px; height: 30px;" type="text"/>	<input style="width: 130px; height: 30px;" type="text"/>
<b>Signature</b>	<b>Name and title of Signatory (block letters please)</b>	<b>Date</b>
<input style="width: 250px; height: 30px;" type="text"/>	<input style="width: 330px; height: 30px;" type="text"/>	<input style="width: 130px; height: 30px;" type="text"/>

*Please note it's up to the investor to ensure White Outsourcing have been notified of authorised signatories on this account. Where we cannot match the signature to the initial application form or signatory list provided there maybe delays in processing of this request.*

**COMPLETED FORM**

Please return the completed form to:

- fax number (02) 9221 1194, or
- scan and email this request to [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au), or
- post to White Outsourcing Pty Ltd, Attention: Harness Asset management Small Companies Value Fund Registry, GPO BOX 5482, SYDNEY, NSW, 2001



**REDEMPTION REQUEST FORM**  
 Harness Asset Management  
**Small Companies Value Fund**

Investor Number

Investor Name

**REDEMPTION AMOUNT**

Please indicate if you would like to withdraw the total amount of your investment or a partial amount.

Class or Series (if applicable) :

Full withdrawal

Partial withdrawal, please state amount or units to be withdrawn:

OR

**CONTACT DETAILS**

Contact Name

Contact Number

**PAYMENT OF PROCEEDS**

Pay into the account previously advised OR

Pay redemption proceeds into following account:

**IMPORTANT INFORMATION: Additional security checks to verify bank account changes will be performed before the payment of your redemption proceeds if the bank account provided does not match bank account that is currently recorded in our records under your investment or if you have changed your bank account details.**

Account Name:	<input type="text"/>
Bank:	<input type="text"/>
BSB	<input type="text"/>
Account Number	<input type="text"/>

**DECLARATION AND AUTHORISATION**

Please make sure you have completed the 'Full or Partial Withdrawal' section above.

- In signing, I/we authorise that these instructions be made on my/our behalf and acknowledge that this form is provided on the basis that the Theta Asset Management will affect it accordingly to the terms and conditions of the applicable current IM.

Signature	Name and title of Signatory (block letters please)	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature	Name and title of Signatory (block letters please)	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Please note it's up to the investor to ensure White Outsourcing have been notified of authorised signatories on this account. Where the signature cannot be matched to the initial application form or signatory list provided there may be delays in processing of this request.**

**COMPLETED FORM**

Please return the completed form to: # fax number (02) 9221 1194, or  
 # scan and email this request to [registry@whiteoutsourcing.com.au](mailto:registry@whiteoutsourcing.com.au) , or  
 # post to White Outsourcing Pty Ltd, Attention: Harness Asset management Small Companies Value Fund Registry, GPO BOX 5482, SYDNEY, NSW, 2001