



EthicalCapital
Positive Returns

ETHICAL CAPITAL FUND



INFORMATION MEMORANDUM

Valued Words:

Warren Buffett: “I will tell you how to become rich.
Close the doors. Be fearful when others are greedy and greedy when others are fearful”

Seth Klarman: “The trick of successful investors is to sell when they want to, not when they have to.”

John Templeton: “Focus on value because most investors focus on outlooks and trends. You must be a fundamentalist to be really successful in the market.”
“An investor who has all the answers doesn’t even understand the questions. Success is a process of continually seeking answers to new questions.”

Joel Greenblatt: “Look down, not up, when making your initial investment decision. If you don’t lose money, most of the remaining alternatives are good ones.”

Bruce Berkowitz: “We keep a lot of cash around ... Cash is the equivalent of financial Valium. It keeps you cool, calm and collected.”
“Over diversification will just lead to an average return ... the price for an above-average return is short-term volatility.”

Charlie Munger: “We have to deal in things we’re capable of understanding, and then once we’re over that filter we need a business with intrinsic characteristics that give it a durable competitive advantage. Then, of course, we would vastly prefer a management in place with a lot of integrity and talent. And finally, no matter how wonderful it is, it isn’t worth an infinite price so we need a price that makes sense and gives a margin of safety considering the natural vicissitudes of life. It’s a very simple set of ideas.”

Bill Ackman: “We like simple, predictable, free cash-flow generative, resilient and sustainable businesses with strong profit-growth opportunities and/or scarcity value ... You want to buy a business that is going to exist forever, that has barriers to entry, where it’s going to be difficult for people to compete with you ... You want a business where it’s hard for someone tomorrow to set up a new company to compete with you and put you out of business.”

Ray Dalio: “The biggest mistake investors make is to believe that what happened in the recent past is likely to persist. They assume that something that was a good investment in the recent past is still a good investment. Typically, high past returns simply imply that an asset has become more expensive and is a poorer, not better, investment.”

James Montier: “We need to stop pretending that we can divine the future, and instead concentrate on understanding the present, and preparing for the unknown.”

Benjamin Graham: “There are two requirements for success in Wall Street . One, you have to think correctly; and secondly, you have to think independently.”

This document has been issued on the basis that it is only for the information and exclusive use of the particular person to whom it is provided. In preparing such a document no account was taken of the investment objectives, financial situation and particular needs of a particular person. Before making an investment decision on the basis of this document, unitholders and prospective unitholders need to consider, with or without the assistance of an appropriately qualified adviser, whether it is appropriate in light of the particular investment needs, objectives and financial circumstances of the investor or the prospective investor. Although the information contained in this document has been obtained from sources considered and believed to be both reliable and accurate, no responsibility is accepted for any opinion expressed or for any error or omission that may have occurred therein.



Important Information

This Information memorandum ("IM") is issued by Ethical Capital Pty Ltd ABN 14 140 733 651 ("Ethical Capital") Trading As Ethical Capital ("EC") as the trustee of the Ethical Capital Fund ("Fund") and will be forwarded to a select group of investors. EC is the investment manager and trustee for the Fund.

This IM is dated 30 June 2018. It has not been lodged with the Australian Securities & Investments Commission ('ASIC') and is not required by the Corporations Act 2001 (Commonwealth) ('Corporations Act') to be so lodged. ASIC takes no responsibility for the contents of this IM.

This IM is prepared for your general information only. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this IM should be construed as a recommendation or advice by EC, any associate of EC, or any other person concerning an investment in the Fund. Readers should not rely on this IM as the sole basis of a decision to invest in the Fund. Readers must seek their own financial, legal and taxation advice as appropriate before making a decision to invest in the Fund.

Investment in the Fund is only available to you on receiving the Offer (electronically or otherwise) in Australia. This IM is not an Offer or invitation of securities in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that Offer or invitation. If you received this IM electronically we will provide you with a paper copy (together with the application form) free of charge if you ask us.

If you make this IM available to another person, please ensure that you give them the entire IM, including the application form and any supplementary documents as this is a requirement for such an offer.

Unless otherwise stated all fees charged to the Fund (as set out in this IM) are exclusive of GST and have not taken into account any expected reduced input tax credits.

All monetary amounts referred to in this IM are given in Australian dollars (unless otherwise specified). References to legislation are to Australian legislation (unless the context otherwise requires).

A 'business day' when referred to in this IM means a day on which banks are open for business in Perth, Australia, but does not include a Saturday, Sunday or public holiday.

This IM is current as at 28 September 2018.

Information in this IM is subject to change from time to time. To the extent that the change is not materially adverse to Investors, it may be updated by EC posting a notice of the change on its website at www.ethicalcap.com. EC will provide to Investors, free of charge, a paper copy of the updated information upon request when they contact EC on +61 (0)8 6102 6615 or update@ethicalcap.com.

If the change is materially adverse to Investors, EC will notify affected Investors and replace this IM or issue a supplementary IM.

EC does not promise or guarantee that you will earn any rate of return on your investment or that your investment will gain or retain its value. The value of the units may increase or decrease. Past performance is not necessarily indicative of future performance. EC nevertheless will work diligently applying available information, financial skills and knowledge.

EC is not a bank or other Authorised Deposit-taking Institution (ADI), and an investment in the Fund is not a deposit with an ADI

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Ethical Capital Fund Background

Investment Type	Authorised Investment Assets	Investment Sectors	Minimum Investment	Number of Investors
Units in a Managed Investment Trust	Listed Companies, Cash & Bonds	Australia Diversified – focus on WA	\$100,000	Maximum of 20 new investors per annum

Fund Manager Overview

Ethical Capital (“EC”) was established to meet growing demand for ethical investment options without compromising financial returns. We are a boutique funds management firm specialising in Australian listed equities, with a strong focus on ROI and investment fundamentals, driven by the philosophy that ethical investments are in the best interests of investors, society and the globe.

EC conduct thorough research and only invest in listed equities that meet stringent qualitative and quantitative criteria, in the stable yet growing Australian listed-equities market which offers many long-term growth opportunities. We overlay an ethical filter focussing on ESG (Environmental, Social & Governance) criteria which assures investors that their money will only be invested in ethical industries and companies. More than a feel-good factor: ethical investments have been shown to generate better financial returns than their non-ethical counterparts.

Ethical Capital, the investment manager and trustee of the Fund, manages the portfolio. Ethical Capital is privately owned and controlled by the Chief Investment Officer.

Why we’re Different

The Ethical Capital fund ("the Fund") is focused on performing over the long-term for investors:

- Investors can expect significant hands-on engagement and updates
- Focus on Australian listed investments meeting ethical criteria
- Fund managers conduct rigorous research and hold significant investments in the Fund
- Fund structure incentivises performance
- Hands-on flexible funds management style
- Tax benefits through trust structure
- Regular performance reports and annual audits

Style and Process

The fund is actively managed using both top-down industry and geographical segmentation and bottom-up fundamental analysis. The overall style can be categorised as Value-Investing with risk-weighted exposure to ‘growth at a reasonable price’. The manager filters the All Ordinaries stocks, by macro-economic factors relating to industry and geography, and by company-specific factors (i.e. return on equity, core franchise, earnings growth, management and balance sheet).

Price considerations are then be taken into account, including valuation, industry comparisons and modelling. All inputs are internally generated. Portfolio construction has broad guidelines to provide flexibility and focus the Fund Manager on enhancing investor returns rather than meeting strict rules.

The portfolio incorporates 10 to 25 stocks. Turnover is generally low, with total portfolio turnover not expected to exceed 35% per annum.

Ethical Capital Fund Details

Investment Philosophy

The Benjamin Graham / Warren Buffet approach of “value-investing” best characterises the investment style of the Fund. The Fund will focus on research and company fundamentals. The manager’s investment philosophy is founded upon on-going fundamental research on Australian listed companies (with a WA focus). A number of quantitative filters on company fundamentals will be employed to identify intrinsic value and invest where a “Margin of Safety” exists.

Fund Composition

The fund composition remains flexible to mitigate risks while enabling the fund to exploit opportunities. Composition guidelines include: 1. Value Equities 20-80% (target 60%); 2. Growth Equities 10-30% (target 20%); 3. Cash & Bonds 5-80% (target 20%) and 4. WA Equities * 20-70% (target 50%)

* WA stocks defined as those with significant operations within WA (both Value & Growth stocks)

Fund Fees

The Fund fee structure has been designed to be competitive with other active fund managers. An active fund manager actively manages a smaller number of stocks with the intention of maximising investor returns while minimising risk (note this differs from an index fund manager who simply matches their portfolio to the index). Following are all fees associated with this fund:

Fee Type	Ethical Capital Fund ^I
Management fee^A	1.8% P.A of funds under administration
Entry/Exit^B Fees	None – 0.3% Buy/Sell spread ^H
Regular Payment Plan^B	At discretion of Unitholders at their instruction
Performance fees^D	15% for positive returns to fund (net of all fees and expenses)

^I As a key performance incentive, when fund returns positive, the Fund Manager will receive 15% per annum for all positive returns after deducting fees. Examples are provided later to illustrate.

General Fund Details

FUND NAME:	Ethical Capital Fund
INVESTMENT MANAGER:	Ethical Capital (“EC”)
TRUSTEE:	Ethical Capital
AUTHORISED INVESTMENTS:	Australian listed equities, bonds and cash (no derivatives)
BORROWING:	No borrowing
INTENDED INVESTMENT PERIOD ^F :	5+ years medium to long-term
FUND INCEPTION:	17 December 2009
MINIMUM INITIAL INVESTMENT:	\$100,000
MINIMUM ADDITIONAL INVESTMENT ^B :	\$1,000
UNIT PRICE AT 30/6/18:	\$0.9015 per unit
UNIT PRICING FREQUENCY:	Monthly
BUY-SELL SPREAD ^H :	0.3% to cover brokerage fees and other issue/redemption costs which paid by the Fund
APPLICATION OF FEES:	Management Fee will be paid monthly in arrears, Performance Fees will be paid quarterly in arrears
APPLICATION PROCESSING AND RECEIPT:	Monthly — receipt up to 4pm on the last Business Day of the month
REDEMPTION (EXIT) PROCESSING & RECEIPT ^B :	Quarterly — receipt to be 10 business days prior to the end of the each calendar quarter
INCOME DISTRIBUTION FREQUENCY ^G :	Annually (within 60 days after the end of each financial year) – Distribution Reinvestment Plan (DRP) also available for investors with no Buy Spread





Description of Fees and Other Items

A. Management fee

A fee of 1.8% per annum of gross funds under administration (plus GST) will be paid monthly in arrears based on the monthly value of the Fund (calculated as at the end of the month) before other fees are deducted. This fee is paid from the cash assets of the fund.

B. Contribution or exit fees

No contribution or entry fee is charged when you make an initial investment or additional investments into the Fund. There are also no exit fees.

Unitholder requests for redemptions will be processed annually. Requests should be sent to EC up to 10 business days prior to the end of the financial year (30 June) and will be processed within 30 days after the end of the financial year.

C. Fund expenses

Expenses incurred for managing the fund (such as brokerage, legal, accounting and audit fees and printing costs) will be charged to the fund and paid for out of fund assets. The Trustee will pay any legal and printing costs associated with establishing the Fund from its own monies and not from the Fund.

D. Performance fee

A performance fee is payable to EC for positive returns to fund (after deducting fees). The performance fee is 15% (plus GST) of the gross total return of the Fund after the deduction of any fees, and is calculated and paid quarterly (in arrears) based on the gross asset value of the Fund at the beginning, and at the end, of the relevant 3 month period (ignoring the issue and redemption of units and payment of distributions and fees during that period). Where the return on the Fund is not positive (after deducting fees) no performance fee is payable.

E. Financial planner commissions

No commissions will be paid by us to financial advisers.

F. What is the intended timeframe for investments?

The Fund is intended as a medium to long term investment, in excess of 5 years. This intended timeframe is not a forecast or recommendation. Note that the Fund however may not be successful in achieving returns in the medium to long term and returns are not guaranteed.

G. What happens with my distributions?

Distributions will be made up of all income received except for capital gains. You can choose to reinvest your distribution through the DRP, in full, or a portion thereof to help grow your investment more rapidly. You may also choose to receive your income in cash – this will be paid annually after the end of the financial year.

H. Buy-sell spread

When you invest with us, we buy investments, and this costs money (for example, to buy shares, we must pay a sharebroker). When you withdraw, we sell investments so we can pay your cash to you, and this costs money too. We call this a buy-sell spread. A buy-sell spread is an adjustment to the unit price reflecting our estimate of the approximate transaction costs that may be incurred on average as a result of the purchase/ sale of assets arising from the issue/withdrawal of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/withdrawing units in the Fund.

The buy-sell spread is reflected in the issue/withdrawal price. Currently, our buy-sell spread is estimated to be 0.6% of the unit price (that is +0.3% on the entry price and -0.3% on the exit price). So if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.3% (up 0.3 cents) and on exit we adjust the unit price down approximately 0.3% (down 0.3 cents).

We do not receive any of this amount. In reality, we don't deduct money from your account, instead each day we make entry prices a little higher and withdrawal prices a little lower. So you won't see transaction costs such as the buy-sell spread on any account statement we send you.

I. Can the Fees Change?

Yes, all fees are subject to change. Reasons might include changing economic conditions or changes in regulation. The trust deed for the Fund sets the maximum amount we can charge for all fees. We will give you 30 days' prior written notice of any proposed change to these fees.

J. Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. The fees outlined in the tables above take into account any reduced input tax credits which may be available.

Fund Investment Team

Ethical Capital's Investment Team

The Ethical Capital investment team are a small yet dedicated team of financial analysts and stock pickers who conduct deep research and analysis in building a portfolio.

The investment team (pictured below) have worked diligently since the fund's inception to build and refine a portfolio which meets our rigorous qualitative and quantitative filters. This positions the Ethical Capital Fund for the future.

Investment Analysts

Pat Holywell is a Chartered Accountant with significant experience as an investment analyst in the asset management division of one of Australia's largest stock broking firms. He has considerable experience and expertise on Western Australian companies and stocks and provides in depth data analysis capabilities.

Anthony Di Camillo has held the position of Portfolio Manager for a private investment company for over a decade and has significant experience in conducting detailed research and trading securities. He also has deep expertise and knowledge of



WA and Australian Equities.

Anthony studies the macro-economic environment and also conducts in-depth research also engages with management and directors to gain insight into prospective investments.

Chief Investment Officer

The Ethical Capital team is led by Adrian Gurgone an experienced financial analyst, MBA and Chartered Accountant. He has senior-level experience within global financial consultancies and is a non-executive director of an ASX-listed investment company. Adrian has over two decades of experience in analysing financials and advising on corporate performance. He also delivers stock and financial analysis advice and training to investors, senior executives and a top rating MBA program.



Prior to establishing Ethical Capital, Adrian spent several years managing a portfolio for both a boutique financial consulting organisation and a Superannuation Fund which have both provided significant positive returns and also outperformed the Index returns by double digits in every year of trading. He offers a mix of deep WA knowledge and experience, along with a rigorous analytical approach to building value and wealth.

Investment Team

Adrian Gurgone (CA, MBA):
Chief Investment Officer

Patrick Holywell (CA, B.Com):
Consultant Analyst

Anthony Di Camillo (Dip FS):
Senior Investment Analyst

Jean Chew (B.Bus, CPA):
Fund Administrator

Fund Administrator

Jean Chew is a highly experienced accountant, bookkeeper and fund administrator with over 20 years of relevant experience in both multinational and boutique organisations.



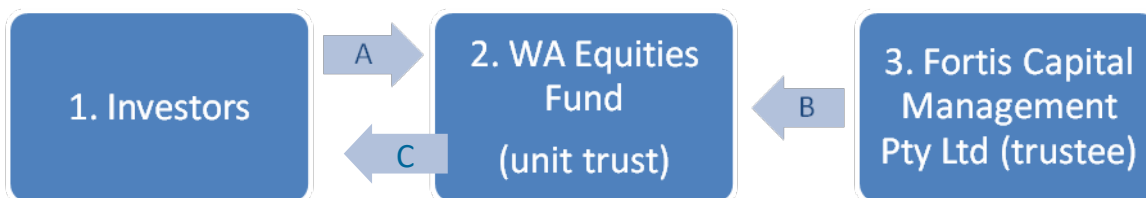
She ensures the fund is being administered efficiently and helps provide key data and reports for the fund managers.



Fund Risk Management

Transparent Investment Structure

The following investment structure has been established to be clear and transparent for investors:



- A. Investors make investments into the fund
- B. Ethical Capital is responsible for managing the assets and the Fund and for operating and administering the Fund in accordance with the law and the trust deed
- C. Investors receive Units in the fund representing their beneficial interest in the whole of the Fund assets.

**Note: There is no separate 3rd entity acting as custodian of assets; all investment assets of the Fund will be held directly by EC as trustee on trust for Unitholders*

So what are the risks?

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses). Investment returns are affected by many factors including market volatility, interest rates and economic cycles. Changes in value can be significant and they can happen quickly. Different types of investments perform differently at different times and have different risk characteristics and volatility.

Key risks include the extent to which specific industries and companies are able to exploit these opportunities, including:

- The risk that specific companies underperform their peers.
- The possibility of a Global Financial Crisis Mark II which will temporarily depress security and commodity prices.
- The need for companies to raise additional capital to complete projects, thus diluting existing shareholders.

The Fund has been designed to mitigate these risks through prudent investments analysis (focus on under-geared balance sheets) and focus on the margin of safety while, maximising the investment opportunities which exist in the WA economy over coming years.

We can't eliminate all risks and can't promise that the ways we manage them will always be successful. However, our process of stock selection (see the section entitled 'WA Equities Fund Background & Approach') is an important step in managing many of these risks. The performance of the Fund will be influenced by many factors, some of which are outside the control of EC.

Investments to which the Fund is exposed, like shares on a stock exchange, can (and do) fall in value for many reasons, such as changes in a company's internal operations or management, or in its business environment. We aim to reduce these risks with careful analysis or research from many sources and by talking to those people who run companies and are responsible for changes which may impact on our investments.

Some specific key risks which we will manage include:

Market risk - Economic, technological, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund.

Currency risk - The Fund may involve an element of currency exchange risk. The currency for the securities is in Australian dollars. If you are an overseas investor, the value of the securities will go up or down according to changes in the exchange rate between Australian dollars and foreign currencies. These changes may be significant. The underlying assets of the Fund may also be exposed to foreign currency fluctuations where, for example, their success relies on imports from overseas, or exports goods or services.

Key person risk - Only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change. We aim to reduce this risk by having additional investment resources available through EC and by increasing the size of the investment team over time.

Fund risk - Risks particular to the Fund include that it could terminate (for example, at a date we decide), the fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), or our management and staff could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Liquidity risk - There are circumstances under which access to your money may be delayed (subject to the trust deed). Further, the level of overall market liquidity is an important factor that may contribute to the profitability of the Fund. This risk will be considerably reduced by the fact that the fund will trade solely in listed securities and cash. Please note however that investment in the Fund is not a liquid investment as redemptions will only be processed once a Financial Year.

Summary of Rights & Obligations attaching to Units in the Fund

Set out below is a general summary of the key rights and obligations attaching to Units in the Fund. It is a general summary and does not refer to every right and obligation. A copy of the Unit Trust Deed is available from EC upon request.

Nature of the Investment

The Fund is an Australian unit trust. The benefit interest in the Assets of the Trust is divided into Units on the terms set out in the Unit Trust Deed. The Trustee holds the Assets on trust for the benefit of the Unitholders.

As at the date of this document the Fund is not an ASIC registered scheme and hence the provisions of the Corporations Act governing registered schemes do not apply to Units, Unitholders and the Fund. If the Fund becomes an ASIC registered scheme in the future the provisions of the Corporations Act will then apply to the Fund. The Fund is not listed on the Australian Securities Exchange, hence its units cannot be traded on the ASX.

Monthly Valuations of Assets of the Trust

The Trustee will value the Assets of the Trust as at the last day of each calendar month, no later than 5 Business Days after the end of the month.

Power of Trustee to issue new Units and calculation of Issue Price

The Trustee has the power to issue new units at any time and from time to time, to any entity, at an Issue Price determined by the Unit Trust Deed.

The general position is that new Units will be issued at an Issue Price equal to the "Unit Value" as at 5pm on the last day of a calendar month, using the most recent monthly valuation of the Assets of the Trust, plus the Buy Spread. "Unit Value" is calculated as the gross value of all Assets of the Trust minus all liabilities of the Trust, divided by the number of Units on issue. New Units can also be issued at a Unit Value as at 5pm on the Business Day immediately before the date of the issue of the Units.

The Unit Trust Deed also prescribes the method and price for issuing units in other situations, such as under a Distribution Reinvestment Plan (DRP) or under a Rights Issue to existing Unitholders.

A Unit is issued to a person when the name of that person is entered in the Unit Register.

Right to Redeem Units and Redemption Price

A Unitholder has the right to request a redemption of its Units, by lodging a request with the Trustee up to 10 Business Days prior to 30 June in each Financial Year (or during such other period as advised by the Trustee). The Trustee must pay to a Unitholder its Distribution Entitlement no later than 3 months after the distribution

date. Each Unitholder is presently and irrevocably entitled at 5pm on the distribution date to its Distribution Entitlement, from time to time).

Existing Units will be redeemed at a Redemption Price equal to the Unit Value as at 5pm on the Business Day immediately before the day of cancellation of the Unit, less the Sell Spread. The Trustee must pay the redemption amount to a Unitholder within 30 days after the end of the Financial Year.

Right to Transfer Units

The Trustee must establish and maintain a Unit Register. A Unitholder has a right to transfer its Units to any person by lodging a properly executed transfer form with the Trustee. Whilst the Trust is not an ASIC registered scheme the Trustee may refuse to register a transfer if to do so would prejudice the status of the Trust as an unregistered scheme.

Rights to Distributions of Income

The Trustee will distribute all "Distributable Income" of the Trust to Unitholders at the end of each Financial Year.

The Trustee may determine the "Distributable Income" of the Trust including whether the Distributable Income is the net income of the trust estate under the tax legislation. If no determination is made then the Distributable Income will be the greater of accounting income and net income as determined under the tax legislation and the following amounts are not to be included in the income: (1) amounts included in such income by virtue of section 207-20 or section 207-35 of the Income Tax Assessment Act 1997; (2) any foreign tax deducted from foreign income; and (3) any other amounts which in the opinion of the Trustee have a similar effect.

Each Unit has an entitlement to income in the proportion of units held by each Unit Holder as at the end of each financial year.

A Unitholder's Distribution Entitlement is the sum of the "Unit Entitlement" for all Units which that Unitholder holds at the distribution date. A "Unit Entitlement" for a Unit is:

where: UE is the Unit Entitlement for a Unit.
DA is the Distributable Amount.
UH is the number of Units held by each Unitholder held on the Distribution Date.

TUH is the total number of all Units in Issue on the Distribution Date (last day of financial year).

"Distributable Amount" for the Trust is the "Distributable Income" for the Distribution Period, less any income already distributed during the Distribution Period and any amounts which Unitholders are already presented entitled.



The Trustee may, in its discretion, determine that Unitholders must reinvest all or some of their distribution by subscribing for new Units. If so the Issue Price will be the most recent Unit Value based on the most recent monthly valuation of Assets of the Trust, but with no Buy Spread.

Rights to Distributions of Capital

The Trustee may at any time distribute capital of the Trust to Unitholders. A person is entitled to the same portion of the capital as if it were Distributable Income.

Trustee's Obligations Regarding Trust Assets

The Trust must only invest or apply Assets in Authorised Investments, which are shares, bonds, debentures, hybrids including convertible notes, managed investment schemes, cash, cash at bank, foreign currency, bank deposits and any option to subscribe, buy or sell any of these assets. The Trustee must not acquire derivatives.

Trustee's Obligations Regarding Borrowing

The Trustee is not permitted to borrow in the name of the Trust, nor grant a charge or other encumbrance over any of the Assets of the Trust.

Rights to Amend Unit Trust Deed

Whilst the Trust is not an ASIC Registered Scheme the Trustee may amend the Unit Trust Deed provided that the Trustee does not amend any clause relating to a Unitholder's rights to income or capital, rights to terminate the Trust or rights to remove the Trustee. The Unitholders may also amend the Unit Trust Deed by passing a Special Resolution (75% by value of those who actually vote).

Whilst the Trust is an ASIC Registered Scheme the Unit Trust Deed must be amended by the Trustee or by the Unitholders following the procedure set out in the Corporations Act.

Rights to Attend Meetings and to Vote

A Unitholder has the right to attend meetings of the Unitholders (in person or by proxy or corporate representative) and to vote at meetings. On a show of hands each Unitholder has 1 vote. On a poll each Unitholder has 1 vote for each Unit held.

Whilst the Trust is an ASIC Registered Scheme the convening and holding of meetings of Unitholders is governed by the procedures set out in the Corporations Act. Whilst the Trust is not an ASIC Registered Scheme the convening and holding of meetings is governed by the procedures set out in the Corporations Act as if the Trust was a registered scheme (other than the procedures dealing with Unitholders convening meetings).

Rights to Remove Trustee

Whilst the Trust is not an ASIC Registered Scheme the Trustee may be removed if the law requires it or if

the Trustee is insolvent or commits a breach that is materially detrimental to Unitholders and the Unitholders pass a resolution requiring the Trustee to retire which is passed by at least 75% by value of those who actually vote and at least 50% by number of Unitholders who actually vote.

Whilst the Trust is an ASIC Registered Scheme the Trustee may be removed by following the procedure set out in the Corporations Act.

Rights on Winding up

Whilst the Trust is not an ASIC Registered Scheme the Trustee may be terminated if the Unitholders pass a resolution which is passed by at least 75% by value of those who actually vote and at least 50% by number of Unitholders who actually vote.

Whilst the Trust is an ASIC Registered Scheme the Trust may be terminated by following the procedure set out in the Corporations Act.

Upon a winding up of the Trust the Trustee must liquidate the Assets, pay the expenses of winding up, pay all liabilities of the Trust, and then distribute the net amount remaining to the Unitholders in proportion to the number of Units held by them.

Compulsory Redemption of Units

The Trustee may at any time and from time to time compulsorily redeem all Units held by a Unitholder who is not a "Wholesale Client" as defined in the Corporations Act or who holds 10,000 or less Units. Units will be redeemed at a Redemption Price equal to the Unit Value as at 5pm on the Business Day immediately before the day of cancellation of the Unit, but with no Sell Spread.

Limitation on Trustee's Liability

Subject to the Corporations Act if the Trustee acts in good faith and without negligence it is not liable in contract, tort or otherwise to Unitholders for any loss or damage suffered in any way relating to the Trust.

The above information is a general summary only. Any reader wishing to understand the full terms of the Unit Trust Deed should request a copy of it from the Trustee prior to investing.

Summary of Terms of the Distribution Reinvestment Plan

The Trustee has adopted a Distribution Reinvestment Plan ("DRP") and has activated the DRP.

The DRP allows Unitholders to reinvest distributions by subscribing for new Units, rather than receiving such distributions in cash, cheque or bank account payment.

According to the Unit Trust Deed, Units issued under the DRP will be issued at the most recent Unit Value based on the most recent monthly valuation of the

Assets, less the discount (if any) determined by the Trustee up to a maximum discount of 10%.

The main terms of conditions of the DRP are:

1. The DRP provides Unitholders with the right to elect to reinvest all or part of their distribution by subscribing for new units.
2. Participation in the DRP is optional, but not transferable with Units transferred.
3. Participation can be either full or partial.
4. Unitholders may choose to participate or to withdraw from the DRP at any time by giving written notice in accordance with the DRP Rules. Participation in, or withdrawal from, the DRP will commence from the next Distribution Date which occurs at least 5 Business Days after the date on which the Trustee receives a valid participation or withdrawal request.
5. The DRP is open to all Unitholders resident in Australia and New Zealand. Other Unitholders may not be eligible to participate due to the laws of their country of residence.
6. There are no costs or charges to participate in the DRP.
7. Each distribution which is payable to a participant will be applied for by the Trustee on the participant's behalf to subscribe for new Units.
8. Units to be issued under the DRP will be issued on or before the deadline for the payment for distributions to Unitholders under the Unit Trust Deed.
9. All Units issued under the DRP will be in the same class as existing Units on issue and rank equally.
10. The Trustee may modify, suspend, terminate and re-activate the DRP at any time.

Taxation Information

This IM does not contain recommendations nor advice including taxation advice. All investors (including foreign investors) must obtain their own taxation advice before deciding whether to invest.

Interests of Adrian Gurgone in the Fund

As at the date of this document, Adrian Gurgone and his associates hold 948,679 Units in the Fund as at 31 December 2016. The Unit Trust Deed permits Mr Gurgone and his associates to hold Units in the Fund.

Privacy

By filling out the Application Form to apply for Units, you are providing personal information to the Trustee.

The Privacy Act 1988 (Cth) regulates the way the Trustee collects, uses, disposes, keeps secure and gives people access to their personal information.

The Trustee collects, holds and uses that personal information in order to process your application and to administer your unitholding in the Fund, including:

- setting up and maintaining a register of unitholders;
- paying distributions to you;
- communicating with unitholders, including sending reports, notices of meetings and any other documents which the Trustee wishes to send to you as a unitholder;
- dealing with complaints and answering queries; and
- complying with its legal and regulatory obligations.

If you do not provide the information requested in the Application Form, the Trustee may not be able to process or accept your application for Units.

Your personal information may be provided to the Trustee's agents or service providers.

The types of agents and service providers that may be provided with your personal information include:

- a registry for ongoing administration of the unit register;
- printers and mail houses for the purposes of preparation and distribution of documents to you and for handling mail; and
- professional service providers such as lawyers, accountants, auditors and other professional advisers for the purpose of administering, and advising on, the Units and for any associated actions.

Your personal information may be provided to certain third parties. The types of third parties that may be provided with your personal information, and the circumstances in which your personal information may be disclosed, include:

- your financial adviser or broker (other than your tax file number information) in connection with services provided to you by your adviser or broker; and
- government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the unit register if permitted by the Corporations Act.

You have the right to gain access to your personal information held by, or on behalf of, the Trustee, subject to certain exemptions under the law. You may be required to pay a reasonable charge in order to access your personal information. You can request access to your personal information by telephoning or writing to the Trustee as follows:

The Privacy Officer
Ethical Capital
The Grosvenor
Ground Floor
12 St Georges Terrace
Perth WA 6000



Fund Overview

Ethical Capital Fund Details

FUND NAME:	Ethical Capital Fund
INVESTMENT MANAGER:	Ethical Capital Pty Ltd
AUTHORISED INVESTMENTS:	Australian listed equities, bonds and cash
INTENDED INVESTMENT PERIOD:	5+ years medium to long-term
FUND INCEPTION:	1 January 2010
MINIMUM INITIAL INVESTMENT:	\$100,000
ADDITIONAL INVESTMENT:	\$1,000 (minimum)
FY2018 FRANKING CREDIT:	0.94 c per unit
UNIT PRICE POST DISTRIBUTION:	\$0.9015 (excl. all Distributions of 17c total)
UNIT PRICING FREQUENCY:	Monthly
INCOME DISTRIBUTION FREQUENCY:	Annually (at the end of each financial year) – Distribution Reinvestment Plan (DRP) available for investors with no Buy Spread
APPLICATION PROCESSING & RECEIPT:	Monthly — receipt up to 4pm on the last Business Day of the month
GENERAL:	Refer to Information Memorandum for details of all terms and conditions



Application WA Equities Fund

INVESTMENT DETAILS

General Information

Please complete this form clearly. Initial all corrections.

This Application Form relates to the offer of Units in the W.A. Equities Fund ABN 14 140 733 651 (the 'Fund'), pursuant to the Information Memorandum dated 1 July 2018, issued by Ethical Capital ABN 14 140 733 651 as trustee of the Fund.

The Information Memorandum (IM) contains important information about investing in Units. You should read the entire IM before deciding whether to apply for Units.

The IM does not contain recommendations nor advice. You should seek professional financial, taxation and legal advice as you deem appropriate, in respect of the Units before deciding whether to apply for Units.

Please provide us the original signed Application Form, not a fax.

If you have obtained this Information Memorandum electronically, you should print it all including this application form.

Remember that more copies are available free of charge anytime.

If you have received the IM electronically, EC will provide a paper copy free of charge on request.

Amount to Invest

I/We apply to invest in the WA Equities Fund, ARSN 14 140 733 651 (minimum of AU\$100,000):

Amount of Initial Investment

\$

Payment will be made by:

Enclosed Cheque*

Electronic Funds Transfer**

☐
☐

*Make cheque(s) payable in Australian dollars to 'Ethical Capital Fund'. Cross cheque(s) 'Not negotiable'.

**Electronic funds transfers can be made to the Account below:

Name: Ethical Capital Fund

BSB: 067167 Account no: 12110201

Regular Payment Plan

I/We apply to make regular payments to the WA Equities Fund (minimum of AU\$1,000):

Amount of Initial Investment

\$

Regularity of Payments:

Monthly

Quarterly
(Sep, Dec, Mar, Jun)

☐
☐



INVESTOR DETAILS

Individual Investor/Trustee/Beneficiary 1

Type	Individual	Trustee	Beneficiary		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Title	Mr	Mrs	Miss	Ms	Other
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Given Name(s)	<input type="text"/>				
Family Name	<input type="text"/>				
Date of Birth ¹ (DD/MM/YYYY)	<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>
Australian resident for tax purposes?	Yes	No			
	<input type="checkbox"/>	<input type="checkbox"/>			
For Australian Residents:					
Tax File Number	<input type="text"/>				
or TFN Exemption	<input type="text"/>				

Individual Investor/Trustee/Beneficiary 2

Type	Individual	Trustee	Beneficiary		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Title	Mr	Mrs	Miss	Ms	Other
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Given Name(s)	<input type="text"/>				
Family Name	<input type="text"/>				
Date of Birth ¹ (DD/MM/YYYY)	<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>
Australian resident for tax purposes?	Yes	No			
	<input type="checkbox"/>	<input type="checkbox"/>			
For Australian Residents:					
Tax File Number	<input type="text"/>				
or TFN Exemption	<input type="text"/>				

Company/Fund/Superannuation Fund or other

Type	Company	Fund	Other (describe)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Name	<input type="text"/>		
Tax File Number	<input type="text"/>		
ABN	<input type="text"/>		
ACN	<input type="text"/>		

as trustee for (name of trust if investing as a trustee)

Trust Name	<input type="text"/>	
Tax File Number	<input type="text"/>	
List Beneficiaries	1.	2.
For beneficiaries <i>not</i> "presently entitled" to a share of the trust estate, also list the date when they will be so entitled.	3.	4.
	5.	6.

Contact Details

Work Phone No	<input type="text"/>	Home Phone No	<input type="text"/>
Fax No	<input type="text"/>	Mobile No	<input type="text"/>
Street Address	<input type="text"/>		
Suburb	<input type="text"/>	State	<input type="text"/>
		Post-code	<input type="text"/>
		Country	<input type="text"/>

Nominated Financial Institution (must be in Australia)

How would you like your distribution paid?

- ☐ I wish to subscribe to the Distribution Reinvestment Plan (DRP) – please reinvest my distribution to help my investment grow
- ☐ Please reinvest % and pay the balance out as income into my nominated Financial Institution account below.

Name of Financial Institution	<input type="text"/>		
Street Address of Financial Institution	<input type="text"/>		
Name of Account Holder (must be same name as the Investor applying for Units)	<input type="text"/>		
Suburb	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
BSB	<input type="text"/>	Account Number	<input type="text"/>

¹ Date of birth required for individual Investors as well as for each individual trustee of a self-managed super fund or family trust.

INVESTOR DECLARATION

Declaration

I/we request you to issue the Units applied for and authorise you to register the applicant(s) as the holder(s) of the Units.

I/we declare that the execution of this Application Form by me/us constitutes a representation by each applicant that:

- this Application was detached from a Information Memorandum for the WA Equities Fund dated 31 March 2012;
- the Information Memorandum and application form were provided to me/us at the same time;
- I/we read and understood that Information Memorandum;
- I/we understand that EC may not be able to accept our application (due to the cap on number of investors);
- I/we understand that neither the repayment of capital nor the performance of the Fund is guaranteed;
- I/we agree to be bound by the terms of the Information Memorandum and the Unit Trust Deed of the WA Equities Fund, as amended from time to time, and understand that a copy of the trust deed has been made available to me/us for free if I/we wish
- the details given in this application are correct;
- I/we may only transfer the Units as permitted under the Unit Trust Deed;
- none of the Units being applied for will breach or result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable;
- I/we agree to indemnify EC and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any of these declarations proving to be untrue or incorrect;
- in the case of joint applications, the joint applicants agree that unless otherwise expressly indicated on this application form, the Units will be held as joint tenants and either Investor is able to operate the account and bind the other Investor for future transactions, including additional deposits and withdrawals;
- If I am/we are not an Australian Resident Investor, I/we understand that EC may be required to impose limits on the amount of capital which may be invested due to Australian legislation;
- any documents or information whatsoever used for verification purposes in support of my/our application are complete and correct
- I/We agree to give further information or personal details to EC or its agents if required to meet its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and taxation legislation;
- I am/we are not commonly known by any other names different from those disclosed in this application form; and
- any documents or information whatsoever used for verification purposes in support of my/our application are complete and correct.

Individual Investor/Trustee 1

Signature

Print Name

Date
(DD/MM/YYYY)

 / /

Individual Investor/Trustee 2

Signature

Print Name

Date
(DD/MM/YYYY)

 / /

Signature of Corporate Applicants or Corporate Trustee Applicants

EXECUTED BY:

Company
Name

As trustee for (if
applicable)

BY ITS DIRECTORS/COMPANY SECRETARY:

Signature

Position
(Director/Secretary)

Print Name

Date
(DD/MM/YYYY)

 / /

Signature

Position
(Director)

Print Name

Date
(DD/MM/YYYY)

 / /

Post or deliver your application to:

Ethical Capital, Level 11 Brookfield Place, 125 St George's Terrace, Perth WA 6000, Australia

For any Questions, Contact Ethical Capital on Phone (Australia): +61 8 6102 6615



***Thank you for taking the time to
consider this
Information Memorandum.***

Should you require any further information, please contact:

Ethical Capital
Level 11 Brookfield Place
125 St George's Terrace
Perth WA 6000, Australia
Ph: +61 8 6102 6615
Email: update@ethicalcap.com
Website: ethicalcap.com
ABN: 14 140 733 651

Last Words:

“The basic ideas of investing are to look at stocks as businesses, use the market's fluctuations to your advantage, and seek a margin of safety. That's what Ben Graham taught us. A hundred years from now they will still be the cornerstones of investing”

Warren Buffett



EthicalCapital
Positive Returns

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Perth WA 6000
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P: +61 8 6102 6615



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Investing