

D R U M M O N D

CAPITAL PARTNERS

DRUMMOND DYNAMIC PLUS FUND
INFORMATION MEMORANDUM
1 January 2024

IMPORTANT INFORMATION

INFORMATION MEMORANDUM

This Information Memorandum (IM) is dated 1 January 2024 and is issued by Drummond Capital Partners Pty Ltd ACN 622 660 182 AFSL 534213 (Investment Manager) with the consent of Evolution Trustees Limited ACN 611 839 519 AFSL 486217 (Trustee), the trustee for Drummond Dynamic Plus Fund, ABN 69 109 453 831 (Fund). This IM contains general information for prospective Investors about the Fund.

The Trustee has appointed the Investment Manager as the investment manager of the Fund.

NO DISCLOSURE REQUIRED

This IM is intended to provide potential Investors with general information only and does not constitute a product disclosure statement or any other disclosure document under the Corporations Act 2001 (Cth) (Act). This IM has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body or regulator.

An investment in units in the Fund (Units) is only available for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied the person is a Qualifying Investor.

FOREIGN JURISDICTIONS

This IM does not constitute, and may not be used for the purpose of, an offer, invitation or solicitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or solicitation. The Trustee and the Investment Manager do not represent that this IM may be lawfully offered in compliance with any applicable legislation or other requirements in any jurisdiction outside Australia or assume any responsibility for facilitating any such distribution or offering.

In particular, Units have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to Units may be distributed in the United States.

An investment in Units in the Fund may be made available to select persons in other jurisdictions as determined by the Trustee and the Investment Manager (in their joint discretion). Investors from jurisdictions other than Australia must be aware that this IM is issued in compliance with Australian legal and regulatory requirements and may not address the regulatory requirements in other jurisdictions. Accordingly, Investors outside of Australia should seek take their own legal advice regarding the suitability of the investment for their particular circumstances.

NO RESPONSIBILITY FOR CONTENTS OF DOCUMENT

To the maximum extent permitted by law, neither the Trustee, the Investment Manager nor any of their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) or representatives make any recommendation in relation to the Fund or investment in its Units, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective Investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the Fund's Constitution and Management Agreement, a copy of which is available (free of charge) by contacting the Trustee on 02 8866 5150. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

FORWARD LOOKING STATEMENTS

This IM includes forward looking statements that may contain the words "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this IM are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, or achievements to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. These forward-looking statements are current only as at the date of this IM. Accordingly, there can be no assurance, and the Trustee and Investment Manager do not warrant or guarantee, that such statements, estimates or projections will be realised.

Neither the Investment Manager nor the Trustee has an intention to update or revise forward-looking statements, or in the future to publish prospective financial information, regardless of whether new information, future events or any other factors affect the information contained in this IM, except where required by law.

INDEPENDENT ADVICE

Prospective Investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account any investor's objectives, financial situations or needs. An investment in the Fund may not be appropriate for all persons or entities.

Each recipient of this IM agrees and acknowledges that they must rely on its own independent investigations and enquiries with respect to making any decision to invest in the Fund and, as this IM is general information only (and may be out of date), does not rely on the information set out in this IM in making an investment decision.

Further, each recipient of this IM agrees they should seek appropriate independent professional advice from a financial adviser, accountant or other professional adviser to obtain legal, investment and tax advice in determining whether to invest in the Fund.

SPECULATIVE INVESTMENT AND NO GUARANTEE

An investment in Units is to be considered speculative. An investment in the Fund is subject to investment risk, including the loss of income and capital invested. Neither the Trustee, the Investment Manager nor any of their directors, officers, employees, advisors or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee repayment of committed capital. Investors do not have a guaranteed right to redeem their investment. Units offered under this Information Memorandum, when issued, will not be listed on any stock exchange.

Page 11 of this IM contains a summary of the key risks of an investment in the Fund.

TRUSTEE LIMITATION OF LIABILITY

Except in certain circumstances (including fraud, negligence or default by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

DISCLOSURE OF INTERESTS

The Trustee, the Investment Manager and their related entities may also acquire Units in the Fund on the same terms and with the same rights as other Investors in the Fund.

UPDATED INFORMATION

The information contained in this IM can change, and the IM may be updated or replaced from time to time. The Investment Manager or the Trustee may not always update or replace this IM to reflect the changed information. Updated information (if available) may be obtained by going to the Investment Manager's website www.drummondcp.com or calling the Investment Manager on 03 9131 8500.

NO LIABILITY

To the maximum extent permitted by law, the Trustee, the Investment Manager and their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) and representatives bear no liability for any loss or damage, howsoever arising and whether foreseeable or not, which results from any person acting in reliance in whole or in part on any information in this IM, or any information provided or made available in connection with any further enquiries.

INVESTORS ACKNOWLEDGEMENT

By submitting an application for Units, Investors acknowledge that:

- no person has been authorised to give any information concerning the Trustee, Investment Manager, Fund or the Units other than as contained in this Information Memorandum and, if given, that information cannot be relied upon as having been authorised by the Trustee or, to the extent it relates to the Investment Manager, the Investment Manager; and
- they have been afforded an opportunity to request, and have received and reviewed, all information considered by them to be necessary or appropriate to verify the accuracy of, or to supplement the information contained in this Information Memorandum and to make an informed decision about investing in the Fund.

CONFIDENTIALITY

This IM is confidential. Each recipient of this IM agrees to keep its contents confidential and not to copy, supply, disseminate or disclose any information in relation to its content without the Trustee's prior written consent.

GLOSSARY

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to dollar amounts in this IM are to Australian Dollars (AUD), unless otherwise stated.

DIAGRAMS & PHOTOGRAPHS

Diagrams used in this IM are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the date of this IM. Photographs in this IM are also illustrative only unless otherwise indicated.

KEY INVESTMENT FEATURES

Fund Name	Drummond Dynamic Plus Fund
Investment Manager	Drummond Capital Partners Pty Ltd
Investment Objective	To exceed 8% p.a. over a rolling 5-year horizon with equity like volatility.
Fund Investments	Global listed exchange traded funds (ETFs), listed securities, futures, options, foreign exchange, bonds.
Investment Term	Suggested minimum 5 years however daily liquidity is provided.
Initial Unit Price	AU\$1.00 per Initial Unit (being all Units issued on or before 1 month of the establishment of the Fund).
Unit Classes	<p>It is proposed that the Trustee (as directed by the Investment Manager) will issue Class A and Class B Units.</p> <p>The Class B Units will attract a lower Management Fee but in all other respects, the Units are identical and will be treated the same in respect of distributions, unit pricing and performance fees and expenses.</p> <p>The Trustee (under the advisement of the Investment Manager) may elect to issue Class A or Class B Units to the members in accordance with the Constitution.</p>
Minimum Investment	AU\$25,000 for Initial Investment with no minimum for additional investments.
Application & Withdrawals	Daily, subject to cut off times.
Fund Leverage & Exposure	<p>Growth Asset Range: 0% to 150%</p> <p>Defensive Asset Range: 0% to 300%</p> <p>Maximum Gross Exposure: 300%</p>
Income Distribution	<p>30 June each year (if any).</p> <p>Investors can elect to reinvest distribution or take as cash at time of applying for Units (Distribution Direction). Any change to the Distribution Direction can be made to the Trustee no later than 30 days before the end of the Distribution Period.</p> <p>In accordance with the Trust Deed, distributions will be determined proportionately based on Unit holdings or attributed under the AMIT regime if the Fund so elects. If the AMIT regime is elected, Investors will be taxed on member's shares of taxable income allocated on a fair and reasonable basis. Cash distributions may not always equal taxable distributions.</p>
Management Fee	<p>Class A: Ordinary Units 0.70% p.a. excluding GST, payable monthly.</p> <p>Class B: Founder Units 0.41% p.a. excluding GST, payable monthly.</p>
Performance Fee	All Units: 15% p.a. above 8% hurdle rate with high watermark.
Expenses	Refer to Page 13
Risks	Refer to Page 11

FUND OVERVIEW

ABOUT THE FUND

The Drummond Dynamic Plus Fund is an open-ended unitised fund and seeks to provide investors with an attractive return in a low return world by capturing equity beta combined with Drummond's proven tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives.

INVESTMENT STRATEGY

The Drummond Dynamic Plus Fund is a dynamically managed, global multi-asset strategy and seeks to provide investors with an attractive return in a low return world by capturing equity beta combined with Drummond's proven tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives. Typically, the option will be diversified across asset classes, seeking diversified sources of return and reducing drawdown risk. The Manager expects most of the Fund's return to be generated from long term exposure to traditional market betas.

The Fund may hedge a portion of its currency exposure and may use derivatives to achieve its investment objective and to gain exposure to assets and markets. Derivatives may also be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve a 8%p.a. return on a rolling 5yr basis while exhibiting equity market like volatility. Returns are not guaranteed as this is a target return and may not be achieved.

PORTFOLIO CONSTRUCTION

The Dynamic Plus Fund is constructed to leveraging off our experience building multi-asset portfolios which combine long-term strategic views with tactical asset allocation. The team undertakes proprietary econometric forecasting of long-term asset class returns in order to form its strategic asset allocation. Our long-term strategic views guide our thinking around expected returns, the cost of leverage and the risk generated by a portfolio. Over the top of this sits our tactical asset allocation process, which has a track record of managing drawdown risk in volatile markets.

INVESTMENT PROCESS

We develop capital market assumptions for all major asset classes across most major regions. We use a macroeconomic based framework for asset class returns. Each asset class return is generally split into expectations for growth, valuation change and income. Our assumptions for risk and correlations is based on a combination of historical averages and future expectations.

These assumptions are reviewed on an annual basis or earlier as required by the Investment Team and our Investment Committee. We also cross check our assumptions against historical averages and the expectations of external research providers.

There are two primary inputs into our tactical process, both of which consider Equities, Bonds, Credit and FX positioning.

1: A tactical scorecard, which combines quantitative signals which have historically improved investment outcomes and our investment outlook, these include:

1. Expected Returns: Using our capital market framework
2. Momentum: Long and short term trend indicators
3. Growth: Global economic activity indicators
4. Policy: Fiscal and Central bank policy
5. Sentiment: Investor surveys and volatility indices

2: A judgement overlay, where we consider factors which may not be accounted for in the tactical scorecard. It is important to reiterate our tactical process is not purely systematic.

These two elements are then used to construct the tactical overlay, with position sizing a function of conviction and risks around the investment outlook. Sitting over the top of this structure is a robust governance framework, which involves frequent Investment Committee oversight and internal portfolio risk management tools.

THE INVESTMENT MANAGER

ABOUT DRUMMOND CAPITAL PARTNERS

Drummond Capital Partners was founded in 2017 by Nick Reddaway and Tom Schubert to deliver active, institutional grade investment management to wealth management clients. The team have a long, combined history of investing across some of the world's leading institutional funds management businesses and domestic pension funds.

The firm currently manages more than \$2.5bn on behalf of wealthy families and financial intermediaries. Drummond are asset allocation specialists and focus on delivering high quality, risk aware, global multi-asset portfolio solutions, driven by proprietary research.

NICK REDDAWAY

Nick co-founded Drummond and has 21 years' investment management experience across multiple markets and investment styles. As Chief Investment Officer Nick oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction.

Nick was previously a co-founder and portfolio manager of Paragon Funds Management, an Australian long short equity fund. Prior to this Nick was a portfolio manager for the long short international fund at K2 Asset Management and also sat on the firms asset allocation committee. Nick spent the first 8 years of his career in London, commencing at Schroders in the quantitative strategy group, then at Lazard in cross asset research and then as a global industrials analyst at BlueCrest Capital, one of the largest hedge funds in Europe.

Nick has a Bachelor of Business from Monash University, GradDip Applied Finance and is CFA Level 1.

TOM SCHUBERT

Tom co-founded Drummond and has 19 years' investment management experience. As portfolio manager Tom contributes to our strategic and tactical asset allocation processes, manager selection and portfolio construction.

Tom was previously a partner and portfolio manager at a leading private wealth firm for 12 years where he managed global multi-asset portfolios for high net worth and family office clients. He was a member of the investment committee leading the investment strategy, manager research and multi-asset model portfolio process.

Tom has a Master of Applied Finance from Macquarie University, ASX Accredited Derivatives Adviser, Diploma of Financial Services.

ALEX CATHCART

Alex joined Drummond in 2019 and has 18 years' experience as a portfolio manager and economist. As portfolio manager Alex oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction.

Alex previously spent 3 years at Cbus Super as a senior member of the asset allocation group responsible for strategic and dynamic asset allocation across the multi-asset portfolios. Prior to Cbus, Alex spent 5 years in the investment strategy team at Qsuper. Alex was responsible for developing econometric structural models of major global economies, alongside the dynamic asset allocation and risk positioning frameworks. Prior to Qsuper Alex spent almost 6 years as a senior economist at Queensland Treasury.

Alex is a CFA Charterholder, B.Bus – Economics (1st Class Honours) and B.Arts/B.Bus at the University of Southern Queensland

ADVANTAGES OF INVESTING WITH DRUMMOND CAPITAL PARTNERS

Experience

The Drummond Capital Partners team have significant industry experience across some of the worlds most recognised institutions. The investment philosophy and processes have been utilised by the team since its inception in 2017 delivering continuity across the business and its portfolios.

Track Record

The team have been managing portfolios since 2018. The first portfolio managed by the Investment Team has significantly outperformed its institutional peer group since inception. All portfolios now managed by the Investment Team have consistently outperformed their benchmarks and peers, demonstrating the robustness of the Investment Teams processes and proven ability to actively manage investor capital across different market environments.

Alignment

The principals of the business hold a majority stake in the business along with staff. Staff members also regularly invest in the portfolios alongside investors adding to team stability and aligning the interests of the team members with investors. This alignment ensures investment decisions are made from the perspective of being both investors and the Investment Manager of the Fund.

Flexibility

The reasonably small Investment Team enables investment decisions to be made in a timely manner and is a competitive advantage of the Fund over larger organisations.

OPERATING DETAILS

UNITS IN THE FUND

Units are issued each business day. (Application Date). Application for Units received by 1pm each business day will generally receive that day's unit price. Applications received after the 1pm cut off time will be processed the next business day.

Initial Units

The initial subscription price per Initial Unit in each class is AU\$1.00

Subsequent Units

The application price for subsequent Units (excluding Initial Units) will be determined based on the following:

$$\frac{\text{Net Asset Value}}{\text{Number of Units in Issue} + \text{Transaction Costs}}$$

The Net Asset Value (NAV) will be determined each business day and published by 12pm the same day under normal circumstances.

Each Unit confers an equal beneficial interest in the Fund. All Units have equal rights, entitlements (other than Class B Units which attract a different Management Fee), and liabilities from the date of issue. A Unit does not confer an interest in any particular asset of the Fund.

UNIT REDEMPTION

At the discretion of the Trustee and dependent on the liquidity of the Fund, redemptions received by the 1pm cut off each business day will receive the same business day unit price. Redemptions received after the 1pm cut off will be processed the following business day.

It is expected that redemption proceeds will be paid within 2 business days.

How is the Redemption Price determined?

The Redemption Price is determined as follows:

$$\frac{\text{Net Asset Value}}{\text{Number of Units in Issue} - \text{Transaction Costs}}$$

The Net Asset Value is determined on the relevant Redemption Date.

Investors should note that, as the Net Trust Value may continue to fluctuate, there may be a significant difference between the Redemption Price and the Unit price as at the time a Redemption Request is submitted and/or received.

The Trustee is not liable for any loss where the Redemption Price is less than the Unit price at the time a Redemption Request is submitted and/or received or for any other delays in redemption.

ELECTRONIC COMMUNICATION

The Administrator will acknowledge receipt of any subscription or redemption request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator within five (5) days of submitting the request, the applicant should assume that the subscription or redemption request has not been received and they should contact the Administrator via email on SSG.AUS@apexfs.com or telephone on +61 2 7201 9015 to confirm the status of their request.

None of the Fund, the Administrator and/or the Administrator's Agent accepts any responsibility for any loss arising from the non-receipt or illegibility of any Subscription Agreement or additional Subscription Agreement (as the case may be) sent by email or for any loss caused in respect of any action taken as a consequence of such email believed in good faith to have originated from properly authorised persons.

DISTRIBUTIONS

If for a Distribution Period the Trustee in its absolute discretion determines that there is Distributable Income, the Income Entitlement of a Unit is the Distributable Income of the Distribution Period divided by the number of Units on issue on the last day of the Distribution Period.

The Issue Price for the reinvestment distribution plan will be based on the Valuation Date immediately before the end of the Distribution Period.

In accordance with the Constitution, distributions will be determined proportionately based on Unit holdings or attributed under the AMIT regime if the Fund so elects. If the AMIT regime is elected, Investors will be taxed on member's shares of taxable income allocated on a fair and reasonable basis. Cash distributions may not always equal taxable distributions.

When the Fund is wound up, remaining investments will be disposed of or paid out as in-specie distributions to Unit Holders.

REPORTING

Financial reporting will be on an annual basis. Investment updates will be on at least a quarterly basis.

RISKS

RISK PROFILE

No investment is without uncertainty and as such neither the Investment Manager nor the Trustee gives any assurance or guarantee in relation to investment in the Fund or its Units. Following is a summary of the key risks to be considered. However, this summary is not exhaustive and potential Investors should read and consider carefully the contents of this IM in its entirety and seek independent tax, legal, accounting or other professional advice in relation to investment in the Fund, which should take into account each Investor's individual goals, needs and circumstances.

SUMMARY OF RISKS

Key risks of investing in the Fund include but are not limited to the following risks:

Asset Risk: As several competing factors drive the value of the Fund's assets, the underlying value of the Fund may significantly decrease, adversely affecting the Fund and the Unit Holders.

Market Risk: Changes in the macroeconomic variables such as interest rates, exchange rates and commodity prices may impact on the performance of the Fund's assets, the Fund's performance and the value of the Units.

Sovereign Risk: Any adverse changes in such laws and regulations and any adverse actions made by any governmental or regulatory body or authority in any of these jurisdictions may impact on the performance of the Fund's assets, the Fund's performance and the value of the Units.

Counterparty Risk: Any returns to investors may be affected by a default by any of the Fund's counterparties. For example, a counterparty to a transaction or contract (such as the Prime Broker, Custodian or other agent of the Fund) may fail to perform their obligations in the manner anticipated by the Fund or may experience financial difficulty, which may result in a reduction in expected returns to the Fund.

Regulatory Risk: The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws in the jurisdictions in which the Fund and the start-up companies in which the Fund invests operate.

Cyber Risk: There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to an investor's personal information because of a threat or failure to protect the information or personal data stored within Drummond's IT systems and networks or our service providers.

Derivative Risk: A derivative is a financial instrument with characteristics and value dependent upon the characteristics and value of an underlying security (typically a commodity, bond, equity or currency). Derivative risk is the risk that the value of the underlying security will underperform or that the derivative may behave differently to the underlying security. Derivative risk also includes the risk that the relevant counterparty will fail to perform its obligations under the derivative.

Leverage Risk: The Fund uses leverage where the Manager believes it may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge securities in order to borrow additional funds for investment purposes. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their Fund units.

Liquidity Risk: the investments of the Funds may not be able to be liquidated on the intended or any favourable or any times at all, and may not be sold down within sufficient time, or at all, or for a value, so as to partially or completely mitigate loss. A lack of or limitation on liquidity means that the Trustee cannot accommodate withdrawal requests.

Risk of Loss: The repayment of capital or the payment of any return to Investors is not guaranteed.

Investment Manager Risk: There is a risk that the Investment Manager or the Investment Manager's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Investment Manager's ability to generate acceptable returns, for example loss of key staff.

Taxation Risk: The returns to Investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure.

Investors in the Fund acknowledge that the above and other risks exist and notwithstanding any attempts by the Investment Manager to manage the impact of these risks, they cannot be eliminated. The performance of the investments, the repayment of capital or of any particular rate of return, is not guaranteed by the Fund, the Trustee, the Investment Manager, nor their directors, employees or associates.

TRUSTEE

EVOLUTION TRUSTEES LIMITED

Evolution Trustees Limited (ETL or the Trustee) is the Fund's trustee. The Trustee has consented to the issue of this IM by the Investment Manager.

ETL is a professional corporate trustee holding AFS Licence Number 486217, and it has extensive experience as a corporate trustee and custodian. ETL is a business servicing Australian and offshore asset managers and institutions with a select range of fiduciary services including corporate trustee, MIT trustee and responsible entity services.

ETL's approach is to tailor its service offering to specifically meet the needs of each structure in a manner which is consistent with Australian laws and regulations. ETL is independent and focused on advancing the best interests of the Investors whose money it takes care of.

ETL's responsibilities and obligations as the Fund's trustee are governed by the Fund's Constitution, the Corporations Act and general trust law. ETL has delegated the investment management functions to the Investment Manager on an exclusive basis under an Investment Management Agreement dated on or about the date of this IM (Management Agreement).

ETL will review the performance of the Investment Manager on an ongoing basis to ensure that it is managing the investments of the Fund within the terms of the Management Agreement.

FEES AND COSTS

Application Fee	None
Redemption Fee	None
Buy / Sell Spread (Transaction Costs)	Relevant Issue Price / 0.20% Redemption Price
Investment Management Fee	Class A: Ordinary Units 0.70% of the Net Trust Value p.a. excluding GST, payable monthly Class B: Founder Units 0.41% of the Net Trust Value p.a. excluding GST, payable monthly
Performance Fee	All Units 15% p.a. above 8% hurdle rate with high watermark during a Performance Period (6 months)
Expenses borne by the Trust	Brokerage commissions and other expenses incurred in acquiring, disposing, or dealing with investments. Taxes or duties in respect of the Trust or the Trust Asset Financing costs Market related fees and charges such as settlement costs Any other costs associated with transactions as part of the ongoing management of the portfolio Trustee Fees Audit Fees Administration Fees

MANAGEMENT FEES

The Management Fee is:

- For Class B Units: 0.41% of the Net Trust Value p.a (excluding net GST)
- For Class A Units: 0.70% of the Net Trust Value p.a. (excluding net GST),

Accrued monthly based on the Net Trust Value after any current accrued management fees and Fund expenses, but before any current period performance fee accrual, charged monthly in arrears.

PERFORMANCE FEES

A Performance Fee may be payable to the Investment Manager for successfully managing the Fund. If payable, this will increase the overall management costs for the Fund. A performance fee of 15% (excluding net GST) of the increase in Net Trust Value per Unit (after payment or accrual of the Manager Fees and expenses) over the High Water Mark plus 5% calculated in AUD then attributed to each unit.

The High Water Mark for a Unit is its issue price and thereafter, the highest previous Net Trust Value per Unit (as at the relevant valuation date) after the payment of the Performance Fee

When a Performance Fee is calculated and is a positive amount, it is accrued and reflected in the Fund's unit price. When a Performance Fee is calculated and is a negative amount, then the underperformance is carried forward to ensuing periods (performance deficit) and no Performance Fee will be paid until the performance deficit has been made up.

Where Units are redeemed part way through a Performance Period, any Performance Fee payable in respect of those Units redeemed will reflect the Performance Fee accruals in the Unit price at that time.

To ensure that the proportionality between any performance deficit and the value of the Fund remains consistent where a withdrawal or distribution occurs, the performance deficit is generally reduced by the proportion of the Fund's net asset value that the withdrawal or distribution represents.

EXPENSES

Ordinary expenses are a cost of the Fund and include legal, audit, administration, accounting and taxation preparation costs, custodial fees, insurances, government charges, AML checking fees, CRS checking fees and general expenses.

Some of these fees are fixed and will fall as a proportion as Fund assets grow. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, legal fees, once off or non "business as usual" fees, and termination and wind up costs. If abnormal expenses are incurred, they will be deducted from the assets of the Fund as and when they are incurred.

See Material Contracts section below in relation to the administration fees payable in relation to the administration of the Fund.

CHANGES IN FEES AND COSTS

All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations. There is no specific limit in the Constitution on the level of expense recovery. A copy of the Constitution is available free on request. The Manager currently charges fees at less than the maximum amounts allowed for in the Fund's Constitution or waives those rights to fee payment and expense recovery. If the Manager wished to raise management and or performance fees above the maximums allowed for in the Constitution, we would need to amend the Constitution.

DIFFERENTIAL FEES

The Investment Manager may in its absolute discretion individually negotiate fees with certain investors grant a rebate of part of the Management Fee (including the Performance Fee) or charge a lower Management Fee (including the Performance Fee) to certain Unitholder, usually in relation to the size of their investment.

BUY/SELL SPREAD (TRANSACTION COSTS)

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

- down for the withdrawal price, currently -0.2% of the Redemption Price; and
- up for the application price, currently +0.2% of the Unit issue price. These spreads are paid to the Fund and not to the Manager.

BANK AND GOVERNMENT CHARGES

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

GOODS & SERVICES TAX

Quoted fees and other costs exclude the net impact of GST (that is, considering any reduced input tax credits).

TAXATION INFORMATION

TAXATION

The following tax information provided is of a general nature only, and provides a summary of the Australian income tax and GST considerations that may be relevant to Investors who are Australian resident taxpayers who hold their Units in the Fund on capital account. It is a brief guide only and is based on current Australian income tax and GST law and Australian Taxation Office (“ATO”) pronouncements as at the date of this IM. The effects of taxation on managed investment schemes can be complex and may change over time which may have adverse tax consequences for Investors. This summary does not consider the tax implications for those investors who hold their investment in the Fund on revenue account, as an isolated investment made with a profit making intent or as trading stock. As this summary is general in nature, Investors should seek independent professional taxation and accounting advice before investing in the Fund, having regard to their own circumstances.

TAXATION OF THE FUND

There are a number of Australian income tax rules that may apply to funds, such as Division 6, Division 6C, the Managed Investment Trust (“MIT”) rules and the Attribution Managed Investment Trust (“AMIT”) rules.

Where the Fund meets the eligibility requirements for MIT status and elects into the AMIT regime, it will be treated as a flow-through entity and Investors will be attributed the determined member components and advised of this in the AMIT member annual (“AMMA”) statement. Where the criteria are met, the Fund intends to elect into the AMIT regime.

In the event the Fund is not an AMIT, it may be treated as a flow-through entity under Division 6 such that the Fund itself should not be liable to pay income tax in relation to its net (taxable) income provided the Investors are presently entitled to the distributable income of the Fund each year. If the Fund is a Division 6C Trust it will be taxed as a company (this is not expected to be the case).

As an Australian resident trust for tax purposes, the Fund must determine its net (taxable) income each income year. It is the Fund's intention to invest in global listed exchange traded funds (ETFs), listed securities, futures, options, foreign exchange and bonds. As such, the Fund's net income should largely consist of interest, dividends, foreign exchange gains and gains from the realisation of investments. Where the Fund is an AMIT, the net income of the Fund is attributed to the Fund's Investors on a fair and reasonable basis by the Trustee.

Where the MIT rules apply, the Fund may make an election to apply deemed capital account treatment for gains and losses on disposal of certain eligible investments (including global listed ETFs, listed equities and units in other trusts but excluding derivatives, debt securities and foreign exchange contracts). Where the Fund is an AMIT or a MIT and the capital account election is not made, the Fund should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

Where the Fund is not an AMIT, and the Fund's Investors are presently entitled to the Fund's distributable income each year, the Fund itself should not be liable to pay income tax in relation to its taxable income.

Where the Fund has a net tax loss for an income year, the tax losses will not flow through to Investors, even if the Fund makes a cash distribution. The tax losses may be carried forward and applied to reduce taxable income in subsequent income years subject to the trust loss recoupment rules.

DISTRIBUTIONS FROM THE FUND

It is intended that as investments are realised, any distributable income (including net capital gains) of the Fund will be distributed to Investors on a semi-annual or annual basis, however, there are no guarantees of distributions in any particular year during the term of the Fund. The Trustee retains full discretion as to the quantum (if any) of any distributions in any distribution period.

Distributions to Investors may include ordinary income, capital gains, tax deferred amounts or other non-taxable amounts.

As the Fund is a trust and treated as a flow-through vehicle (refer above), Investors will be assessed on the taxable income derived by the Fund relating to the relevant class of Units, based on their attributed share/present entitlement on the annual income of the class. The Fund's Investors will be required to include their share of taxable income in their tax return even if the distribution is reinvested in additional Units.

Where the Fund is an AMIT:

- Distributions/attributions from the Fund may include an AMIT cost base adjustment amount. Generally, where a distribution (or part of a distribution) to an Investor includes an AMIT cost base adjustment, the amount either reduces or increases the tax cost base of the units for capital gains tax ("CGT") purposes.
- An Investor's tax cost base in their Units is increased where taxable income is "attributed" to them (inclusive of the non-assessable component of a discount capital gain). The tax cost base is decreased where cash distribution entitlements are paid to an Investor in respect of their Units. In addition, reductions are made in respect of certain tax offsets. Where an Investor's tax cost base is reduced below zero, a taxable capital gain will be made. Investors will be advised of the net cost base adjustment amount in their AMMA statement.

An Investor may receive their share of attributed tax components of the Fund in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets.

Where the Fund is not subject to the AMIT rules:

- An Investor who becomes presently entitled to a share of the distributable income of the Fund will become liable to a proportionate share of the Fund's taxable income for that income year. The Fund will provide the Investor with an annual distribution statement which will inform them of their share of the taxable income of the Fund, broken down into components (i.e. franked and unfranked dividends, franking credits, other income, discount capital gain etc).
- An Investor's tax cost base in their Units is decreased where there is a distribution of non-assessable amounts by the Fund. If the cash distribution to an Investor exceeds an Investor's share of the Net Taxable Income of the Fund, the excess (generally known as a 'tax deferred' distribution) should generally not be assessable to the Investor (otherwise known as CGT event E4). Similarly, a return of capital by the Fund should not be immediately assessable to the Investor. Once the cost base of an Investor's Units has been reduced to nil any additional tax deferred amounts or capital distributions should result in a taxable capital gain arising to the Investor in respect of that Unit.
- If the cash distribution amount to an Investor of the Fund is less than an Investor's allocation of the Fund's Net Taxable Income, the Investor should be taxed on the Net Taxable Income allocated to it without a corresponding increase to the CGT cost base of Units in the Fund.

An Investor may receive their share of the net income of the Fund in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include their share of net income of assessable income, exempt income, non-assessable non-exempt income and tax offsets.

DISPOSAL OF UNITS

Where a Unit in the Fund is redeemed, an Investor will receive the redemption price in respect of that Unit (with the Investor separately being entitled to a distribution of any income). To the extent that an Investor disposes of their Units (either to a third party or via redemption/cancellation), a capital gain or loss may arise. A capital gain may occur where the proceeds on disposal exceed the cost base of the Units. A capital loss may occur where the proceeds are less than the reduced cost base of the Units. Where the Unit has been held for a period of at least 12 months, an Australian resident individual or trust (conditions apply) may be eligible to reduce the capital gain by 50% or an Australian resident complying superannuation fund by 33.3%. No CGT discount is available to corporate investors.

A record of the cost base of Units should be maintained by Investor. The cost base of Units should be the cost of acquiring the Units (including brokerage costs and upfront fees) adjusted for any increases or decreases in cost base as outlined in page 15-16 above.

OTHER ISSUES

Tax File Number or Australian Business Number declaration

Investors are not required by law to provide a Tax File Number (TFN) to the Trustee. However, if a TFN is not quoted, or no appropriate TFN exemption is provided, then the Trustee is required to withhold from any income distribution/attribution entitlement (including tax deferred amounts or a deemed payment) to the Investor at the highest marginal tax rate plus Medicare Levy (currently 47%). The Investor may be able to claim a credit in their Australian tax return for any TFN or ABN tax withheld.

Goods and Services Tax (GST)

No GST should generally be payable in respect of the application, withdrawal or transfer of Units in the Fund. Distributions made by the Fund will also not be subject to GST. Each Investor who is registered for GST should consider the recoverability of any GST charged on costs related to their investment in the Fund.

Fees and expenses incurred by the Fund, such as management costs, will generally attract GST at the rate of 10%. Where subject to GST, the fees and charges quoted in this IM will be increased by an amount equal to that GST. Given the nature of the Fund's activities, the Fund will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, the Fund may be entitled to partial input tax credits and / or Reduced Input Tax Credits (RITC) in respect of the fees and expenses incurred by the Fund.

TAXATION STATEMENT

The Fund will be required to provide distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report ("AIIR").

The Fund will also seek to provide annual tax distribution statements or Attribution Managed Investment Trust Member Annual ("AMMA") statements to Investors in accordance with the ATO's guidelines for Trusts and AMITs. The tax distribution statement will set out the taxable and non-taxable components of the Fund's distributions for the income year from the viewpoint of resident Australian Investors.

WITHHOLDING TAX

This summary does not consider the Australian income tax implications for non-resident investors. However, withholding tax will be deducted or withheld from distributions and deemed payments to non-residents as imposed by law.

ADDITIONAL INFORMATION

MATERIAL CONTRACTS

Investment Management Agreement

The Investment Management Agreement between the Trustee and the Investment Manager sets out the terms under which the Investment Manager provides investment management services to the Fund which include:

- the identification and acquisition of assets consistent with the Fund's investment mandate;
- keeping all assets under review and monitoring their performance; and
- using reasonable endeavours to achieve the investment objectives for the Fund.

The Investment Management Agreement continues for 2 years until validly terminated in accordance with its terms and formally sets out the investment strategy, investment guidelines, reporting obligations in relation to the Fund and the fees payable to the Investment Committee.

The Investment Manager has the power to appoint, authorise or delegate to any person, in whole or in part, the performance or exercise of any of its functions, duties, powers and discretions under the Investment Management Agreement. The Investment Manager may also request the Trustee to retire upon 120 days' notice in writing to the Trustee at any time after the expiration of the 2 year initial term.

A copy of the Investment Management Agreement is available free of charge by calling the Trustee on 02 8866 5150.

Administration Agreement

The Trustee has appointed Apex Group to provide administration services to the Trust. Apex Fund Services (Sydney) Pty Ltd will charge a customary fee to the Trust in line with the Administration Agreement.

RELATED PARTY TRANSACTIONS

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages (if applicable) and its own interests. The Trustee will manage any conflicts in accordance with the Constitution, ASIC policy, its internal conflicts policy (as required as a condition of its Australian financial services license) and the applicable law.

The Trustee may from time-to-time enter into other transactions with related entities, provided that such transactions are on terms not less favourable to the Trustee than arms' length terms would be and the Trustee complies with any applicable law requirements in relation to such transactions.

The Investment Manager may enter into transactions including investments with related parties. The Investment Manager similarly manages any conflicts in accordance with ASIC policy, its internal conflicts policy (as required as a condition of its Australian financial services license) and the law. The Investment Manager will ensure that any related party transactions and investments of the Fund are made in the ordinary course of business on an arm's length basis or better from the viewpoint of Investors in the Fund.

REPORTING

Financial reporting will be provided on an annual basis. Investment updates will be provided by the Investment Manager on at least a quarterly basis.

IMPORTANT AGREEMENTS

The Constitution is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Trustee and Investors as Unitholders.

Each Unit in the Fund gives an Investor an equal and undivided beneficial interest in the assets attributable to the Fund. However, a Unit does not give any Investor an interest in any particular asset of the Fund. Subject to the Constitution, an Investor has the following rights:

The right to share in any distributions.

The right to attend and vote at meetings of Investors.

The right to participate in the proceeds of winding up of the Fund.

The Constitution sets out the Investors rights and contains provisions about convening and conducting meetings of Investors. The Constitution also includes provisions regarding the Trustee's powers, remuneration, limitation of liability and indemnity.

In addition the Constitution includes provisions regarding the issue, transfer and valuation of Units as well as call on partly paid Units. It allows the Trustee to make Calls upon Investors up to the amount of their investment commitment and forfeit Units in relation to which calls have not been met.

Under the terms of the Constitution, the Trustee is entitled to amend the Constitution without Investors' approval, where the amendment is administrative in nature and/or not materially adverse to unitholders' rights.

A copy of the Constitution is available free of charge by calling the Trustee on 02 8866 5150.

PRIVACY NOTIFICATION

When you make an application to invest in the Trust, you are providing the Trustee and the Investment Manager with certain personal details (your name, address etc). The Trustee will collect personal information about you from your Application Form and may collect additional personal information from you in the future. The Trustee will use personal information collected about you to identify you, process your application and to establish, administer and manage that investment for you and comply with applicable laws and regulations including anti money laundering and counter terrorism laws. The Trustee may also use the information to provide you with details about future investment opportunities.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office (ATO) or the Australian Transaction Reports and Analysis Centre (AUSTRAC).

By submitting the Application Form, you consent and give the Trustee permission to pass any personal information it holds about you to third parties which are involved in helping the Trustee administer the Fund or provide services to the Trustee or the Fund (including the Investment Manager), or where required for the purposes of compliance with AML/CTF law (including to pass it on to AUSTRAC and the ATO). The Trustee may also use your information to provide you with details of future investment offers made by the Trustee.

If you do not provide your contact details and other information required in the Application Form or by the Trustee, or do not give your consent to the use of such information, then the Trustee may not be able to process your application to invest or establish or administer or manage your investment.

Under the Privacy Act 1988 (Cth) you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

ANTI-MONEY LAUNDERING LAW

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 requires the Trustee to verify the identity of prospective Investors (whether individuals, companies, partnerships or trusts) prior to accepting their investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not accept your application or issue you with Units unless satisfactory identification documents are provided and your identity is verified in accordance with AML/CTF rules and procedures to the satisfaction of the Trustee.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the ATO. In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN) (if applicable). We will only use such information for this purpose from the date the Fund is required to do so.

COMMON REPORTING STANDARD

The Common Reporting Standard (CRS) is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (OECD). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

From 1 July 2017, the CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

HOW TO INVEST

Before completing the Application Form you should read this IM carefully, consider the risks of investment and obtain independent professional advice regarding your investment in the Fund, taking into account your personal goals, needs and circumstances.

Please pay particular attention to all of the risk factors on Page 11 of this IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional adviser before deciding whether to invest in the Fund.

WHO CAN INVEST?

An investment in Units in the Fund is only available for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act), professional investors (as defined in section 9 of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied the person is a Qualifying Investor.

An investment in the Fund may be available to individuals, corporations and other entities who are Qualifying Investors. The Fund is also suitable for investment by self-managed and complying superannuation funds who are Qualifying Investors. An offer to invest in the Fund is not available to Applicants receiving this IM outside of Australia, unless expressly authorised by the Trustee and subject to the laws applicable in the jurisdiction in which they reside.

Applications must be for a minimum investment commitment of \$AU 250,000 or at the trustees discretion.

HOW TO INVEST

If you wish to apply for Units in the Fund, you must complete the Application Form accompanying or attached to this IM in accordance with its instructions and enclose payment for the amount indicated on the Application Form in one of the payment methods instructed in the form.

You must return the Application Form to the Trustee before the expiry of the Application Period. The return of a completed Application Form or the making any payment for Units by you will be taken constitute a representation by you that:

- you have received a copy of this IM and the accompanying Application Form, and read them both in their entirety, fully understood them and agreed to their terms;
- you acknowledge that once the Application Form is returned together with your payment in relation to the Units, your application may not be varied or withdrawn except as required by law; and
- you agree to apply for and be issued up to the number of Units specified in your Application Form or for which you have submitted payment.

If an Application Form cannot be processed because it is invalid (for example, the Application Form is not signed), the transaction will not be processed and the application money will remain in the Fund's account until the correct documentation is received. If correct documentation is not received within one month, the application money will be returned to you by cheque - with no interest payable. The Trustee's decision on how to construe, amend or complete the Acceptance Form is final.

Subject to applicable laws and regulations, the Trustee reserves the right to withdraw all or part of the offer included in this IM at any time, as well as to reject any Application in whole or in part in its absolute discretion. In this event the Trustee will refund without payment of interest, any payment made in relation to Units not already issued.

To the fullest extent permitted by law, you agree that any payment made by you to the Fund will not entitle you to receive any interest and that any interest earned in respect of such payment will accrue solely to the Fund.

This IM and the contracts formed on acceptance of the Applications Forms (if any) are governed by the law applicable in New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Enquiries concerning this IM or the Application Form should be directed to the Investment Manager at enquiries@drummondcp.com or +61 3 9131 8500

GLOSSARY

Act - the Corporations Act 2001 (Cth.)

Application Form – the application form accompanying or attached to this IM.

Business Day means a day other than a Saturday or Sunday, bank holiday or public holiday in Sydney, New South Wales, Australia.

Constitution– the constitution of the Fund, as amended from time to time.

Cut Off Dates means either the Application Cut Off Date as defined on page 9 or the Redemption Cut Off Date as defined on page 9.

Fund – the Drummond Dynamic Plus Fund Trust

IM – the Information Memorandum contained in this document.

Investment Committee – the investment committee established by the Investment Manager to approve the investments of the Fund

Investment Manager – Drummond Capital Partners Pty Ltd

Investor – a Unit holder.

Management Agreement – the management agreement between the Trustee and the Investment Manager in relation to managing the investments of the Fund.

Net Trust Value means the net asset value of the Fund, being the total value of the Trust assets less the liabilities of the Fund, as determined by the Trustee in accordance with the Constitution.

Redemption Price is defined in the Constitution.

Trustee – Evolution Trustees Limited ACN 611 839 519 AFSL 486217.

Units – units in the Fund