



**SALTER
BROTHERS**

EMERGING COMPANIES LIMITED

PROSPECTUS

**SALTER BROTHERS
EMERGING COMPANIES LIMITED
ACN 646 715 111**

Offer of up to 20,000,000 Shares at an Offer Price of \$1.00 per Share.

Important information

This Prospectus contains important information for you as a prospective investor and requires your immediate attention. It should be read in its entirety. If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

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IMPORTANT NOTICES

THIS IS AN IMPORTANT DOCUMENT WHICH SHOULD BE READ IN ITS ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION. YOU SHOULD OBTAIN INDEPENDENT ADVICE WITHOUT DELAY IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE MATTERS CONTAINED IN THIS PROSPECTUS.

SALTER BROTHERS EMERGING COMPANIES LIMITED (COMPANY) IS A PUBLIC COMPANY INCORPORATED IN AUSTRALIA.

LODGEMENT AND LISTING

The Prospectus is dated 28 April 2021 and has been lodged with the Australian Securities and Investments Commission (ASIC). This Prospectus expires on the Expiry Date. No Shares will be allotted, issued, transferred or sold on the basis of this Prospectus after the Expiry Date.

The Company will apply to ASX Limited (ASX) within seven days of the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares on issue as at the date of this Prospectus and the Shares issued under the Offer.

Neither ASIC nor ASX takes any responsibility for the content of this Prospectus. Admission to the Official List is in no way an indication of the merits of the Offer or the Company.

OFFER

This Prospectus contains an invitation to apply for Shares. The Company reserves the right to accept subscriptions for Shares to raise up to an aggregate of \$20,000,000. The Offer is subject to the Condition. If the Condition is not satisfied, the Offer will not proceed and the Company will refund all Application Monies.

No person is authorised to provide any information, or to make any representation, about the Company or the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by the Company in connection with the Offer. Except as required by law and only to the extent required by such law, neither the Company nor any other person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under the Prospectus, the repayment of capital or the payment of dividends on the Shares.

Before deciding to invest in the Company, investors should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under the Prospectus. The Offer does not take into account the investment objectives, financial situation or particular needs of individual investors.

An investment in the Company should be considered speculative. You should carefully consider the risks (including those set out in Section 6) that impact on the Company in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding to invest in the Company. No cooling-off regime (whether provided for by law or otherwise) applies in respect of the acquisition of Shares under this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company, its Directors and its management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Past performance is not a reliable indicator of future performance.

As set out above, the Company does not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 6. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Prospectus.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this Prospectus is subject to an exposure period of seven days after the date of lodgement with ASIC, which period may be extended by ASIC by a further period of seven days.

The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus.

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

IMPORTANT NOTICES (CONTINUED)

ELECTRONIC PROSPECTUS

The Prospectus may be viewed online at www.salterbrothersemergingcompanies.com.au.

The Offer pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia. The Company is entitled to refuse an application for Shares under this Prospectus if it believes the Applicant received the Offer outside Australia in non-compliance with the laws of the relevant foreign jurisdictions.

Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia, or any jurisdiction outside Australia where the distribution of the electronic version of this Prospectus is not restricted by law.

Shares to which this Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus.

Applications must be made by completing the Application Form that forms part of, is included in, or accompanies this Prospectus or applying online at <https://salteroffer.thereachagency.com>. Application Forms must be completed in accordance with the accompanying instructions.

Applicants may apply online for the Shares. Any Applicants applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is included in a hard copy of this Prospectus or accompanies the complete and unaltered electronic version of this Prospectus.

During the Offer Period, any person may obtain a paper copy of this Prospectus by contacting the Registry's offer information line on 1300 218 186 (within Australia) or +61 3 9415 4019 (outside Australia). Questions relating to the Offer may also be directed to the Registry's offer information line.

FOREIGN INVESTORS

Please refer to Section 2.15 in relation to the ability of foreign investors to participate as Applicants in the Offer.

OFFER DOES NOT ENTITLE INVESTOR TO SIGNIFICANT INVESTOR VISA

While the Company endeavours to be compliant with the 'emerging companies investment' requirements under Section 9 of Part 2 of the Migration (IMMI 15/100: Complying Investments) Instrument 2015, the Company is not authorised or endorsed by the Australian Government or the Department of Immigration and Border Protection. An investment in the Company does not entitle the investor to a Significant Investor Visa. The Manager does not make any representation, warranty or guarantee that the Fund will continue to comply with the SIV Regime or that a successful applicant who invests in the Company will lead to an investor obtaining a Significant Investor Visa. The Manager accepts no liability whatsoever for any loss or damage arising from you relying on an investment in the Company as providing you with a Significant Investor Visa. It is your responsibility to seek professional advice in relation to qualifying for and making your application for a Significant Investor Visa for immigration purposes and to comply with the conditions attaching to any Significant Investor Visa.

INFORMATION ABOUT THE MANAGER

This Prospectus contains certain information about the Manager, its directors, senior executives and business. It also contains details of its investment approach, strategy and philosophy. To the extent that the Prospectus includes statements by the Manager or includes statements based on any statement of, or information provided by, the Manager, the Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

INTERMEDIARY AUTHORISATION

The issuer of the Prospectus is the Company. The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, offers under this Prospectus will be made under an arrangement between the Company and Ord Minnett, the holder of an AFSL (**Authorised Intermediary**) under Section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under this Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted.

Ord Minnett will also manage the Offer on behalf of the Company (**Lead Manager**).

The Lead Manager and the Authorised Intermediary's functions should not be considered as an endorsement of the Offer, or a recommendation of the suitability of the Offer for any investor. The Lead Manager/ Authorised Intermediary does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. The Lead Manager/Authorised Intermediary is not responsible for, and has not authorised or caused the issue of, this Prospectus.

PRIVACY

By completing an Application Form, you are providing personal information to the Company and Computershare as the Registry, which is contracted by the Company to manage Applications, and you consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected, held and used both in and outside of Australia by the Company, and the Registry on its behalf, to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a security holder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company's public Share register. This information must continue to be included in the Company's public Share register even if you cease to be a security holder.

The Company and the Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Registry for ongoing administration of the Company's public Share register;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- the Authorised Intermediary for the purpose of making the Offers;

- the Lead Manager in order to assess your Application;
- market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by the public.

CURRENCY

References in this Prospectus to currency are to Australian dollars unless otherwise indicated.

GLOSSARY

Certain terms and abbreviations in this Prospectus have defined meanings that are explained in the Glossary to this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter.

DIAGRAMS

Diagrams used in this Prospectus are illustrative only.

APPLICATIONS

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or included in, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Detailed instructions on completing the Application Form can be found on the back of the Application Form. The acceptance of an Application Form and the allocation of Shares are at the discretion of the Company.

COMPANY WEBSITE

Any references to documents included on the Company's website at: www.salterbrothersemergingcompanies.com.au are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

IMPORTANT DATES

Important Dates

Lodgement of the Prospectus with ASIC	28 April 2021
Offer opens	12 May 2021
Offer Closing Date	21 May 2021
Settlement	26 May 2021
Issue of Shares under the Offer	27 May 2021
Expected date of dispatch of holding statements	31 May 2021
Shares expected to commence trading on a normal settlement basis on ASX	8 June 2021

The above timetable is indicative only and may change. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications (generally or in particular cases) without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

KEY OFFER INFORMATION

Key Offer Information

Company	Salter Brothers Emerging Companies Limited
Proposed ASX Code	SB2
Offer Price	\$1.00 per Share
Maximum number of Shares available under the Offer	20,000,000 Shares
Maximum Gross Proceeds from the Offer	\$20,000,000
Total number of Shares on issue following the Offer (assuming \$10,000,000 is raised under the Offer)	Dec-20 Value:¹ 103,828,070 Shares Floor Value:² 60,000,001 Shares Middle Value:³ 100,000,001 Shares Ceiling Value:⁴ 140,000,001 Shares
Total number of Shares on issue following the Offer (Maximum Gross Proceeds)	Dec-20 Value:¹ 113,828,070 Shares Floor Value:² 70,000,001 Shares Middle Value:³ 110,000,001 Shares Ceiling Value:⁴ 150,000,001 Shares
Pro forma Net Asset Value backing per Share based on a Subscription Amount of \$10,000,000 (based on the pro forma statement of financial position set out in Section 7.2)	Dec-20 Value:¹ \$0.996 Floor Value:² \$0.993 Middle Value:³ \$0.996 Ceiling Value:⁴ \$0.997
Pro forma Net Asset Value backing per Share based on the Maximum Subscription amount of \$20,000,000 (based on the pro forma statement of financial position set out in Section 7.2)	Dec-20 PF Value:¹ \$0.996 Floor Value:² \$0.994 Middle Value:³ \$0.996 Ceiling Value:⁴ \$0.997

Notes:

1. Assuming the Portfolio Value is \$93,828,069 being the actual Portfolio Value of the Portfolio Securities at 31 December 2020. See Section 7.3 and Section 9.2 for further information.
2. Assuming the Portfolio Value is \$50,000,000, being the Floor Value below which the Securities Sale Agreement automatically terminates. See Section 7.3 and Section 9.2 for further information.
3. Assuming the Portfolio Value is \$90,000,000, being the midpoint of the Floor Value and Ceiling Value in the Securities Sale Agreement. See Section 7.3 and Section 9.2 for further information.
4. Assuming the Portfolio Value is \$130,000,000, being the Ceiling Value of the Portfolio Securities and the Cash Amount which the Company may elect to acquire from G Fund pursuant to the Securities Sale Agreement. See Section 7.3 and Section 9.2 for further information.

DEAR INVESTOR

On behalf of the Directors of the Company, I am pleased to present this Prospectus and to offer you the opportunity to become a shareholder in Salter Brothers Emerging Companies Limited, a new listed investment company to be managed by Salter Brothers Funds Management, an entity within the broader Salter Brothers group of companies.

The Offer seeks to raise up to \$20,000,000 through the issue of 20,000,000 fully paid ordinary shares in the Company, at an Offer Price of \$1.00 per Share.

The Company seeks to provide investors with attractive risk adjusted returns and capital growth and income over the long term by investing in a concentrated portfolio of listed and unlisted securities. The investment strategy, which will be implemented by the Manager, is to construct, using a disciplined investment process with a focus on capital preservation, an Investment Portfolio which focuses on Emerging Companies which is compositionally different to that of the ASX-Small Ordinaries Accumulation Index.

The investment strategy also endeavours to be compliant with the emerging companies investment requirements of the Australian Significant Investor Visa regime, although there is no guarantee that all investments in the Investment Portfolio will be complying emerging companies investments (or that the Company itself will be a complying emerging companies investment), under the SIV Regime. We encourage you to seek your own professional advice in respect of immigration matters, and in particular your eligibility to qualify for and make an application for a Significant Investor Visa under the Significant Investor Visa regime generally,

CHAIRPERSON'S LETTER

and your ongoing obligations to comply with the conditions attaching to any Significant Investor Visa granted to you by the Department of Immigration and Border Protection.

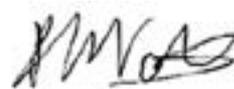
Through the Management Agreement and Resourcing Arrangements, the Company will leverage the people, resources and relationships of Salter Brothers and their teams of professionals located in Melbourne and Sydney.

You are encouraged to read the Prospectus carefully as it contains detailed information about the Company, the Offer and the Manager and provides insight into the Company's investment strategy and philosophy and how this will be reflected in the construction of the Company's Investment Portfolio by the Manager.

It is particularly important for potential investors to review the risks associated with an investment in the Company, including the risks associated with the types of underlying investments in which the Company may invest. These are set out in detail in Section 6.

Thank you for your consideration of this opportunity to invest in the Company. On behalf of the Directors, I look forward to welcoming our new Shareholders.

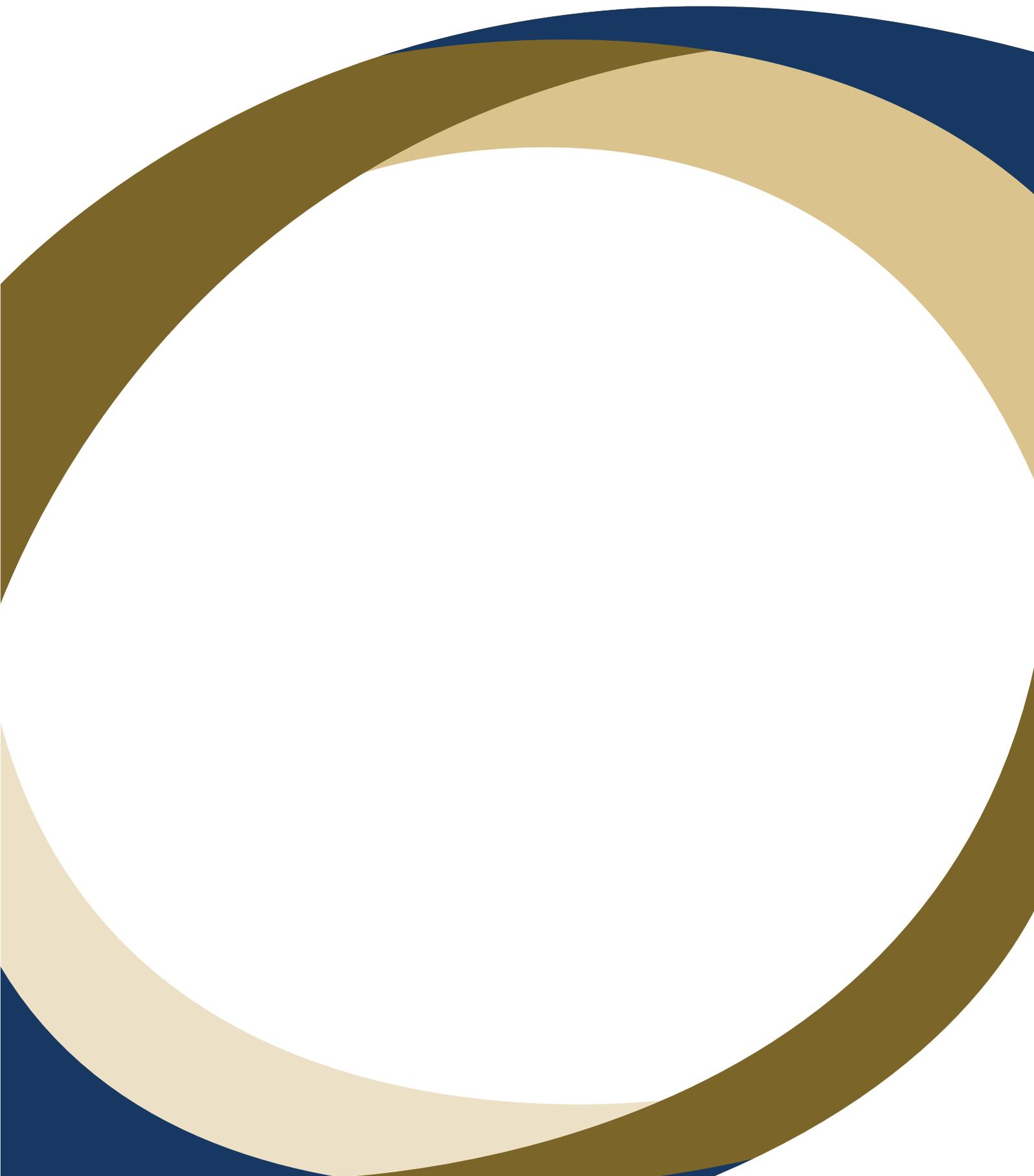
Yours sincerely,



JOHN VATOVEC

Chairperson
Salter Brothers Emerging Companies Limited

1. INVESTMENT OVERVIEW



1. INVESTMENT OVERVIEW

1.1 INTRODUCTION AND OVERVIEW OF THE COMPANY'S BUSINESS

Topic	Summary	For more information
WHAT ARE THE KEY HIGHLIGHTS OF THE OFFER?	<p>The Offer aims to provide investors with:</p> <ul style="list-style-type: none">• access to an investment manager with a concentrated portfolio of typically 20 to 35 investments in predominantly Australian listed and unlisted securities of Emerging Companies (defined as companies with market capitalisations under \$500 million at the time of the initial investment);• access to an actively managed, fundamentals-based investment approach with a focus on capital preservation, long term capital growth and income from its investments;• attractive risk adjusted returns over the long term (which the Company considers to be a period of more than five years);• exposure to an Investment Portfolio that is compositionally different to the ASX-Small Ordinaries Accumulation Index;• access to an investment strategy that endeavours to comply with the emerging companies investment requirements for the SIV Regime (although there is no guarantee that all investments in the Investment Portfolio will be complying emerging companies investments (or that the Company itself will be a complying emerging companies investment), under the SIV Regime);• access to the Investment Team, which will be made available to the Company through the Management Agreement and the Resourcing Arrangements, and that:<ul style="list-style-type: none">– have experience investing in listed and unlisted companies in Australia and overseas;– provide a team of investment professionals dedicated to investment strategy, fundamental equities research, stock selection and portfolio management; and– provide access to a strong network and relationships that the Company believes can generate access to investment opportunities;• take advantage of a Management Fee and Performance Fee structure that aligns the interests of the Manager with those of the Company and provides the Manager with incentive to maximise shareholder returns; and• benefit from oversight from a Board with experience in capital markets, corporate governance, and investment with a focus on cost control and efficiency.	SECTIONS 3, 4, 5, 9 AND 10.2
Please refer to Section 6 for the risks to investors in relation to an investment in the Company.		

Topic	Summary	For more information
WHAT IS THE BUSINESS MODEL OF THE COMPANY?	<p>The Company is a recently incorporated Australian public company which has not yet conducted any operations other than preparation for this Offer.</p> <p>Upon completion of the Offer, the Company will be a LIC focusing on a concentrated portfolio of investments consisting of listed and unlisted securities.</p> <p>The Company's Investment Portfolio will be managed by the Manager pursuant to a Management Agreement and Resourcing Arrangements (see Section 9 for a summary of the Management Agreement and Resourcing Arrangements).</p> <p>The Resourcing Arrangements, which are with various entities of Salter Brothers, provide the Manager with access to Salter Brothers' personnel, systems, premises, knowledge and experience, including access to the Investment Team (see Section 5 for further information on the Investment Team).</p> <p>The Manager has a broad mandate to focus on Emerging Companies and to construct a concentrated portfolio of typically 20 to 35 listed and unlisted securities with the objective of long term capital growth and income from these investments. The Investment Portfolio will generally consist of long-only holdings and the Manager may not short sell any securities, or engage in securities lending in relation to the Investment Portfolio, without the approval of the Board.</p> <p>See Section 4 for further details.</p>	SECTIONS 4, 5 AND 9
WHAT ARE THE COMPANY'S INVESTMENT OBJECTIVES?	<p>The Company's Investment Objectives are to provide investors with:</p> <ul style="list-style-type: none"> • attractive risk adjusted returns over the long term; and • access to a concentrated portfolio of listed and unlisted securities with the objective of long term capital growth and income from these investments, <p>which it will endeavour to achieve by constructing, using a disciplined investment process, an Investment Portfolio which:</p> <ul style="list-style-type: none"> • focuses on Emerging Companies; • is, as at the date of this Prospectus, consistent with the emerging companies investment requirements under Section 9 of Part 2 of the <i>Migration (IMMI 15/100: Complying Investments) Instrument 2015</i>; • is compositionally different to that of the ASX-Small Ordinaries Accumulation Index; and • has a focus on capital preservation. 	SECTIONS 4 AND 5

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WILL THE COMPANY PAY DIVIDENDS?	<p>The Company's Investment Objectives have a focus on capital preservation and generating attractive risk adjusted returns over the long term.</p> <p>As a result, it is likely that dividends may be low (or nil) during the initial investment years and there may be periods where dividends are not paid at all. However, where practicable, the Company will pay dividends to Shareholders equal to the dividends received from underlying Investment Portfolio investments.</p> <p>The amount of any dividend will be at the absolute discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deem relevant. It is the current intention of the Company that all dividends paid to Shareholders will be franked to 100% (or to the maximum extent possible).</p> <p>No assurances can be given about the payment of any dividend and the level of franking on any such dividend. Please note that the proposals set out above may be impacted by various factors outside the control of the Company and are subject to the risks set out in Section 6.</p>	SECTION 4.11
WHAT ARE THE KEY RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE OFFER?	<p>An investment in the Company should be considered speculative. In addition to this summary, you should give full consideration to the detailed discussion of risks that is set out in Section 6 of the Prospectus.</p> <p>The key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none">• <i>No operating or performance history of the Company:</i> the Company is a recently incorporated Australian public company which has not yet conducted any operations other than preparation for this Offer, and has no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company or Manager to achieve the objectives set out in the Prospectus.• <i>Market risk:</i> the Shares and/or the Company's investments may decline in value. A fall in global or local equity markets, global or local bond markets, market volatility or lack of movement in the value of the Australian dollar against other major currencies may also materially affect both the performance of the securities in which the Company invests and the net tangible asset backing of the Shares. The Shares may trade on ASX at a discount to the net asset value of the Investment Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Investment Portfolio.	SECTION 6

WHAT ARE THE KEY RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE OFFER?
CONTINUED

- *Strategy implementation risk:* investing in companies comes with a degree of risk. There is a risk that the Shares and/or the Company's investments will fall in value over the short, medium or long term. Individual security prices may fluctuate and under perform other asset classes over time. Investors in the Company are exposed to this risk through both their holding in the Shares and through the Company's investments. The Manager's past performance of implementing investment strategies (including in different asset classes) is not a guide or a reliable indicator of the future performance of the Company or the investment strategy. There are risks inherent in the investment strategy that the Manager will employ for the Company.
- *Emerging Companies related risks:* Emerging Companies are likely to be at an early stage of development and therefore may possess limited financial profiles. For example, many in the technology sectors are in early stages of development and commercialisation. At such a stage in a company's lifecycle, it may not be revenue producing and may not have access to capital on acceptable terms (as financial institutions, including banks, may not be prepared to lend to all Emerging Companies) and may not meet the going concern tests under accounting standards. Consequently, early stage Emerging Companies in the Investment Portfolio will be reliant on the Company and other investors for access to capital. Emerging Companies also tend to have a small number of employees and therefore may not operate with the same level of rigour in relation to corporate governance when compared to larger organisations. There is a risk that issues that arise may not be able to be sufficiently dealt with by employees of sufficient expertise within these organisations thereby creating a risk that is less likely to exist in larger organisations with greater internal governance capabilities.
- *Manager risk:* the success and profitability of the Investment Portfolio in part will depend upon the ability of the Manager to make investments that increase in value over time, and the retention of the Manager as manager of the Investment Portfolio (together with continued access to resources of Salter Brothers, including the Investment Team, under the Resourcing Arrangements). If the Manager's performance in identifying investments, executing on the investment strategy or monitoring the Investment Portfolio is ineffective or unsuccessful, this may have a negative impact on the Company's performance and the value of the Shares. Even if the Company does not perform well, it may be difficult to remove the Manager. The Manager's past performance of implementing investment strategies (including in different asset classes) is not a guide or a reliable indicator of the future performance of the Company or the investment strategy.

SECTION 6

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WHAT ARE THE KEY RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE OFFER? CONTINUED	<ul style="list-style-type: none"><li data-bbox="379 533 1220 1232">• <i>SIV Regime compliance risk</i>: the investment strategy endeavours to comply with aspects of the SIV Regime, and in particular the ‘emerging companies investment’ as set out in section 9 of Part 2 of the Migration (IMMI 15/100: Complying Investments) Instrument 2015. The requirements of the SIV Regime may not be conducive to maximising returns or minimising risks, and investors should be aware that there could be changes to, or in the interpretation or administration of the requirements of the SIV Regime, including but not limited to the types of investments that are considered complying investments for Significant Investor Visa purposes. Such changes are inherently outside of the control of the Company and the Manager. Any change to the rules governing the SIV Regime may cause the investment strategy to change, which could result in losses. Further, any changes to the SIV Regime may cause the Company to not be SIV Regime compliant (or result in the Company determining not to comply with some or all of the SIV Regime as part of its Investment Objectives). The Company will endeavour to notify investors in such situations or if it believes it is no longer consistent with its investment strategy to attempt to manage the Investment Portfolio in compliance with the requirements of the SIV Regime. No guarantee is provided that the Company, at all relevant times, will or will be able to remain a complying investment for the purposes of the SIV Regime and the Company may cease to comply with the prevailing Significant Investor Visa requirements set by the Australian Government.<li data-bbox="379 1249 1220 1433">• <i>Incentive fee risk</i>: the Management Fee and the Performance Fee may create an incentive for the Manager to overstate the value of investments and/or make investments on behalf of the Company that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Company, which may add to the risk and volatility of the Investment Portfolio’s underlying investments.<li data-bbox="379 1451 1220 1993">• <i>Unlisted investment risk</i>: the Investment Portfolio may have exposure to unlisted securities. In general there is less regulation and supervision of transactions in the unlisted securities markets than of transactions entered into on organised exchanges and financial markets. Therefore, any investment by the Company in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Investment Portfolio will sustain losses. In addition, there may be little or no liquidity in unlisted securities (potentially compounded by the Company having only a minority position with little control over the nature or timing of an exit event) and it may be difficult to establish a robust market price for them. Many unlisted securities are relatively illiquid or have low trading volume. This could enhance the volatility of the price of the securities and/or make it difficult to sell the securities at a later date. The valuation of unlisted securities is more difficult to calculate than listed securities. Valuations may not be identical to the actual value which the Company is able to realise for those investments, and accordingly may be misleading.	SECTION 6

Topic	Summary	For more information
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WHAT ARE THE KEY RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE OFFER?
CONTINUED

- *Liquidity risk:* the ability of a Shareholder to sell Shares on the ASX will be a function of the turnover or liquidity of the Shares at the time of sale. Given the nature of the Company and the traditionally lower trading volumes experienced by some LICs, there may be a low level of liquidity in trading of the Shares. As a result, Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire.
- *Valuation risk:* investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisation value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets. Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals and accruals.
- *Accounting policy risk:* changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.
- *Derivatives risk:* the Manager may use Derivatives to manage the exposure of investments of the Company against investment loss, but is not obliged to do so. There is no guarantee that any hedging will be successful.
- *Currency and foreign jurisdiction risk:* in addition to investments in Australian entities, the Manager may invest in international securities (i.e. securities of entities which are not domiciled in Australia). Hence the Company may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms. In addition, the Company may be exposed to risks relating to its investments in securities of entities which are located in a foreign jurisdiction, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders of securities in such foreign entities as compared to the laws in Australia. The Manager may make use of foreign exchange hedging with the aim of reducing the effects of currency movements on the return profile of the Company. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to foreign exchange movements.
- *Regulatory risk:* the Company is subject to a range of regulatory controls imposed by government and regulatory authorities. The relevant regulatory regimes are complex and subject to change. Accordingly, the Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders.

SECTION 6

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WHAT ARE THE KEY RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE OFFER? CONTINUED	<p>In addition to those key risks detailed above, there are further risks associated with the Company and an investment in the Shares, including in the following areas:</p> <ul style="list-style-type: none">• potential conflicts of interest;• counterparty and credit risk;• interest rate risk;• dividend risk;• size of Investment Portfolio;• future capital requirements of the Company;• market risk;• industry risk;• changes in taxation laws and policies; and• climate change. <p>Investors should bear in mind the applicable risks, including but not limited to the above, when considering whether to participate in the Offer.</p> <p>In addition, investors are strongly advised to regard any investment in the Company as a long-term proposition and be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. More detail about these and other risks associated with the Company can be found in Section 6.</p>	SECTION 6
DOES THE COMPANY HAVE ANY MATERIAL CONTRACTS?	<p>The Company and the Manager have entered into the Management Agreement pursuant to which the Manager is entitled to be paid certain fees by the Company.</p> <p>The Company has also entered into the Securities Sale Agreement with G Fund, which governs the terms for the potential purchase of the Company's initial Investment Portfolio.</p> <p>In addition to the material contracts:</p> <ul style="list-style-type: none">• the Manager has also entered into the Investment Advisory Agreement and the Shared Services Agreement with entities within Salter Brothers, however these are not material contracts of the Company as the Company is not a party to those agreements; and• the Company has entered into the Offer Management Agreement with Ord Minnett with respect to acting as Lead Manager and Authorised Intermediary to the Offer. <p>Other than as disclosed, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct interest in the Company or the Offer.</p>	SECTIONS 2.5 AND 9

1.2 KEY INFORMATION ABOUT THE INVESTMENT PORTFOLIO AND INVESTMENT STRATEGY

Topic	Summary	For more information
WHAT IS THE COMPANY'S INVESTMENT STRATEGY?	<p>The investment strategy is proposed to be implemented by the Manager and reflects the Company's Investment Objectives to provide investors with attractive risk adjusted returns and access to a concentrated Investment Portfolio of listed and unlisted securities with the objective of long term capital growth and income.</p> <p>The Company's Investment Objectives will be implemented by having the Manager construct an Investment Portfolio which focuses on Emerging Companies, is compositionally different to that of the ASX-Small Ordinaries Accumulation Index, and with a focus on capital preservation.</p> <p>The investment strategy also endeavours to be compliant with the requirements of the 'emerging companies investment' portion of the SIV Regime, although there is no guarantee that all investments in the Investment Portfolio will be complying emerging companies investments (or that the Company itself will be a complying emerging company investment), under the SIV Regime.</p> <p>The Company expects to invest in predominantly Australian companies that are listed on the ASX, and unlisted Australian companies. The Investment Portfolio, which is likely to consist of between 20 to 35 investments, may, from time to time, include listed and unlisted foreign securities.</p> <p>The investment opportunities will be generated from multiple sources including:</p> <ul style="list-style-type: none"> • Screening: utilising online information sources and services to identify and prioritise research using a factor-based proprietary screening process; • Investee companies: meetings with existing and potential investee companies; • Brokers and advisors: relationships with broking firms and their research and corporate access teams; • Industry and trade contacts: relationships with investment market participants to identify new opportunities in both listed and unlisted markets; and • Internal sources: leveraging the relationships and insights from Salter Brothers, through the Management Agreement and the Resourcing Arrangements. <p>The Company's Investment Portfolio will be constructed by having the Manager apply a disciplined investment process, as summarised in Section 3.6, to identify, filter, research, analyse, shortlist and construct the Investment Portfolio in a manner consistent with the investment strategy, and having the Manager monitor and adjust the Investment Portfolio as required.</p> <p>The Manager will use the experience and skill of the Investment Team with the objective of producing investment returns for the Company.</p> <p>Please note that the investment strategy set out above may be impacted by various factors outside the control of the Company and is subject to the risks set out in Section 6.</p>	SECTIONS 3, 4 AND 6

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
HOW WILL THE INVESTMENT PORTFOLIO BE CONSTRUCTED?	<p>The Manager is responsible for the construction of the Investment Portfolio.</p> <p>The Investment Portfolio will be constructed in accordance with the Investment Guidelines and with regard to the Investment Objectives from time to time. Sections 4.2 and 4.5 set out respectively the initial Investment Objectives and Investment Guidelines.</p> <p>Under the Securities Sale Agreement, G Fund has granted the Company the right to elect to purchase Portfolio Securities and the Cash Amount from G Fund. In consideration for the acquisition of such Portfolio Securities the Company will issue Consideration Shares to G Fund. If the Company elects to acquire Portfolio Securities from G Fund, it will have an initial Investment Portfolio constructed in accordance with the Investment Objectives and Investment Guidelines at Listing.</p> <p>The Manager will also deploy the proceeds from completion of the Offer in accordance with the Investment Guidelines and with regard to the Investment Objectives.</p> <p>No industry limitations apply to the Company's investment strategy, however due to the nature of the Investment Objectives, this may, from time to time, result in natural limitations on investment in specific industries or sectors as the Company will focus on investments in sectors which it holds core competency.</p> <p>The Company will (and may, from time to time) retain cash until attractively valued investments can be found, even if market conditions are such that the timing of capital deployment is relatively long. This disciplined approach to capital deployment means the Company is prepared to accept lower investment returns in the short-term, for the benefit of achieving attractive long-term performance.</p>	SECTION 4 SEE SECTION 9.2 FOR FURTHER INFORMATION REGARDING THE SECURITIES SALE AGREEMENT
WHAT IS THE TIME FRAME FOR INVESTMENT PORTFOLIO CONSTRUCTION?	<p>If the Company elects to acquire Portfolio Securities and the Cash Amount from G Fund in accordance with the terms of the Securities Sale Agreement, it will have an initial Investment Portfolio constructed in accordance with the Investment Objectives and Investment Guidelines at Listing.</p> <p>The deployment of the proceeds of the Offer will be dependent on market conditions and the identification of suitable investment opportunities at an attractive value.</p> <p>Consistent with its operations as a LIC, the investments which form part of the Investment Portfolio are likely to change from time to time.</p> <p>Please see Section 4.8 for further information.</p>	SECTION 4

Topic	Summary	For more information
WHAT IS THE COMPANY'S LEVERAGE POLICY?	<p>The Manager may use leverage where consistent with the Investment Guidelines. However, it is generally not intended that the Company will borrow funds for investment.</p> <p>The Investment Portfolio may, from time to time, also become leveraged through the use of Derivatives.</p>	SECTION 4
WILL THE COMPANY SHORT SELL?	<p>Consistent with the Investment Objectives, the Investment Portfolio will generally consist of long-only holdings (which the Manager and the Company consider to be a period of more than five years).</p> <p>The Manager may not short sell any securities, or engage in securities lending in relation to the Investment Portfolio, without the approval of the Board.</p>	SECTION 4
WHAT IS THE COMPANY'S VALUATION POLICY?	<p>The Company's valuation policy is set out in Section 4.9.</p> <p>The assets of the Company will be valued using market accepted practices to accurately and independently price all securities and other assets within the Investment Portfolio.</p>	SECTIONS 4.9 AND 7
WHAT IS THE COMPANY'S DERIVATIVE POLICY?	<p>The Manager may use derivatives where consistent with the Investment Objectives. However, it is generally not intended that investment be made in derivatives where it would be speculative (unless made for risk management purposes).</p> <p>For key risks to the Company associated with derivatives, please see Section 6.</p>	SECTIONS 4 AND 6
WHAT IS THE INVESTMENT TERM?	<p>Consistent with the Investment Objectives, the Investment Portfolio will generally consist of long-only holdings (which the Manager and the Company consider to be a period of more than five years).</p> <p>For this reason investors are advised to regard any investment in the Company as a long-term (which the Company considers to be a period of more than five years) investment and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond.</p>	SECTION 4

1. INVESTMENT OVERVIEW (CONTINUED)

1.3 KEY INFORMATION ABOUT THE COMPANY AND THE MANAGER

Topic	Summary	For more information
WHO ARE THE COMPANY'S DIRECTORS AND WHAT EXPERIENCE DO THEY HAVE?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">(a) John Vatovec (Independent Non-Executive Chairperson);(b) Marcos Marcou (Independent Non-Executive Director); and(c) Robert Salter (Non-Executive Director). <p>See Section 10.2 for further details regarding the background of the Directors.</p>	SECTION 10
WHAT IS THE FINANCIAL POSITION OF THE COMPANY?	<p>The Company has no performance history as it is a recently incorporated Australian public company which has not yet conducted any operations other than preparation for this Offer.</p>	SECTION 7 PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 ARE SET OUT IN SECTION 7
WHO WILL MANAGE THE INVESTMENT PORTFOLIO?	<p>Salter Brothers Funds Management Pty Ltd ACN 608 295 683, a corporate authorised representative (appointment number 000308971) of Salter Brothers Asset Management (AFSL number 308971) has been appointed to manage the Investment Portfolio for the Company.</p> <p>The Manager was founded in 2015.</p> <p>The Board believes that its Directors and the Investment Team together have the required experience and expertise in funds management, listed and unlisted equities and corporate governance.</p> <p>Details of the Board and the experience and credentials of the Investment Team are set out in Sections 10 and 5 respectively.</p>	SECTIONS 3, 4, 5, 9 AND 10 A SUMMARY OF THE MATERIAL PROVISIONS OF THE MANAGEMENT AGREEMENT IS SET OUT IN SECTION 9.1

Topic	Summary	For more information
WHAT EXPERIENCE DOES THE MANAGER HAVE?	<p>The Manager is an entity within the broader Salter Brothers group of companies and has access, through the Resourcing Arrangements, to the Investment Team and other resources of Salter Brothers.</p> <p>Entities and funds within the broader Salter Brothers group invest in assets as varied and diverse as equities, debt instruments, direct and indirect real estate (commercial and residential), social infrastructure assets, hotels and Australian and overseas investments.</p> <p>The Manager has experience managing Australian real estate investments focused on residential property and social infrastructure, but this will be the first LIC and Emerging Companies focused Investment Portfolio which it will manage. However, the Investment Team have previous experience in Emerging Companies, listed market dealing, transaction structuring and quantitative analysis across a broad range of industry sectors, as well as in the transactional requirements for undertaking investments.</p>	SECTION 3
WHO ARE SALTER BROTHERS?	<p>Salter Brothers is a financial services group of companies that operates through three primary divisions: Capital, Funds Management and Private.</p> <p>Salter Brothers has established a track record of acquiring and adding value to specialist property assets, investing in selected growth businesses and geographically expanding its footprint across Australia, New Zealand and USA through its range of funds and partnerships.</p>	SECTION 3
DOES THE BOARD APPROVE INVESTMENTS?	<p>Board approval is not required for investments undertaken by the Manager that are in accordance with the Company's Investment Guidelines and the Manager's mandate under the terms of the Management Agreement.</p>	SECTION 4.7
WILL ANY RELATED PARTY HAVE A SIGNIFICANT INTEREST IN THE COMPANY OR THE OFFER?	<p>While the Company and entities within the broader Salter Brothers group of Companies will not be related parties after the completion of the Offer, G Fund will be a significant Shareholder (holding over 53.57% of the Shares) on completion of the Offer. Disclosure of material arrangements between the Company and the Manager, Salter Brothers Equities and Salter Brothers Asset Management and other entities within the broader Salter Brothers group of companies are provided in this Prospectus.</p> <p>Salter Brothers Asset Management in its capacity as trustee of G Fund is not a related party of the Company because, as a trustee, it is under a legal obligation to exercise its capacity to influence decisions about the Company's financial and operating policies for someone other than Salter Brothers Asset Management's own shareholders.</p>	SECTIONS 9, 10.6, 10.8 AND 11.8

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WILL ANY RELATED PARTY HAVE A SIGNIFICANT INTEREST IN THE COMPANY OR THE OFFER? CONTINUED	<p>Notwithstanding that the Manager, Salter Brothers Equities, Salter Brothers Asset Management, and Salter Brothers Asset Management in its capacity as trustee of G Fund are not related parties of the Company, out of an abundance of caution, the Securities Sale Agreement, Management Agreement and Resourcing Arrangements have been approved by G Fund, the sole shareholder of the Company as at the date of this Prospectus for the purposes of Division 3 of Part 2E.1 of the Corporations Act and as modified by the ASIC relief referred to in Section 11.8. Further details of these agreements are set out in Section 9.</p> <p>Robert Salter is a director and an original founder of Salter Brothers. The trustee of Robert Salter's family trust holds shares in a number of the entities within the broader Salter Brothers group of companies, including in G Fund (being, for clarity, shares in the trustee of G Fund and not the fund itself), the Manager and Salter Brothers Equities. By virtue of these interests, Robert Salter may also benefit from the fees payable under the arrangements described in Section 9, being:</p> <ul style="list-style-type: none">• any Management Fees and Performance Fees paid to the Manager in accordance with the Management Agreement;• any fee paid by the Manager to Salter Brothers Asset Management under the Shared Services Agreement (and reimbursed by the Company pursuant to the Management Agreement); and• any fee paid by the Manager to Salter Brothers Equities in accordance with the Investment Advisory Agreement. <p>Robert Salter does not control any entity within Salter Brothers (including those named above), or any Salter Brothers entity which has a significant interest in the Company or which has contractual arrangements with the Company.</p> <p>Each Director will be remunerated by the Company for the services which they provide to the Company on arm's length terms. In addition to their annual salary, each of the Directors is entitled to be reimbursed for costs and expenses incurred in their capacity as Directors of the Company.</p> <p>The Directors have committed to subscribe for the following number of Shares through the Offer:</p> <ul style="list-style-type: none">(a) John Vatovec – 2,000 Shares;(b) Marcos Marcou – 2,000 Shares; and(c) Robert Salter – 14,000 Shares (inclusive of 2,000 Shares by his spouse). <p>Other than as set out above, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has or will have a direct or indirect interest in the Company or the Offer.</p>	SECTIONS 9, 10.6, 10.8 AND 11.8

Topic	Summary	For more information
<p>WHAT ARE THE KEY TERMS OF THE MANAGEMENT AGREEMENT?</p>	<p>The Manager will be responsible for managing the Investment Portfolio in accordance with the terms of the Management Agreement and Investment Guidelines, with regard to the Investment Objectives.</p> <p>The Management Agreement provides for the appointment of the Manager for an initial term of 10 years (Initial Term). Subject to Shareholder approval, the Management Agreement may be extended for a further 10 year term (Extension Resolution). If an Extension Resolution is not passed before the expiry of the Initial Term, the Management Agreement will be automatically extended on a rolling basis for a further 5 year term upon the expiry of the Initial Term and, if not terminated earlier, on the expiry of each further 5 year term.</p> <p>The Manager is entitled to terminate the Management Agreement any time after the first anniversary of the Commencement Date by giving not less than three months' written notice to the Company.</p> <p>The Company may terminate the Management Agreement after the expiration of the Initial Term if, while the Company is an Investment Entity, the Shareholders resolve by ordinary resolution that the Manager should be removed as Manager of the Investment Portfolio, on delivery of three months' prior written notice to the Manager. The Company may also terminate the Management Agreement with immediate effect if:</p> <ul style="list-style-type: none"> • the Manager ceases to be a holder of, or an authorised representative under, an AFSL; • an insolvency event occurs with respect to the Manager; • the Manager is in default or breach of its obligations under this agreement in a material respect and the effects of such default or breach cannot be rectified; or • the Manager is in default or breach of its obligations under this agreement in a material respect and fails to remedy the effects of that default or breach within 30 days after receiving written notice of that default or breach. 	<p>SECTIONS 3, 9 AND 11.9</p>

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WHAT FEES WILL THE MANAGER RECEIVE?	<p>MANAGEMENT FEE:</p> <p>In return for the performance of its duties as Manager of the Investment Portfolio, the Manager is entitled to be paid a Management Fee equal to 1.5% (plus GST) per annum of the Gross Value of the Investment Portfolio, calculated and accrued on the last business day of each month and paid within 10 business days of the end of each month.</p> <p>The Management Fee accrues regardless of the performance of the Company, noting that the Management Fee varies month-to-month in proportion to the Gross Value of the Investment Portfolio.</p> <p>PERFORMANCE FEE:</p> <p>In addition to the Management Fee, the Manager is entitled to a fee equal to the greater of nil and 20% (plus GST) of the Investment Portfolio's performance over each Calculation Period, subject to a high water mark mechanism (Performance Fee).</p> <p>SHARED SERVICES FEE:</p> <p>Under the terms of the Management Agreement, the Manager must provide or procure the provision of reasonable administrative support services reasonably required by the Company to conduct its business. The Manager may delegate the provision of such administrative support services. The Manager has entered into the Shared Services Agreement, under which Salter Brothers Asset Management has agreed to provide to the Company the administrative support services.</p> <p>The Shared Services Fee will be paid to Salter Brothers Asset Management by the Manager, and the Company will reimburse the Manager for the Shared Services Fee pursuant to the terms of the Management Agreement.</p> <p>The Shared Services Fee will commence at a rate of \$30,000 per month (plus GST), and will be paid monthly in arrears. At the completion of each anniversary of the agreement, the Shared Services Fee will be adjusted at the rate of CPI. Pursuant to the terms of the Management Agreement, the Company must reimburse the Manager for certain expenses incurred in providing the administrative support services, which may include expenses incurred under the Shared Services Agreement.</p>	SECTION 9 REFER TO SECTION 9.1 FOR WORKED EXAMPLES AND MORE DETAILS IN RELATION TO THE AMOUNT AND CALCULATION OF THE MANAGEMENT FEE AND THE PERFORMANCE FEE

1.4 OVERVIEW OF THE OFFER

Topic	Summary	For more information
WHAT IS THE OFFER?	The Company is offering Shares to raise up to an aggregate of \$20,000,000.	SECTION 2 FOR DETAILS RELATING TO THE RIGHTS AND LIABILITIES OF THE SHARES, REFER TO SECTION 11.3
WHO IS THE ISSUER OF THE SHARES AND THIS PROSPECTUS?	Salter Brothers Emerging Companies Limited, a public company limited by shares, registered in Victoria.	SECTION 2
WHY IS THE OFFER BEING CONDUCTED?	The Company is offering the Shares to raise funds to undertake investments consistent with the Investment Objectives and Investment Guidelines set out in Section 4.2 and Section 4.5, to pay the costs of the Offer and to obtain a listing on ASX.	SECTION 7.1
IS THERE A MINIMUM APPLICATION SIZE?	Yes, each Applicant must subscribe for a minimum of 2,000 Shares at the Offer Price of \$1.00 per Share.	SECTION 2.6
HOW CAN I APPLY?	You may apply for Shares by completing the Application Form accompanying or included in this Prospectus or online at https://salteroffer.thereachagency.com . Any Applicants applying online must personally complete the online Application Form. Application Forms completed online must not be completed by third parties.	SECTION 2.8
IS THE OFFER CONDITIONAL?	The Offer is conditional upon completion under the Securities Sale Agreement. If the Condition is not satisfied then the Company will not proceed with the Offer and will refund all Application Monies received (without interest).	SECTION 2.4

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information																														
<p>WHAT IS THE CAPITAL STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE OFFER?</p>	<p>There is 1 Share on issue in the Company as at the date of this Prospectus.</p> <p>The number of Shares on issue following completion of the Offer will be affected by certain variables, namely:</p> <ul style="list-style-type: none"> the amount raised under the Offer; and the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement (and accordingly the number of Consideration Shares issued to G Fund). <p>Table 1 below identifies the capital structure on completion of the Offer assuming:</p> <ul style="list-style-type: none"> the Gross Proceeds of \$10,000,000 is raised under the Offer; and the Maximum Gross Proceeds of \$20,000,000 is raised under the Offer, <p>and that the Portfolio Value for the Investment Portfolio Securities and the Cash Amount acquired pursuant to the Securities Sale Agreement is equal to \$93,828,069 (being the Dec-20 Value).</p> <p>TABLE 1 – INVESTMENT PORTFOLIO – DEC-20 VALUE</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Shares</th> <th style="text-align: right;">\$10,000,000 raised under the Offer</th> <th style="text-align: right;">\$20,000,000 raised under the Offer</th> </tr> </thead> <tbody> <tr> <td>Existing Shares</td> <td style="text-align: right;">1</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Consideration Shares</td> <td style="text-align: right;">93,828,069</td> <td style="text-align: right;">93,828,069</td> </tr> <tr> <td>New Shares</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">20,000,000</td> </tr> <tr> <td>Total Shares</td> <td style="text-align: right;">103,828,070</td> <td style="text-align: right;">113,828,070</td> </tr> </tbody> </table> <p>Table 2 below identifies the capital structure on completion of the Offer assuming:</p> <ul style="list-style-type: none"> the Gross Proceeds of \$10,000,000 is raised under the Offer; and the Maximum Gross Proceeds of \$20,000,000 is raised under the Offer, <p>and that the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement is \$50,000,000 (being the 'Floor Value').</p> <p>TABLE 2 – INVESTMENT PORTFOLIO – FLOOR VALUE</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Shares</th> <th style="text-align: right;">\$10,000,000 raised under the Offer</th> <th style="text-align: right;">\$20,000,000 raised under the Offer</th> </tr> </thead> <tbody> <tr> <td>Existing Shares</td> <td style="text-align: right;">1</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Consideration Shares</td> <td style="text-align: right;">50,000,000</td> <td style="text-align: right;">50,000,000</td> </tr> <tr> <td>New Shares</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">20,000,000</td> </tr> <tr> <td>Total Shares</td> <td style="text-align: right;">60,000,001</td> <td style="text-align: right;">70,000,001</td> </tr> </tbody> </table>	Shares	\$10,000,000 raised under the Offer	\$20,000,000 raised under the Offer	Existing Shares	1	1	Consideration Shares	93,828,069	93,828,069	New Shares	10,000,000	20,000,000	Total Shares	103,828,070	113,828,070	Shares	\$10,000,000 raised under the Offer	\$20,000,000 raised under the Offer	Existing Shares	1	1	Consideration Shares	50,000,000	50,000,000	New Shares	10,000,000	20,000,000	Total Shares	60,000,001	70,000,001	<p>SECTION 7.3</p> <p>THE CLOSING DATE OF THE SECURITIES SALE AGREEMENT IS SET OUT IN SECTION 9.2</p>
Shares	\$10,000,000 raised under the Offer	\$20,000,000 raised under the Offer																														
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**WHAT IS
THE CAPITAL
STRUCTURE OF
THE COMPANY
FOLLOWING
COMPLETION
OF THE OFFER?**
CONTINUED

Table 3 below identifies the capital structure on completion of the Offer assuming:

- the Gross Proceeds of \$10,000,000 is raised under the Offer; and
- the Maximum Gross Proceeds of \$20,000,000 is raised under the Offer,

and that the Portfolio Value for the Portfolio Securities and the Cash Amount acquired pursuant to the Securities Sale Agreement is \$90,000,000 (being the 'Middle Value').

**SECTION 7.3
THE CLOSING
DATE OF THE
SECURITIES SALE
AGREEMENT
IS SET OUT IN
SECTION 9.2**

TABLE 3 – INVESTMENT PORTFOLIO – MIDDLE VALUE

Shares	\$10,000,000 raised under the Offer	\$20,000,000 raised under the Offer
Existing Shares	1	1
Consideration Shares	90,000,000	90,000,000
New Shares	10,000,000	20,000,000
Total Shares	100,000,001	110,000,001

Table 4 below identifies the capital structure on completion of the Offer assuming:

- the Gross Proceeds of \$10,000,000 is raised under the Offer; and
- the Maximum Gross Proceeds of \$20,000,000 is raised under the Offer,

and that the Portfolio Value for the Portfolio Securities and the Cash Amount acquired pursuant to the Securities Sale Agreement is \$130,000,000 (being the 'Ceiling Value').

TABLE 4 – INVESTMENT PORTFOLIO – CEILING VALUE

Shares	\$10,000,000 raised under the Offer	\$20,000,000 raised under the Offer
Existing Shares	1	1
Consideration Shares	130,000,000	130,000,000
New Shares	10,000,000	20,000,000
Total Shares	140,000,001	150,000,001

1. INVESTMENT OVERVIEW (CONTINUED)

For more
information

Topic

Summary

WHAT IS G FUND'S SHAREHOLDING IN THE COMPANY FOLLOWING COMPLETION OF THE OFFER?

The number of Shares that G Fund will hold following completion of the Offer will be affected by certain variables, namely:

- the amount raised under the Offer;
- the Portfolio Value for the Portfolio Securities and the Cash Amount acquired pursuant to the Securities Sale Agreement (and accordingly the number of Consideration Shares issued to G Fund); and
- the number of Shares (if any) G Fund acquires under the Offer.

Amount raised under the Offer	Portfolio Valuation	Number of Shares held	Voting power
\$10,000,000	Dec-20 Value	70,371,053	67.78%
	Floor Value	37,500,001	62.50%
	Middle Value	67,500,001	67.50%
	Ceiling Value	97,500,001	69.64%
\$20,000,000	Dec-20 Value	70,371,053	61.82%
	Floor Value	37,500,001	53.57%
	Middle Value	67,500,001	61.36%
	Ceiling Value	97,500,001	65.00%

Under the Securities Sale Agreement, G Fund has agreed to distribute or procure the distribution of 25% of the Consideration Shares to its unitholders no later than the Closing Date, pursuant to the Securities Sale Agreement. The figures in the table above reflects the number of Shares held by G Fund on completion of the Offer (and therefore, represents the number after it has distributed the relevant Shares to its unitholders).

The table above does not include any Shares acquired by G Fund under the Offer. G Fund has indicated to the Company that it may subscribe for Shares under the Offer (and there is a prospect that such subscription may be for a significant amount depending on the level of take up of the Offer by third party investors), but has not made a firm or binding commitment to do so.

WHAT IS THE EXPECTED FREE FLOAT?

The Company's Free Float at the time of Listing will not be less than 20%.

SECTION 2.10

WHO CAN PARTICIPATE IN THE OFFER?

Investors that have a registered address in Australia can participate in the Offer.

SECTION 2.7

Topic	Summary	For more information
WHO IS THE LEAD MANAGER TO THE OFFER?	The Lead Manager is Ord Minnett.	SECTION 2
WHO IS THE AUTHORISED INTERMEDIARY?	The Authorised Intermediary is Ord Minnett.	SECTION 2
IS THE OFFER UNDERWRITTEN?	No.	SECTION 2.5
WHAT DO APPLICANTS PAY WHEN APPLYING UNDER THE OFFER?	All Applicants under the Offer must pay \$1.00 for each Share offered under this Prospectus.	SECTION 2
WHAT IS THE ALLOCATION POLICY?	<p>In allocating Shares, it is the intention of the Board to ensure that the Company has an adequate spread of Shareholders.</p> <p>The allocation of the Shares under the Offer will be determined by the Company in consultation with the Lead Manager. It is possible that G Fund, certain shareholders, directors and employees of Salter Brothers may participate in the Offer (and there is a prospect that such subscription may be for a significant amount depending on the level of take up of the Offer by third party investors), although the Company has not received any binding or firm commitments. There is a possibility that any Shares subscribed for by, and allotted to, G Fund under the Offer may not be counted towards the Company's 'free float' for the purposes of the ASX Listing Rules.</p>	SECTION 2
WHAT FEES AND COSTS ARE PAYABLE TO THE LEAD MANAGER AND AUTHORISED INTERMEDIARY?	<p>The Company will pay to the Lead Manager a fixed fee of \$100,000 for lead manager services to the Company.</p> <p>Under the Offer Management Agreement, Ord Minnett is also acting as Authorised Intermediary to the Offer, however no fees are payable to Ord Minnett acting in that capacity.</p> <p>In addition to the Lead Manager Fee, other costs of the Offer including legal, accounting, marketing and other costs associated with the preparation of the Prospectus and the issue of Shares will be paid from Proceeds.</p> <p>In aggregate, the costs of the Offer are estimated to be around \$610,000.</p>	SECTIONS 2.14, 7.7 AND 11.5

1. INVESTMENT OVERVIEW (CONTINUED)

Topic	Summary	For more information
WILL THE SHARES BE LISTED?	Yes. The Company will seek quotation of the Shares on ASX (as well as existing Shares in the Company).	SECTION 2
WHAT ARE THE TAX IMPLICATIONS OF INVESTING IN SHARES?	<p>Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in Section 2.17 and 11.11.</p> <p>The tax consequence for an investor of any investment in the Shares will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.</p>	SECTIONS 2 AND 11.11
WHEN WILL I RECEIVE CONFIRMATION THAT MY APPLICATION HAS BEEN SUCCESSFUL?	The Company expects that holding statements will be dispatched on or around 31 May 2021.	TIMETABLE
CAN THE OFFER BE WITHDRAWN?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any refunded Application Monies.</p>	SECTION 2
IS THERE A COOLING-OFF PERIOD?	No.	IMPORTANT NOTICES
HOW CAN I OBTAIN FURTHER INFORMATION?	<p>If you would like more information or have any questions relating to the Offer, please call the Registry's offer information line on 1300 218 186 (within Australia) or +61 3 9415 4019 (outside Australia), between 8.30am and 5.00pm (Melbourne time).</p> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>	IMPORTANT NOTICES

2. DETAILS OF OFFER



2. DETAILS OF OFFER

2.1 WHAT IS THE OFFER?

The Company is offering Shares for issue at \$1.00 per Share to raise up to a maximum of \$20,000,000.

The key dates, including details of the Offer period, are set out in the 'Important dates' section at the front of this Prospectus.

Further details of the Offer are set out in Section 2.7.

The rights attaching to the Shares are set out in Section 11.3.

DISCRETION UNDER THE OFFER

Early lodgement of your Application is recommended as the Company reserves the right to close the Offer at any time after the expiry of the Exposure Period without prior notice.

The Company reserves the right to:

- extend the Offer at any time;
- undertake a scale back of Applications at its absolute discretion;
- accept late Applications; or
- extend the Offer without notifying any recipient of this Prospectus or any Applicant.

The Company reserves the right not to proceed with the Offer at any time before the allotment of Shares under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Lead Manager until these are received by the Company.

The Company reserves the right to decline any Application in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares specified in the Application or any of them without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

2.2 NO MINIMUM SUBSCRIPTION

There is no minimum subscription for the Offer to proceed.

2.3 MAXIMUM SUBSCRIPTION

The Maximum Subscription for the Offer is \$20,000,000.

2.4 CONDITION OF THE OFFER

The Offer is conditional on completion occurring under the Securities Sale Agreement (**Condition**). There is no guarantee that completion under the Securities Sale Agreement will occur.

Please see Section 9.2 for further information on the Securities Sale Agreement.

If the Condition is not satisfied then the Company will not proceed with the Offer and will refund all Application Monies received.

2.5 IS THE OFFER UNDERWRITTEN?

No, the Offer is not underwritten.

Ord Minnett is acting as Lead Manager and as the Authorised Intermediary to the Offer. The Company and Ord Minnett have entered into an Offer Management Agreement in relation to those arrangements.

2.6 MINIMUM AND MAXIMUM APPLICATION AMOUNT

Applications under the Offer must be for a minimum of 2,000 Shares such that the minimum Application amount is \$2,000. There is no maximum Application amount that may be applied for under the Offer.

2.7 OFFER

The Offer is open to all Applicants with a registered address in Australia.

2.8 HOW DO I APPLY UNDER THE OFFER

Applying for Shares under the Offer

HOW DO I APPLY FOR SHARES UNDER THE OFFER?

APPLYING ONLINE

To apply for Shares under the Offer, you can apply online at <https://salteroffer.thereachagency.com> by completing the Offer Application Form that forms part of the electronic version of this Prospectus and paying your Application Monies by BPAY®.

APPLYING BY POST

Alternatively, you can submit a paper-based application by completing the Offer Application Form included in, or accompanying, this Prospectus. Completed Applications and Application Monies must be received by the Registry by 5:00pm (Melbourne time) on the Closing Date.

How to pay your Application Monies

PAYING YOUR APPLICATION MONIES BY BPAY®

You may apply for Shares online and pay your Application Monies by BPAY®.

Applicants wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at <https://salteroffer.thereachagency.com> and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)). Please note that should you choose to pay by BPAY®:

- you do not need to complete and return a paper Application Form if you pay by BPAY®; and
- you should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

If you choose to pay by BPAY®, it is your responsibility to ensure that payments are received by 5.00pm (Melbourne time) on the Closing Date.

You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making the payment. Your financial institution may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company takes no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

2. DETAILS OF OFFER (CONTINUED)

PAYING YOUR APPLICATION MONIES BY CHEQUE, BANK DRAFT OR MONEY ORDER

For payment by cheque(s) or bank draft(s) or money order(s), you should complete your Application Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies. The cheque, bank draft or money order must be drawn on an Australian branch of a financial institution and made payable to “Salter Brothers Emerging Companies Limited” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$1.00 multiplied by the number of Shares that you are applying for; and
- in Australian dollars drawn on an Australian financial institution or an Australian branch of a financial institution.

Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s).

If the amount of your cheque(s) or bank draft(s) or money order(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the number of Shares you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Should you choose to pay by cheque(s), bank draft(s) or money order(s), it is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (Melbourne time) on the Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.

The Company takes no responsibility for any failure to receive Application Monies before the Closing Date arising as a result of, among other things, delays in postage.

Completed Application Forms and accompanying cheques, bank drafts or money orders may be lodged with:

BY MAIL

Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

2.9 ALLOCATION POLICY

The basis of allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager.

The Directors currently expect that G Fund, certain shareholders, directors and employees of Salter Brothers may participate in the Offer, although the Company has not received any binding or firm commitments. G Fund has indicated to the Company that it may subscribe for Shares under the Offer (and there is a prospect that such subscription may be for a significant amount depending on the level of take up of the Offer by third party investors), but has not made a firm or binding commitment to do so. There is a possibility that any Shares subscribed for by, and allotted to, G Fund under the Offer may not be counted towards the Company’s ‘free float’ for the purposes of the ASX Listing Rules.

Subject to the terms of the Offer Management Agreement, the Company reserves the right in its absolute discretion not to issue any Shares to Applicants under the Offer and may reject any Application or allocate a lesser number of Shares than those applied for at its absolute discretion.

2.10 FREE FLOAT

The Company's Free Float at the time of Listing will be not less than 20%.

2.11 APPLICATION MONIES

All Application Monies received by the Company will be held by the Company on trust in a separate account until the Shares are issued to successful Applicants. The Company will retain any interest earned on the Application Monies held on trust pending the issue of Shares to successful Applicants.

2.12 ISSUE OF SHARES

The Company will not issue Shares until the ASX has granted permission for quotation of the Shares unconditionally or on terms acceptable to the Company.

The Company is not currently seeking quotation of its Shares on any financial market other than the ASX.

The fact that the ASX may admit the Company to the Official List and grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for issue under the Offer.

The ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

If the ASX does not grant permission for the Shares to be quoted within three months after the date of the original Prospectus, the Shares will not be issued and all Application Monies will be refunded (without interest) as soon as practicable.

An Application constitutes an offer by the Applicant to subscribe for Shares on the terms and subject to the conditions set out in this Prospectus. A binding contract to issue Shares will only be formed at the time Shares are allotted to Applicants.

Where the number of Shares issued is less than the number applied for or where no issue is made, the surplus Application Monies will be returned to Applicants (without interest) within the time prescribed by the Corporations Act.

2.13 ASX AND CHESS

The Company will apply within seven days of the date of this Prospectus for admission to the Official List of the ASX and for the Shares to be quoted.

The Company will apply to participate in the ASX's CHESS system and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in Shares quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or where applicable, the Security Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Registry may charge a fee for these additional issuer sponsored statements.

2. DETAILS OF OFFER (CONTINUED)

2.14 BROKERAGE, COMMISSION AND STAMP DUTY

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

2.15 LEAD MANAGER AND AUTHORISED INTERMEDIARY

The Company has also appointed Ord Minnett as the Lead Manager to the Offer. The Company will pay Ord Minnett for acting in its capacity as the Lead Manager, a fixed fee equal to \$100,000 (**Lead Manager Fee**).

Offers under this Prospectus will be made under an arrangement between the Company and Ord Minnett, the holder of an AFSL (AFSL number 237121), under Section 911A(2)(b) of the Corporations Act (**Authorised Intermediary**). The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under the Prospectus, and the Company will only issue Shares in accordance with Applications made under such offers if they are accepted. Under the Offer Management Agreement, no fees are payable to Ord Minnett acting in its capacity as Authorised Intermediary.

The Lead Manager and the Authorised Intermediary functions should not be considered an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. Ord Minnett does not guarantee the success or performance of the Company or the returns (if any) to be received by the Shareholders.

Ord Minnett is not responsible for, and has not authorised or caused, the issue of this Prospectus.

2.16 OVERSEAS AND SIV INVESTORS

The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

OVERSEAS OWNERSHIP AND RESALE REPRESENTATION

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

SIV INVESTORS

Shareholders holding a Significant Investor Visa who cancel or withdraw their Application for Shares in the Company, may need to reinvest the funds received by the Company relating to their withdrawal or cancellation into another complying 'emerging companies investment' within 30 days and in accordance with the SIV Regime in order to remain compliant for SIV purposes. You are responsible for ensuring your eligibility to rely on a Significant Investor Visa and compliance with any conditions attaching to your Significant Investor Visa at all times.

2.17 PRIVACY

When you apply to invest in the Company, you acknowledge and agree that:

- (a) you are required to provide the Company with certain personal information to:
 - (i) facilitate the assessment of an Application;
 - (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - (iii) carry out appropriate administration;

(b) the Company may be required to disclose this information to:

- (i) third parties who carry out functions on behalf of the Company, including marketing and administration functions, on a confidential basis; and
- (ii) third parties if that disclosure is required by law; and
- (iii) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Company.

Under the *Privacy Act 1988* (Cth), Applicants may request access to their personal information held by (or on behalf of) the Company. Applicants may request access to personal information by telephoning or writing to the Manager.

2.18 TAX IMPLICATIONS OF INVESTING IN THE COMPANY

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. Applicants are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

A general overview of the Australian taxation implications of investing in the Company are set out in Section 11.11 and are based on current tax law and ATO tax rulings. The information in Section 11.11 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.

2.19 ANTI-MONEY LAUNDERING/COUNTER-TERRORISM FINANCING ACT 2006

The Company, Manager or Lead Manager may be required under the *Anti-Money Laundering/and Counter-Terrorism Financing Act 2006* (Cth) or any other law to obtain identification information from Applicants. The Company reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

3. ABOUT SALTER BROTHERS



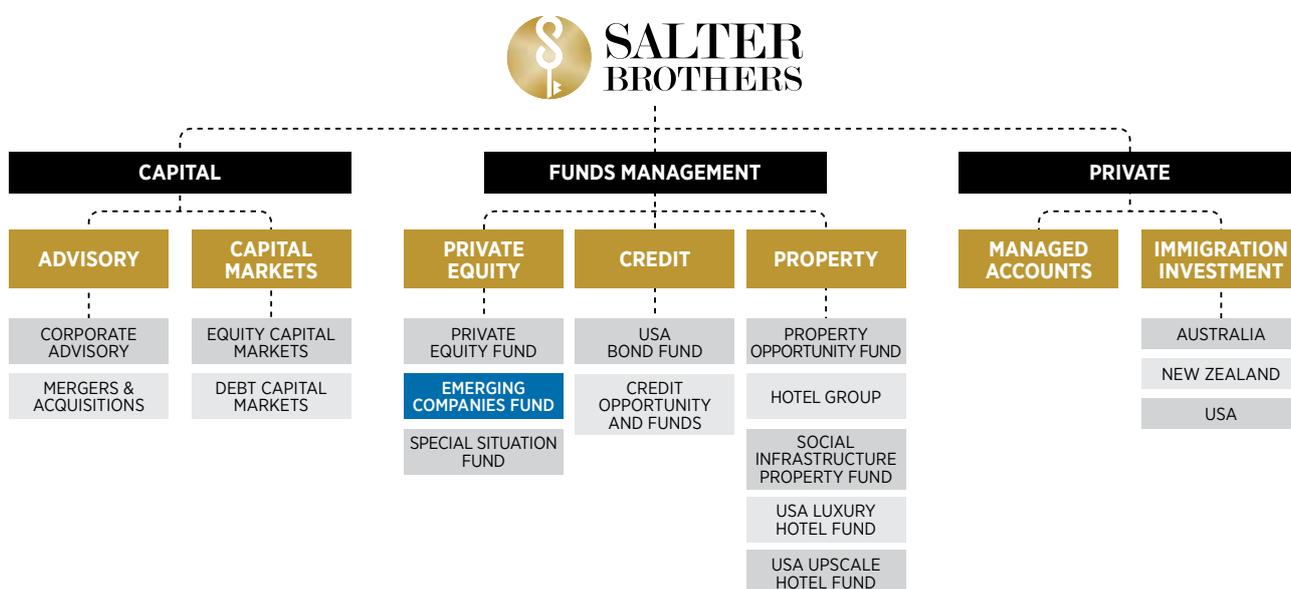
3. ABOUT SALTER BROTHERS

3.1 OVERVIEW OF SALTER BROTHERS

Established in 2014, Salter Brothers has established a track record of acquiring and adding value to specialist property assets, investing in selected growth businesses and geographically expanding its footprint across Australia, New Zealand and USA through its range of funds and partnerships.

Salter Brothers is a financial services group which operates through three primary divisions: Capital, Funds Management and Private.

FIGURE 1. EXISTING SALTER BROTHERS GROUP STRUCTURE



3.2 SALTER BROTHERS DIVISIONS

Salter Brothers operates across three primary divisions:

(1) FUNDS MANAGEMENT DIVISION

The primary focus for the Funds Management division is the establishment and management of various funds.

At present, the funds predominantly invest across the following three areas:

(A) PROPERTY

Salter Brothers' property funds were established to provide investors exposure to a broad range of property-backed investment opportunities across Australia and the USA including hotels, social infrastructure and residential developments.

The mandates of the various property funds include value-add strategies ranging from yield-plus to proprietary developments, with a particular focus on property-backed operating businesses including hotels, childcare, aged/health care and student accommodation.

For example, the Hotel Group is the largest investment vehicle in the Funds Management division, providing investors exposure to seven existing hotels and two new hotel developments across Australia.

3. ABOUT SALTER BROTHERS (CONTINUED)

(B) CREDIT

Salter Brothers' credit funds were established to provide investors with access to global credit opportunities, satisfying a broad range of risk tolerances.

For example, the USA Bond Fund aims to invest in corporate bonds issued by USA based entities. The target investments are US dollar denominated and predominantly property-backed by, for example, hotel projects in the USA.

The Credit Opportunity AUD Fund focuses on corporate debt or credit securities issued by Australian domiciled entities, ranging from senior to mezzanine debt instruments, hybrids, convertibles, and preferred equities.

(C) PRIVATE EQUITY

Salter Brothers' private equity funds were established to provide investors with exposure to private equity and venture capital style investments and where suitable opportunities arise, bespoke or opportunity specific investments.

For example, the G Fund (which is a party to the Securities Sale Agreement summarised in Section 9.2), currently focuses on SIV Regime compliant investments.

Entities and funds within the Private Equity division may also, from time to time, participate in a range of private equity investments through dedicated funds investing across various asset classes. For example, mandates of funds within this division include:

- providing investors with access to investment opportunities in Australian private companies, typically requiring expansion or growth capital; and
- early stage companies.

(2) CAPITAL DIVISION

The primary focus areas for Salter Brothers' Capital division are in the areas of corporate advisory and debt/equity capital markets. Entities within this division provide advisory services in relation to areas such as mergers and acquisitions, initial public offerings, business sales, equity and debt capital markets and general corporate advisory.

(3) PRIVATE DIVISION

The primary focus areas for the Private division are in the areas of managed accounts and immigration investment. The immigration investment operations primarily relate to jurisdictions such as Australia, New Zealand and the USA.

3.3 ABOUT THE MANAGER

The Manager is an entity within the broader Salter Brothers group which was established in 2015 to act as a fund manager.

The Company has appointed the Manager to act as its investment manager to construct and manage the Investment Portfolio pursuant to the terms of the Management Agreement, in accordance with the applicable Investment Guidelines and with regard to the Investment Objectives from time to time (initially being the Investment Objectives and Investment Guidelines set out in Sections 4.2 and 4.5 respectively of this Prospectus).

The Manager is an authorised representative (appointment number 000308971) of Salter Brothers Asset Management (which holds AFSL 308971).

The Manager will have primary responsibility under the Management Agreement to:

1. construct and manage the Investment Portfolio and manage and supervise the investments held by the Company, having regard to the applicable Investment Objectives and the Investment Guidelines;
2. regularly update the Company regarding the Investment Portfolio and provide all information necessary for the Company's financial accounts to be completed; and
3. provide administrative and similar support to assist and ensure the maintenance of the Company's corporate and statutory records and compliance with applicable laws and regulations, and the ASX Listing Rules.

The Company expects the Manager to apply the investment philosophy and investment process set out in Sections 3.5 and 3.6 to the management of the Investment Portfolio.

Salter Brothers Asset Management and Salter Brothers Equities have agreed to provide the Manager with certain investment advisory, reasonable administrative and other support services (including equipment and systems) (**Resources**) that are reasonably required to assist the Manager perform its obligations under the Management Agreement.

Under the Resourcing Arrangements, Salter Brothers Asset Management and Salter Brothers Equities must provide the Resources for the term of the Management Agreement, as reduced (whether by termination or otherwise) or extended from time to time in accordance with its terms.

Further information on the Management Agreement between the Manager and the Company is included in Section 9.1, and further information on the Resourcing Arrangements is included in Section 9.3.

3.4 ATTRACTIONS OF SALTER BROTHERS AND THE MANAGER

By appointing the Manager to execute the investment strategy, and having the benefit of the Manager's access to Salter Brothers through the Resourcing Arrangements, the Company believes that Shareholders stand to benefit from:

1. (**Exposure to an experienced Investment Team**) gaining access to an Investment Team with investment experience, including in the Emerging Companies sector. Members of the Investment Team are also experienced at structuring investments and investment decisions with a view to providing investors with attractive risk adjusted returns over the long term and at the same time, with a focus on capital preservation;
2. (**Investment process**) implementing a disciplined investment process that is based on a "fundamentals" approach;
3. (**Portfolio construction and management**) consistent with the Investment Guidelines and having regard to the Investment Objectives, the Manager endeavouring to provide investors with exposure to a concentrated portfolio of listed and unlisted securities with the objective of long term capital growth and income from these investments, and in a way which is compositionally different to that of the ASX-Small Ordinaries Accumulation Index;
4. (**Fee structure**) a performance fee structure that aligns the interests of the Manager with those of the Company and provides the Manager with incentive to maximise shareholder returns;
5. (**Unquoted opportunities**) access to unlisted companies provided by the Company's investment strategy, which investors may not otherwise be able to access directly; and
6. (**Conflicts Policy**) the Manager's obligation to comply with the conflicts policy of Salter Brothers Asset Management as the holder of an Australian Financial Services Licence (of which the Manager is an authorised representative).

3.5 INVESTMENT PHILOSOPHY

The investment philosophy is focused on capital preservation, long-term capital growth and income from its investments, and generating attractive risk adjusted returns over the long term.

The Company believes that long-term capital growth can be achieved by the Manager constructing, using a disciplined investment process, an Investment Portfolio which has a fundamentals-based approach. Further, it believes that a long-term investment horizon provides a competitive advantage in an investment world which is increasingly focused on the short term.

The Manager will base its investment decisions on the research and investment process described in Section 3.6.

The research will be undertaken by the Manager using a variety of sources. Through the Investment Team, the Manager will monitor potential investment targets for investment opportunities.

3. ABOUT SALTER BROTHERS (CONTINUED)

Subject to the Investment Objectives and Investment Guidelines, the Manager's focus will be to endeavour to invest in a concentrated portfolio of companies that:

- (a) are Emerging Companies;
- (b) as at the date of this Prospectus, are complying emerging companies investments for the purpose of the SIV Regime, although there is no guarantee that all investments in the Investment Portfolio will be complying emerging companies investments (or that the Company itself will be a complying emerging companies investment), under the SIV Regime. See section 4.6 for further information;
- (c) the Manager considers to be undervalued;
- (d) have a business model and management team that the Investment Team believes will be able to execute on their publicly disclosed plans;
- (e) operate in a sector, industry and geographical location which the Manager believes is suitable for investment; and
- (f) the Manager believes will deliver on the objective of delivering long term capital growth and income, while at the same time has an acceptable risk profile with a view to capital preservation.

3.6 INVESTMENT PROCESS

OVERVIEW

Broadly defined, the Manager's investment process consists of idea generation, assessment and filtering, due diligence, capital allocation, decision-making and ongoing portfolio and investment monitoring.

Investments in the Investment Portfolio are bought, retained, or sold based on analysis of relevant factors such as the factors affecting the relevant company, its industry and in particular, its valuation. The analysis will be qualitative by focussing on a number of aspects, including management and strategy and competitive strengths, and quantitative by focussing on, for example, earnings, liquidity, assets, and liabilities.

This approach is sometimes referred to as a "fundamentals" approach.

Ultimately, the Investment Team, through its fundamentals-based approach, will derive a valuation for a company, and invest on the basis of its equities being undervalued relative to its internal valuation models.

Through a disciplined investment process, the Company intends for the Manager to exploit inefficiencies in market pricing. The Company believes these pricing inefficiencies can be exploited to earn attractive risk adjusted returns over the long term by constructing a concentrated portfolio of listed and unlisted securities with the objective of long term capital growth and income from these investments.

The Company believes these pricing inefficiencies are driven in a large part by both a relatively limited amount of existing research coverage and a subsequent, over time, reduction of research available on Emerging Companies.

The Company believes that this has become more prevalent over recent years as brokers have reduced their research coverage due to the implementation of MiFID II unbundling of brokerage and research.

STEPS

The Company expects the Manager to typically approach potential Investments as set out below:

Step	Approach
STEP 1 – IDEA GENERATION	<p>The Manager’s idea generation process is driven by the Investment Objectives.</p> <p>Investment ideas may come from a variety of sources, including news, screening tools, monitoring economic and industry trends (for example economic, political or legislative changes that impact the structure and competitive environment of particular industries), contact with company management and industry sources, along with the use of the creativity and judgement of the Investment Team.</p> <p>Potential ideas are filtered. A general example of the filtering criteria may be to filter to companies which are listed on the ASX, or those ASX listed companies which appear to satisfy the requirements of the SIV Regime.</p> <p>This step may, for example, yield over 2,000 potential investment targets.</p>
STEP 2 – INITIAL FILTER	<p>Isolate out of the potential investment targets those which appear, at a high level and based on readily available information, to satisfy the Investment Guidelines. For example, by focusing on companies which have a market capitalisation under \$500 million.</p> <p>This step may, for example, narrow the 2,000 potential investment targets to 1,500 potential investment targets.</p>
STEP 3 – FOCUS ON VALUE, GROWTH AND COMPETENCY	<p>Screen for value, growth, competency and risk (including risk to capital preservation), taking into account factors such as the available insights that the Manager has into the potential investment target, what the consensus and/or market view is of the potential investment target, and whether the valuation to market price gap will close.</p> <p>In addition, and balancing the other factors described in this investment process, the Manager may decide to focus on sectors and industries which it considers are subject to favourable industry dynamics that allow the Company to earn attractive risk adjusted returns over the long term.</p> <p>While the Manager may invest in any sector or industry, due to the nature of the Investment Objectives, this may, from time to time, result in natural limitations on investment in specific industries or sectors.</p> <p>This step may, for example, narrow the 1,500 potential investment targets to 200 potential investment targets.</p>
STEP 4 – SHORTLIST BASED ON PROMISING VALUE PROPOSITION	<p>Identify potential investee targets which have a promising value proposition as the subjects for prioritised research and assessment.</p> <p>This step may, for example, further narrow the 200 potential investment targets to a shortlist/watchlist of 60 potential investment targets.</p>

3. ABOUT SALTER BROTHERS (CONTINUED)

Step	Approach
STEP 5 – CONFIRM COMPLIANCE WITH INVESTMENT OBJECTIVES AND INVESTMENT GUIDELINES	<p>The Investment Team undertakes further preliminary work with a view towards re-confirming whether, based on readily available information, the shortlisted potential investment targets comply with the Investment Objectives and Investment Guidelines.</p>
STEP 6 – RESEARCH AND WATCHLIST	<p>For the shortlisted potential investment targets that the Investment Team believes comply with the Company’s Investment Objectives and Investment Guidelines, the Manager then undertakes extensive research such as an assessment of:</p> <ul style="list-style-type: none">• the available information and insights, including industry contacts and broker research, which the Manager has in relation to those targets;• the implications for capital preservation;• the consensus or market view in relation to those targets;• the reasons why the Manager believes the valuation gap should close;• whether the Manager believes the target will be able to execute on its publicly disclosed plans;• general consideration of the industry dynamics which affect or may affect that target;• the likelihood and potential magnitude of any valuation error;• any incorrect thesis which may apply to the valuation of the target;• a variety of external data and information sources (such as Bloomberg, Capital IQ, FactSet, IRESS, Mergermarket, company reports, broker reports, industry reports, and material from industry associations); and• due diligence, or interviews with competitors, customers, suppliers, appropriate executives, members of senior management, and investor relations representatives where available and considered appropriate.

Step

Approach

STEP 7 – PORTFOLIO CONSTRUCTION AND MONITORING

The Manager constructs the Investment Portfolio in accordance with Investment Guidelines and applicable directions of the Board from time to time.

In addition to the individual research and assessment of potential investment targets, the Manager is likely to take into account factors such as the overall:

- sector exposure;
- liquidity risk;
- duration risk; and
- market timing,

for the Investment Portfolio as a whole.

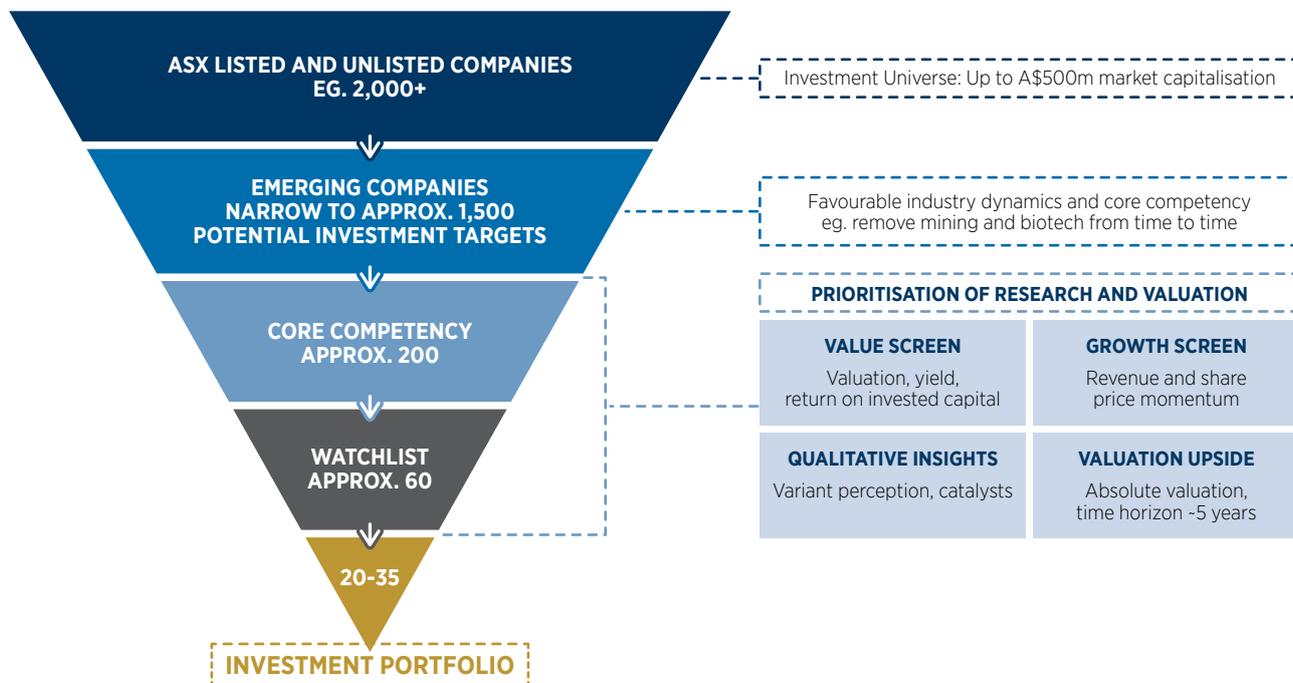
The Manager is expected to monitor and adjust the Investment Portfolio as required. Typically, the Manager prefers to allow profitable investments to grow; however, in addition to company valuations, it will consider relevant factors in its Investment Portfolio construction and monitoring such as the concentration, liquidity, and volatility of the investments within the Investment Portfolio (individually), and the effect on the Investment Portfolio (as a whole).

The Investment Portfolio will be rebalanced where an investment no longer meets the Investment Objectives, Investment Guidelines, any applicable directions of the Board from time to time or if more attractive investment opportunities indicate that capital should be redirected.

The Manager may remove an investment holding from the Investment Portfolio if, for example, its original investment thesis no longer holds or the Manager forms the view that attractive risk adjusted returns over the long term are available elsewhere.

3. ABOUT SALTER BROTHERS (CONTINUED)

EXAMPLE FILTERING PROCESS FOR CONSTRUCTION OF INVESTMENT PORTFOLIO:



3.7 EXPERIENCE

While the Manager and members of the Investment Team have provided similar investment management roles to unlisted funds managed by Salter Brothers, the Manager and the Investment Team have not previously provided investment management services to an ASX listed entity.

The Manager’s prior investment management experience is primarily focused on real estate investments. The Manager’s past investment management performance is not a guide to future performance.

While the assets and investment strategies of the unlisted funds which the Manager has previous experience managing are not directly comparable to that of the Company, the Company believes that the Manager’s general investment management experience, and the Investment Team’s previous experience in researching and investing in Emerging Companies, listed market dealing, transaction structuring and qualitative and quantitative analysis across a broad range of industry sectors, make it suitable for managing the Investment Portfolio. The Manager will have, through the Resourcing Arrangements, access to the Investment Team and other resources of Salter Brothers.

4. ABOUT THE COMPANY



4. ABOUT THE COMPANY

4.1 OVERVIEW OF THE COMPANY

The Company is a recently incorporated Australian public company which has not yet conducted any operations other than preparation for this Offer.

The Company was established for the purposes of the Offer and, following completion of the Offer, it is proposed that the Company be listed on the ASX as a LIC.

4.2 INVESTMENT OBJECTIVES

The Company's Investment Objectives are to provide investors with:

- attractive risk adjusted returns over the long term; and
- access to a concentrated portfolio of listed and unlisted securities with the objective of long term capital growth and income from these investments,

which it will endeavour to achieve by engaging the Manager to construct, using a disciplined investment process, an Investment Portfolio which:

- focuses on Emerging Companies;
- is as at the date of this Prospectus, consistent with the emerging companies investment requirements under Section 9 of Part 2 of the Migration (IMMI 15/100: Complying Investments) Instrument 2015;
- is compositionally different to that of the ASX-Small Ordinaries Accumulation Index; and
- has a focus on capital preservation.

The Company's investment mandate is to create a portfolio of Emerging Companies using a disciplined investment process. In this respect, the Company, through its Investment Portfolio, will endeavour to provide investors with access to a portfolio of listed and unlisted Emerging Companies which is compositionally different to that of the ASX-Small Ordinaries Accumulation index.

Please refer to Section 4.6 for further information in relation to the SIV Regime.

4.3 INITIAL INVESTMENT PORTFOLIO

G Fund is the legal owner of a portfolio of listed and unlisted securities, including securities of Emerging Companies (**Portfolio Securities**).

Under the Securities Sale Agreement, G Fund has granted the Company the right (but not the obligation) to elect to purchase:

- some or all (up to the Ceiling Value) of the Portfolio Securities free from security interests, with all rights, including dividend and voting rights, attached or accrued to those Portfolio Securities; and
- \$5,000,000 in cash (or such other agreed amount) from G Fund (being the Cash Amount).

Under the Securities Sale Agreement, if the Company elects to acquire Portfolio Securities and the Cash Amount from G Fund, the Company will have the right to specify the particular Portfolio Securities that it will acquire.

In consideration for any Portfolio Securities and Cash Amount acquired from G Fund under the Securities Sale Agreement, the Company has agreed to issue Shares (at \$1.00 per Share, being the same as the Offer Price) with an equivalent value to G Fund (**Consideration Shares**).

The value of the Portfolio Securities which the Company elects to acquire from G Fund will be determined as follows:

- in relation to Portfolio Securities which are ASX listed securities, they will be valued at their ASX closing price on the day before completion; and
- in relation to Portfolio Securities which are unlisted securities, they will be valued based on the last valuation adopted by the directors of Salter Brothers Asset Management (as trustee of G Fund) (which, depending on the Portfolio Security, may be a directors' valuation or an independent valuation),

and no other consideration will be paid to G Fund for the Portfolio Securities or otherwise under the Securities Sale Agreement. The past performance of any Portfolio Securities that the Company elects to acquire is not a guide to, or reliable indicator of, the future performance of those Portfolio Securities, or of the Company.

The Cash Amount acquired from G Fund under the Securities Sale Agreement will be valued on a dollar for dollar basis, without any interest, adjustment or uplift.

It is the intention of the Company that, if the Offer proceeds, it will elect to acquire:

- certain ASX listed and unlisted Portfolio Securities from G Fund under the Securities Sale Agreement, provided those Portfolio Securities are consistent with the Investment Objectives and Investment Guidelines; and
- \$5,000,000 in cash, to be deployed in a manner consistent with the Investment Objectives and Investment Guidelines.

Whether the Company will acquire Portfolio Securities (and if so, which ones and in what quantum) will be determined by the Manager with regard to the investment strategy set out in Sections 4.4 and 4.5.

Any acquisition of Portfolio Securities and the Cash Amount under the Securities Sale Agreement will complete prior to the Closing Date. No cash, including proceeds raised under the Offer, will be used to acquire securities from G Fund (or otherwise payable to G Fund) under the Securities Sale Agreement.

If completion occurs under the Securities Sale Agreement, then at Listing, the Company will have an initial Investment Portfolio which is expected to be consistent with the Company's Investment Objectives and Investment Guidelines. If:

- the Portfolio Value is less than the Floor Value (and the Securities Sale Agreement automatically terminates); or
- completion does not otherwise occur under the Securities Sale Agreement,

the Condition will not be satisfied and the Company will not proceed with the Offer and will refund all Application Monies received.

Further information of the Securities Sale Agreement is set out in Section 9.2.

4.4 INVESTMENT STRATEGY

The investment strategy will be implemented by the Manager with regard to the Company's Investment Objectives and with a view to providing investors with attractive risk adjusted returns and access to a concentrated Investment Portfolio of listed and unlisted securities with the objective of long term capital growth and income.

The Company's investment strategy is designed to create a concentrated portfolio of securities focusing on Emerging Companies and endeavours to provide investors with exposure to an Investment Portfolio which focuses on Emerging Companies, is compliant with the emerging companies investment requirements of the SIV Regime, is compositionally different to that of the ASX-Small Ordinaries Accumulation Index and with a focus on capital preservation.

The investment opportunities will be generated from multiple sources including:

- **Screening:** utilising online information sources and services to identify and prioritise research using a factor-based proprietary screening process;
- **Investee companies:** meetings with existing and potential investee companies;
- **Brokers and advisors:** relationships with broking firms and their research and corporate access teams;

4. ABOUT THE COMPANY (CONTINUED)

- **Industry and trade contacts:** relationships with investment market participants to identify new opportunities in both listed and unlisted markets; and
- **Internal sources:** leveraging the relationships and insights from Salter Brothers.

The Manager will use these strategies and the experience and skill of the Investment Team with the objective of producing investment returns for the Company.

Please note that the investment strategy may be impacted by various factors outside the control of the Company and are subject to the risks set out in Section 6.

The Investment Objectives of the Company is not a forecast. There is no guarantee or assurance provided that the Company will be successful in meeting its Investment Objectives.

4.5 INVESTMENT GUIDELINES

As at the date of the Prospectus, the Investment Guidelines for the construction of the Investment Portfolio are:

Exposure	Guidelines
GEOGRAPHIC EXPOSURE	<p>The Company's investment strategy includes investing in predominantly Australian companies that are listed on the ASX, or unlisted Australian companies.</p> <p>The Investment Portfolio construction approach, as applied to the Company by the Manager, will be to focus on investment opportunities in countries or jurisdictions with developed markets that are transparent, and which have strong accounting and regulatory standards that the Manager understands and feels comfortable with.</p> <p>The Investment Portfolio may, from time to time, include listed and unlisted foreign securities, although this is generally expected to be below 10% of the NAV, in the case of foreign quoted securities.</p>
LISTED/UNLISTED	<p>The Company's investment strategy is predominantly focused on ASX listed securities, but may include, at any point in time, investments in unlisted securities.</p> <p>The Investment Portfolio is generally expected to have:</p> <ul style="list-style-type: none">• no more than 20% of NAV held in Australian non-ASX quoted securities; and• immediately after the time of investment in unquoted Australian securities, no more than 20% of NAV held in unquoted Australian securities.
INDUSTRY/ SECTOR LIMITS	<p>Industry/sector exclusions will not apply to the Company's investment strategy. This is because the Investment Portfolio construction approach (as applied to the Company by the Manager) is to focus on undervalued investment opportunities which the Manager believes is consistent with the Investment Objectives.</p> <p>However, due to the nature of the Investment Objectives, this may, from time to time, result in natural limitations on investment in specific industries or sectors.</p> <p>The Investment Portfolio is expected to be diversified across a broad range of sectors and industry groups.</p> <p>The Manager will regularly review sector and thematic concentrations and will adjust the Investment Portfolio as necessary.</p>

Exposure

Guidelines

NUMBER OF INVESTMENTS

Typically, 20 to 35 securities.

The Company's investment strategy does not have permanent absolute parameters on the number of investments, but consistent with the Investment Objectives, it is generally expected that the Company will hold at least 20 different securities, but maintain a concentrated portfolio.

AVERAGE SIZE OF INVESTMENTS

Individual position sizes are generally expected to start below 5% of the Portfolio's NAV, and may increase or decrease from time to time.

At the time of investment in a particular company, it is generally not expected that more than 10% of NAV will be held in securities issued by that company.

EMERGING COMPANIES/ SIZE OF COMPANIES

The Company's investment strategy is predominantly focused on investments in Emerging Companies, which, in the context of the Investment Portfolio construction approach, as applied to the Company by the Manager, refers to issuers which have a market capitalisation of less than \$500 million at the time the Company first invests in that issuer.

While the value of entities which the Company has invested in may change from time to time, it is generally expected that no more than 30% of NAV will be held in securities of companies whose market capitalisation has grown to \$500,000,000 or more since when the Company first invested.

SHORT POSITIONS

Consistent with the Investment Objectives, the Investment Portfolio will generally consist of long-only holdings (which the Company considers to be a period of more than five years).

The Manager may not short sell any securities, or engage in securities lending in relation to the Investment Portfolio, without the approval of the Board.

NET EQUITY EXPOSURE LIMITS

Limited to 100% of NAV; typically, between 80% and 100%.

LIMITS OF CASH AND CASH EQUIVALENTS

It is generally expected that the aggregate amount of cash, including those held by Australian authorised deposit-taking institutions, certificates of deposit, bank bills and other cash-like instruments will be below 20% of NAV.

DERIVATIVES

Permitted where consistent with the Investment Objectives. However, it is generally not intended that investment will be made in derivatives where it would be speculative (unless made for risk management purposes).

LEVERAGE

Permitted where consistent with the Investment Objectives. However, it is generally not intended that the Company borrow funds for investment. The investment Portfolio may also become leveraged through the use of derivatives.

4. ABOUT THE COMPANY (CONTINUED)

(A) LEVERAGE POLICY

Financial leverage increases an investor's exposure to an asset by applying borrowed funds in addition to the investor's capital when making an investment.

The use of leverage is permitted where it is consistent with the Investment Objectives, however, the Company does not generally intend for the Manager to use financial leverage to increase the scale of the Investment Portfolio. The use of derivatives may have an effect similar to financial leverage (in that it can magnify the gains and losses achieved in the Investment Portfolio in a manner similar to a financially leveraged portfolio). These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing.

(B) DERIVATIVE POLICY

The Manager may use derivatives where it is consistent with the Investment Objectives and Investment Guidelines.

However, because the Investment Objectives include a focus on long term capital growth and capital preservation, it is generally not intended that investments will be made in derivatives where it would be speculative (unless made for risk management purposes).

The Investment Team members have experience in financial markets and trading securities, including derivatives (see Section 5 for details).

(C) CURRENCY MANAGEMENT POLICY

The Company's investment strategy includes investing in predominantly Australian companies that are listed on the ASX, and unlisted Australian companies. However, the Investment Portfolio may, from time to time, include listed and unlisted foreign securities.

Investing in assets denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the Investment Portfolio's investments measured in Australian dollars. For example, if an investment is denominated in a foreign currency, the overall value of that investment (to the Investment Portfolio) may be affected by the performance of that investment (in its currency of denomination) as well as changes in the value of its currency of denomination as against the Australian dollar. The investment strategy seeks to assess the potential returns and risks created by currency exposures and to position the Investment Portfolio with the aim of capturing those returns while minimising those risks.

As part of its investment process, the Manager will also assess the indirect impact of currency on the companies it invests in and the potential for exchange rate movements to amplify or diminish Australian dollar returns for a holding.

4.6 SIV REGIME

The 'SIV Regime' refers to the rules governing the Significant Investor stream of a Subclass 188 (Business Innovation and Investment (Provisional)) visa as set out in the Migration (IMMI 15/100: Complying Investments) Instrument 2015, made under regulations 5.19C and 5.19D of the *Migration Regulations 1994*, and any additional requirements as determined by Austrade or the Department of Home Affairs from time to time.

Under the SIV Regime, certain conditions are attached to the Significant Investor Visa, including that the visa holder must hold a certain amount of complying significant investments for a period of time. Part of those complying significant investments must be held in a complying 'emerging companies investment' in accordance with Section 9 of Part 2 of the Migration (IMMI 15/100: Complying Investments) Instrument 2015.

The Investment Guidelines are broadly consistent with the emerging companies investment of the SIV Regime.

If the Company's Investment Portfolio complies with the applicable requirements under the SIV Regime, then an investment in the Shares of the Company will be a complying investment in respect of the emerging companies investments portion for a person holding a Subclass 188 (Business Innovation and Investment (Provisional)) visa. While the Company intends for the Investment Portfolio to be constructed to be compliant with the current emerging companies investment requirements of the SIV Regime, the Company makes no assurance or guarantee that it will continue to comply with the emerging companies investment requirements of the SIV Regime from time to time as part of its Investment Objectives, or that an investment in the Company will be or will always remain a compliant emerging companies investment for the purposes of the SIV Regime.

The following table summarises, at a high level, the current requirements in the Migration (IMMI 15/100: Complying Investments) Instrument 2015 for an investment to qualify as an emerging companies investment. **The following is not a complete summary of the SIV Requirements, and is not a substitute for professional advice in relation to visas under the SIV Regime.** The Company does not provide investors with any advice in relation to visas or the SIV Regime, and investors should also be aware that the SIV Regime rules and requirements (and even the existence or availability of the SIV Regime) may change from time to time and is not within the control of the Company.

For the purposes of the *Migration (IMMI 15/100: Complying Investments) Instrument 2015*, a reference to the 'fund' in the table below is inclusive of a reference to a listed investment company and or managed investment scheme.

Requirement

EMERGING COMPANIES INVESTMENTS

- An emerging companies investment includes an investment in the following:
- at the time of first investment in securities of a company/managed investment scheme, the company or managed investment scheme must have a market capitalisation of less than \$500 million;
 - at any time, no more than 30% of the value of the funds' net assets (for the purposes of this table, Net Assets) can be held in securities of companies/MIS whose market capitalisation has grown to \$500 million or more since first invested in;
 - at any time, no more than 20% of the funds' Net Assets can be held in Australian non-ASX quoted securities;
 - immediately after the time of investment in unquoted Australian securities, no more than 20% of the funds' Net Assets can be held in unquoted Australian securities;
 - at any time, no more than 10% of the funds' Net Assets can be held in foreign quoted securities;
 - from 3 months after the first investment made by the fund, the fund must maintain investments in at least 20 different issuers;
 - immediately after the time of investment in a particular issuer, no more than 10% of the funds' Net Assets can be held in securities issued by that issuer;
 - at any time, investments can only be made in derivatives if the investment is not speculative and it is made for risk management purposes; and
 - at any time, no more than 20% of the funds' Net Assets can be held in cash held by Australian authorised deposit-taking institution (including certificates of deposit, bank bills and other cash-like instruments).
-

4. ABOUT THE COMPANY (CONTINUED)

4.7 PERMITTED INVESTMENTS

The Manager is permitted under the Management Agreement to undertake investments on behalf of the Company without the prior approval of the Board.

However, for example, the Manager may not short sell any securities, or engage in securities lending in relation to the Investment Portfolio, without the approval of the Board.

4.8 INVESTMENT PORTFOLIO CONSTRUCTION

The Manager is responsible for the construction of the Investment Portfolio. The Investment Portfolio will be constructed in accordance with the Investment Guidelines and with regard to the Investment Objectives from time to time (initially being the Investment Objectives and Investment Guidelines set out in Sections 4.2 and 4.5 respectively of this Prospectus).

As set out in Section 4.3, G Fund has granted the Company the right to elect to purchase Portfolio Securities free from security interests, with all rights, including dividend and voting rights, attached or accrued to Portfolio Securities, and to acquire \$5,000,000 in cash (or such other amount as agreed by the parties) from G Fund. In consideration, the Company will issue Consideration Shares of an equivalent value to G Fund. If the Company elects to acquire Portfolio Securities and the Cash Amount, it will have an initial Investment Portfolio constructed in accordance with the Investment Objectives and Investment Guidelines at Listing. The past performance of any Portfolio Securities that the Company elects to acquire is not a guide to, or reliable indicator of, the future performance of those Portfolio Securities or of the Company.

The proceeds from the Offer and any cash acquired under the Securities Sale Agreement which are being deployed for investment purposes will be deployed in accordance with the Investment Objectives and the Investment Guidelines. The pace of the Company's deployment of proceeds from the Offer will be dependent on market conditions and the identification of suitable investment opportunities at an attractive value. Consistent with its operations as a LIC, the investments which form part of the Investment Portfolio are likely to change from time to time.

Consistent with the Investment Guidelines (including its focus on capital preservation), the Company will (and may, from time to time) retain cash until attractively valued investments can be found, even if market conditions are such that the timing of capital deployment is relatively long. This disciplined approach to capital deployment means the Company is prepared to accept lower investment returns in the short-term, for the benefit of achieving attractive risk adjusted returns over the long term and through capital growth and income from investments.

No industry limitations apply to the Company's Investment strategy, however due to the nature of the Investment Objectives, this may, from time to time, result in natural limitations on investment in specific industries or sectors. This is because the fundamental thesis underpinning the Company's portfolio construction approach (as applied by the Manager) is to focus on the value proposition of each investment. The Manager will generally invest in markets that are transparent and have strong accounting and regulatory standards.

The Manager will not seek to replicate or have regard to any index in the construction of the Investment Portfolio and will construct the Investment Portfolio through the investment process outlined in Section 3.6.

Although not a material component of the Company's investment strategy, derivatives and currency positions are permitted where consistent with the Investment Objectives. However, it is generally not intended that investment be made in derivatives where it would be speculative (unless made for risk management purposes).

4.9 INVESTMENT PORTFOLIO VALUATION

The Manager will arrange for the calculation of the Investment Portfolio's value at least once per month (including for the purpose of release to the ASX in accordance with the ASX Listing Rules) and provide such calculations to the Board as soon as practicable after such calculations are made. All costs incurred by the Manager in arranging these calculations are payable by the Company under the Management Agreement.

The Manager may appoint a duly qualified valuer independent of both the Company and the Manager (**Approved Valuer**) to value an Investment or the Investment Portfolio, which is recommended by the Manager having regard to the particular type or types of investment which are the subject of the valuation.

The assets of the Company will be valued using market accepted practices to accurately value all securities and other assets within the Investment Portfolio from time to time. The value of the Investment Portfolio shall be determined by aggregating the value of each investment in the Investment Portfolio and each investment shall be valued in accordance with the following methodology:

- (a) cash (including income) – the amount of such cash (in Australian dollars);
- (b) listed securities – the last sale price of the securities of that class on the date of the valuation, or if the securities of that class were not traded on that date, the last sale price of that class of Securities on the last day on which trading of those securities occurred;
- (c) unlisted securities – the price at which those securities were issued to the Company, unless the Manager uses the market value determined in accordance with another method which is consistent with the Australian Accounting Standards or another framework that is consistent with current industry practice and regulatory requirements (as agreed between the Manager and the Company); and
- (d) other investments – if any investment is not included in (a), (b) or (c) above, the value of that investment determined by the Manager in accordance with the Management Agreement.

See Section 7.8 for further details.

4.10 CHANGES TO INVESTMENT STRATEGY

The investment strategy, Investment Objectives and Investment Guidelines outlined in this Prospectus are expected to be implemented by the Manager in exercising its rights under the Management Agreement and upon the listing of the Company on ASX.

It is not currently proposed that the Company will change its Investment Objectives and Investment Guidelines, but it reserves the right to do so.

If there are changes to the Investment Objectives, these changes will only be made with the approval of the Board and the Manager. The Company will notify Shareholders via its website and ASX of any material changes to the Company's Investment Objectives and Investment Guidelines.

If the Company's Investment Portfolio ceases to comply with the Investment Objectives and Investment Guidelines outlined in this Section 4 in a material manner, the Manager must use reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance, or a longer period permitted by the Company.

4. ABOUT THE COMPANY (CONTINUED)

4.11 DIVIDEND POLICY

The Company currently intends to pay dividends to Shareholders. However, as the objective of the Company is long term capital growth through investments in Emerging Companies, it is likely that dividends may be low (or nil) during initial investment years and there may be periods in respect of which dividends are not paid at all. To the extent possible, the Company will pay dividends to Shareholders equal or near to the value of dividends received from underlying Investment Portfolio investments.

However, the amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectations of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends and other factors that the Board deem relevant. It is the current policy of the Board that all dividends paid to Shareholders will be franked to 100% (or to the maximum extent possible without incurring liability to franking deficit tax). However, no assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

Please note that the proposal set out above may be affected by various factors outside the control of the Company and are subject to the risks set out in Section 6.

4.12 CAPITAL MANAGEMENT POLICY

The Board will regularly review the capital structure of the Company and, where the Board considers appropriate; undertake capital management initiatives which may involve:

- (a) the issue of Shares (for example, through bonus options issues, placement, pro rata issues); and
- (b) the buy-back of Shares on-market.

4.13 CUSTODY OF ASSETS

The Company has an Investor Directed Portfolio Service account with Macquarie Investment Management Limited ABN 66 002 867 003 (AFSL 237492) (**Macquarie**) for the holding and administration of listed assets within the Investment Portfolio (**Wrap Service**). Macquarie, in trust for the Company, acts as custodian of the assets held within the Investment Portfolio under the Wrap Service, and has outsourced this function to Bond Street Custodians Limited ABN 57 008 607 068 (AFSL 237489) (**BSCL**) acting as its sub-custodian. All unlisted investments will be held directly by the Company.

4.14 RISK MANAGEMENT PHILOSOPHY AND APPROACH

The Company will manage risk by monitoring the Manager to ensure that the Investment Guidelines are implemented.

The Manager will be primarily responsible for managing the risk of the Investment Portfolio. The Manager considers investment risk to be the risk of permanent loss of capital. The Manager's risk policies and controls are designed to be relevant to the Company's Investment Objectives and Investment Guidelines.

The Manager will monitor the Investment Portfolio to ensure compliance with the Investment Guidelines with regard to the Investment Objectives. The Manager is responsible for, amongst other things, the allocation of trades between relevant service providers and ongoing monitoring of net and gross exposure within the Investment Portfolio.

4.15 STATUS AS A LISTED INVESTMENT COMPANY

It is intended that the Company will qualify as a LIC under Australian taxation laws. The major requirements the Company must meet to be a LIC are:

- (a) the Company must be an Australian resident for tax purposes;
- (b) the Company must satisfy the listing requirement in paragraph 115-290(1)(b) of the *Income Tax Assessment Act 1997* (Cth) (which it will satisfy if it is listed for quotation on the official list of the ASX); and
- (c) at least 90.0% of the portfolio value must comprise certain permitted investments as defined in section 115-290(4) of the *Income Tax Assessment Act 1997* (Cth).

Permitted investments include shares, options, units (provided the Company does not own, directly or indirectly, more than 10.0% of the entity in which it holds the permitted investment), financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

Further general information in relation to the Australian tax treatment of LICs is provided in Section 11.11.

4.16 REPORTS TO SHAREHOLDERS

Subject to the ASX Listing Rules, within 14 days after the end of each month, the Company will release to the ASX a statement of the net tangible asset backing of its Shares as at the end of that month. The calculation of the net tangible asset backing of Shares will be made in accordance with the ASX Listing Rules.

The Company will provide to Shareholders on request, free of charge, a copy of statements released to the ASX of the net tangible asset backing of Shares from time to time.

The Company may also release to the ASX (and place on its website) reports, prepared by the Manager from time to time, to keep Shareholders informed about the current activities of the Company and the performance of the Investment Portfolio.

5. INVESTMENT TEAM



5. INVESTMENT TEAM

5.1 OVERVIEW

The Company's Investment Portfolio will be managed by the Manager via the Investment Team. The members of the Investment Team are experienced investment professionals with diverse expertise in financial markets. Details of the Investment Team, their background and areas of responsibility are set out below.

The Investment Team members set out below have all had direct involvement investing in the Emerging Companies sector. The Company and the Manager will be able to draw upon and benefit from this experience in the construction and maintenance of the Investment Portfolio. Each of the Investment Team members possesses skills required for the management of the Investment Portfolio, such as listed market dealing, transaction structuring and quantitative analysis. With access to experience across a broad range of industry sectors, as well as in the transactional requirements for undertaking investments, the Company believes the Manager is well placed to manage the Investment Portfolio.

While the Management Agreement does not require the Investment Team to devote any specific amount of time to the Investment Portfolio, each member of the Investment Team will be available to devote the amount of time required for the Manager to properly perform its functions in managing the Investment Portfolio in accordance with its obligations under the Management Agreement.

There have been no adverse regulatory findings against the Manager or any member of the Investment Team.

(A) INVESTMENT TEAM



ISSAM EID

Portfolio Manager

A senior investment professional, Issam has over 20 years' experience in financial markets and investing. Specialising in Australian equities, Issam's most recent focus has been on Emerging Companies.

Prior to joining Salter Brothers, Issam held risk management, dealing and portfolio management roles at major institutions including Macquarie Bank (1993 to 2004), ING (2004 to 2007), Credit Suisse (2007 to 2009) and Sigma Funds Management (2009 to 2019). His extensive management of Emerging Companies' portfolios has provided him with experience across various businesses, strategies, and management teams. His coverage of the retail, non-residential infrastructure, A-REIT, housing, and commercial services sectors has provided a deep understanding of those sectors and the issues that have impacted them over time.

Issam holds a Bachelor of Business (Accounting, Economics and Finance) from the University of Technology, Sydney and is a Chartered Financial Analyst (CFA).



RAJEEV DE SILVA

Portfolio Manager

With 20+ years' experience in equities, Rajeev has focused across a variety of markets including finance, healthcare, technology, IT services, and early stage technology, more recently focused on the Emerging Companies segment in Australia.

Prior to joining Salter Brothers, Rajeev worked at major financial institutions in Australia, including JP Morgan Australia (2005 to 2006), ING (2006 to 2007), Credit Suisse (2007 to 2009) and Sigma Funds Management (2009 to 2019) in various funds management and research roles.

Rajeev holds a Master of Business Administration (MBA) from Monash University.

5. INVESTMENT TEAM (CONTINUED)



JASON TONG

Investment Analyst

Previously, Jason held the position of Analyst at Comprador (previously Blackstone Advisory Partners Asia) in Hong Kong for over two years. In this position, Jason was part of a team that provided mergers and acquisitions advice, as well as strategic consulting to clients across the Asia-Pacific region.

Prior to that role, Jason was an Analyst at Merricks Capital in Melbourne, Australia. In this role, Jason provided detailed bottom-up fundamental research and top-down macro analysis.

Jason graduated from the University of Melbourne with a Bachelor of Commerce.

6. RISKS



6. RISKS

6.1 INTRODUCTION

Investing in the Shares involves various risks. You should carefully consider the risks involved in acquiring the Shares, including those risks described below and all of the other information set out in this Prospectus before deciding to invest in the Shares. Investors should bear in mind the applicable risks, including but not limited to the risks included in this Section 6, when considering whether to participate in the Offer.

If any of the events or developments described below occurs, the Company's operations, financial condition, or performance could be negatively affected. In that case, the market price of the Shares could decline, and you could lose all or part of your investment.

You should note that on quotation of the Shares on the Official List of the ASX, the market price may differ significantly to the Offer Price paid for the Shares and may not reflect the fair value of the Investment Portfolio calculated by the Manager and the Company. The Directors believe that it is not unusual for LICs to trade at a share price which is at a discount to the net asset value or net tangible value of the relevant investment portfolio on a per share basis.

This Section 6, which is not exhaustive of all risks, identifies the risks that the Directors regard as the major risks associated with an investment in the Company. You should read the whole of this Prospectus (with particular emphasis on this Section 6) in order to fully appreciate the risks of an investment in the Shares and the manner in which the Company intends to operate before any decision is made to subscribe for Shares.

While prudent management and investment techniques may be effective in reducing some of the risks to Shareholders, no assurances can be given by the Company as to the future success of the Company's investment strategies, any particular investment decisions or, importantly, the investment returns or the market price at which the Shares may trade on the ASX. To that extent, investment in the Company should be regarded as speculative and, as with any equity investment, substantial fluctuations in the value of that investment may and often do occur.

If you are considering an investment in the Company, you are also strongly advised to consider whether the Shares are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this Section 6). If you are in any doubt about the suitability of an investment in the Company, you should consult with your financial adviser, stockbroker, solicitor, accountant, or other professional adviser before deciding whether to apply for the Shares.

6.2 KEY INVESTMENT RISKS

The Company's investment activities will expose it to a variety of risks. The Company has identified some of them as being particularly relevant to it and its investment strategy, namely:

Type of risk	Description of risk
NO OPERATING OR PERFORMANCE HISTORY OF THE COMPANY	<p>The Company is a recently incorporated Australian public company which has not yet conducted any operations other than preparation for this Offer.</p> <p>The Company has no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company or Manager to achieve the objectives set out in the Prospectus.</p> <p>The information in this Prospectus about the Investment Objectives of the Company are not forecasts, projections, or the result of any simulation of future performance. There is a risk that the Company's Investment Objectives will not be achieved.</p>
MARKET RISK	<p>Investment returns are influenced by general market factors both in Australia and internationally and by factors specific to each security. In particular, the market prices of the shares of many listed entities have in recent times experienced wide fluctuations which in many cases reflect a diverse range of non-entity specific influences including:</p> <ul style="list-style-type: none">• general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices;• variations in the local and global markets for listed securities;• lack of movement in the value of the Australian dollar against other major currencies;• domestic and international economic conditions;• changes in investor confidence generally and in relation to specific sectors of the market;• natural disasters, global hostilities and acts of terrorism;• global health crises and pandemics;• changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and• the inclusion or removal of stocks from major market indices. <p>These market risks may materially affect both the performance of the securities in which the Company invests and the net tangible asset backing of the Shares.</p> <p>The Investment Portfolio will be constructed with a view to reducing market risks but they cannot be entirely eliminated. Even in a strong equity market, the Investment Portfolio may underperform the broader market.</p> <p>As a result, no guarantee can be given in respect of the future performance or earnings of the Company or the earnings and capital appreciation of the Company's investments. The Shares and/or the Company's investments may decline in value.</p> <p>Also, the Shares may trade on ASX at a discount to the net asset value or net tangible value of the Investment Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Investment Portfolio.</p>

6. RISKS (CONTINUED)

Type of risk	Description of risk
STRATEGY IMPLEMENTATION RISK	<p>Investing in companies comes with a degree of risk. There is a risk that the Shares and/or the Company's investments will fall in value over the short, medium or long term. Individual security prices may fluctuate and underperform other asset classes over time. Investors in the Company are exposed to this risk through both their holding in the Shares and through the Company's investments.</p> <p>The Manager's past performance of implementing investment strategies (including in other asset classes) is not a guide or a reliable indicator of the future performance of the Company or the investment strategy. There are certain risks inherent in an investment strategy which involves acquiring, holding and trading in securities of other companies.</p>
MANAGER RISK	<p>The success and profitability of the Investment Portfolio in part will depend upon the ability of the Manager to make investments that increase in value over time, and the retention of the Manager as manager of the Investment Portfolio (together with continued access to resources of Salter Brothers, including the Investment Team, under the Resourcing Arrangements). If the Manager's performance in identifying investments, executing on the investment strategy or monitoring the Investment Portfolio is ineffective or unsuccessful, this may have a negative impact on the Company's performance and the value of the Shares. Even if the Company does not perform well, it may be difficult to remove the Manager.</p> <p>The following factors may affect the Manager's performance:</p> <ul style="list-style-type: none">• neither the Manager or the Investment Team have previously provided investment management services to a listed entity subject to regulation by the ASX Listing Rules;• poor investment strategy and securities selection in that the Manager may be unable to construct an Investment Portfolio in accordance with the Company's Investment Objectives and Investment Guidelines and even if it does so, there can be no guarantee that the strategy will be successful or that the Manager will not make investment decisions that result in unprofitable outcomes;• the Manager's performance is largely dependent on the skills and efforts of the Investment Team and the resources of Salter Brothers, which are accessed under the Resourcing Arrangements. The Manager's ability to perform effectively is dependent on its ability to access the appropriate resources of Salter Brothers. There can be no guarantee that this will always be available;• changing market conditions such as negative changes in market sentiment;• market perception of the Manager and its business; and• market and systemic risk. <p>While the Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee the Manager will achieve any particular investment return within the Investment Portfolio.</p>

Type of risk**Description of risk**

MANAGER RISK
CONTINUED

The Manager is required to hold an AFSL or to be authorised by a financial services licensee to operate its business. The ability of the Manager to continue managing the Investment Portfolio is dependent on the maintenance of its AFSL or its authorising licensee. To the extent that the Manager or its authorising licensee should lose or have restrictions imposed on its AFSL that prevents it from continuing to manage the Company, the Company will need to identify and engage a suitably qualified and experienced manager to implement the Company's investment strategy or the Manager will be required to be authorised by another financial services licensee. Similarly, if the Management Agreement is terminated for any other reason, the Company will need to identify and engage a suitably qualified and experienced investment manager.

There can be no guarantee that the Manager will be able to find another financial services licensee to authorise it or that the Company will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the Management Agreement (or equivalent agreement) to the standard required by the Company or to a level that matches or exceeds the performance of the Manager. The Management Agreement is terminable by the Manager. See Section 9.1 for further details of the terms of the Management Agreement.

SIV REGIME
COMPLIANCE RISK

Among other things, the investment strategy endeavours to comply with aspects of the SIV Regime, and in particular the 'emerging companies investment' as set out in section 9 of Part 2 of the *Migration (IMMI 15/100: Complying Investments) Instrument 2015*.

The requirements of the SIV Regime may not be conducive to maximising returns or minimising risks, and investors should be aware that there could be changes to, or in the interpretation or administration of the requirements of the SIV Regime, including but not limited to the types of investments that are considered complying investments for Significant Investor Visa purposes. Such changes are inherently outside of the control of, the Company and the Manager. If the SIV Regime requirements change, and the Company is unable to change its Investment Portfolio to meet any changes to the requirements, it may result in the Company (and its investments) not complying with the SIV Regime (or result in the Company determining not to comply with some or all of the SIV Regime as part of its Investment Objectives). The Company will endeavour to notify investors in such situations or if it believes it is no longer consistent with its investment strategy to attempt to manage the Investment Portfolio in compliance with the requirements of the SIV Regime.

Further, any change to the SIV Regime may cause losses to the Investment Portfolio if the Manager is required to adjust its Investment Guidelines and investments within the Investment Portfolio to maintain its status as a complying investment.

No guarantee is provided that the Company, at all relevant times, will or will be able to remain a complying investment for the purposes of the SIV Regime and the Company may cease to comply with the prevailing Significant Investor Visa requirements set by the Australian Government.

Investors should seek professional advice tailored to their personal circumstances in relation to the SIV Regime rules before investing in the Company.

6. RISKS (CONTINUED)

Type of risk	Description of risk
INCENTIVE FEE RISK	<p>The Management Fee and the Performance Fee may create an incentive for the Manager to overstate the value of investments and/or make investments on behalf of the Company that are riskier or more speculative than would be the case in the absence of a fee payable to the Manager based on the performance of the Company, which may add to the risk and volatility of the Investment Portfolio's underlying investments.</p> <p>Please refer to Section 9.1 for full details of how and when the Management Fee and Performance Fee is payable.</p>
UNLISTED INVESTMENT RISK	<p>The Investment Portfolio may have exposure to unlisted securities. In general there is less regulation and supervision of transactions in the unlisted securities markets than transactions entered into on organised exchanges and financial markets. In addition, many of the protections afforded to participants on some organised exchanges and markets may not be available in connection with unlisted securities.</p> <p>Therefore, any investment by the Company in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Investment Portfolio will sustain losses.</p> <p>In addition, there may be little or no liquidity in unlisted securities (potentially compounded by the Company having only a minority position with little control over the nature or timing of an exit event) and it may be difficult to establish a robust market price for them. Many unlisted securities are relatively illiquid or have low trading volume. This could enhance the volatility of the price of the securities and/or make it difficult to sell the securities at a later date. The valuation of unlisted securities is more difficult to calculate than listed securities. Valuations may not be identical to the actual value which the Company is able to realise for those investments, and accordingly may be misleading.</p> <p>Difficulties in establishing a robust market price or valuation of unlisted securities, coupled with the Performance Fee, which is calculated by reference to the Net Asset Value of the Investment Portfolio (as determined by the Manager), exposes the Company to the risk of a potential misstatement of the fair value of unlisted investments in the Investment Portfolio.</p>
LIQUIDITY RISK	<p>There is a risk that the Investment Portfolio's underlying investments may not be easily converted to cash. This can result in a loss if the holder of the security needs to sell within a particular timeframe.</p> <p>The ability of a Shareholder to sell Shares on the ASX will be a function of the turnover or liquidity of the Shares at the time of sale. Turnover is a function of a wide variety of factors including the size of a company and the cumulative investment intention of all current and potential investors in the Company at any one point in time.</p> <p>Given the nature of the Company, and the traditionally lower trading volumes experienced by some LICs, it is likely that there may be a low level of liquidity in trading of the Shares. As a result, Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire.</p>

Type of risk	Description of risk
VALUATION RISK	<p>Investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisation value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets. Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals, and accruals.</p> <p>Valuations may not be a true reflection of the actual price or amount at which the Company is able to realise the relevant investment.</p>
ACCOUNTING POLICY RISK	<p>Changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.</p>
DERIVATIVES RISK	<p>Derivative instruments include futures, options on futures, over-the-counter options, exchange-traded options, swaps and forward contracts.</p> <p>The value of all derivatives is 'derived' from underlying physical assets, such as company shares, commodities, and bonds.</p> <p>There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain.</p> <p>The use of derivatives potentially exposes the Company to counterparty, legal and documentation risks.</p> <p>The Manager may use Derivatives to manage the exposure of investments of the Company against investment loss, but is not obliged to do so. There is no guarantee that any hedging will be successful.</p>
CURRENCY AND FOREIGN JURISDICTION RISK	<p>In addition to investments in Australian entities, the Manager may invest in international securities (i.e. securities of entities which are not domiciled in Australia). Hence the Company may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms. In addition, the Company may be exposed to risks relating to its investments in securities of entities which are located in a foreign jurisdiction, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders of securities in such foreign entities as compared to the laws in Australia.</p> <p>The Manager may make use of foreign exchange hedging with the aim of reducing the effects of currency movements on the return profile of the Company. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to foreign exchange movements.</p>

6. RISKS (CONTINUED)

Type of risk	Description of risk
REGULATORY RISK	<p>The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders, or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p>
EMERGING COMPANIES RELATED RISKS	<p>Emerging Companies are likely to be at an early stage of development and therefore may possess limited financial profiles. For example, many in the technology sector are in early stages of development and commercialisation. At such a stage in a company's lifecycle, it may not be revenue producing and may not have access to capital on acceptable terms (as financial institutions, including banks, may not be prepared to lend to Emerging Companies) and may not meet the going concern tests under accounting standards. Consequently, early stage Emerging Companies in the Investment Portfolio may be reliant on the Company and other investors for access to capital.</p> <p>Emerging Companies also tend to have a small number of employees and therefore may not operate with the same level of rigour in relation to corporate governance when compared to larger organisations. There is a risk that issues that arise may not be able to be sufficiently dealt with by employees of sufficient expertise within these organisations thereby creating a risk that is less likely to exist in larger organisations with greater internal governance capabilities.</p>
POTENTIAL CONFLICTS OF INTEREST	<p>The Manager is, and may continue to be, the manager or adviser to other funds and investment vehicles. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to the Shareholders.</p> <p>The Manager is an entity within the broader Salter Brothers group, and as disclosed in this Prospectus (and subject to applicable laws and the ASX Listing Rules), may transact with other members of other entities within the Salter Brothers group.</p>
SIZE OF INVESTMENT PORTFOLIO	<p>The size of the Investment Portfolio may affect its risk profile.</p> <p>The Company may not be able to manage its risks as efficiently if the Portfolio Value of Portfolio Securities and the Cash Amount it acquires from G Fund is closer to the \$50,000,000 floor value (rather than the \$130,000,000 ceiling value), or if the Company only raises a small fraction of the Maximum Subscription under the Offer.</p> <p>While the Directors believe that, generally speaking and all else being equal, a larger Investment Portfolio value is likely to decrease its overall risk profile, for completeness, the risk of loss of investments included in the Investment Portfolio will not disappear, or always necessarily be reduced, if the size of the Investment Portfolio is larger.</p>

6.3 OTHER SIGNIFICANT RISKS

Other significant risks which may be specific to an investment in the Company include:

Type of risk	Description of risk
FINANCIAL MARKET VOLATILITY	<p>A fall in global or local equity markets, global or local bond markets, or lack of movement in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which the Shares trade on ASX.</p> <p>The Company may from time to time hold cash to a level considered appropriate by the Manager. Despite the cash component within the Investment Portfolio from time to time, the Company is intended to provide investors with exposure to domestic and international equity markets. As such, there may be exposure to market volatility risk. That risk may materially affect both the performance of the securities in which the Company invests and the net tangible asset backing or net asset value of the Shares.</p>
COUNTERPARTY AND CREDIT RISK	<p>Counterparty risk is the risk that a counterparty, such as a clearing house, prime broker or custodian will not be able to meet its obligations under a contract.</p> <p>The investment strategies of the Company and the Manager rely on the successful performance of contracts with external parties, including securities brokers and service providers. There is a risk that these counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Company to the risk of loss. In the case of a default, the Company could also become subject to adverse market movements while replacement transactions are executed.</p> <p>The ability of the Company to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company.</p>
FUTURE CAPITAL REQUIREMENTS OF THE COMPANY	<p>There can be no assurance that the Company will not need to raise additional capital to fully exploit investment opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.</p> <p>If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business, financial condition, and results of operation.</p>

6. RISKS (CONTINUED)

6.4 RISKS ASSOCIATED WITH INVESTMENT IN SHARES

Other risks which may apply to an investment in the Shares (and the price at which they trade on the ASX) include:

Type of risk	Description of risk
INTEREST RATE RISK	Changes in short and long-term interest rates can have a positive or negative impact on investment returns.
DIVIDEND RISK	<p>The ability of the Company to offer a fully franked dividend is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment of dividends difficult and unpredictable.</p> <p>No guarantee can be given concerning the performance or future earnings of the Company, the earnings and capital appreciation of the Company's Investment Portfolio, or the return of the capital invested by Shareholders. Specifically, the Manager may make poor investment decisions resulting in the returns being inadequate to pay an annual dividend to Shareholders.</p>
INDUSTRY RISK	There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally.
CHANGES IN TAXATION LAWS AND POLICIES	<p>Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders. Tax liabilities are the responsibility of each individual investor. There may be tax implications arising from ownership of the Shares, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital, and the disposal of the Shares.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the Australian Taxation Office.</p> <p>The Company is not responsible for either taxation or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>
CLIMATE CHANGE	Climate change presents both risks for the entities into which the Portfolio will be invested as well as to the Company, and is of concern to many in the community. As part of the Manager's research and analysis into the entities which may form part of the Investment Portfolio, it will consider the risks and opportunities faced by those entities as a result of climate change. As climate-related events, external policy decisions and community expectations around climate action become heightened, the potential long-term impacts of climate change may affect the value of the Investment Portfolio. As the Company does not manage the entities into which the Investment Portfolio is invested, it may be exposed to reputational and other risks in the event that an entity within the Investment Portfolio suffers loss as a result of climate change which may negatively impact the value of the Investment Portfolio.

6.5 TIMEFRAME FOR INVESTMENTS

Investors are strongly advised to regard any investment in the Company as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur.

In addition, the list of risk factors in this Section 6 should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares. Therefore, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

You should consider an investment in the Company as speculative and consult your professional advisers before deciding whether to apply for the Shares.

7. FINANCIAL INFORMATION



7. FINANCIAL INFORMATION

7.1 USE OF PROCEEDS

The Company intends to use the funds raised from the Offer for investment consistent with the Investment Objectives and Investment Guidelines as set out in Sections 3 and 4 and to pay the costs of the Offer.

If the Maximum Subscription amount is not raised under the Offer and the Company is unable to obtain additional funding as needed, or is unable to do so on acceptable terms, it may be required to reduce the scope of its investments and scale back its growth plans which could adversely affect the construction and composition of the Investment Portfolio, financial position, operating results and future growth prospects.

7.2 PRO FORMA STATEMENT OF FINANCIAL POSITION

The pro forma statement of financial position set out in Table 1 and Table 2 below has been prepared to illustrate the effects of the following:

- (a) incorporation of the Company;
- (b) the potential acquisition of the Portfolio Securities and the Cash Amount from G Fund to the Company pursuant to the Securities Sale Agreement. The value of the acquired assets will be determined using the market value of each asset in accordance with the terms of the Securities Sale Agreement, after which the Company will issue an equivalent number of Shares to G Fund at the Offer Price of \$1.00 per Share, all of which will occur prior to completion of the Offer;
- (c) the Gross Proceeds of the Offer under two scenarios, being:
 - (i) up to the Gross Proceeds of \$10,000,000 being subscribed by Applicants resulting in up to 10,000,000 Shares being issued under the terms of the Offer; and
 - (ii) up to the Maximum Gross Proceeds of \$20,000,000 being subscribed by Applicants resulting in up to 20,000,000 Shares being issued (**Maximum Subscription**) under the terms of the Offer; and
- (d) the completion of the Offer, including the Offer proceeds and associated costs paid from the Offer proceeds.

The Pro Forma Statement of Financial Position is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus nor at the conclusion of the Offer.

The Pro Forma Statement of Financial Position is presented in summary form only and does not comply with the presentation and disclosure requirements of Australian Accounting Standards. It has been prepared in accordance with the accounting policies set out in Section 7.8 below.

7. FINANCIAL INFORMATION (CONTINUED)

TABLE 1 - PRO FORMA STATEMENT OF FINANCIAL POSITION (\$10,000,000 GROSS PROCEEDS)

\$'000	Ref	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
Assets					
Cash and cash equivalents	7.4	14,390	14,390	14,390	14,390
Investments	7.5	88,828	45,000	85,000	125,000
Deferred tax asset		181	181	181	181
GST receivable		6	6	6	6
Total assets		103,405	59,577	99,577	139,577
Total liabilities		-	-	-	-
Net assets		103,405	59,577	99,577	139,577
Equity					
Issued capital	7.6	103,828	60,000	100,000	140,000
Less Equity Raising Costs	7.7	(30)	(30)	(30)	(30)
Accumulated losses		(393)	(393)	(393)	(393)
Total equity		103,405	59,577	99,577	139,577
Number of Shares		103,828,070	60,000,001	100,000,001	140,000,001
NAV Backing Per Share (\$)		\$0.996	\$0.993	\$0.996	\$0.997

TABLE 2 - PRO FORMA STATEMENT OF FINANCIAL POSITION (\$20,000,000 GROSS PROCEEDS)

\$'000	Ref	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
Assets					
Cash and cash equivalents	7.4	24,385	24,385	24,385	24,385
Investments	7.5	88,828	45,000	85,000	125,000
Deferred tax asset		183	183	183	183
GST receivable		6	6	6	6
Total assets		113,401	69,574	109,574	149,574
Total liabilities		-	-	-	-
Net assets		113,401	69,574	109,574	149,574
Equity					
Issued capital	7.6	113,828	70,000	110,000	150,000
Less Equity Raising Costs	7.7	(54)	(54)	(54)	(54)
Accumulated losses		(373)	(373)	(373)	(373)
Total equity		113,401	69,574	109,574	149,574
Number of Shares		113,828,070	70,000,001	110,000,001	150,000,001
NAV Backing Per Share (\$)		\$0.996	\$0.994	\$0.996	\$0.997

7.3 ASSUMPTIONS

This Pro Forma Statement of Financial Position and the information in Section 7.2 has been prepared on the basis of the following assumptions:

- (a) Potential acquisition of certain assets from G Fund to the Company as described in section 7.2(b) occurring prior to completion of the Offer.
- (b) Portfolio Securities and Cash Amount to be acquired by the Company pursuant to the Securities Sale Agreement (noting that actual fair value of the Portfolio Securities upon lodgement of this Prospectus and completion of the Offer will likely differ given the nature of the Portfolio Securities):
 - (i) Dec-20 Value: reflects the actual fair market values of the G Fund Portfolio Securities, of \$88,828,069 at 31 December 2020 plus the Cash Amount of \$5,000,000. The actual fair value of Portfolio Securities upon lodgement of this Prospectus and completion of the Offer will likely differ given the nature of the Investment Portfolio.
 - (ii) Floor Value: example scenario assuming the minimum value of the Portfolio Value at completion of the Securities Sale Agreement, being \$50,000,000 (being the Floor Value), which is the minimum fair value of the acquired Portfolio Securities and Cash Amount allowable under the Securities Sale Agreement. If the Portfolio Value is less than the Floor Value, the Securities Sale Agreement automatically terminates.
 - (iii) Middle Value: example scenario assuming the midpoint value of the Portfolio Value (being \$90,000,000) which is between the Floor Value (being \$50,000,000), and the Ceiling Value (being \$130,000,000) at completion of the Securities Sale Agreement, which is the Portfolio Value range allowable under the Securities Sale Agreement.
 - (iv) Ceiling Value: example scenario assuming the maximum value of the acquired Portfolio Securities and the Cash Amount at completion of the Securities Sale Agreement, being \$130,000,000 (being the Ceiling Value), which is the maximum market fair value of the acquired Portfolio Securities and Cash Amount allowable under the Securities Sale Agreement.
- (c) The cash and cash equivalents amount of \$5,000,000 is based on the estimated Cash Amount to be acquired by the Company at Completion and prior to completion of the Offer.
- (d) All Offer Costs will be borne by the Company and paid from the proceeds of the Offer.

7.4 CASH

A reconciliation of cash and cash equivalents presented in the Pro Forma Statement of Financial Position is set out in table 3 below:

TABLE 3 – CASH AND CASH EQUIVALENTS RECONCILIATION

\$'000	Gross Proceeds \$10.0m	Maximum Gross Proceeds \$20.0m
Cash and cash equivalents at incorporation	-	-
Cash and cash equivalents acquired pre-completion of the Offer	5,000	5,000
Proceeds of the Offer	10,000	20,000
Expenses of the Offer	(610)	(615)
Total cash and cash equivalents	14,390	24,385

7. FINANCIAL INFORMATION (CONTINUED)

7.5 INVESTMENTS

A reconciliation of investments presented in the Pro Forma Statement of Financial Position is set out in table 4 below:

TABLE 4 – INVESTMENTS RECONCILIATION

\$'000	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
Investments at incorporation	-	-	-	-
Listed investments acquired pre-completion of the Offer ¹	86,377	42,549	82,549	122,549
Unlisted investments acquired pre-completion of the Offer ²	2,451	2,451	2,451	2,451
Total investments	88,828	45,000	85,000	125,000

Note:

- In measuring the fair market value of the Portfolio Securities at 31 December 2020 for the Dec-20 Value case, the Company used market-observable data to the extent it was available.

The fair market value of the Portfolio Securities of ASX-listed investee companies was based on level 1 fair value hierarchy inputs being the quoted last sale price on the ASX at the close of trading on 31 December 2020, where they are actively traded.

- The fair market value of the Portfolio Securities of the unlisted investments was based on level 3 fair value hierarchy inputs. The Company's policy and process for valuation of unlisted investments is outlined in section 7.8(b)(ii).

The basis of valuation and key assumptions used to value the unlisted investments considered material to the Prospectus are as follows:

PelicanCorp

Valuation technique: capitalisation of future maintainable earnings before interest tax, depreciation and amortization (being EBITDA) requiring the following discrete assumptions:

- EBITDA Multiple Range: 11.3x – 13.4x
- Control Premium: 21% – 27%
- Marketability Discount: 25%
- Size Discount: 25% – 30%

7.6 SHARE CAPITAL

A reconciliation of share capital and number of Shares presented in the Pro Forma Statement of Financial Position is set out in table 5 and table 6 below:

TABLE 5 – SHARE CAPITAL RECONCILIATION (\$10,000,000 GROSS PROCEEDS)

\$'000	Gross Proceeds \$10.0m			
	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
At incorporation	-	-	-	-
Shares issued as consideration for acquisition of assets pre-completion of the Offer ¹	93,828	50,000	90,000	130,000
Shares issued in relation to the Offer	10,000	10,000	10,000	10,000
Total Share capital	103,828	60,000	100,000	140,000

TABLE 6 – SHARE CAPITAL RECONCILIATION (\$20,000,000 MAXIMUM GROSS PROCEEDS)

\$'000	Gross Proceeds \$20.0m			
	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
At incorporation	-	-	-	-
Shares issued as consideration for acquisition of assets pre-completion of the Offer ¹	93,828	50,000	90,000	130,000
Shares issued in relation to the Offer	20,000	20,000	20,000	20,000
Total share capital	113,828	70,000	110,000	150,000

A reconciliation of the number of Shares issued presented in the Pro Forma Statement of Financial Position is set out in table 7 and table 8 below:

TABLE 7 – NUMBER OF SHARES ISSUED RECONCILIATION (\$10,000,000 GROSS PROCEEDS)

Number of Shares	Gross Proceeds \$10.0m			
	Dec-20 Value	Floor Value	Middle Value	Ceiling Value
At incorporation	1	1	1	1
Shares issued as consideration for acquisition of assets pre-completion of the Offer ¹	93,828,069	50,000,000	90,000,000	130,000,000
Shares issued in relation to the Offer	10,000,000	10,000,000	10,000,000	10,000,000
Total Shares issued	103,828,070	60,000,001	100,000,001	140,000,001

TABLE 8 – NUMBER OF SHARES ISSUED RECONCILIATION (\$20,000,000 MAXIMUM GROSS PROCEEDS)

Number of Shares	Maximum Gross Proceeds \$20.0m			
	Dec-20 PF Value	Floor Value	Middle Value	Ceiling Value
At incorporation	1	1	1	1
Shares issued as consideration for acquisition of assets pre-completion of the Offer ¹	93,828,069	50,000,000	90,000,000	130,000,000
Shares issued in relation to the Offer	20,000,000	20,000,000	20,000,000	20,000,000
Total Shares issued	113,828,070	70,000,001	110,000,001	150,000,001

Note:

- The number of shares issued at \$1.00 per share as consideration for the acquisition of assets is illustrative only and based on the fair market value of assets to be acquired. The actual number of shares ultimately issued to G Fund will be based on the fair market value of the Portfolio Securities and Cash Amount on the date of acquisition and will therefore fall between the Floor Value and Ceiling Value as illustrated in Table 7 and Table 8.

7. FINANCIAL INFORMATION (CONTINUED)

7.7 EXPENSES OF THE OFFER

The Offer Costs including all Lead Manager and Authorised Intermediary fees, investigating accountant and tax fees, legal fees, and ASX listing fees will be borne by proceeds of the Offer. The Offer is not underwritten and therefore there are no underwriting fees.

The Offer Costs have been estimated at between \$610,000 and \$615,000 (including GST) under the \$10,000,000 Gross Proceeds and \$20,000,000 Maximum Gross Proceeds scenarios respectively.

A breakdown of costs associated with the Offer is provided in table 9 below:

TABLE 9 – COSTS ASSOCIATED WITH THE OFFER

\$'000	Gross Proceeds \$10.0m	Maximum Gross Proceeds \$20.0m
Lead Manager & Authorised Intermediary fees ¹	110	110
Investigating Accountant and Tax	99	99
Legal fees	220	220
ASX listing fees	181	186
Total estimated costs of the offer (GST inclusive)	610	615

Note:

1. Please see Sections 2.15 and 11.5 for further details on expenses paid to the Lead Manager and Authorised Intermediary in connection with the Offer.

TABLE 10 – RECONCILIATION OF COSTS OF THE OFFER TO PRO FORMA STATEMENT OF FINANCIAL POSITION

The allocation of costs has been prepared based on the requirements of AASB 132 'Financial Instruments: Presentation'.

\$'000	Gross Proceeds \$10.0m	Maximum Gross Proceeds \$20.0m
<i>Total costs of the Offer, allocated as</i>		
Equity raising costs	42	77
Transaction costs	562	532
GST recoverable	6	6
Total estimated costs of the offer (GST inclusive)	610	615
<i>Equity raising costs per Pro Forma balance sheet</i>		
Equity Raising Costs	42	77
Less tax effect	(13)	(23)
Equity Raising Costs	30	54
<i>Accumulated losses per Pro Forma balance sheet</i>		
Transaction costs	562	532
Less tax effect	(169)	(160)
Accumulated losses	393	373

7.8 SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies that have been adopted in the preparation of the Pro Forma Statement of Financial Position set out in Section 7.2, or that will be adopted and applied in preparation of the financial statements of the Company for the period ending 30 June 2021 and subsequent periods, is set out as follows:

(A) BASIS OF PREPARATION

The Pro Forma Statement of Financial Position has been prepared in accordance with Australian Accounting Standards and Interpretations (Australian Accounting Standards), issued by the AASB and the Corporations Act, as appropriate for for-profit oriented entities (as modified for inclusion in the Prospectus). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions to which they apply.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. The pro forma statement of financial position has been prepared on the basis of assumptions outlined in Section 7.3.

The pro forma statement of financial position has been prepared on an accrual basis and is based on historical costs.

(B) INVESTMENTS

(I) RECOGNITION/DERECOGNITION

Financial assets and liabilities held at fair value through profit or loss and financial instruments designated at fair value through other comprehensive income are recognised initially on the trade date at which the Company becomes party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset, and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

(II) MEASUREMENT

Financial instruments designated at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, with transaction costs that are directly attributable to their acquisition recognised in the statement of profit or loss. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Listed equities

Shares that are listed or traded on an exchange are fair valued using last sale prices as at the close of business on the day the shares are being valued. If a quoted market price is not available on a prescribed financial market, the fair value of the instruments are estimated using valuation techniques, which include the use or recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques deemed appropriate that provide a reliable estimate of prices obtained in actual market transactions.

7. FINANCIAL INFORMATION (CONTINUED)

Unlisted equities

Unlisted investment valuations are assessed regularly by the Manager, and reviewed and approved by the Directors of the Company. This review process considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. Where practicable, level 3 inputs are sourced from independent third-party pricing sources without adjustment such as stock exchanges, pricing agencies, and/or fund managers.

Unlisted shares presented in the Pro Forma Statement of Financial Position are based on an internal valuation adopted by the Company in accordance with the process described above.

Subsequent to completion of the Offer, an external independent valuation may be performed on an annual basis unless this is impracticable or impractical in which case a directors' valuation will be performed.

Income and expenditure

Interest income and expenses, including interest income and expenses from non-derivative financial assets, are recognised in the statement of profit or loss as they accrue, using the effective interest method calculated at the acquisition date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including any withholding tax, if any.

Dividend income relating to exchange-traded equity instruments is recognised in the statement of profit or loss on the ex-dividend date with any related foreign withholding tax recorded as an income tax expense.

All expenses, including performance fees and investment management fees, are recognised in the statement of profit or loss on an accrual basis.

(C) FAIR VALUE MEASUREMENT

When a financial asset is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In addition, for the purposes of fair value measurement, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs.

(D) INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded gross of withholding tax in investment income, with the withholding tax expense included as part of income tax expense.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and deferred tax liabilities can be presented as a net balance in the statement of financial position when:

- the Company has a legally enforceable right to offset its current tax assets and current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(E) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

(F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(G) SHARE CAPITAL

Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity (if any), net of any tax effects.

8. INVESTIGATING ACCOUNTANT'S REPORT



8. INVESTIGATING ACCOUNTANT'S REPORT



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28 April 2021

The Directors
Salter Brothers Emerging Companies Limited
Level 9
477 Collins Street
MELBOURNE VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Salter Brothers Emerging Companies Limited (the Company) for inclusion in a prospectus dated 28 April 2021 (Prospectus) to be issued by the Company in connection with the Initial Public Offer of shares in the Company (the Offer).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services License under the Corporations Act 2001 for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Pro Forma Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company to review the pro forma statements of financial position as set out in Table 1 and Table 2 of Section 7 of the Prospectus (the Pro Forma Financial Information).

The Pro Forma Financial Information has been prepared to reflect the pro forma adjustments described in sections 7.2 and 7.3 of the Prospectus (the Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the events and transactions to which the Pro Forma Adjustments relate. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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8. INVESTIGATING ACCOUNTANT'S REPORT (CONTINUED)



Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Pro Forma Financial Information, including the selection and determination of Pro Forma Adjustments as described in sections 7.2 and 7.3 of the Prospectus; and
- the information contained in the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Pro Forma Financial Information

- Consideration of the appropriateness of Pro Forma Adjustments described in sections 7.2 and 7.3 of the Prospectus;
- Enquiry of Directors, management, personnel and advisors; and
- The performance of analytical procedures applied to the Pro Forma Historical Financial Information.

Conclusions

Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 7.3 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to the Important Notice of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.



Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read "Craig Bryan".

Craig Bryan
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS



9. MATERIAL AGREEMENTS AND OTHER CONTRACTS

The Directors consider that certain agreements are material to the Company or are agreements which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer (**Material Agreements**).

The provisions of the Material Agreements and other relevant contracts, and their substantive terms are summarised below. The summaries of the Material Agreements and other relevant contracts set out in this Section 9 do not purport to be complete, are not a substitute for the Material Agreements and/or other relevant contracts, and are qualified by the text of the agreements themselves.

9.1 MANAGEMENT AGREEMENT

In this Section 9.1, Investment Portfolio is intended to have the meaning given to 'Portfolio' in the Management Agreement, being all assets, monies, investments, additions or borrowings which may from time to time be paid to, or received or held by, the Company or a custodian on behalf of the Company (whether or not pending investment) and any investments for the time being representing them, any income derived from them and any capital accretions to them regardless of how they arise.

The Company entered into a Management Agreement with the Manager on 27 April 2021 under which the Manager was appointed to manage the Company's Investment Portfolio, in consideration for the Company paying to it a management fee and performance fee (specified below). The following summary sets out the key terms of the Management Agreement. Other than the Manager's capacity warranties, mutual obligations of confidence, dispute resolution provisions and general provisions of the Management Agreement which took effect on the date the Management Agreement was entered into, the rights and obligations of the Manager and the Company under the Management Agreement commence on the date that Shares are issued by the Company under the Offer detailed in this Prospectus (**Commencement Date**).

DUTIES OF THE MANAGER

Subject to, and in accordance with, the applicable regulations and the Management Agreement, the Manager must construct and manage the Investment Portfolio, manage and supervise all Investments and provide or procure the provision of reasonable administrative support services reasonably required by the Company to conduct its business, including:

- (i) maintenance of the corporate and statutory records of the Company;
- (ii) liaison with the ASX with respect to compliance with the ASX Listing Rules;
- (iii) liaison with ASIC with respect to compliance with the Corporations Act;
- (iv) liaison with the share registry of the Company; and
- (v) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.

The Manager must also invest money constituted in, or available to, the Investment Portfolio, including money received as a consequence of disposal of Investments or any dividend or other distribution received, retain Investments and realise or dispose of Investments.

VALUATIONS

The Manager must calculate, or appoint the auditor of the Company or an Approved Valuer to calculate, the Gross Value and the Net Value net Investment Portfolio value and the value of all intangible assets in the Investment Portfolio at least once a month, and the Company must provide reasonable assistance to the Manager or its appointee to determine such calculation.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

POWERS OF THE MANAGER

Subject to an obligation to liquidate the Investment Portfolio to meet the Company's operating costs, the Manager has absolute and unfettered discretion to manage the Investment Portfolio and do all things considered necessary or desirable in relation to the Investment Portfolio, including:

- (i) investigation, negotiation, acquisition, or disposal of every Investment (completed or proposed) and the provision of its services to the Company;
- (ii) to sell, realise or deal with all or any of the Investments or to vary, convert, exchange or add other Investments;
- (iii) if any Investment is redeemed or the capital paid on it is wholly or partly repaid (whether by reduction of capital or otherwise) by the Company or the entity by which that Investment was created or issued, to:
 - (A) convert that Investment into some other Investment; and
 - (B) accept repayment of the capital paid or advanced on the Investment and any other monies payable in connection with that redemption or repayment and reinvest any of those monies;
- (iv) to exercise any and all rights attached to the Investment Portfolio securities (including the rights to convene and vote at meetings of investee companies);
- (v) to retain or sell any shares, debentures or other property received by the Company by way of bonus, or in satisfaction of a dividend in respect of any Investments or from the amalgamation or reconstruction of any entity;
- (vi) to sell all or some of the rights to subscribe for new securities in an Investment and to use all or part of the proceeds of the sale of such rights for the subscription for securities or to subscribe for securities pursuant to those rights; and
- (vii) to sell or exercise pre-emptive subscription rights, raise out of the Investment Portfolio such sum as is required to subscribe for new securities in an Investment or underwrite or sub-underwrite the offer for the new securities with any fees arising out of the underwriting or sub-underwriting to be payable to the Company.

SHORT SELLING

The Manager may not short sell any securities, or engage in securities lending in relation to the Investment Portfolio, without the approval of the Board.

INVESTMENT OBJECTIVES AND INVESTMENT GUIDELINES

The Manager must have regard to the Investment Objectives (which are not intended to be legally binding on the Manager) in investing and managing the Investment Portfolio and undertakes to act consistently with the Investment Guidelines. The Investment Guidelines set out in Section 4.5 are the currently applicable guidelines for these purposes.

DELEGATION

The Manager may, at its own cost (subject to its right to reimbursement under the headings *Affiliate* protocols and *Expenses*, below), delegate all or part of its powers, authorities and discretions under the Management Agreement to:

- (i) any affiliate of the Manager;
- (ii) any other person, with the prior consent of the Company (such consent not to be unreasonably withheld or delayed);
- (iii) by way of power of attorney, any person as its attorney or agent (including the power to sub-delegate); or
- (iv) an investment manager (whether a related body corporate or not), barrister, solicitor, stockbroker, stock market consultant, accountant, contractor, qualified adviser or registrar.

The Manager may also engage or employ any person as a sub-contractor or otherwise to provide services to the Manager in relation to or for the benefit of the Company or to perform any or all of the duties and obligations imposed on it by the Management Agreement. No such engagement or employment will affect the Manager's liability with respect to such duties and obligations under the Management Agreement.

AFFILIATE PROTOCOLS

The Manager may invest in, deal with, or engage the services of, the Manager's affiliates engaged in separate business activities which are entitled to charge fees, brokerage and commissions which the Company must pay or for which the Manager may be reimbursed by the Company, provided that they are in the ordinary course of business and on arm's length terms.

COMMON INVESTMENT OF FUNDS

For the purpose of the Investment Portfolio, the Manager is permitted to invest in funds managed by the Manager on behalf of other persons, provided the Manager maintains systems and records that distinguish the Investment Portfolio from the property of any other person.

EXPENSES

The Company is liable for and, if required by the Manager, must pay out of the Investment Portfolio (or if paid by the Manager reimburse the Manager out of the Investment Portfolio) the fees, costs and expenses when properly incurred in connection with the investment and management of the Investment Portfolio, the acquisition, disposal or maintenance of any Investment or performance of the Manager's obligations under the Management Agreement, including:

- (i) all costs, custody fees, stamp duties, financial institutions duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage (including prime brokerage) incurred by the Company or the Manager (or both) in connection with:
 - (A) any due diligence, acquisition, management and negotiation of any Investment or proposed Investment;
 - (B) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any Investment; and
 - (C) the receipt of income or other entitlements from the Investments of the Investment Portfolio;
- (ii) outgoings in relation to the Investment Portfolio such as rates, levies, duties and taxes;
- (iii) director fees, expenses incurred by the directors in that capacity and all premiums payable for directors and officer's insurance;
- (iv) fees of the auditor or Approved Valuer or affiliate of the Manager engaged in accordance with the Management Agreement;
- (v) fees relating to services provided under the Shared Services Agreement or at the Company's instruction or request; and
- (vi) fees of any other person which has been engaged or delegated to by the Manager in accordance with the Management Agreement where the payment of such fees by the Company has been approved by the Company or disclosed in the Prospectus.

The Manager must bear the cost of, and is not entitled to be reimbursed by the Company in respect of its internal labour and overhead costs in connection with the performance of its obligations under the Management Agreement.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

REMUNERATION OF THE MANAGER

MANAGEMENT FEE

The Company must pay to the Manager a Management Fee equal to 1.5% per annum (exclusive of GST) of the Gross Value of the portfolio (calculated on the last business day of each month and payable within 10 business days of the end of each month).

Example: Management Fee

As a worked example, assuming a Gross Value of the Portfolio of \$100,000,000 at 30 June 2021, and nil performance on the Portfolio each month, the Management Fee payable on the Portfolio for the 12 month period from 1 July 2021 to 30 June 2022 would be approximately \$1,500,000 (plus GST).

PERFORMANCE FEE

The Company must pay to the Manager a Performance Fee, with respect to each Performance Calculation Period (calculated at the end of each Performance Calculation Period and payable within 10 business days after the end of the relevant Performance Calculation Period), equal to the greater of nil and an amount calculated on a pre-tax basis in accordance with the following formula (exclusive of GST):

$$F = 20\% \times (V_2 + E + D - V_1 - C)$$

where:

F = the amount payable as the Performance Fee in respect of a Performance Calculation Period;

V₂ = the Net Value of the Investment Portfolio on the last business day of the relevant Performance Calculation Period;

E = all fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company since the last HWM Date (including any accrued Performance Fees) which have been applied to reduce V₂, other than in respect of:

- (i) Management Fees; and
- (ii) the costs of acquisition (including incidental costs directly attributable to the acquisition) of any investments of the Investment Portfolio authorised by the Manager, determined in accordance with Australian accounting standards or another framework that is consistent with current industry practice and regulatory requirements (as agreed between the Manager and the Company);

D = the amount of any dividend distributions made by the Company, capital reductions undertaken by the Company, share buy-backs undertaken by the Company, or any other returns of capital made by the Company, since the last HWM Date;

V₁ = Net Value of the Investment Portfolio calculated on the last HWM Date (for the avoidance of doubt, after deduction for liabilities in respect of the taxes and Performance Fees from the preceding Performance Calculation Periods); and

C = all contributions towards the issue price of any Shares issued by the Company since the last HWM Date.

Example 1: Performance Fee above the High Water Mark

Assuming the following:

- a Performance Calculation Period ending 30 June 2021;
- an assumed tax rate of 26%;
- Net Value at the beginning of the Performance Calculation Period (**NV**) of \$100,000,000, which also represents the High Water Mark (**V1**);
- Net Value at the end of the Performance Calculation Period (**V2**) of \$109,900,000 (assuming no provision is made in V2 for performance fees and taxes);
- **E** of \$100,000 (being fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company);
- **D** of ZERO (being dividend distributions made and returns of capital undertaken by the Company); and
- **C** of ZERO (being all contributions towards the issue price of any Shares issued by the Company since the last HWM Date).

The Performance Fee is calculated as follows:

$$\text{Performance Fee (F)} = 20\% \times (\text{V}_2 + \text{E} + \text{D} - \text{V}_1 - \text{C})$$

- As **V2** is \$109,900,000, **E** is \$100,000, and **D** is ZERO (representing total additions equal to \$110,000,000), and the High Water Mark or **V1** is \$100,000,000 and **C** is ZERO (representing total deductions equal to \$100,000,000), there would be an aggregate positive performance of \$10,000,000.
- Therefore, in this instance, there would be a Performance Fee payable at 20% of this amount equating to \$2,000,000 (plus GST) for the Performance Calculation Period, as the Net Value is above the High Water Mark.
- Applicable tax for the Performance Calculation Period (**T**) would be 26% of gross positive performance for the period after deduction of the performance fee, i.e., $26\% \times (\text{V2 of } \$109,900,000 - \text{NV of } \$100,000,000 - \text{F of } \$2,000,000) = \$2,054,000$.
- The new High Water Mark (or **V1** for the next Performance Calculation Period) would be $\text{V2 of } \$109,900,000 - \text{F of } \$2,000,000 - \text{T of } \$2,054,000 = \$105,846,000$.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

Example 2: Performance Fee below the High Water Mark

Assuming the following:

- a Performance Calculation Period ending 30 June 2021;
- an assumed tax rate of 26%;
- Net Value at the beginning of the Performance Calculation Period (**NV**) of \$100,000,000, which also represents the High Water Mark (**V1**);
- Net Value at the end of the Performance Calculation Period (**V2**) of \$95,000,000 (assuming no provision is made in V2 for performance fees and taxes);
- **E** of \$100,000 (being fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company);
- **D** of ZERO (being dividend distributions made and returns of capital undertaken by the Company); and
- **C** of ZERO (being all contributions towards the issue price of any Shares issued by the Company since the last HWM Date).

The Performance Fee is calculated as follows:

$$\text{Performance Fee (F)} = 20\% \times (\text{V}_2 + \text{E} + \text{D} - \text{V}_1 - \text{C})$$

- As:
 - the High Water Mark (**V1**) plus all contributions towards the issue price of any Shares (**C**) is \$100,000,000; and
 - the closing Net Value (**V2**) plus fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company (**E**) and plus dividend distributions made and returns of capital undertaken by the Company (**D**) is \$95,100,000,

there would be an aggregate negative performance of \$4,900,000.

- Therefore, in this instance, there would be no Performance Fee payable for the Performance Calculation Period, as the Net Value (**V2**) plus **E** and **D** is less than the High Water Mark (**V1**) plus **C**.
- The High Water Mark (**V1**) for the next Performance Calculation Period would remain at \$100,000,000 (with applicable tax losses, which have been incurred of \$5,000,000 carried forward to the next period).

Example 3: Recouping past underperformance against the High Water Mark

Following on from Example 2 above, assuming the following:

- a Performance Calculation Period ending 30 September 2021;
- an assumed tax rate of 26%;
- gross tax losses (**TL**) of \$5,000,000 carried forward from the prior period);
- Net Value at the beginning of the Performance Calculation Period (**NV**) of \$95,000,000 (plus fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company and plus dividend distributions made and returns of capital undertaken by the Company);
- a High Water Mark (**V1**) of \$100,000,000;
- Net Value at the end of the relevant Performance Calculation Period (**V2**) of \$109,250,000 (assuming no provision is made in V2 for performance fees and taxes);
- **E** of \$200,000 (being fees, costs, taxes, duties, expenses and other outgoings paid, incurred or otherwise accrued by the Company);
- **D** of ZERO (being dividend distributions made and returns of capital undertaken by the Company); and
- **C** of ZERO (being all contributions towards the issue price of any Shares issued by the Company since the last HWM Date).

The Performance Fee is calculated as follows:

$$\text{Performance Fee (F)} = 20\% \times (V_2 + E + D - V1 - C)$$

- The aggregate positive performance above the High Water Mark is only \$9,450,000 (as the High Water Mark (**V1**) plus **C** is \$100,000,000 and the closing Net Value (**V2**) plus **E** and **D** is \$109,450,000).
- Therefore, in this instance, there would be a Performance Fee (**F**) payable at 20% of \$9,450,000 equating to \$1,890,000 (plus GST) for the Performance Calculation Period.
- Applicable tax for the Performance Calculation Period (**T**) would be 26% of gross positive performance for the period after deduction of carry forward tax losses and the performance fee, i.e., $26\% \times (\mathbf{V2} \text{ of } \$109,250,000 - \mathbf{NV} \text{ of } \$95,000,000 - \mathbf{TL} \text{ of } \$5,000,000 - \mathbf{F} \text{ of } \$1,890,000) = \$1,913,600$.
- The new High Water Mark (or **V1** for the next Performance Calculation Period) would be $\mathbf{V2} \text{ of } \$109,250,000 - \mathbf{F} \text{ of } \$1,890,000 - \mathbf{T} \text{ of } \$1,913,600 = \$105,446,400$.

TERM OF AGREEMENT

The initial term of the Management Agreement is 10 years (**Initial Term**), which will be automatically extended for successive five year periods unless terminated earlier in accordance with the Management Agreement. If, at any time after the Commencement Date the Company's Shareholders pass a resolution to extend the term of the Management Agreement for a further period of 10 years, the term of the Management Agreement will be extended for a period of 10 years, commencing on the date of the resolution.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

TERMINATION

The Management Agreement confers on the Company certain termination rights.

After the expiration of the Initial Term, the Company may terminate the Management Agreement on three months' notice to the Manager if, while the Company is an Investment Entity, Shareholders pass an ordinary resolution that the Manager should be removed as manager of the Investment Portfolio. If the Company terminates the Management Agreement in this way, it must pay to the Manager a termination fee equal to the greater of:

- (i) all Management Fees and Performance Fees paid in the 12 month period up to the date of termination; and
- (ii) the amount that is 5% of the Gross Value of the Investment Portfolio on the date of termination multiplied by the Unelapsed Proportion (as defined following),

and, in addition to the termination fee, all accrued but unpaid fees (exclusive of GST) owing to the Manager including Management Fees and Performance Fees.

Unelapsed Proportion means 1 minus a proportion calculated as:

- (a) the number of full calendar months that have elapsed since the most recent of the Commencement Date and the date of any Extension Resolution; divided by
- (b) the total number of full calendar months between and including:
 - (i) the most recent of the Commencement Date and the date of any Extension Resolution; and
 - (ii) the last day of the term of the Management Agreement.

The Management Agreement also gives the Company the right to immediately terminate (**Immediate Termination Rights**) if the Manager becomes insolvent or breaches its obligations under the Management Agreement in a material respect and such breach cannot be rectified or is not remedied within 30 days after the Manager receives notice of that breach. No termination fee is payable to the Manager if the Management Agreement is terminated in accordance with the Company's Immediate Termination Rights.

The Manager may terminate the Management Agreement at any time after the first anniversary of the Commencement Date by the Manager giving to the Company at least three months written notice.

The Management Agreement may also be terminated on 30 days' written notice by either the Manager or the Company in the event that a force majeure event (which affects the party giving notice) persists for a period of 6 months.

AFTER TERMINATION

If the Management Agreement is terminated by the Company, the Company must call a general meeting to change the Company's name by removing the words "Salter Brothers". If the Company's name has not been changed within three months of the date of termination, the Manager will procure that Salter Family Holdings grants the Company a personal, non-transferable licence to use the "Salter Brothers" name for so long as the Company's name includes the word "Salter Brothers". In consideration for this licence, the Company must pay the Manager (or as it directs) an annual licence fee (in advance) equal to 1.5% plus GST of the Gross Value of the Investment Portfolio calculated on the date of termination and each subsequent anniversary of that date.

The Manager may deal with the Portfolio for up to 30 business days from the effective date of termination of the Management Agreement in order to vest control of the Portfolio in the Company (or as the Company may otherwise direct in writing).

CHANGE OF CONTROL

The Manager has no right to terminate the Management Agreement in the event of a change of control of the Company.

The Company has no right to terminate the Management Agreement in the event of a change of control of the Manager.

ASSIGNMENT

The Manager may not assign all or any of its right, title and interest in the Management Agreement to a third party without the prior written consent of the Company (such consent not to be unreasonably withheld or delayed) except upon 5 business days' written notice to the Company to:

- (i) an affiliate of the Manager; or
- (ii) a person who holds an AFSL with all authorisations necessary to perform the obligations of the Manager under the Management Agreement,

subject to the assignee agreeing to be bound by the Management Agreement. The Company may not withhold consent if:

- (i) the replacement manager holds a license with all authorisations necessary to perform its obligations under the Management Agreement following assignment;
- (ii) the Shareholders pass a resolution authorising the assignment to the replacement manager; and
- (iii) the Manager is not in default or breach of its obligations under the Management Agreement in a material respect.

The Company may not assign all or any of its rights under the Management Agreement except with the prior consent in writing of the Manager (such consent not to be unreasonably withheld or delayed).

AMENDMENT

The Management Agreement may only be altered in writing executed by the Manager and the Company. For so long as the Company is a LIC, unless permitted by applicable laws and the ASX Listing Rules, the parties may not materially amend the terms of the Management Agreement without the Shareholders first passing a resolution approving the amendment.

NON-EXCLUSIVITY

Provided that the Manager does not prejudice or otherwise derogate its responsibilities specified in the Management Agreement, the Manager may perform similar investment and management services for other persons.

CONFIDENTIALITY

The Manager and the Company have provided various confidentiality undertakings to each other in the Management Agreement. These undertakings require the Manager and the Company to, among other things:

- (i) take all reasonable proper and effective precautions to maintain the confidential nature of the other parties' confidential information; and
- (ii) only disclose confidential information:
 - (A) to a representative where the representative has a need to know and it is made fully aware of the confidential nature of the information;
 - (B) with the prior written consent of the other party; or
 - (C) as required by law, provided that prior notice of the proposed disclosure is given to the other party.

COMPANY INDEMNITY

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, costs, charge or expense is caused by the gross negligence, default, fraud or dishonesty of the Manager or its officers or employees. This obligation continues after the termination of the Management Agreement.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

If legal or statutory proceedings are commenced against the Manager (including where the Manager is joined as a party to a legal or statutory proceeding), arising out of any alleged default, negligent act or omission of the Manager, the Company or its employees, agents or contractors in the performance of obligations under the Management Agreement, the Manager may by written notice to the Company, require the Company to be responsible for the conduct and costs of any defence to the legal or statutory proceeding, subject to Manager providing the Company with all assistance reasonably requested by the Manager for the purpose of the defence.

The Company's indemnity is limited to the extent that any loss or liability is caused by an act or omission in breach of the Management Agreement, negligence, other default, fraud or dishonesty of the Manager, its officers, employees or agents, where any of those parties knew or ought reasonably to have known that the action would constitute a breach of the Management Agreement, negligence, other default, fraud or dishonesty, or that the loss or liability was likely to arise.

MANAGER INDEMNITY

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any gross negligence, default, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Management Agreement.

MANAGER'S LIABILITY

Subject to the applicable regulations and the terms of the Management Agreement, the Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (i) whether or not to exercise them; and
- (ii) the manner or mode of, and time for, their exercise,

and in the absence of gross negligence, other default, fraud or dishonesty, the Manager will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

9.2 SECURITIES SALE AGREEMENT

On 27 April 2021, the Company (as *purchaser*) entered into a legally binding securities sale agreement with G Fund (as *vendor*) (being the Securities Sale Agreement).

SALE AND PURCHASE ARRANGEMENTS

G Fund is the legal owner of a portfolio of listed and unlisted securities (**Portfolio Securities**).

G Fund has granted the Company the right (but not the obligation) to elect to purchase some or all (up to the Ceiling Value and in proportions specified by the Company in an irrevocable election notice no later than 9 hours prior to completion under the Securities Sale Agreement) of the Portfolio Securities free from security interests, with all rights, including dividend and voting rights, attached or accrued to Portfolio Securities. The Company also has the right (but not the obligation) to acquire an amount of \$5,000,000 in cash (or such other amount agreed between the Company and G Fund) from G Fund.

In consideration for any Portfolio Securities and the Cash Amount acquired from G Fund under the Securities Sale Agreement, the Company has agreed to issue the number of Shares (at a price of \$1.00 per Share, being the price per Share equal to the Offer Price) with an equivalent value to G Fund (**Consideration Shares**).

PORTFOLIO SECURITIES VALUE

The value of the Portfolio Securities which the Company proposes to elect to acquire from G Fund will be determined as follows:

- in relation to Portfolio Securities which are ASX listed securities, they will be valued at their ASX closing price on the day before completion under the Securities Sale Agreement; and
- in relation to Portfolio Securities which are unlisted securities, they will be valued based on the last valuation adopted by the directors of Salter Brothers Asset Management (as trustee of G Fund) (which, depending on the Portfolio Security, may be a directors' valuation or an independent valuation),

and no other consideration will be paid to G Fund for the Portfolio Securities or otherwise under the Securities Sale Agreement.

The Cash Amount acquired from G Fund under the Securities Sale Agreement will be valued on a dollar for dollar basis, without any interest or uplift.

If the aggregate of the Portfolio Securities which the Company has elected to acquire from G Fund plus the Cash Amount (**Portfolio Value**) is:

- less than \$50,000,000 (being the Floor Value), the Securities Sale Agreement automatically terminates; or
- greater than \$130,000,000 (being the Ceiling Value), then the Company may only elect to acquire Portfolio Securities up to an aggregate value of \$130,000,000 less the Cash Amount.

G FUND'S CONDUCT PENDING COMPLETION

On and from G Fund's receipt of an election notice from the Company until completion under the Securities Sale Agreement, G Fund must not dispose of any Portfolio Securities specified in the Company's election notice, other than to avoid a breach of its fiduciary or statutory duties, with the Company's consent or in accordance with the terms of the Securities Sale Agreement.

COMPLETION

At completion under the Securities Sale Agreement (**Completion**), G Fund must deliver to the Company the legal and beneficial title to the securities which the Company is acquiring in accordance with the terms of the Securities Sale Agreement and the Company must allot and issue the Consideration Shares to G Fund.

Completion under the Securities Sale Agreement must occur no later than the Closing Date and is a condition to the Offer proceeding. If:

- the Portfolio Value is less than the Floor Value (and the Securities Sale Agreement automatically terminates); or
- Completion does not otherwise occur,

the Condition will not be satisfied and the Company will not proceed with the Offer and will refund all Application Monies received.

CONDUCT UNTIL THE COMPLETION PORTFOLIO SECURITIES ARE REGISTERED

After Completion, and until the Company is the registered legal holder of the Portfolio Securities excluding the Portfolio Securities that the Company elects not to purchase under the Securities Sale Agreement (**Completion Portfolio Securities**), G Fund must:

- convene and attend at general meetings of each Investment Portfolio Entity; and
- vote at general meetings and take all other action in the capacity of the registered holder of the Completion Portfolio Securities,

as the Company may lawfully require from time to time by notice in writing to the G Fund.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

AFTER COMPLETION

By no later than the Closing Date, G Fund must distribute or procure the distribution of no less than 25% of the total number of Consideration Shares to the unitholders of G Fund as an in specie distribution in accordance with the terms of G Fund trust deed.

WARRANTIES AND REPRESENTATIONS

The warranties and representations given by G Fund to the Company and given by the Company to G Fund are standard warranties and representations for a sale and purchase arrangement involving the transfer and issue of securities. Similarly, a customary limitation of liability regime applies in respect of G Fund's warranties given in favour of the Company.

BENEFITS HELD

Each of the Company and G Fund hold the benefit of each indemnity, promise and obligation in the Securities Sale Agreement that benefits it, any of its associates or representatives or any representatives of its associates on its own behalf and on trust for each of those persons.

CONFIDENTIALITY

The Company must keep any confidential information of G Fund confidential and may disclose any confidential information in respect of which the Company has an obligation of confidentiality only to those of the Company's officers or employees or advisers who have a need to know for the purposes of the Securities Sale Agreement and if required to do so by law or the ASX Listing Rules or with the prior written approval of G Fund.

ALTERATIONS

The Securities Sale Agreement may be altered only in writing signed by the Company and G Fund.

ASSIGNMENT

Neither the Company, nor G Fund may assign the Securities Sale Agreement or a right under the Securities Sale Agreement unless it has the prior written consent of the other party.

9.3 RESOURCING ARRANGEMENTS

(A) INVESTMENT ADVISORY AGREEMENT

On 27 April 2021, the Manager entered into a legally binding investment advisory agreement with Salter Brothers Equities (as *investment advisor*) under which Salter Brothers Equities acts as a services provider in relation to the Company and performs various services for the Manager in respect of the Company in consideration for the payment by the Manager to Salter Brothers Equities of a monthly fee (specified below) (**Investment Advisory Agreement**). The commencement date under the Investment Advisory Agreement is aligned with the commencement date under the Management Agreement, being the date that Shares are issued by the Company under the Offer detailed in this Prospectus.

The Company is not a party to the Investment Advisory Agreement, but to the extent that the Investment Advisory Agreement contemplates the delivery of services by the Manager for the Company's benefit, a summary is provided to investors to assist them in making an informed assessment of the Offer.

DELEGATION BY THE MANAGER TO SALTER BROTHERS EQUITIES

Under the Investment Advisory Agreement, the Manager delegates such of its powers, authorities and discretions under the Management Agreement to Salter Brothers Equities reasonably necessary for Salter Brothers Equities to assist the Manager in the performance of its obligations under the Management Agreement.

DUTIES OF SALTER BROTHERS EQUITIES

Salter Brothers Equities must provide:

- (i) investment advice to the Manager with regard to the Investment Portfolio and its management and supervision of all Investments; and
- (ii) provide or procure the reasonable administrative and other support services reasonably required by the Manager to perform its obligations under the Management Agreement, including:
 - (A) valuing the assets of the Investment Portfolio;
 - (B) keeping the directors of the Company informed in respect of the management of the Investment Portfolio; and
 - (C) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.

Salter Brothers Equities may be engaged to provide certain other services including drafting the Company's annual report and arranging for the printing and distribution of such report on terms and at a price to be agreed to between the Manager and Salter Brothers Equities or appointing advisers to assist with capital raisings or other transactions to be undertaken by the Company.

EXPENSES

The Manager is liable for and, if required by Salter Brothers Equities, must pay the fees, costs and expenses when properly incurred in connection with the investment and management of the Investment Portfolio, the acquisition, disposal or maintenance of any Investment or performance of Salter Brothers Equities' obligations under the Investment Advisory Agreement, including:

- (i) all costs, custody fees, stamp duties, financial institutions duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage (including prime brokerage) incurred by Salter Brothers Equities in connection with:
 - (A) any due diligence, acquisition, management and negotiation of any Investment or proposed Investment;
 - (B) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any Investment; or
 - (C) the receipt of income or other entitlements from the Investments of the Investment Portfolio;
- (ii) outgoings in relation to the Investment Portfolio such as rates, levies, duties and taxes; and
- (iii) director fees, expenses incurred by the directors in that capacity and all premiums payable for directors and officer's insurance.

Salter Brothers Equities must bear the cost of, and is not entitled to be reimbursed by the Manager in respect of:

- (i) its internal labour and overhead costs in connection with the performance of its obligations under the Investment Advisory Agreement; and
- (ii) any amounts for which the Manager would not be entitled to be reimbursed from the Company under the Management Agreement.

REMUNERATION OF SALTER BROTHERS EQUITIES

In return for the performance of the services as Investment Advisor, Salter Brothers Equities is entitled to be paid a monthly fee calculated by taking:

- (i) the aggregate of the agreed personnel costs incurred, payable or accrued, by Salter Brothers Equities for that month; divided by
- (ii) the proportionate amount of time that the personnel spent providing services under the Investment Advisory Agreement as agreed with the Manager acting reasonably.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

TERM

The Investment Advisory Agreement remains in force until the earlier of:

- (i) the Manager and Salter Brothers Equities agreeing in writing to terminate; or
- (ii) either the Manager or Salter Brothers Equities giving not less than three months' notice to the other party.

The Investment Advisory Agreement may also be terminated on 30 days' written notice by either the Manager or Salter Brothers Equities in the event that a force majeure event (which affects the party giving notice) persists for a period of 6 months.

No termination fee is payable to Salter Brothers Equities in connection with the Investment Advisory Agreement being terminated by the Manager.

ASSIGNMENT

Either the Manager or Salter Brothers Equities may assign all or any of its right, title and interest in the Investment Advisory Agreement to a third party only with the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

AMENDMENT

The Investment Advisory Agreement may only be altered in writing executed by the Manager and Salter Brothers Equities.

NON-EXCLUSIVITY

Provided that Salter Brothers Equities does not prejudice or otherwise derogate its responsibilities specified in the Investment Advisory Agreement, Salter Brothers Equities may perform similar investment and management services for other persons.

CONFIDENTIALITY

Mutual confidentiality undertakings apply in respect of Salter Brothers Equities and the Manager under the Investment Advisory Agreement. These undertakings require Salter Brothers Equities and the Manager to, among other things:

- (i) take all reasonable proper and effective precautions to maintain the confidential nature of the other's confidential information; and
- (ii) only disclose confidential information:
 - (A) to a representative where the representative has a need to know and it is made fully aware of the confidential nature of the information;
 - (B) with the prior written consent of the other party; or
 - (C) as required by law, provided that reasonable prior notice of the proposed disclosure is given to the other party.

SALTER BROTHERS EQUITIES' LIABILITY

Subject to the applicable regulations and the terms of the Investment Advisory Agreement, Salter Brothers Equities will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (i) whether or not to exercise them; and
- (ii) the manner or mode of, and time for, their exercise,

and in the absence of gross negligence, other default, fraud or dishonesty, Salter Brothers Equities will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

SALTER BROTHERS EQUITIES INDEMNITY

Salter Brothers Equities must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any gross negligence, default, fraud or dishonesty of Salter Brothers Equities or its officers or supervised agents. This obligation continues after the termination of the Investment Advisory Agreement.

MANAGER INDEMNITY

The Manager must indemnify Salter Brothers Equities against any losses or liabilities reasonably incurred by Salter Brothers Equities arising out of, or in connection with, and any costs, charges and expenses incurred in connection with Salter Brothers Equities or any of its officers, employees or agents acting under the Investment Advisory Agreement or on account of any bona fide investment decision made by Salter Brothers Equities or its officers or agents except for any costs expressly for the account of Salter Brothers Equities or insofar as any loss, liability, costs, charge or expense is caused by the gross negligence, default, fraud or dishonesty of Salter Brothers Equities or its officers or employees. This obligation continues after the termination of the Investment Advisory Agreement.

If legal or statutory proceedings are commenced against Salter Brothers Equities (including where Salter Brothers Equities is joined as a party to a legal or statutory proceeding), arising out of any alleged default, negligent act or omission of Salter Brothers Equities, the Manager or its employees, agents or contractors in the performance of obligations under the Investment Advisory Agreement, Salter Brothers Equities may by written notice to the Manager, require the Manager to be responsible for the conduct and costs of any defence to the legal or statutory proceeding, subject to Salter Brothers Equities providing the Manager with all assistance reasonably requested by the Manager for the purpose of the defence.

The Manager's indemnity is limited to the extent that any loss or liability is caused by an act or omission in breach of the Investment Advisory Agreement, negligence, other default, fraud or dishonesty of Salter Brothers Equities, its officers, employees or agents, where any of those parties knew or ought reasonably to have known that the action would constitute a breach of the Investment Advisory Agreement, negligence, other default, fraud or dishonesty, or that the loss or liability was likely to arise.

(B) SHARED SERVICES AGREEMENT

On 27 April 2021, the Manager (as *investment manager*) entered into a legally binding shared services agreement with Salter Brothers Asset Management (as *services provider*) under which Salter Brothers Asset Management acts as a services provider in relation to the Company and performs various services for the Manager in respect of the Company in consideration for the payment by the Manager to Salter Brothers Asset Management of a monthly fee (specified below) (**Shared Services Agreement**). The commencement date under the Shared Services Agreement is aligned with the commencement date under the Management Agreement, being the date that Shares are issued by the Company under the Offer detailed in this Prospectus.

The Company is not a party to the Shared Services Agreement, but to the extent that the Shared Services Agreement contemplates the delivery of services by the Manager for the Company's benefit, a summary is provided to investors to assist them in making an informed assessment of the Offer.

DELEGATION BY THE MANAGER TO SALTER BROTHERS ASSET MANAGEMENT

Under the Shared Services Agreement, the Manager delegates such of its powers, authorities and discretions under the Management Agreement to Salter Brothers Asset Management as is reasonably necessary for Salter Brothers Asset Management to assist the Manager in the performance of its obligations under the Management Agreement.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

DUTIES OF SALTER BROTHERS ASSET MANAGEMENT

Salter Brothers Asset Management must provide or procure the provision of reasonable administrative and other support services reasonably required by the Manager to perform its obligations under the Management Agreement, including:

- (i) maintenance of the corporate and statutory records of the Company;
- (ii) liaison with the ASX with respect to compliance with the ASX Listing Rules;
- (iii) liaison with ASIC with respect to compliance with the Corporations Act;
- (iv) liaison with the share registry of the Company;
- (v) providing a registered office and secretarial support for the Manager;
- (vi) providing the Manager with company secretarial services;
- (vii) assisting the Manager with obtaining financial controller and tax-related services;
- (viii) assisting the Manager with obtaining insurance;
- (ix) assisting the Manager with marketing and investor relations; and
- (x) such other services as the Manager and the Salter Brothers Asset Management might agree from time to time.

EXPENSES

The Manager is liable for and, if required by Salter Brothers Asset Management, must pay the fees, costs and expenses when properly incurred by Salter Brothers Asset Management under the Shared Services Agreement.

Salter Brothers Asset Management must bear the cost of, and is not entitled to be reimbursed by the Manager in respect of:

- (i) its internal labour and overhead costs in connection with the performance by its obligations under the Shared Services Agreement; and
- (ii) any amounts for which the Manager would not be entitled to be reimbursed from the Company under the Management Agreement.

REMUNERATION OF SALTER BROTHERS ASSET MANAGEMENT

In return for the performance of the services under the Shared Services Agreement, the Manager must pay Salter Brothers Asset Management a monthly fee of \$30,000 (adjusted monthly for CPI), payable in arrears on presentation of an invoice by Salter Brothers Asset Management.

TERM

The Shared Services Agreement remains in force until the earlier of:

- (i) the Manager and Salter Brothers Asset Management agreeing in writing to terminate; or
- (ii) either the Manager or Salter Brothers Asset Management giving not less than three months' notice to the other party.

The Shared Services Agreement may also be terminated on 30 days' written notice by either the Manager or Salter Brothers Asset Management in the event that a force majeure event (which affects the party giving notice) persists for a period of 6 months.

No termination fee is payable to Salter Brothers Asset Management in connection with the Shared Services Agreement being terminated by the Manager.

ASSIGNMENT

Either the Manager or Salter Brothers Asset Management may assign all or any of its right, title and interest in the Shared Services Agreement to a third party only with the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

AMENDMENT

The Shared Services Agreement may only be altered in writing executed by the Manager and Salter Brothers Asset Management.

NON-EXCLUSIVITY

Provided that Salter Brothers Asset Management does not prejudice or otherwise derogate its responsibilities specified in the Shared Services Agreement, Salter Brothers Asset Management may perform similar investment and management services for other persons.

CONFIDENTIALITY

Mutual confidentiality undertakings apply in respect of Salter Brothers Asset Management and the Manager under the Shared Services Agreement. These undertakings require Salter Brothers Asset Management and the Manager to, among other things:

- (i) take all reasonable proper and effective precautions to maintain the confidential nature of the other's confidential information; and
- (ii) only disclose confidential information;
 - (A) to a representative where the representative has a need to know and it is made fully aware of the confidential nature of the information;
 - (B) with the prior written consent of the other party; or
 - (C) as required by law, provided that reasonable prior notice of the proposed disclosure is given to the other party.

SALTER BROTHERS ASSET MANAGEMENT'S LIABILITY

Subject to the applicable regulations and the terms of the Shared Services Agreement, Salter Brothers Asset Management will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (i) whether or not to exercise them; and
- (ii) the manner or mode of, and time for, their exercise,

and in the absence of gross negligence, other default, fraud or dishonesty, Salter Brothers Asset Management will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

SALTER BROTHERS ASSET MANAGEMENT INDEMNITY

Salter Brothers Asset Management must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any gross negligence, default, fraud or dishonesty of Salter Brothers Asset Management or its officers or supervised agents. This obligation continues after the termination of the Shared Services Agreement.

9. MATERIAL AGREEMENTS AND OTHER CONTRACTS (CONTINUED)

MANAGER INDEMNITY

The Manager must indemnify Salter Brothers Asset Management against any losses or liabilities reasonably incurred by Salter Brothers Asset Management arising out of, or in connection with, and any costs, charges and expenses incurred in connection with Salter Brothers Asset Management or any of its officers, employees or agents acting under the Agreement except for any costs expressly for the account of Salter Brothers Asset Management or insofar as any loss, liability, costs, charge or expense is caused by the gross negligence, default, fraud or dishonesty of Salter Brothers Asset Management or its officers or employees. This obligation continues after the termination of the Shared Services Agreement.

If legal or statutory proceedings are commenced against Salter Brothers Asset Management (including where Salter Brothers Asset Management is joined as a party to a legal or statutory proceeding), arising out of any alleged default, negligent act or omission of Salter Brothers Asset Management, the Manager or its employees, agents or contractors in the performance of obligations under the Shared Services Agreement, Salter Brothers Asset Management may by written notice require the Manager to be responsible for the conduct and costs of any defence to the legal or statutory proceeding, subject to Salter Brothers Asset Management providing the Manager with all assistance reasonably requested by the Manager for the purpose of the defence.

The Manager's indemnity is limited to the extent that any loss or liability is caused by an act or omission in breach of the Shared Services Agreement, negligence, other default, fraud or dishonesty of Salter Brothers Asset Management, its officers, employees or agents, where any of those parties knew or ought reasonably to have known that the action would constitute a breach of the Shared Services Agreement, negligence, other default, fraud or dishonesty, or that the loss or liability was likely to arise.

10. DIRECTORS AND CORPORATE GOVERNANCE



10. DIRECTORS AND CORPORATE GOVERNANCE

10.1 INTRODUCTION

The Company believes that by accessing the resources and Investment Team of Salter Brothers the Manager will have the skill, depth of knowledge, and experience to execute the investment strategy and to manage the Investment Portfolio.

The Manager will be overseen by the Directors, who have a broad range of experience in investment management combined with financial and commercial expertise.

The following table provides information regarding the Directors, including their positions:

Director	Position	Independence
John Vatovec	Chairperson	Independent
Marcos Marcou	Non-Executive Director	Independent
Robert Salter	Non-Executive Director	Non-independent

10.2 BACKGROUND OF THE DIRECTORS



JOHN VATOVEC

John Vatovec has over 37 years' experience in equity capital markets, hedge funds and portfolio management. John has a long-established network in Australasia amongst corporates, investment banks, hedge fund managers and family offices.

John commenced his career at Prudential Portfolio Managers progressing through various analyst and senior portfolio management roles, before moving to Macquarie Bank where he held senior roles within Macquarie Equities. John was responsible for launching and building Macquarie's Asian equity broking business as well as being responsible for global hedge fund client management. John then moved to Lowy Funds Group as a Senior Fund Manager and Investment Committee member for six years, before being appointed a Non-Executive Director of Van Eyck 3 Pillars, a listed investment company.

John then established MAP Capital Advisors NSW where he has been involved in numerous capital raising and advisory mandates.

John holds a Bachelor of Commerce majoring in Accounting and Finance from the University of NSW and is a graduate of the Securities Institute of Australia (**FINSIA**).



MARCOS MARCOU

Marcos has over 30 years' experience in leading and advising on mergers and acquisitions, corporate strategy, governance, private equity raising and investments. Marcos has held a number of senior management positions in the telecommunications, technology and resources sectors with Benchmark Factory – NASDAQ:DELL (USA), SpeedCast – ASX:SDA (Hong Kong), Damovo-Ericsson – F (Australia) and Deloitte Consulting (Australia & Hong Kong) specialising in corporate strategy, and mergers and acquisitions. Recently, Marcos also held the role of Executive Director and Company Secretary at Kazakhstan Potash Corporation Limited (ASX:KPC). Prior to this, Marcos was joint founder and Director of MAP Capital Advisors, a boutique corporate advisory and funds management business.

Marcos holds a Bachelor of Arts (University of Melbourne) and a Master of Business Administration (Swinburne University of Technology).



ROBERT SALTER

Robert is a founder and the Chief Executive Officer of Salter Brothers. He is a director of a number of the Salter Brothers entities (including as an executive director of Salter Brothers Asset Management), and has over 20 years' experience in the financial services industry.

Prior to co-founding Salter Brothers, Robert was a Senior Investment Advisor at Macquarie Bank Limited. He provided investment advice to high net worth and ultra-high net worth individuals in the Asia Pacific region, encompassing asset allocation, structuring and investment selection. Before this, he held similar roles as a Director with UBS Wealth Management and also at Merrill Lynch Private. Prior to his career as an investment advisor, Robert worked overseas, principally in Switzerland, as the Deals Desk Head for the Metals and Minerals Division of Trafigura Beheer BV, a physical commodity trader. Robert was responsible for the management of the Global Derivatives book encompassing both the hedging of physical price risk and all proprietary trading activities.

Robert is a member of Chartered Accountants Australia and New Zealand (CAANZ). He holds a Bachelor of Commerce (University of Melbourne) and has completed the SDIA Accreditation Program RG146.

10.3 INDEPENDENT DIRECTORS

John Vatovec and Marcos Marcou, being independent Directors, are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board has formed this view, noting that John Vatovec is a former director of G Fund, after careful consideration of the applicable circumstances, including but not limited to the fact that (1) John Vatovec is no longer a director of G Fund, (2) John Vatovec has no ongoing financial or business relationship with G Fund, or historical relationship other than as a director, (3) John Vatovec was an independent non-executive director of G Fund (4) John was the director of G Fund (being Salter Brothers Asset Management acting in its capacity as a professional trustee entity), which acts in the interest of the beneficiaries and not for the interests of itself or its shareholders, (5) the beneficiaries are not affiliated with John in any way, and (6) none of the other examples in the ASX Recommendations apply to John in any way which to suggests, in the opinion of the Board, that John should not be considered to be independent.

10.4 DIRECTOR DISCLOSURES

Other than as disclosed below, no Director has been the subject of any legal or disciplinary action, criminal conviction, declaration of contravention of a civil penalty provision, personal bankruptcy, disqualification, civil penalty proceedings or other enforcement proceedings by any government agency or refusal, suspension or cancellation of membership of a professional organisation in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director.

A Salter Brothers entity commenced legal proceedings against the shareholders of an investee company and persons associated with the shareholders, including a former senior employee of the investee company (**Salter Brothers Proceeding**). Subsequent to the commencement of the Salter Brothers Proceeding and termination of the employment of the employee, the former employee commenced a separate proceeding (which is being heard together with the Salter Brothers Proceeding) alleging that Robert Salter engaged in workplace misconduct toward the former employee. These allegations are denied by Robert Salter and he is defending the proceeding.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

10. DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

10.5 ROLE OF THE DIRECTORS

The Directors will ensure that the Company has corporate governance procedures and that those procedures are followed. In addition, the Board will be responsible for reviewing the Manager's performance and ensuring compliance with the Management Agreement. Together, the members of the Board may implement capital management strategies (in line with the policy set out in Section 4.12) from time to time.

It is expected that Board meetings will be held at least quarterly and more frequently as required. The Directors' commitment of time to these activities will depend on a number of factors including the size of the Investment Portfolio, the spread of investments in the Investment Portfolio, and the state of investment of the Investment Portfolio.

The Company has outsourced the investment management function to the Manager and it has outsourced the corporate registry function to the Registry.

Each Director has confirmed that, notwithstanding his other commitments, he will be available to spend the required amount of time on the Company's affairs including attending Board meetings of the Company.

10.6 PARTICIPATION BY DIRECTORS

The Directors, and entities or persons associated with them, are permitted to participate in the Offer. It is expected that the Directors, and entities and persons associated with them, will apply for the following number of Shares under the Offer:

Director	Number of Shares
John Vatovec	2,000
Marcos Marcou	2,000
Robert Salter	14,000 (inclusive of 2,000 Shares to be subscribed for by his spouse)

None of the Directors currently hold any Shares. There is only 1 Share currently on issue, held by G Fund.

10.7 NO OTHER INTERESTS

Except as set out in this Prospectus, there are no interests in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

that exist at the date of this Prospectus, and there were no interests that existed within two years before the date of this Prospectus that are, or were respectively, interests of a Director, a proposed Director of the Company, a person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, a promoter of the Company or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer.

Further, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him to become or to qualify him as a Director or otherwise, for services rendered by him in connection with the promotion or formation of the Company.

10.8 DIRECTORS' REMUNERATION

In accordance with the Constitution, the Directors as a whole (other than any executive Directors) may be provided with remuneration for their services the total amount of which must not exceed the maximum amount determined from time to time by the Company in general meeting.

In accordance with their current terms of appointment, the non-executive Directors will only receive, at present, director fees of, in aggregate, \$125,000 per annum as set out in the following table, and none of the current Directors are executive Directors.

For further information on the Constitution, including any additional remuneration that may be paid in accordance with the Constitution, please see Section 11.3.

The Directors will receive the following amounts for the first year (inclusive of superannuation) as reasonable remuneration for services to be provided by the Directors:

Director	Fees
John Vatovec	\$55,000
Robert Salter	\$35,000
Marcos Marcou	\$35,000

For the calendar year ending 2021, Directors will be paid a pro rata amount calculated by reference to the date the Company is admitted to the Official List on the ASX. The remuneration for Directors will be reviewed by the Board on a periodic basis as the Company develops its business and, subject to the ASX Listing Rules, may be increased.

10.9 CORPORATE GOVERNANCE

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance Shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of activities.

The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's activities with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes are appropriate for the Company's size and the nature of activities.

The main policies and practices adopted by the Company, which will take effect from Listing, are summarised below. The Board will review the corporate governance policies and structures that the Company has in place on an ongoing basis to ensure that these are appropriate for the size of the Company and the nature of its activities, and that these policies and structures continue to meet the corporate governance standards to which the Board is committed. Details of the Company's key policies and the charters for the Board and each of its committees will be available from Listing at the Company's website.

10. DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

(A) ASX CORPORATE GOVERNANCE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released the Corporate Governance Principles and Recommendations, now in its fourth edition (**ASX Recommendations**) for Australian listed entities. The ASX Recommendations are not mandatory or prescriptive and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the size and nature of its activities. However, under the ASX Listing Rules, the Company will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations within the reporting period. Where the Company does not follow an ASX Recommendations for any part of a reporting period, it must identify the relevant recommendation that has not been followed and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

The main policies and practices adopted by the Company, which will take effect from completion of the Offer, are summarised below.

Except as set out below, the Board does not expect that it will depart from the recommendations of the ASX Recommendations from the Listing Date. However it may do so in the future if it considers such a departure would be reasonable.

Except as set out below, the Company intends to comply with all of the ASX Recommendations with effect from its admission to the Official List.

BOARD OF DIRECTORS

The Board comprises of three members, being John Vatovec, Marcos Marcou and Robert Salter.

Biographies of the Board members are provided in Section 10.2.

The ASX Recommendations state that there should ideally be a majority of independent Directors comprising the Board and that the chairperson position be held by an independent Director. The Directors have reserved absolute discretion to determine the appropriate composition of the Board from time to time.

The Board Charter sets out guidelines for the purpose of determining independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board considers an independent Director to be one who is independent of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgement. The Board reviews the independence of each Director in light of interests disclosed to the Board from time-to-time.

Robert Salter is not considered by the Board to be independent as he has a substantial but not controlling equity interest in various Salter Brothers entities. Robert Salter is also an executive director of Salter Brothers Asset Management.

The Board considers that John Vatovec and Marcos Marcou are independent Directors for the purpose of the ASX Recommendations as each is free from any interest, position, association or relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement.

As discussed in Section 10.3, the Board will consist of a majority of two independent Directors. The Board considers that each of the independent Non-Executive Directors brings an objective and independent judgment to the Board's deliberations and that each of the Non-Executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's activities, Investment Objectives and Investment Guidelines.

(B) BOARD CHARTER

The Board has adopted a written charter to clarify the roles and responsibilities of the Board members which will take effect from Listing. The charter sets out:

- (a) the Board composition;
- (b) the Board's role and responsibilities;
- (c) the relationship and interaction between the Board, the Manager and Management; and
- (d) the matters specifically reserved for the Board or Board committees.

The composition of the Board is to be determined in accordance with the following principles:

- (a) a majority of independent non-executive Directors;
- (b) the Directors should have an appropriate range of skills, experience and expertise to allow them to understand and competently deal with current and emerging business issues; and
- (c) the Directors must be capable of effectively reviewing and challenging the performance of Management and exercising independent judgment.

The Board must have a minimum of three and a maximum of nine Directors. The Company's intention is to have a majority of independent non-executive directors in each committee listed in 10.9(c), however given the size of the Board and circumstances of the Company, this may not always be possible.

In accordance with the ASX Listing Rules, no Director (other than the managing director (if any)) is permitted to hold office for a continuous period of up to three years, or until the third annual general meeting following the Director's appointment or election, whichever is the longer, without submitting themselves for re-election.

The role of the Board is to act in the best interests of the Company as a whole and is accountable to Shareholders for the overall direction, management and corporate governance of the Company and its related bodies corporate.

The Board seeks to discharge its responsibilities in a variety of ways, including by:

- (a) overseeing the Company, including providing leadership, and setting its strategic objectives, and overseeing Management's implementation of such strategic objectives and its performance generally;
- (b) approving the Company's statement of values to underpin the Company's desired culture;
- (c) overseeing and monitoring the performance of the Manager and its compliance with the Management Agreement between the Company and the Manager;
- (d) appointing the chairperson of the Board;
- (e) appointing and removing the chief executive officer (if any);
- (f) monitoring the performance of the chief executive officer (if any);
- (g) approving the appointment and replacement of the company secretary;
- (h) where appropriate ratifying organisational changes and approving Management remuneration policies and practices in order to ensure that the remuneration policies are aligned with the Company's and its related bodies corporate's purpose, values, strategic objectives and systems of risk appetite;
- (i) approving the proposed annual budget;
- (j) approving succession plans for Management;
- (k) reporting to Shareholders;
- (l) determining and financing of dividend payments;
- (m) approving and monitoring, the progress of major capital expenditure, capital management, acquisitions and divestitures;

10. DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

- (n) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
- (o) reviewing and monitoring any related part transaction and recommending its approval;
- (p) approving, monitoring, reviewing and ratifying systems of risk management, accountability, internal compliance and control, and legal compliance to ensure that appropriate compliance frameworks and controls are in place;
- (q) reviewing performance, operations and compliance reports from the chairperson, including reports and updates on strategic issues and risk management matters;
- (r) reviewing and overseeing the Company's disclosure policy together with the other policies which are put in place by the Company with respect to the management of the Company's operations;
- (s) evaluating the performance of the Board, the Manager and Management collectively and individually;
- (t) reviewing and overseeing the implementation of the code of conduct for directors and any relevant persons;
- (u) approving the charters of the various Board committees;
- (v) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Company's and its related bodies corporate's governance practices;
- (w) monitoring and ensuring compliance with best practice corporate governance requirements;
- (x) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (y) satisfying itself that an appropriate framework exists for relevant information to be reported by the Manager and Management to the Board; and
- (z) any other responsibilities as prescribed by the law or are determined by the Board from time to time.

The Manager has been appointed to manage all of the assets of the Company on behalf of the Company and to undertake on behalf of the Company the management and administrative tasks set out in the Management Agreement. The Board is responsible for regularly reviewing the performance of the Manager against measurable and qualitative indicators as reflected in the Management Agreement and the terms of the Manager's delegated authority. The Board must monitor the compliance by the Manager with its obligations under the Management Agreement and take appropriate steps to enforce the performance of those obligations, if and when required.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director or other person, subject to ultimate responsibility residing with the Directors. The Board has established the Audit, Risk and Compliance committee, which has a separate charter outlining its terms of reference. The Board may also delegate, at its absolute discretion, specific functions to ad-hoc committees on an 'as needs' basis.

The Board collectively, and individual Directors, may seek independent professional advice at the Company's expense, subject to the approval of the Chairperson of the Board.

(C) BOARD COMMITTEES

The Board may from time-to-time establish committees to assist in the discharge of its responsibilities. The Board has established an Audit, Risk and Compliance Committee, which has a separate charter outlining its terms of reference. An overview of the Audit, Risk and Compliance Committee and a summary of its charter is set out below.

The Board has also adopted a number of policies including in relation to anti-bribery, fraud and corruption, market disclosure and Shareholder communication.

AUDIT, RISK AND COMPLIANCE COMMITTEE

Under its charter, the Audit, Risk and Compliance Committee should comprise at least three Directors, all being Non-Executive Directors who are financially literate and a majority of independent Directors, however given the size of the Board and circumstances of the Company, this may not always be possible. All members of this committee must be able to read and understand financial statements and at least one member must be a qualified accountant or other financial professional with experience in financial and accounting matters.

At present Marcos Marcou and John Vatovec are members of the Audit, Risk and Compliance Committee. Marcos Marcou will act as chair of the committee. The terms of their appointment are at the discretion of the Board and vacancies may be filled as they arise.

The Audit, Risk and Compliance Committee will assist the Board in carrying out its accounting and auditing, financial reporting, and compliance and risk related responsibilities including by:

- (a) ensuring effective internal and external audit functions and overseeing the Company's and its related bodies corporate's relationship with the external auditor and internal auditors (if any) (including auditors engaged by the Manager);
- (b) overseeing the Company's and its related bodies corporate's preparation of the consolidated financial statements and reports;
- (c) overseeing the Company's and its related bodies corporate's financial controls and systems;
- (d) monitoring, reviewing and assessing the Company's compliance undertaken by the Manager on the Company's behalf, including the effectiveness of its compliance program;
- (e) assisting in ensuring that the Manager appropriately provides compliance information to the Board;
- (f) maintaining open communication channels among the Audit, Risk and Compliance Committee, the Manager, the investment team engaged by the Manager any other management engaged by the Company and internal and external advisers in order to review and discuss specific issues, exchange views and information and confirm respective duties and responsibilities as appropriate; and
- (g) monitoring the Manager and Management's performance against the Company's risk management framework.

The charter for the Audit, Risk and Compliance Committee also sets out the Company's commitment to assessing and prioritising areas of greatest potential financial risks and reporting to the Board on the adequacy of financial risk management. The Company will review its financial risk management procedures with the assistance of the Manager to seek to ensure that it complies with its legal obligations.

Under its charter the Audit, Risk and Compliance Committee is responsible for reviewing, approving and recommending to the Board for adoption policies and procedures for appointing or removing an external auditor and regularly reviewing with the external auditor the scope of the external audit, identified risk areas and other agreed procedures (including auditors engaged by the Manager). The Audit, Risk and Compliance Committee is responsible for recommending to the Board for approval the types of non-audit services that the external auditor may provide without impairing or appearing to impair the external auditor's independence.

The Board authorises the Audit, Risk and Compliance Committee to seek any information it considers necessary to fulfil its responsibilities. The Audit, Risk and Compliance Committee has access to:

- (a) the Manager and Management to seek explanations and information from Management including receiving reports on new and emerging sources of risk; and
- (b) internal and external auditors to seek explanations and information from them, without Management being present.

10. DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

The Audit, Risk and Compliance Committee may seek professional advice from Management and from appropriate external advisers, at the Company's cost.

Non-committee members, including members of the Management team and the external auditor may attend meetings by invitation of the Audit, Risk and Compliance Committee as it deems appropriate.

The Audit, Risk and Compliance Committee chairperson must report to the Board the committee's findings after each Audit, Risk and Compliance Committee meeting. The committee will meet as often as it considers necessary.

NOMINATION AND REMUNERATION COMMITTEE

The Board does not have, and does not currently intend to establish, a Nomination and Remuneration Committee because the formation of such a committee would be inefficient given the Company's size and nature and having regard to the fact that the Company does not have any employees. For this reason, a Nomination and Remuneration Committee would not serve to protect or enhance the interest of Shareholders.

Should the size of the Company change, the Company will consider establishing a separate Nomination and Remuneration Committee.

Notwithstanding the above, the Board will ensure that appropriate remuneration policies are practices are in place for non-executive Directors, executive directors (if any from time to time) and senior management (if any from time to time), while having regard to the ASX Recommendations. The Board will annually review the allocation and amount of remuneration for non-executive Directors and will reflect market rates.

10.10 COMPANY POLICIES

The Company has adopted the following policies, each of which has been prepared having regard to the ASX Recommendations and are available on the Company's website at www.salterbrothersemergingcompanies.com.au. The Company will send you a copy of any of the below policies, at no cost to you, should you request a copy during the Offer Period.

(A) SHAREHOLDER COMMUNICATIONS POLICY

The Board's aim is to provide Shareholders with sufficient information to assess the performance of the Company and to inform them of major developments affecting the affairs of the Company relevant to Shareholders in accordance with all applicable laws. The Company has adopted a Shareholder communications policy to take effect from Listing which aims to promote effective communication with its Shareholders and encourage effective participation at general meetings of the Company.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and publishing information on the Company's website.

In particular, the Company's website will contain information about it, including media releases, key policies and the charters of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on the Company's website as soon as they have been released to ASX.

(B) SECURITIES TRADING POLICY

The Company has adopted a securities trading policy which will apply to the Company, its Directors, employees, the Manager, Management and any persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly, and their associates.

The policy is intended to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and establish procedures in relation to dealings in Shares.

The securities trading policy defines certain 'closed periods' during which trading in Shares by Directors, officers and certain key management personnel is not permitted. The 'closed periods' are currently defined as during the period beginning one month before the start of trading on the day on which:

- (a) the Company announces its half-yearly results to the ASX;
- (b) the Company announces its full year results to the ASX;
- (c) the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and
- (d) any additional periods determined by the Board from time-to-time.

Directors and restricted persons must receive prior approval for any proposed dealing or trading in the Company's securities outside the above 'closed periods' (including any proposed dealing by one of their connected persons). In all instances, the buying or selling of Shares is not permitted at any time by any person who possesses price-sensitive information. A copy of this securities trading policy will be available on the Company's website.

(C) MARKET DISCLOSURE POLICY

Once listed on the ASX, the Company will be required to comply with the continuous disclosure obligations and periodic disclosure obligations of the ASX Listing Rules and the Corporations Act. Subject to the exceptions in the ASX Listing Rules, the Company will be required to disclose any information to the ASX that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is committed to observing its continuous disclosure obligations and periodic disclosure obligations under the ASX Listing Rules and the Corporations Act. The Company has adopted a market disclosure policy to take effect from Listing which establishes procedures that are aimed at ensuring the Company fulfils its obligations in relation to the timely disclosure of material price sensitive information. The Board will review the market disclosure policy periodically to ensure that it is operating effectively and whether any changes are required. Under the policy only the disclosure officer and the Chairperson of the Board may speak on behalf of the Company to institutional investors, stockbroking analysts and the media as an authorised spokesperson.

Under the policy, a disclosure committee will be responsible for managing the Company's compliance with its continuous and periodic disclosure obligations. The disclosure officer will be responsible for the disclosure of material information to the ASX and must maintain a procedural methodology for disclosure and record keeping. Under the policy, the disclosure officer will be the Company Secretary. Under the policy, the Disclosure Committee will consist of the disclosure officer and any other persons of the Company and its related bodies corporate appointed by the Board from time to time. The form and content of any announcement of the Company in relation to a major matter requires the approval of the Chairperson of the Board prior to release.

In addition to being provided to the ASX, continuous and periodic disclosure announcements will also be available on the Company's website at **www.salterbrothersemergingcompanies.com.au**.

(D) DIVERSITY POLICY

The Board has formally approved a diversity policy in order to address and actively facilitate a more diverse and representative management and leadership structure.

The policy:

- (a) supports the commitment of the Company and its related bodies corporate to an inclusive workplace that embraces and values diversity;
- (b) is aligned with the Company's values to foster inclusion at all levels of the organisation;
- (c) provides a framework for new and existing diversity related initiatives, objectives, strategies and programs within the business of the Company and its related bodies corporate;

10. DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

- (d) supports the commitment of the Company and its related bodies corporate to informing Shareholders regarding its progress towards implementation and achievement of its diversity objectives; and
- (e) supports the commitment of the Company and its related bodies corporate to compliance with the ASX Recommendations.

The Company will annually review, assess and report on gender diversity within the Company and its related bodies corporate. The Board will include in the Annual Report each year its objectives for achieving gender diversity and its progress in achieving those objectives.

(E) ANTI-BRIBERY, FRAUD AND CORRUPTION POLICY

Any bribery, fraud or corruption committed against the Company is a major concern to the Company. The Company requires all officers, employees, the Manager, Management, contractors and others engaged by the Company or its related bodies corporate at all times to act honestly and with integrity and to safeguard the Company resources for which they are responsible. The Company is also committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits. Accordingly, the Company has adopted an anti-bribery, fraud and corruption policy.

The anti-bribery, fraud and corruption policy applies to all officers, employees (if any), Directors, the Manager, Management, contractors and others engaged by the Company or its related bodies corporate.

The purpose of the policy is to protect the assets and reputation of the Company by:

- (a) reinforcing the commitment and responsibility of the Board and the management of the Company and its related bodies corporate to identify fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities;
- (b) reinforcing the requirement for officers, employees (if any), contractors, the Manager, Management and others engaged by the Company or its related bodies corporate to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct;
- (c) acknowledging the serious criminal and civil penalties that may be incurred as a result of any persons at the Manager, the Company or its related bodies corporate engaging in fraudulent and corrupt activities;
- (d) providing a framework for conduct of investigations to ensure that all suspected fraudulent and corrupt activity is dealt with appropriately in accordance with the Company's statement of values; and
- (e) assigning responsibility for the development of controls to prevent and detect fraud.

(F) CODE OF CONDUCT

The Company is committed to maintaining the highest ethical standards in the conduct of its business activities. Accordingly, the Board has adopted a formal code of conduct, to take effect from Listing, for the following purposes:

- (a) to articulate the high standards of honesty, integrity and ethical and law-abiding behaviour expected of Directors and senior persons of the Company and its related bodies corporate;
- (b) to encourage the observance of those standards to protect and promote the interests of Shareholders and other stakeholders (including senior persons of the Company and its related bodies corporate, customers, suppliers and creditors) in accordance with the Company's statement of values;
- (c) to guide Directors and senior persons as to the practices thought necessary to maintain confidence in the Company and its related bodies corporate's integrity; and
- (d) to set out the responsibility and accountability of Directors and senior persons to report and investigate any reported violations of this code or unethical or unlawful behaviour.

The code of conduct applies to:

- (a) the Directors including the chairperson and chief executive officer (should one be appointed);
- (b) the chief financial officer (should one be appointed); and
- (c) any other employee or officer of the Company and its related bodies corporate who has the opportunity to materially influence the integrity, strategy and operations of the business and financial performance of the Company and its related bodies corporate.

(G) WHISTLEBLOWER POLICY

The Company is committed to transparency and to building an environment in which people feel free to raise legitimate issues relating to the Company's operations. Accordingly, the Company has adopted a whistleblower policy which sets out information about the types of disclosures that qualify for protection, the protections available to whistleblowers, how the Company will investigate disclosures, support whistleblowers and protect them from detriment and how the Company will ensure fair treatment of employees who are the subject of or are mentioned in disclosures.

Officers and employees (if any) of the Company, individuals who are an associate of the Company, the investment team and other personnel engaged by the Manager and individuals who supply goods or services to the Company or employees of a supplier are 'eligible whistleblowers' and will be protected by the policy and the protections under the Corporations Act and the *Taxation Administration Act 1953* (Cth) for whistleblowers.

10.11 INDEMNITY FOR DIRECTORS AND RELATED PARTY DISCLOSURES

Each Director has entered into a deed of access, indemnity and insurance with the Company pursuant to which the Company has agreed to, amongst other things, indemnify (to the extent permitted by law) each Director in respect of certain liabilities incurred in their capacity as Directors. These deeds contain standard commercial terms and are consistent with market practice.

Robert Salter will benefit from the entry by the Company into the Management Agreement through the payment of fees under the Management Agreement (and, to the extent utilised, under the Resourcing Arrangements). Details of the financial benefit payable under the Management Agreement are included in Section 9.1.

The Securities Sale Agreement, Management Agreement and Resourcing Arrangements have been entered into on terms that the Company reasonably considers are arm's length terms. In addition, and notwithstanding that the Manager, Salter Brothers Equities, Salter Brothers Asset Management and Salter Brothers Asset Management in its capacity as trustee of G Fund are not related parties of the Company, because the trustee of Robert Salter's family trust is a material (but non-controlling) shareholder (directly or indirectly via other entities) of each of those entities, prior to the issue of this Prospectus, these agreements have additionally been approved by Salter Brothers Asset Management in its capacity as trustee of G Fund, the sole shareholder of the Company as at the date of this Prospectus, for the purposes of Division 3 of Part 2E.1 of the Corporations Act and as modified by the ASIC relief referred to in Section 11.8. Further details of these agreements are set out in Section 9. The Company has policies and procedures in place to appropriately manage conflicts of interest and any related party transactions.

It is possible that G Fund, certain shareholders, directors and employees of Salter Brothers may participate in the Offer (and there is a prospect that such subscription may be for a significant amount depending on the level of take up of the Offer by third party investors), although the Company has not received any binding or firm commitments. Details of the potential subscription by G Fund are included in Section 2.9 and details of the expected subscription of the Directors are included in Section 10.6.

Other than as set out above or elsewhere in this Prospectus, there are no existing agreements or arrangements, and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

11. ADDITIONAL INFORMATION



11. ADDITIONAL INFORMATION

11.1 INCORPORATION

The Company was incorporated on 18 December 2020 and is registered in Victoria.

11.2 BALANCE DATE AND COMPANY TAX STATUS

The financial statements of the Company will be made up to 30 June annually. The Company expects to be taxed as an Australian public limited company.

11.3 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

VOTING AT A GENERAL MEETING

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each Share held.

MEETINGS OF MEMBERS

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

DIVIDENDS

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. For further information in respect of the Company's proposed dividend policy, see Section 4.11.

TRANSFER OF SHARES

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Listing Rules or the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or, subject to compliance with the ASX Listing Rules and the ASX Settlement Operating Rules, by any other form approved by the Directors.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

ISSUE OF FURTHER SHARES

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may issue and allot, or dispose, of Shares on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time. The Directors' power under the Constitution includes the power to grant options and performance rights over unissued Shares.

11. ADDITIONAL INFORMATION (CONTINUED)

WINDING UP

Without prejudice to the rights of the holders of Shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind all or any of the Company's assets, and for that purpose, determine how it will carry out the division between the different classes of Shareholders, but the liquidator may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

VARIATION OF CLASS RIGHTS

At present, the Company's only class of shares on issue is ordinary shares. The rights attached to any class of Shares may be varied in accordance with the Corporations Act.

REDUCTION OF SHARE CAPITAL

Subject to the Constitution, Corporations Act and ASX Listing Rules, the Company may reduce its share capital in any way permissible by the Corporations Act.

DIVIDEND REINVESTMENT PLAN

The Directors may resolve, in respect of any dividend which it is proposed to pay on any Shares, that holders of those Shares may elect to forego their right to share in the proposed dividend or part of the proposed dividend and instead receive an issue of Shares credited as fully paid or a transfer of fully paid Shares (or both). The Directors have no current intention to establish a dividend reinvestment plan.

DIRECTORS - APPOINTMENT AND ROTATION

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum may not be more than nine, unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

DIRECTORS - VOTING

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote.

DIRECTORS - REMUNERATION

Directors, other than an Executive Director, may be paid by way of fees for services up to the maximum aggregate sum per annum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum per annum is \$800,000, with the initial remuneration of the Directors set out in Section 10.8. Any change to that maximum aggregate sum needs to be approved by Shareholders. Pursuant to the Constitution, Non-Executive Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

INDEMNITIES

The Company, to the extent permitted by law, indemnifies every person who is or has been a Director or Secretary of the Company against any liability incurred by that person as an officer of the Company or its subsidiaries, and reasonable legal costs incurred by that person in defending an action for a liability of that person. The Company, to the extent permitted by law, may make a payment (including by way of an advance on such terms as the Directors' think fit) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person.

The Company, to the extent permitted by law, may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by that person as a Director.

AMENDMENT

The Constitution may be amended only by special resolution of the Shareholders.

11.4 CONSENTS AND RESPONSIBILITY STATEMENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the directors of the Company, persons named in the Prospectus with their consent as proposed directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement is made in this Prospectus is based, other than as specified below:

- Ord Minnett;
- MinterEllison;
- Computershare; and
- Deloitte Touche Tohmatsu.

INVESTIGATING ACCOUNTANT

Deloitte Corporate Finance Pty Ltd has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Investigating Accountant in connection with the Offer, and to the inclusion of the Investigating Accountant's independent limited assurance report on the pro forma financial information, and its financial services guide, in the form and context in which it appears in Section 8 and in which they are referred to in the Prospectus.

MANAGER

Salter Brothers Funds Management Pty Ltd has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Manager and to the inclusion in this Prospectus of the statements by it, or the statements based on statements made by it, concerning its business, the investment strategy and philosophy, its background and history, and its opinions and beliefs in the form and context in which those statements appear in this Prospectus.

11. ADDITIONAL INFORMATION (CONTINUED)

11.5 INTEREST OF EXPERTS

The Company has engaged the following professional advisors in relation to the Offer:

- Ord Minnett is acting as the Lead Manager and Authorised Intermediary to the Offer. In accordance with the Offer Management Agreement under which those services are provided, the Company has agreed to pay Ord Minnett a fee of \$100,000;
- MinterEllison is acting as Australian legal and tax advisor in relation to the Offer. The Company has paid, or agreed to pay, approximately \$230,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to MinterEllison for other work in accordance with its normal time-based charges; and
- Deloitte Corporate Finance Pty Ltd is acting as the Investigating Accountant and performed work in relation to its Investigating Accountant's Report on the Pro Forma Statement of Financial Position. The Manager has paid, or agreed to pay, approximately \$60,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Deloitte Corporate Finance Pty Ltd for other work in accordance with its normal time-based charges.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or from available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.7.

11.6 EXPENSES OF THE OFFER

The total estimated expenses of the Offer payable by the Company, including lodgement fees, ASX listing fees, fees for advisers, prospectus design, printing, advertising and other miscellaneous expenses (including taxes and other government charges), is approximately \$610,000. These costs are payable by the Company or to the extent that the costs have been paid by the Manager, will be reimbursed by the Company to the Manager.

11.7 LEGAL PROCEEDINGS

The Company is a recently incorporated company which has not yet conducted any operations other than preparation for this Offer. The Company is not and has not been, since its incorporation to the date of this Prospectus, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Company.

As far as the Directors are aware, no such proceedings are threatened against the Company.

11.8 ASIC RELIEF

The Company sought, and has been granted, technical relief in order to facilitate Salter Brothers Asset Management as trustee of Salter Brothers Series G (Emerging Companies) Fund to vote in relation to the Management Agreement, Resourcing Arrangements and Securities Sale Agreement, as a written resolution of the sole member of the Company, to approve the giving of financial benefits for the purposes of Division 3 of Part 2E.1 of the Corporations Act.

The Company obtained these approvals out of an abundance of caution and in the interest of good governance, as the relevant counterparties to the Material Agreements are not related parties of the Company (within the meaning of the Corporations Act).

11.9 ASX WAIVERS

ASX Listing Rule 15.16 sets a maximum initial term of five years for an investment management agreement. The Company has applied to, and has received from, the ASX a waiver to allow an initial term of the Management Agreement to run for 10 years.

11.10 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant, or other professional adviser.

The potential tax effects relating to the Offer will vary between Investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

11.11 AUSTRALIAN TAXATION IMPLICATIONS OF INVESTING UNDER THE OFFER

(A) INTRODUCTION

The tax implications provided below only relate to Australian resident Shareholders who hold their Shares on capital account. Different tax implications apply to non-resident Shareholders or Shareholders whose Shares are held on revenue account.

This Section does not consider the Australian tax consequences for Shareholders:

- who hold their Shares as trading stock or as revenue assets;
- who hold their Shares as assets used in carrying on a business or as part of a profit-making undertaking or scheme;
- who acquired their Shares through an employee share, option or rights scheme;
- who are taken for capital gains tax purposes to have acquired their Shares before 20 September 1985;
- who are Australian tax residents but who hold their Shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- who are foreign resident shareholders who hold their Shares in carrying on a business through a permanent establishment in Australia;
- that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- who are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* in relation to gains and losses on their Shares.

The information in this Section is based on the Australian taxation law and practice in effect as at the date of this Prospectus. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Shareholder. Prospective Shareholders should seek independent professional advice regarding the taxation consequences of investing in the Shares. Prospective Shareholders who are tax residents of a country other than Australia (whether or not they are also residents or temporary residents of Australia for tax purposes) should also take into account the tax consequences under the laws of their country of residence.

The comments in this Section 11.11 are general in nature on the basis that the tax implications for each Shareholder may vary depending on their particular circumstances.

(B) INCOME TAX POSITION OF THE COMPANY

The Company will be taxed as a company at the prevailing company tax rate.

The Company will be required to maintain a franking account and may declare franked or unfranked dividends to Shareholders. The Directors intend to frank dividends at 100.0%, or to the maximum extent possible, having regard to the Company's franking account balance.

11. ADDITIONAL INFORMATION (CONTINUED)

(C) INCOME TAX POSITION OF AUSTRALIAN RESIDENT SHAREHOLDERS

TREATMENT OF SHARES AND DISPOSAL OF SHARES

The Offer comprises the issue of Shares in the Company. The Capital Gains Tax (CGT) cost base of each Share is broadly equal to the amount paid to acquire the Share (including the market value of any property provided) plus any non-deductible costs of acquisition, ownership or disposal. Where a capital loss is made (refer below), the reduced cost base of the Shares is determined in a similar manner.

On disposal of Shares in the Company, a Shareholder will realise a capital gain if the capital proceeds it receives or is deemed to have received for the disposal of the Shares exceeds their respective cost base. The capital proceeds in respect of the disposal is generally equal to the disposal price plus the market value of any property received in respect of the disposal. The capital proceeds will be replaced by the market value of the Shares in certain circumstances, including where the disposal is not at arm's length.

A CGT discount may be available where the Shares have been held for 12 months or more. Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following percentages:

- (a) 50.0% for an individual or trust; or
- (b) 33.33% for a complying superannuation fund.

Where the reduced cost base exceeds the capital proceeds, a capital loss is incurred. A resulting net capital loss cannot be deducted against other income for income tax purposes, but may be carried forward to offset capital gains made in the current or future income years (before taking into account the CGT discount, if available). Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Prospective Shareholders should seek their own tax advice in relation to the operation of the loss recoupment rules. The loss recoupment rules do not apply to carry forward capital losses of trusts.

DIVIDENDS – GENERALLY

Dividends received by Shareholders should be included in the assessable income of Shareholders. Generally, Shareholders will be taxed on the dividends at their relevant marginal rate. If the Shareholder is a company (other than in the capacity as a trustee of a trust), the Shareholder will be taxed at the prevailing company tax rate.

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Shareholder. Further, Shareholders will generally be entitled to a tax offset equal to the amount of the franking credits on the dividend (i.e. Shareholders will effectively get a tax credit for the corporate tax paid in respect of the dividends).

The availability of the tax offset is subject to the Shareholder being a 'qualified person'. Broadly, a Shareholder is a 'qualified person' if the Shareholder:

- is an individual and would obtain total franking tax offsets of no more than A\$5,000 in the income year in which the dividend was paid; or
- holds the Shares for a continuous period which includes at least 45 days 'at risk' during the period commencing the day after the Shareholder acquires the Shares and ending on the 45th day after the Shares become ex-dividend (but excluding the day of any disposal).

Where the franking tax offset exceeds the tax payable on the Shareholder's taxable income and such Shareholder is:

- an individual or complying superannuation entity – the Shareholder should be entitled to a refund of the excess franking tax offsets;
- a corporate tax entity – the excess franking tax offsets may be carried forward to future income years as tax losses (provided certain loss utilisation tests are satisfied); or
- a trust – the treatment of the excess franking tax offsets will depend upon the identity of the person liable to tax on the trust's net income and the tax status of the trust.

STATUS AS A LISTED INVESTMENT COMPANY (LIC)

The Company intends to qualify as a LIC for Australian income tax purposes.

The major requirements the Company must meet to be a LIC are:

- (a) the Company must be an Australian resident for tax purposes;
- (b) the Company must satisfy the listing requirement in paragraph 115-290(1)(b) of the *Income Tax Assessment Act 1997* (Cth) (which it will satisfy if it is listed for quotation on the official list of the ASX); and
- (c) at least 90.0% of the portfolio value must comprise certain permitted investments as defined in section 115-290(4) of the *Income Tax Assessment Act 1997* (Cth).

Permitted investments include shares, options, units (provided the Company does not own, directly or indirectly, more than 10.0% of the entity in which it holds the permitted investment), financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

LIC concessional taxation treatment is available in respect of capital gains made on assets held by the Company on 'capital' account. Some Shareholders may qualify for income tax concessions in respect of dividends paid from the proceeds of disposal of these 'capital' account assets.

Broadly, where a capital gain would have qualified as a discount capital gain if the underlying assets had been held directly by the Shareholder, the discount capital gain flows through to the Shareholders in the form of an additional deduction. Shareholders eligible for the concession are resident individuals, trusts, partnerships and complying superannuation funds. Corporate Shareholders are not eligible for this concession.

To the extent that a gain made by the Company is not a capital gain, Shareholders will not be able to obtain a deduction in relation to dividends attributable to LIC capital gains under the LIC regime.

The Company will consider the character of its investments, that is, whether they are held on 'capital' or 'revenue' account and advise Shareholders accordingly in relevant distribution statements.

(D) GOODS AND SERVICES TAX (GST)

Shareholders should not be liable for GST in Australia in respect of the acquisition of Shares under the Offer. Shareholders may not be entitled to input tax credits (GST credits) for GST incurred on costs associated with the acquisition of Shares under the Offer.

(E) STAMP DUTY

Shareholders should not be liable to stamp duty in Australia on the acquisition of Shares under the Offer.

(F) ABN OR TFN WITHHOLDING

A shareholder is not obliged to quote a tax file number (**TFN**), or where relevant, Australian Business Number (**ABN**), to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, tax is required to be deducted on dividends paid by the Company at the highest marginal rate (currently 45%) plus Medicare Levy (currently 2%).

11.12 WORKING CAPITAL STATEMENT

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

11. ADDITIONAL INFORMATION (CONTINUED)

11.13 AUTHORISATION

Each Director has authorised the issue of this Prospectus. Each Director has consented (and has not withdrawn their consent) to the lodgement of this Prospectus with ASIC.

11.14 GOVERNING LAW

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed by the laws in force in the State of Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

12. AUTHORISED INTERMEDIARY - FINANCIAL SERVICES GUIDE



12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE

ORD MINNETT

Financial Services Guide

Ord Minnett Limited
ABN 86 002 733 048
AFSL 237121

April 2021

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Introduction

The issuers of this Guide

This Financial Services Guide ("FSG") is issued by:

- Ord Minnett Limited ("Ord Minnett")

In this FSG we refer to this company as "the Company", "we", "us" and "our".

The Company is a member of the Ord Minnett Group of companies, and holds an Australian Financial Services License.

Ord Minnett is a Market Participant of ASX Limited (ASX) operator of the Australian Securities Exchange market and a Broker Participant in the CHES system operated by ASX Settlement Pty Limited (a group company of ASX). Ord Minnett is also a participant of Chi-X Australia Pty Limited (Chi-X) and is authorised to trade in the Chi-X market.

The Company can be contacted via the addresses listed at the back of this Guide.

All details and information in this FSG are current as at the date of issue. We will publish any minor changes to the FSG on our website (ords.com.au).

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

The purpose of this Guide

This FSG has been produced to inform you about our products and services and the fees that we charge.

The documents you may receive from us

Statement of Advice (SoA)

If you are seeking personal financial product advice, we will ask you to provide details of your financial situation, particular needs and investment objectives. We will use this information to prepare a written Statement of Advice.

A Statement of Advice is a written record of the advice provided by us to you, and includes information about fees, commissions and associations that may have influenced our advice.

Personal advice is advice that takes into account your personal objectives, financial situation and needs. In general we must give you a Statement of Advice the first time we provide personal advice about any financial product.

You may request a copy of a Statement of Advice however the request must be made within seven years of the provision of advice.

Record of Advice

For certain financial services, we may not need to issue you with a Statement of Advice, and a Record of Advice (RoA) may be prepared instead. The RoA will only be issued to you if you request it, within a reasonable time-frame, from your adviser.

Product Disclosure Statement

A Product Disclosure Statement (PDS) is a type of offer document and provides information about a product – for example, its features, benefits, fees and associated risks – to enable you to make an informed investment decision.

A PDS must be given to you in connection with any offer or recommendation to invest in;

- Managed funds
- Options
- Warrants
- Superannuation products.

Prospectus

A Prospectus may be issued instead of a PDS for some financial products – for example, shares and debentures.

Part One

The products and service solutions we can provide are on our website at ords.com.au

Ord Minnett Limited

Ord Minnett is authorised to offer the following products and services:

1. Trading in domestic and international equities
2. Fixed interest products
3. Managed funds
4. Margin Lending
5. Derivatives, including Exchange Traded Options
6. Initial Public Offerings and other capital raisings
7. Corporate Finance
8. Research and advisory services
9. Discretionary and Non-Discretionary Portfolio Management Services.

Ord Minnett is also authorised to deal in foreign exchange in order to facilitate settlement of international transactions and to provide custodial services which are incidental to our stockbroking business.

It is important that you understand the type of advice we will provide to you as a client of Ord Minnett.

Ord Minnett has been a part of the Australian stockbroking industry since the 1940's. Ord Minnett is very proud of this heritage and today is a Principal Member of the Stockbrokers Association of Australia.

As a traditional stockbroking firm, Ord Minnett generally provides stockbroking advice, which is 'scaled' advice relating to a specific area of your investment needs. In effect, this means that we will be advising you on the investment of a portion of your assets into primarily listed investments.

We can also provide an execution-only service which enables you to instruct us to transact on listed securities, derivatives and/or managed funds on your behalf. Should you elect to use this service we will not provide you with any personal advice and therefore will not take into account your objectives, financial situation and needs.

Ord Minnett Financial Planning

If you need comprehensive and strategic financial advice, you may consider using our financial planning service which is provided by Ord Minnett Financial Planning.

If you choose to use our financial planning service, your adviser will consider your individual needs and objectives, your investment time frame and tolerance for risk and provide you with a comprehensive investment strategy which may include any or all of the following relevant areas of advice:

1. Asset allocation
2. Investments in securities, derivatives, listed products and/or managed funds
3. Superannuation
4. Gearing strategies
5. Wealth protection (through the use of income protection, trauma or life insurance)
6. Retirement planning
7. Redundancy/early retirement.

Your adviser will formulate an appropriate investment strategy and then create a personalised and comprehensive Statement of Advice. In formulating

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

recommendations, your adviser may consider taxation, legal and estate planning implications. However, as we are not specialists in these areas, you should seek further advice, as relevant, from an appropriate specialist.

Should you accept the recommendations contained within the Statement of Advice, we will then assist you with the implementation of the recommendations.

Ord Minnett Financial Planning also provides you with an ongoing advisory relationship and associated services. We will ensure that your investment strategy remains relevant to your changing situation, legislative changes and market developments.

Giving instructions to buy or sell

Instructions to buy or sell are to be provided to us in person or telephone only.

Privacy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our privacy policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information from the client information questionnaire you complete with your financial adviser. As a financial service provider, we are obligated to verify your identity and the source of any funds. Accordingly, we will ask you to present identification documents, such as, your passport and driver's licence, which will be held on file.

The main reason we collect, use and/or disclose your personal information, is to provide you with the products and services that you request. This may also include the following related purposes:

- To help your financial adviser provide you with financial advice and ongoing services in relation to your account with us.

- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of our products and services.
- To provide you with information about other products and services that we or our associates offer which may be of interest to you.

We may also disclose your information to external parties some of whom act on your or our behalf. These parties may include:

- Your financial adviser
- Banks or other financial institutions
- Insurers and reinsurers and their claims agents and assessors
- Product providers
- Mail houses

We are also permitted to collect and disclose your personal information when required or authorised to do so by law.

By signing the client information questionnaire, you agree to us collecting, storing, using and disclosing your personal information. If you do not provide all the information requested in your application form, we may not be able to provide you with financial advice.

If you have concerns about the accuracy and completeness of the information we hold, you may request access to your personal information by contacting the Privacy Officer:

By mail: Privacy Officer
Ord Minnett Limited
Level 8, 255 George St
Sydney NSW 2000

By email: privacyofficer@ords.com.au

By phone: (02) 8216 6300

Depending upon the nature of the request, we may have the right to impose a reasonable charge.

To obtain a copy of our privacy policy please contact our client services team on 1300 221 697 or download from our website at www.ords.com.au/privacy-security.

Complaints Handling Procedures

We want to hear all your comments, whether they are favourable or not, because it is in our interests to promptly address any concerns you may have. We have implemented internal complaint handling procedures consistent with Australian Standard ISO 10002, Quality Management – Customer Satisfaction – Guidelines for complaints handling in organisations.

You should firstly contact your adviser and discuss your concerns. If your concerns are not resolved to your satisfaction, then please write to:

The Compliance Manager

Ord Minnett
Level 8, 255 George Street
Sydney NSW 2000

If you are still dissatisfied you may write to:

The Australian Financial Complaints Authority

Telephone: 1800 931 678
Website: www.afc.org.au
Email: info@afc.org.au
Mail: GPO Box 3, Melbourne VIC 3001

Ord Minnett is covered by a Professional Indemnity Insurance Policy which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

Relationships and associations

The Ord Minnett Group of companies includes;

- Ord Minnett Limited
- Ord Minnett Hong Kong Limited
- Ord Minnett Management Limited – which acts as a responsible entity for managed investments such as the Ord Minnett Cash Management Trust.

In June 2019, a consortium of Australian private investors and Ord Minnett employees led by Ord Minnett's Executive Chairman, Karl Morris agreed to acquire 100% of Ord Minnett from its shareholders, IOOF and J.P. Morgan. Following the successful completion of the acquisition in September 2019, Ord Minnett became one of the largest privately owned wealth management firms in Australia.

Ord Minnett and HUB24

We have outsourced the administration and reporting obligations of our Portfolio Administration and Reporting Service (including our Managed Discretionary Account Service) as well as our Unified Managed Account Service to our partner HUB24 Custodial Services Ltd (HUB24).

HUB24 is an ASX listed company which specialises in the provision of trading and reporting platforms to the financial services industry and provides Ord Minnett advisers with the technology to efficiently manage and add value to their client portfolios.

We have chosen HUB24 as we can be assured that due skill and care will be taken when providing services to our clients and we monitor the performance of these services on a daily basis to ensure that this is the case.

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

Ord Minnett and Pershing

Ord Minnett has entered into an agreement with Pershing Securities Australia Pty Ltd AFS Licence 338264 and ABN 60 136 184 962 ("Pershing") to settle and clear all ASX transactions executed by Ord Minnett.

Remuneration and other benefits

Generally, our remuneration takes the form of;

- Brokerage which we charge you when we buy or sell financial products on your behalf
- Fees charged at a fixed rate for services provided
- Fees based on the value of your funds under management, or
- Initial and ongoing commission paid to us by product and service providers for referring you to them.

All fees are exclusive of GST and we reserve the right to change these fees from time to time.

Part Two

While some of the fees we charge are tax deductible, we recommend that you seek independent taxation advice.

We may charge fees above, or in addition to, those disclosed in this FSG where we have disclosed such fees to you in writing prior to providing the relevant service. Where we are required to issue you with an SoA in connection with personal advice, that document will provide details of the fees payable relative to that advice.

Brokerage Schedules – Australian Exchange Traded Equities and Derivatives (excluding GST)

Brokerage is charged as a percentage of the total consideration when buying or selling shares or derivatives. Brokerage rates are subject to negotiation between the client and the Adviser, and will depend on the type and service required, including the size and frequency of transactions. The brokerage rate may be applicable to all transactions or a rate may be applied to a single transaction.

Brokerage rate charges range up to 3.00% for all domestic Equity, Warrant and ETO (Exchange Traded Options) transactions depending on the 'agreed brokerage rate' between the Client and the Adviser. If there is no agreed brokerage rate a 'Default Brokerage Rate' will be applied to the client account of 1.00% per contract/confirmation note with a minimum charge of \$100, excluding GST.

The 'Default Brokerage Rate' schedule is set out below.

Australian Equities (excl. GST)*

Consideration	Brokerage Rate
\$1 and over	1%

Australian Exchange Traded Options (excl. GST)*

Premium Value	Opening Position	Closing Position
\$1 and over	1%	1%

* A minimum charge of \$100, excluding GST, applies.

Miscellaneous Fees and Charges

A number of fees and charges may be charged and are subject to discussion between you and your adviser.

These are set out in the table below (excl. GST);

Fail Fee – On undelivered sales	\$100.00 per day up to a maximum of \$5000 per day
SRN Query	\$16.50
Off Market Transfers	\$100.00
Dishonoured Cheques	\$9.50
International Telegraphic Transfers	\$20.00
RTGS Payments	\$13.20
Late payment fee – Buys	\$50.00 plus Interest
Early settlement fee – Sells	\$50.00 plus Interest
Print and Post of Contract Notes	\$2.50
Confirmation/Statement re-prints	\$5.00
Re-print of Dividend Advices/ Tax Statements	\$25.00
Reprinting of CHES Holding Statement	\$16.50

International Equities

Through the Ord Minnett International Service (OMIS), clients can gain access to international equities, exchange traded funds, fixed interest and foreign exchange products.

International transactions are typically subject to a fee of 1% of the value and subject to a minimum charge of USD\$200.

Exchange rate movements may affect the final price paid in Australian dollars. If you wish, we can facilitate conversion of the total cost/proceeds into Australian dollars, which is the amount payable by you/to you.

Miscellaneous Fees and Charges

A number of fees and charges may be applied and are set out in the table below;

Custody Fee for inactive accounts	USD\$65 p.a.
Non-US Securities Custody Fee	USD\$2 per security, per month, per account
Cash Deposit Fee	AUD\$30
Cash Withdrawal Fee	USD\$20

For a comprehensive list of fees please ask your Ord Minnett Financial Adviser.

Ord Minnett reserves the right to pass through to your account any additional charges, or changes to existing charges that Ord Minnett may incur as a result of changes in industry practices or through the course of normal business operations. You will be notified of any of these changes prior to their implementation.

Partial Execution

For all limit and market orders which are partially executed in the same trading day, normal brokerage will be charged for the total portion executed per day. Brokerage charges may be converted and applied in the local currency, and as a result this may result in variances in the USD\$ equivalent brokerage being applied.

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

Fees for Portfolio Services

Portfolio Administration and Reporting Service

Our Portfolio Administration and Reporting Service (PARS) charges an annual management fee calculated according to the value of your portfolio. Government taxes and charges may apply.

Non-Discretionary Portfolio Management (excl. GST)

Total Portfolio Value	1.50% p.a.
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A minimum fee of \$7,000 p.a. applies

Managed Discretionary Account Service

Our Managed Discretionary Account (MDA) service allows your adviser to make day to day investment decisions on your behalf without first consulting you.

To open an MDA Account you must sign an MDA Agreement with Ord Minnett. You must also agree to subscribe to Ord Minnett's Portfolio Administration Reporting Service.

When you open an MDA Account your adviser will prepare an Investment Program based on your personal circumstances, as well as your financial situation, needs and objectives. Your adviser will regularly review your Investment Program to ensure this remains suitable to your needs.

The Investment Program acts as a Statement of Advice and therefore complies with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the Corporations Act. The Investment Program will include information about;

- The nature and scope of your adviser's discretion
- Any significant risks associated with the MDA service
- The basis upon which entering an MDA Agreement is considered to be suitable for you
- Warnings about the importance of any limitations relating to the MDA service which you must consider before signing the MDA Agreement

If you have instructions in relation to the rights attached to your investments (for example: product communications, take over offers, rights issues, share purchase plans etc) you should direct these to your adviser in writing.

MDA services are not suitable for all clients. It is important that you understand the risks associated with having someone else make significant investment decisions on your behalf.

Due to the volatile nature of the share market, there is a risk that actions which your adviser takes when investing your money may result in a loss to you.

Your adviser may make investment decisions that you disagree with. Provided your adviser acts within the scope of his or her authority, and has done so efficiently, honestly and fairly; the fact that you disagree with an investment decision does not mean that you have any right to recourse. You are obliged to accept any tax consequences, transaction costs and any capital loss resulting from any transactions validly executed by your adviser.

Ord Minnett's MDA service allows you to hold portfolio assets directly as we do not rely on custodial or depository providers.

The Management Fee for our MDA services is as follows:

Discretionary Portfolio Management (excl. GST)

Total Portfolio Value	2.0% p.a.
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A minimum fee of \$7,000 p.a. applies

Unified Managed Account (UMA) Service

Ord Minnett's UMA Service provides you with the convenience of custodial and reporting services through our partner HUB24.

The UMA Service allows you to monitor your investment strategy and proactively determine how your portfolio is invested. The UMA Service incorporates innovative features not previously seen in a single account product in the Australian market, including:

- Cost effective management of trades through a wholesale execution facility
- Online tools which provide real time portfolio trading and performance information
- Efficient administrative features which will allow you and your adviser to more easily manage your investments
- Your portfolio is securely and beneficially held on your behalf by HUB24, a licensed custodian

UMA Superannuation

Ord Minnett's UMA Superannuation Service (UMA Super) is an ideal way to access all the tax benefits of Superannuation without the need to assume Trustee responsibilities yourself. Through our market leading platform, you can access a wide range of investment options as well as insurance and margin lending in one secure online account.

If you choose to use UMA you will have access the following account types:

- UMA (Non Super) accounts to provide you with a wide investment choice and convenience.
- Self-Managed Super Funds – you assume the Trustee responsibility yourself while accessing the UMA wide variety of investments.
- UMA Superannuation Accounts – allows you to invest in a superannuation environment and potentially receive superannuation guarantee employer contributions.

- Account based and Transition to Retirement Pension accounts – A pension plan that allows you to turn your superannuation savings into a flexible income stream in retirement.

Unified Managed Account Service (excl. GST)

Total Portfolio Value up to	2.0% p.a.
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In addition to the Management Fee set out above, you may be required to pay a Custodian and Administration fee of between 0.22% and 0.33% to HUB24.

In addition, Ord Minnett reserves the right to charge a fee of up to 5.5% on initial contributions.

Online Asset Reporting Service

Our Online Asset Reporting Service (OARS) charges an annual management fee calculated according to the value of your portfolio. Government taxes and charges may apply.

Online Asset Reporting Service (excl. GST)

Total Portfolio Value up to	1.50% p.a.
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A minimum fee of \$2,000 p.a. applies

We may charge brokerage at standard rates or performance fees agreed in writing with you for certain transactions in addition to the above annual management fee.

Commissions and other benefits we receive from Product Issuers

We may receive payments from Product Issuers. Such payments will vary from one Product Issuer to another at their discretion. Such payments are not an additional cost to you.

Our Clearing Participant is required by law to maintain a trust account on your behalf in order to hold funds which are to be used for your share trading account. We will retain any interest that may be earned on this account.

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

Financial Planning

Financial Plan

A plan will be charged at a rate commensurate with the level of complexity of your financial situation. A fixed quote will be provided prior to work commencing. The minimum charge is \$1,200 excluding GST.

Premier Service

This planning service includes ongoing advice, portfolio reviews and comprehensive reporting and carries a minimum annual fee of \$5,000 excluding GST.

This fee may be calculated as a percentage of portfolio value, with a maximum of 1.1% of all funds under advice. There may also be an additional fee in the first year of up to 1.65% which compensates for our time in assisting you with your financial plan, reorganisation of your affairs and liaising with your lawyer and accountant as required.

Our fees may be tax deductible, and we make every effort possible to keep non-tax deductible fees to a minimum.

Review Service

The Review Service includes an annual investment portfolio review and limited ongoing advice and carries a minimum annual fee of \$3,000 excluding GST. We may also charge an hourly fee where your situation is more complex.

Our Review Service fee may be calculated as a percentage of portfolio value, with a maximum being 0.88% of all funds under advice. There may also be an additional fee in the first year of up to 1.65% which compensates for our time in assisting you with your financial plan, reorganisation of your affairs and liaising with your lawyer and accountant as required.

All Review Service fees and the method of their payment will be clearly detailed to you. Our fees may

be tax deductible, and we make every effort possible to keep non-tax deductible fees to a minimum.

Consulting Service

An hourly rate will be charged commensurate with the complexity of your financial situation. A minimum charge of \$300 per hour excluding GST will apply. An estimate of the cost will be provided prior to work commencing.

Investment Products

Managed Funds; If we recommend a managed fund investment to you, the relevant manager may remunerate us should you chose to invest in that particular product. Commission rates vary and we will discuss them with you at the time we make the recommendation.

Such payments will be paid out of the manager's own funds and are not a cost to you. Your adviser will give you details of such payments and they will also be disclosed in the Product Disclosure Statement or SoA provided to you.

Cash Management accounts; Cash Management accounts, including the Ord Minnett Cash Management Trust account, charge a variety of fees and varying rates of interest which will be disclosed in the Product Disclosure Statement or Statement of Advice provided to you.

The commission earned by your Ord Minnett adviser on the Ord Minnett Cash Management Trust is 0.25%, which is comparable to other Cash Management Trusts available to you.

Life Insurance products; A life insurance company or insurance broker may remunerate us when we arrange life risk insurance or investment life insurance products through that company or broker. As the remunerated amounts may vary, your adviser will give you details when advising you about such products and such remuneration will also be disclosed in the Product Disclosure Statement or SoA provided to you.

We may also have arrangements with insurance brokers under which a broker may pay us a portion of any commission they receive. Your adviser will give you details about the amount when advising you about such products with the exact rates disclosed in the Product Disclosure Statement and/or Statement of Advice provided to you.

Ord Minnett Margin Lending

Ord Minnett offers margin lending products, including a margin lending facility which is provided by Leveraged Equities and branded as Ord Minnett Margin Lending.

We will not recommend that you use a margin lending facility or increase the size of an existing facility without undertaking an assessment of your circumstances in order to confirm suitability. You are entitled to request a copy of any such assessments that we carry out.

Fixed Interest Securities

Fixed Interest Securities include:

- Capital Notes
- Convertible Notes
- Corporate Bonds
- Debentures
- Government and Semi-government Bonds
- Income Securities
- Term Deposits
- Fixed Interest Managed Investment Schemes
- Floating Rate Notes

Rates vary for these products and the exact rate payable will be disclosed in the Product Disclosure Statement or Statement of Advice provided to you.

However, we will charge brokerage as follows in respect of any purchases and/or sales of unlisted fixed interest securities on your account.

Fixed Interest Securities (excl. GST)

\$0 – \$15,000	3.5%
\$15,000 – \$50,000	3.0%
\$50,000 – \$250,000	2.50%
\$250,000 – \$500,000	1.50%
\$500,000 and over	1.00%

A minimum charge of \$500 applies

Administrative Fees

Internal Transfer Fee (transfer between accounts held with Ord Minnett)	\$40 + GST
External Transfer Fee (transfer between accounts external to Ord Minnett)	\$40 + GST

We may also charge a trailing commission of up to 0.2% on Term Deposits.

The distribution of this Financial Services Guide has been authorised by Ord Minnett Limited.

12. AUTHORISED INTERMEDIARY – FINANCIAL SERVICES GUIDE (CONTINUED)

**About your Ord Minnett
Authorised Representative**

Name of Ord Minnett Limited Authorised Representative:
(delete as applicable):

<input type="text"/>	<input type="text"/>
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Corporate Authorised Representative No.

<input type="text"/>	<input type="text"/>
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Corporate Authorised Representative No.

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Adviser Authorised Representative No.



ords.com.au

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13. GLOSSARY



13. GLOSSARY

The following terms used in this Prospectus have the following meanings unless the context otherwise requires.

AFSL means Australian Financial Services Licence.

Applicant means a person who makes an Application for Shares.

Application means an application for Shares under this Prospectus.

Application Form means the application form to be used by Applicants who are applying for Shares under this Prospectus.

Application Monies means the amount required to be submitted with an Application, being the Offer Price multiplied by the number of Shares applied for.

Approved Valuer has the meaning given to that term in Section 4.9.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange it operates, as the context requires.

ASX Listing Rules means the official listing rules of the ASX as amended or waived from time to time.

ASX Recommendations means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition).

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of the clearing and settlement facility operated by ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.

ASX-Small Ordinaries Accumulation Index means the S&P/ASX-Small Ordinaries Accumulation Index (in AUD).

Authorised Intermediary means Ord Minnett in its capacity as the authorised intermediary to the Offer.

Board or **Board of Directors** means the board of directors of the Company.

Calculation Date means each 31 March, 30 June, 30 September, 31 December each year during, and the last day of, the term of the Management Agreement.

Cash Amount means the amount of cash which the Company may elect to purchase from G Fund under the Securities Sale Agreement, being \$5,000,000 or such other amount as agreed by the parties.

Ceiling Value means \$130,000,000 (in the context of the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement).

CHESS means Clearing House Electronic Sub-register System operated in accordance with the Corporations Act.

Closing Date means 5.00pm (Melbourne time) on 21 May 2021.

Commencement Date means the date on which the Company issues Shares offered for issue under this Prospectus.

Company means Salter Brothers Emerging Companies Limited ACN 646 715 111.

Completion has the meaning given to that term in Section 9.2.

Completion Portfolio Securities has the meaning given to that term in Section 9.2.

Computershare means Computershare Investor Services Pty Limited ABN 48 078 279 277.

Consideration Shares means the Shares which may be issued to G Fund under the Securities Sale Agreement.

Condition means the condition of the Offer set out in Section 2.4.

Constitution means the constitution of the Company.

Corporations Act means *Corporations Act 2001* (Cth) as amended from time to time.

Custodian means Bond Street Custodians Limited ABN 57 008 607 065 (AFSL 237489).

Derivative means a financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index).

Dec-20 Value means \$93,828,069 (in the context of the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement) as calculated at 31 December 2020.

Deloitte Touche Tohmatsu means Deloitte Touche Tohmatsu Limited ABN 74 490 121 060.

Director means a director of the Company.

Emerging Companies means companies with market capitalisations less than \$500 million (as at the date of the Company's initial investment in that company).

Expiry Date means 5.00pm (Melbourne time) on 20 May 2022.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Extension Resolution means a resolution passed at a general meeting of Shareholders to renew the term of the Management Agreement for a further period of 10 years, with such 10 year period to commence on the date of the Extension Resolution.

Floor Value means \$50,000,000 (in the context of the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement).

Free Float means the percentage of Shares that are not restricted securities or subject to voluntary escrow and are held by non-affiliated Shareholders (i.e. Shareholders who are not related parties of the Company or their associates).

G Fund means Salter Brothers Asset Management as trustee of Salter Brothers Series G (Emerging Companies) Fund.

Gross Proceeds means an aggregate amount being sought by the Company under the Offer.

Gross Value means the aggregate sum of the Australian dollar values on the date the value is calculated for each Investment calculated for each category of Investment comprising the Portfolio, without deduction for debts or other liabilities.

GST means Australian Goods and Services tax.

HWM Date means the day after the last Performance Calculation Period in respect of which a Performance Fee greater than nil was paid or payable (or if no prior Performance Fee has been paid or become payable to the Manager, the Commencement Date).

Investigating Accountant means Deloitte Corporate Finance Pty Ltd.

Investment means an investment forming part of the Portfolio of the Company, as managed by the manager under the Management Agreement, and includes investments acquired by the application of the proceeds of borrowings by the Company.

Investment Advisory Agreement has the meaning given to that term in Section 9.3(a).

Investment Entity has the meaning given to that term in the ASX Listing Rules.

Investment Guidelines means the guidelines for the construction of the Investment Portfolio issued by the Board and agreed to by the Manager from time to time (initially being the guidelines in Section 4.5).

Investment Objectives means the investment objectives of the Company as set out in in Section 4.2 (and varied from time to time by agreement between the Company and the Manager).

Investment Portfolio or **Portfolio** means the portfolio of securities (i.e. Investments) to be managed in accordance with the Management Agreement by the Manager pursuant to the investment mandate and strategy set out in this Prospectus.

Investment Team means the key investment personnel who will be responsible for, and utilised by the Manager for the purpose of, implementing the Investment strategy, and who will be made available to the Manager under the Investment Advisory Agreement, being the personnel detailed in section 5.

13. GLOSSARY (CONTINUED)

Initial Term has the meaning given to that term in Section 9.1.

Issue means the proposed issue of Shares pursuant to this Prospectus.

Lead Manager means Ord Minnett in its capacity as the lead manager to the Offer.

Legal Adviser means MinterEllison.

LIC means listed investment company.

Listing means admission of the Company to the Official List and quotation of the Shares on the ASX.

Listing Date means the date on which the Company is admitted to the Official List and quotation of the Shares commences.

Management means the Investment Team engaged by the Manager, and any other management personal engaged by the Company from time to time, whether directly or indirectly, to provide planning, direction and control of the Company's activities.

Management Agreement means the agreement between the Manager and the Company dated 27 April 2021.

Management Fee means the management fee(s) payable to the Manager by the Company pursuant to the terms of the Management Agreement.

Manager means Salter Brothers Funds Management.

Material Agreements has the meaning given in Section 9.1.

Maximum Gross Proceeds means \$20,000,000.

Maximum Subscription means the maximum aggregate subscription amount being sought by the Company under the Offer, being \$20,000,000.

Middle Value means \$90,000,000 (in the context of the Portfolio Value for the Portfolio Securities and Cash Amount acquired pursuant to the Securities Sale Agreement), being the midpoint between the Floor Value and the Ceiling Value.

MIFID II means the European Union's regulatory framework for investment firms under its Markets in Financial Instruments Directive.

NAV means the value of the Company's total assets less the value of any liabilities.

Net Value means the Gross Value of the Portfolio, less total liabilities ranking ahead of, or equally with, claims of the holder of ordinary shares in the Company, including but not limited to:

- (a) provisions for tax on realised income and gains;
- (b) provisions for tax on estimated unrealised income and gains;
- (c) provisions for declared, but unpaid, dividends or distributions if the Shares are still quoted on a basis that includes the dividend or distribution on the date on which the net tangible asset backing is reported; and
- (d) provisions for accrued but unpaid management fees.

Offer means the offer of Shares detailed in this Prospectus, being the offer of up to 20,000,000 Shares (at an Offer Price of \$1.00 per Share) to raise up to \$20,000,000.

Offer Management Agreement means the agreement between the Company, Salter Brothers Funds Management and the Lead Manager dated on or around 26 April 2021.

Offer Price means \$1.00 per Share.

Official List means the official list of the ASX.

Official Quotation means official quotation of securities by ASX.

Opening Date means 9.00am (Melbourne time) on 12 May 2021.

Ord Minnett means Ord Minnett Limited ABN 86 002 733 048.

Performance Calculation Period means:

- (a) for the first Performance Calculation Period, the period commencing on the date of issue of Shares under the Prospectus and ending on 30 June 2021; and
- (b) thereafter, each period from the day after the end of the last Performance Calculation Period to the next Calculation Date.

Performance Fee means the performance fee payable to the Manager in accordance with the Management Agreement.

Portfolio Securities has the meaning given to that term in Section 9.2.

Portfolio Value has the meaning given to that term in Section 9.2.

Proceeds means the capital raised by the Offer.

Prospectus means this document (including the electronic copy of this document), and any supplementary or replacement prospectus in relation to this document.

Registry means Computershare.

Resourcing Arrangements means the collective arrangements under the Shared Services Agreement and the Investment Advisory Agreement, under which certain services are indirectly provided to the Company by Salter Brothers entities.

Salter Brothers means the entities operating under the 'Salter Brothers' banner from time to time.

Salter Brothers Asset Management means Salter Brothers Asset Management Pty Ltd ACN 119 833 760.

Salter Brothers Equities means Salter Brothers Equities Pty Ltd ACN 624 228 486.

Salter Brothers Funds Management means Salter Brothers Funds Management Pty Ltd ACN 608 295 683.

Salter Family Holdings means Salter Family Holdings Pty Ltd ACN 604 159 579.

Share means a fully paid ordinary share in the capital of the Company.

Shared Services Agreement has the meaning given to that term in Section 9.3(b).

Shareholder means a person registered from time to time on the Company's register of members as a holder of one or more Shares.

Significant Investor Visa means the Significant Investor stream of a Subclass 188 (Business Innovation and Investment (Provisional)) visa.

SIV Regime means the rules governing the Significant Investor Visa as set out in the *Migration (IMMI 15/100: Complying Investments) Instrument 2015*, made under regulations 5.19C and 5.19D of the Migration Regulations 1994, and as determined by Austrade or the Department of Home Affairs from time to time.

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CORPORATE DIRECTORY

DIRECTORS

John Vatovec (Independent Chairperson)
Robert Salter (Non-Executive Director)
Marcos Marcou (Independent Non-Executive Director)

REGISTERED OFFICE

Level 9, 477 Collins Street
MELBOURNE VIC 3000

LEAD MANAGER AND AUTHORISED INTERMEDIARY

ORD MINNETT LIMITED

(AFSL 237121)
Level 8, NAB House, 255 George Street
SYDNEY NSW 2000

AUDITOR

DELOITTE TOUCHE TOHMATSU

477 Collins Street
MELBOURNE VIC 3000

MANAGER

SALTER BROTHERS FUNDS MANAGEMENT PTY LTD

Level 9, 477 Collins Street
MELBOURNE VIC 3000

REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED

Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

INVESTIGATING ACCOUNTANT

DELOITTE CORPORATE FINANCE PTY LTD

Grosvenor Place, 225 George Street
SYDNEY NSW 2000

LEGAL ADVISER

MINTERELLISON

Level 20, Collins Arch, 447 Collins Street
MELBOURNE VIC 3000



**SALTER
BROTHERS**

EMERGING COMPANIES LIMITED