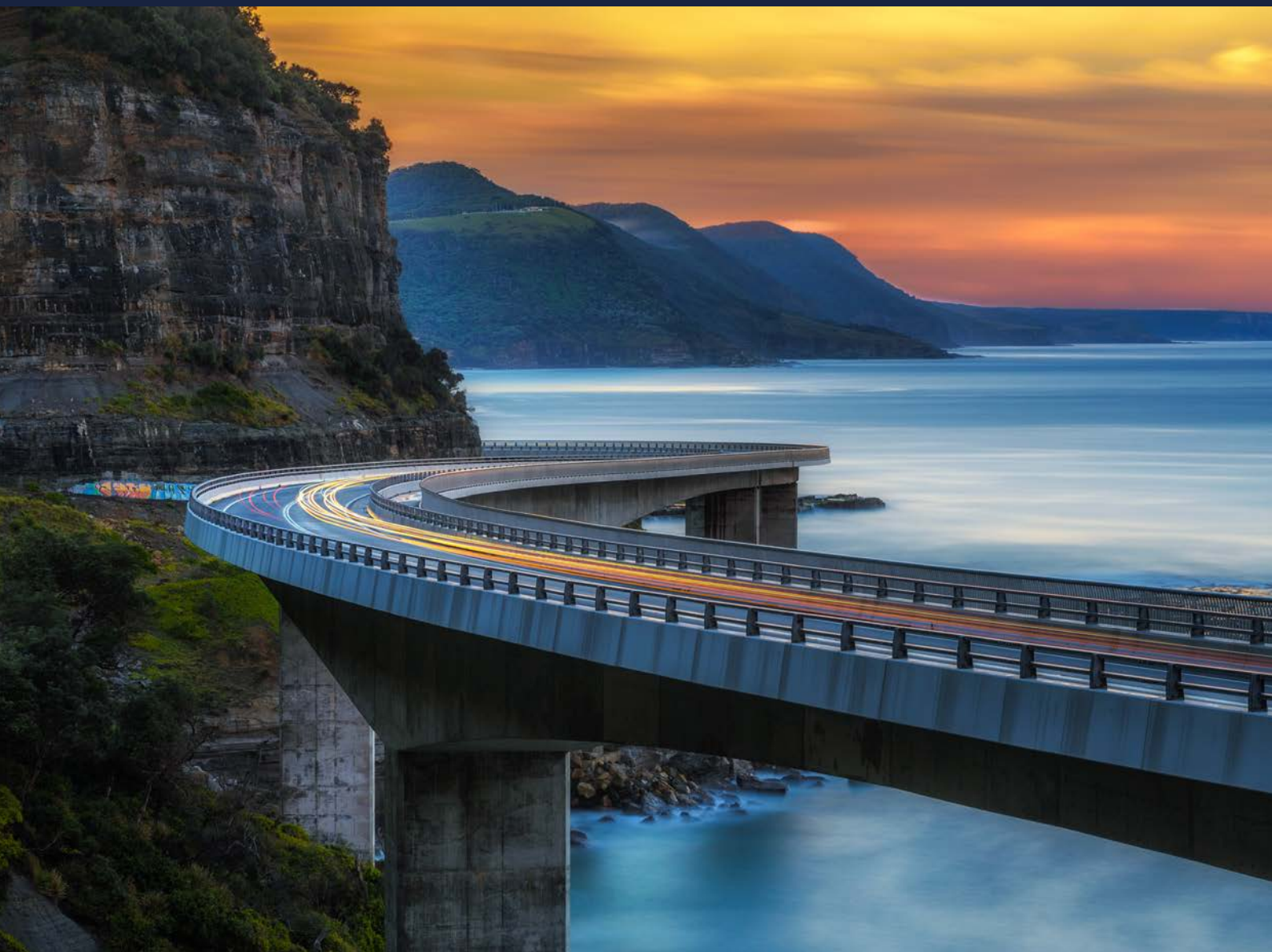




DEFENDER



# Defender Tourism Property Fund Defender Tourism Operations Fund

## Information Memorandum

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ACN  
608 281 189

Australian Financial Services Licence No.  
482722

# Defender Tourism Property Fund

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# Defender Tourism Operations Fund

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## Important Information



This Information Memorandum (IM) has been prepared and issued by Defender Asset Management Ltd ACN 608 281 189 ('Defender', 'Investment Manager', the 'Manager' or 'us'). Defender has been appointed by the respective Trustees, Defender Tourism Operations Pty Ltd and Defender Tourism Property Pty Ltd, as the Investment Manager under respective Investment Management Agreements. Defender is authorised to provide financial services to wholesale investors under its Australian Financial Services Licence No. 482722. The Trustees have also appointed Defender to arrange for the issue of units in DTPF and DTOF ('the Funds'). Only ordinary units ('Units') are available pursuant to this IM.

This Information Memorandum is dated 16 May 2024 and replaces previous Information Memoranda. The information contained in this IM has been compiled to assist the recipient in making its own independent evaluation of the Offer and does not purport to contain all the information that may be necessary or desirable for the recipient's particular investment requirements.

Applications for Units under this IM may only be made by completing and returning the Application Form accompanying this IM. The Application Form contains important terms relating to the Funds and should be read in full before deciding to invest.

An investment in the Funds involves a degree of risk. Each recipient shall be considered to have read and understood the section titled "Risks" and to have satisfied themselves fully as to the acceptability or otherwise of the risks outlined in that section and any other risks relevant to the Offer.

The information in this IM is general information only and does not take into account a recipient's individual objectives, financial situation or needs. To obtain advice or more information about the product offered in this IM you should speak to your financial adviser or other professional adviser.

You should rely only on the information in this IM. No person is authorised to provide any information, or to make any representations, in connection with the issue of Units, which is not contained in this IM. Any information or representations not contained in this IM may not be relied upon as having been authorised by the Manager in connection with the issue of the Units.

This IM supersedes and replaces all previous representations made in respect of the Manager, the Trustees and the Funds.

This IM only constitutes an offer of, or invitation to apply for, financial products to persons within Australia or in places where it is lawful to make such an offer or invitation ('Offer'). This IM is available electronically at [www.defenderam.com/investments](http://www.defenderam.com/investments). If you access an electronic copy of this IM, then you should ensure that you download and read the entire IM and the Application Form.



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If you are printing an electronic copy of this IM, you must print all pages, including the Application Form. If you make this IM available to another person, you must give them the entire electronic file or printout, including the Application Form.

You will be asked to provide personal information to us (directly or through the Registry) if you apply for Units. For information about how the Manager collects, holds and uses this personal information— see Section 10.5. This IM may contain various opinions, estimates, financial objectives and forecasts with respect to the anticipated future performance of the Funds. These opinions, estimates and forecasts are based upon assumptions. These assumptions may not prove to be correct or appropriate.

Neither the Manager nor the Trustees make representations or warranties as to the validity, certainty or completeness of any of the assumptions or the accuracy of the opinions, estimates, financial objectives or forecasts contained in this IM. This IM contains general advice only. You should ensure this investment is consistent with your own financial objectives and needs and obtain your own financial advice if necessary. The financial objectives are in no way guaranteed. Investment decisions should not be based solely on the financial objectives.

This IM has not and will not be lodged or registered with ASIC including under the securities laws or regulations of any jurisdiction including Australia. The Offer does not require disclosure to investors under Division 2 of Part 7.9 of the Corporations Act.

No person other than the Manager or the Trustees have caused or authorised the issue of this IM nor do any of them take any responsibility for the preparation of this IM or the establishment or performance of the Funds. ASIC takes no responsibility for the contents of this IM.

By receiving this IM, the recipient acknowledges and agrees that:

1.It is acting as a principal and not as an agent in considering such investment either for itself or for an investment fund managed by it;

2.All information contained in the IM and any written or oral communication related to the Offer are to be treated as confidential information and are not to be disclosed to any other party without the Manager's prior written consent;

3.The recipient will rely entirely upon its own due diligence and / or professional advice in considering the Offer.

Recipients are not to construe the contents of this IM as investment, legal or tax advice. Each recipient should consult their own counsel, accountant and other adviser as to legal, tax, business, financial and related aspects of a subscription for Units. Each recipient, by its acceptance of the terms and conditions of the Offer, will be deemed to have acknowledged to, represented to and agreed with the Manager and the Trustees that they have received a copy of the IM and:

- The recipient has been afforded an opportunity to request from the Trustees, and has received, all additional information considered by the recipient to be necessary to verify the accuracy and completeness of the information contained therein including the Trust Deed;
- The recipient has not relied on the Manager or the Trustees or any representation of the Manager or the Trustees in connection with an investigation of the accuracy of such information or the recipient's investment decision;
- None of the Manager, the Trustees or any person representing any of them, has made any representation to the recipient with respect to the Funds or the Offer or sale of any units, other than as contained in the IM;
- The recipient has read and agreed to the matters stated in the disclosures contained within this IM.

The Manager reserves the right to vary the Offer, including by closing the Offer at any time, accepting late applications, changing the timing of the Offer, either generally or in particular cases, without notifying any recipient of this IM or any applicants. Prospective investors are encouraged to submit their applications as soon as possible.

Subject to the law and the Trust Deed, the Manager may change at any time the information, terms and conditions set out in this IM and otherwise applying to Units. Where a person is a Unit Holder, they will be provided with at least 30 days written notice of any such change which is materially detrimental to them as a Unit Holder including any increase in fees. Unit Holders who redeem their Units prior to the change will ordinarily not be bound by the change. Where a change is not materially adverse to Unit Holders the information may be made available at [www.defenderam.com/investments](http://www.defenderam.com/investments). Unit Holders may obtain a paper copy of this information free of charge by contacting the Manager.

Certain capitalised expressions used in this IM have defined meanings, which are explained in the Glossary – Section 11. References to \$ or A\$ are to Australian dollars.

# Contents

01	Key Features Of The Funds	Section 1.0
02	About Defender Asset Management Ltd	Section 2.0
03	Disclosure Principles and Benchmarks	Section 3.0
04	About the Tourism Property Funds	Section 4.0
05	Risks	Section 5.0
06	Fees and Other Costs	Section 6.0
07	How the Funds Work	Section 7.0
08	Tax Considerations	Section 8.0
09	Material Contracts	Section 9.0
10	Operational Aspects of the Funds	Section 10.0
11	Glossary	Section 11.0
12	Corporate Directory	Section 12.0



# 1.0 Key Features Of The Funds

This table contains a summary of the key features of the Fund.  
You should read the IM in full before deciding whether to invest.  
See the Glossary for definitions of terms.

## Key Fund Information

### DTPF

### DTOF

#### Investment objective

The Defender Tourism Property Fund (**DTPF**) aims to invest in tourism property assets that provide returns above those associated with pure property investments.

The Fund's objective is to:

- Preserve investors' capital and ensure continuity of income;
- Maintain integrity of the assets by ensuring the Fund is well managed and maintained;
- Monitor the economy and property markets in general to forecast the optimum exit date in relation to the Fund's assets.

Defender Tourism Operations Fund (**DTOF**) aims to provide semi-annual, tax effective income streams through its subsidiary trusts which operate businesses associated with the tourism property assets held by the DTPF. The Fund's objective is to:

- Preserve investors' capital and ensure continuity of income;
- Maintain integrity of the assets by ensuring the Fund is well managed and maintained;
- Monitor the economy and tourism markets in general to forecast the optimum exit date in relation to the Fund's assets.

Section 4.1

#### Investment strategy

The Fund actively identifies and manages property assets that are used for tourism-based commercial activities. The DTPF aims to invest in property assets that provide additional returns above the traditional returns associated with pure property investments. Our approach enables the Fund to maximise return and utilise in-house expertise to deliver superior value to each asset acquired. Central to this idea is its belief that a well-acquired and well-run asset will deliver superior returns over the long period for investors.

The Fund is focused on identifying tourism business assets that will benefit from active management. This approach enables us to maximise returns and utilise in-house expertise to deliver superior value for each asset acquired. Central to this idea is its belief that a well-acquired and well-run asset will deliver superior returns over the long period for investors.

Section 4.1

Geographic regions	<p>The Fund's investments are focused on the acquisition of real estate holding established accommodation businesses, primarily on the East Coast of Australia. The DTPF portfolio of property assets is spread across Tasmania, Victoria and both Southern and Northern NSW.</p>	<p>The Fund's investments are focused on the acquisition of established tourism businesses, primarily on the East Coast of Australia. The DTOF portfolio of business assets is spread across Tasmania, Victoria and both Southern and Northern NSW</p>	Section 4.1
Withdrawals	<p>The Fund's investments in property assets are considered by the Trustees to be illiquid assets, and generally cannot be redeemed (in whole or in part) before the Fund's strategy has been realised. Investors should therefore expect to hold their investment in the Funds for up to 10 years.</p>	<p>The Fund's investments in business assets are considered by the Trustees to be illiquid assets, and generally cannot be redeemed (in whole or in part) before the Fund's strategy has been realised. Investors should therefore expect to hold their investment in the Funds for up to 10 years.</p>	Section 7.2
Risks	<p>There are a number of risks associated with investing in the Fund. The key risks include:</p> <ul style="list-style-type: none"> <li>• The investment returns of the Funds are subject to economic and market conditions and the circumstances of the Fund's particular investments;</li> <li>• The Manager may not be successful in meeting the investment objective;</li> <li>• Investors in the DTPF will be exposed to all the risks associated with property investments.</li> </ul> <p>This is not a comprehensive summary of all the risks of investing in the Fund. We recommend you should obtain financial advice before investing. Refer to section 5 of this IM for further information on Risks.</p>	<p>There are a number of risks associated with investing in the Fund. The key risks include:</p> <ul style="list-style-type: none"> <li>• The investment returns of the Funds are subject to economic and market conditions and the circumstances of the Fund's particular investments;</li> <li>• The Manager may not be successful in meeting the investment objective;</li> <li>• Investors in the DTOF will be exposed to all the risks associated with business investments.</li> </ul> <p>This is not a comprehensive summary of all the risks of investing in the Fund. We recommend you should obtain financial advice before investing. Refer to section 5 of this IM for further information on Risks.</p>	Section 5

# Key Product Features

## Costs of Investing in the Fund

Management Fee	The Funds charge Management fee of 0.8% of the consolidated gross asset value of the units in the Funds, paid in monthly instalments and subject to an annual adjustment.	Section 6.1 and 6.2
Asset Acquisition Fee	The Funds charge 1% of the cost of acquisition of new assets paid to the Manager for the identification and acquisition of assets.	Section 6.1 and 6.2
Performance Fee	20.00%* of the increase in the Net Asset Value of returns above a hurdle return of 10% per annum of the net asset value of the Funds, subject to a High-Water Mark.	Section 6.1 and 6.2

## Minimum Investment Requirements

Minimum Initial Investment	<ul style="list-style-type: none"><li>• Minimum initial investment – \$100,000 (consolidated across both Funds)</li><li>• Minimum additional investment – \$25,000</li><li>• Minimum investment balance– \$100,000</li></ul> <p>It is important to note that the default position is that your investment monies (including any additional investment) will be split 50% with units in the DTPF and units in the DTOF. You may apply to vary this in your application for units.</p>	Section 7.1
Applications	Applications are processed monthly and are required to be received 5 Business Days before the end of the month.	Section 7.1

## Distributions

Frequency	The Funds will make 2 distributions a year, subject to the overall performance of the underlying assets of each Fund.	Section 7.4
Payment Method	Bi-annual distributions can be paid directly into a nominated bank account or automatically reinvested via the relevant distribution reinvestment plan for the DTPF and DTOF at your election.	Section 7.4

\* All fees set out are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Funds may not be entitled to claim a reduced input tax credit in all instances.







*Defender Asset Management is owned by its principals, our client's objectives are our objectives.*

## Reporting

Quarterly and annual newsletter	Investor updates and newsletters will be distributed to all Unit Holders electronically on a quarterly basis. All updates and newsletters will also be available on our website: <a href="http://www.defenderam.com/tourism">www.defenderam.com/tourism</a>	Section 10.1
Regular reporting	<ul style="list-style-type: none"><li>• Confirmation of all applications and withdrawals.</li><li>• An annual periodic statement providing your account balance and transaction summary.</li></ul>	Section 10.1
Unit pricing	Unit prices are on our website <a href="http://www.defenderam.com/tourism">www.defenderam.com/tourism</a> and or via the registry investor portal.	Section 7.5
Annual audited financial report	Annual audited financial report for the Fund.	Section 10.1
Annual tax reporting	<ul style="list-style-type: none"><li>• Annual tax statement if the Fund has paid a distribution during the financial year.</li><li>• Exit statement if you have redeemed Units during the financial year.</li></ul>	Section 8.2

## 2.0 About Defender Asset Management Ltd

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The Defender Asset Management Ltd is a specialist investment manager and brings a strong record of accomplishment, a high conviction investment style and a benchmark independent philosophy to stock selection.

As a firm majority owned by its principals, our clients' objectives are our objectives. The Manager's investment products are designed to take advantage of the strengths and capabilities of our experienced investment team and also the opportunities which we feel exist in the market place. Defender is the investment manager for the both the DTPF and the DTOF.

The DTPF was established by Defender to acquire Tourism and Hospitality assets throughout Australia. Since inception the Fund has successfully acquired tourism assets in New South Wales, Victoria and Tasmania, carefully selecting venues which provide a combination of both strong income and future capital growth.

In December 2023, DTPF's assets were split into two funds (being DTPF and DTOF) to enhance the operational and financial efficiencies of the portfolio which was constructed around two core investment pillars, being Income and Capital Growth. Together, the Funds continue to seek both passive property investments as well as actively managed businesses.

### Investment Team

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The Manager has a team of investment professionals dedicated to investment strategy, fundamental equities research and stock selection.



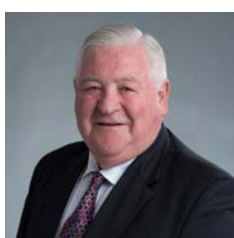
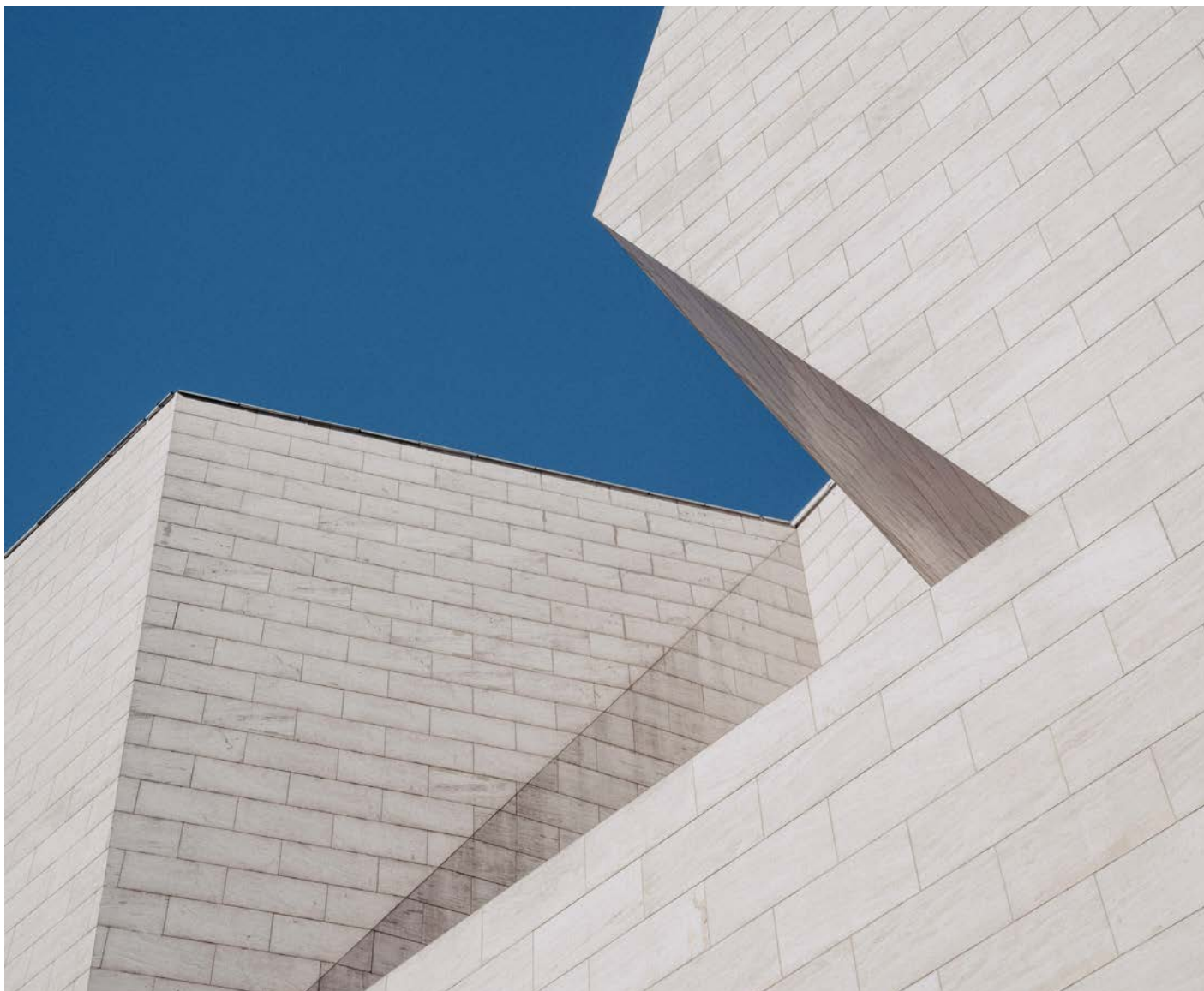
**Darron Wolter**  
Senior Portfolio  
Manager & CEO

Darron began his career in the hospitality industry by managing hotels in Sydney back in 1987. Darron's management strategy led him to successful ownership of a hotel and 34-room motel in Far North Queensland, in addition to asset managing various resorts and management rights businesses. Having extensive experience in analysing business insights, Darron has developed effective implementation of strategies to streamline and consolidate operations into an enterprise solution. Through his leadership, Darron has been able to inspire the behaviour and ethos of the investment management team to adopt these best practices which has grown the DTPF over the last 6 years. Darron is responsible for overall site selection, management and performance of the DTPF and DTOF.



**Michael Bregenhoj**  
CFO

Michael is Vertua's Chief Financial Officer, managing the group's financial operations and reporting. Michael has over 15 years' experience working across a wide range of industries including Public Practice Accounting, Corporate Advisory/Private, FMCG and General Business.



**Christopher Bregenhoj**  
Chartered Accountant  
FAICD Director

Christopher is a qualified Chartered Accountant, bringing strong accounting practices with over 30 years' experience in the Investment Banking and Private Equity space, both in Australia and Hong Kong. Christopher was an Executive Director and responsible for corporate acquisitions and in-house legal division of what is now oOh! media, acquired by CHAMP Private equity for \$166 million in 2012. In 2012, Christopher entered into a joint venture to acquire and redevelop a property "Astonia". The six house size apartments of this development sold for \$44.6 million and set a record in Lower North Shore. Christopher is currently the Chairman of Vertua Limited and various Boards in the investment banking and property development space. He brings invaluable experience to the team.



**James Manning**  
B. Bus (Accounting)  
M. Bus (Finance)  
FAICD Director

James is the Managing Director and Responsible Manager of Defender. James's background in property development and professional services has given him a unique insight into both practical deliverables as well as complex regulatory and cross board transactions. James has a Master's in Business Finance with a Bachelor of Accounting and has operated a Family Office for over 10 years. James's earlier career exposed him to having owned and operated numerous successful hotels in the greater Sydney region and brings unique experience in both the property and hospitality space. James has successfully invested and managed a number of developments across Australia and New Zealand.

# 3.0 Disclosure Principles and Benchmarks

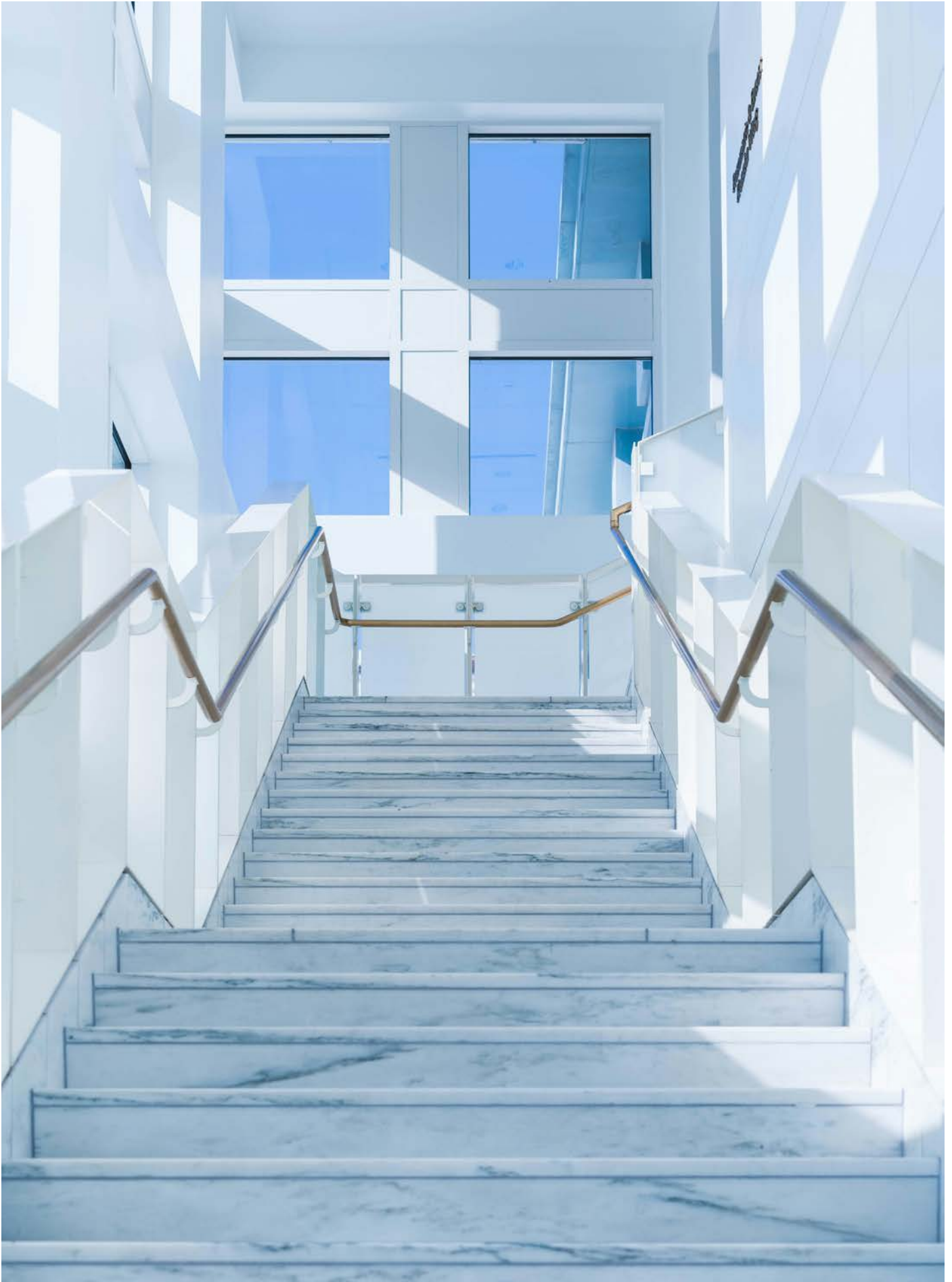
## Disclosure Principles

Investment objective and strategy	<p>The Funds' investment objective is to:</p> <ul style="list-style-type: none"><li>• Preserve investors' capital and ensure continuity of income;</li><li>• Maintain integrity of the assets by ensuring the Fund is well managed and maintained;</li><li>• Monitor the economy and property markets in general to forecast the optimum exit date in relation to the Fund's assets.</li></ul>	Section 4.1
	<p>The Funds actively identify and manage property and business assets that are used for tourism-based commercial activities with the aim of generating or protecting returns.</p> <p>The Fund's Investments are focused on the acquisition of real estate holding established accommodation businesses, primarily on the East Coast of Australia.</p>	Section 4.1
	<p>The key dependencies underpinning the investment strategy are the research, analysis, skill and experience of the Manager as well as market conditions.</p>	Section 4.2
Risks	<p>There are a number of risks associated with investing in the Funds including:</p> <ul style="list-style-type: none"><li>• The investment returns of the Funds are subject to economic and market conditions and the circumstances of the Fund's particular investments;</li><li>• The Manager may not be successful in meeting the investment objective;</li><li>• Investors in the Funds will be exposed to all the risks associated with property and business investments.</li></ul>	Section 5.1
	<p>The Manager's risk management strategy is set out in Section 4.4.</p>	Section 4.4
	<p>The Manager may change the investment objective and strategy to meet current market conditions.</p> <p>Unit Holders will be given 30 days' prior notice if any of these changes are materially different from the stated investment strategy, otherwise these changes will be available on the Funds' website.</p>	Section 4.1



Investment manager	<p>The investment manager is Defender Asset Management Pty Ltd.</p> <p>The Investment Manager has overall responsibility for the Fund's investment decisions and operations and is supported by a team of professionals, each of whom have significant skill and experience in different geographies, sectors and industries.</p>	Section 2
Fund structure	<p>The Fund is an Australian unit trust that is an unregistered managed investment scheme.</p> <p>The Fund may invest directly and through other managed investment schemes (both registered as such under the Corporations Act and un-registered schemes). A structure diagram is set out in Section 4.5.</p>	Section 4.5
	<p>The Fund may invest in related party managed investment schemes or unrelated funds and where it does so, may reduce the amount of management fees charged to Unit Holders.</p>	Section 4.5 and 6.2
	<p>The key Service Providers are set out in Section 4.6.</p> <p>These Service Providers are regularly monitored by the Manager to ensure compliance with their service agreement obligations.</p>	Section 4.6 and 9.1
	<p>There are various risks associated with this structure including counterparty risk.</p>	Section 5.1
Valuation and Location	<p>The key aspects of the Fund's valuation policy are set out in Section 7.5.</p>	Section 7.5
	<p>The Fund may invest in a wide range of assets and the allocation range for certain asset types.</p>	Section 4.2
	<p>The Fund has broad diversification ranges for the geographic location of assets.</p>	Section 4.1

Liquidity	<p>The Funds' investments in the tourism assets are considered by the Trustees to be illiquid assets, and generally cannot be redeemed (in whole or in part) before the Funds' strategy has been realised. Investors should therefore expect to hold their investment in the Funds for up to 10 years.</p>	Section 4.2
	<p>However, withdrawal opportunities are expected to increase as the Funds continue to grow and become diversified into other assets. Investors may also sell their investment and apply to transfer their unit-holding to a third party, subject to the discretion of the relevant trustee.</p>	
Leverage	<p>Leverage is obtained by borrowing money from lenders or financial institutions. The purchase of an underlying asset of a Fund may be financed by a debt facility that creates leverage on the investment. The maximum look-through level of leverage in the Funds is 70% of the Funds' net asset value, this being the maximum LVR for the Funds.</p> <p>If the Funds' assets fall in value this level maybe breached in which case the Investment Manager will aim to implement a strategy to return the look-through leverage level of the Funds to 60% or below.</p> <p>Borrowings are generally secured by the property or businesses held by the Funds and this will mean that repayment of these borrowings ranks ahead of an Investor's interest in the Funds. Most facilities will also have conditions that enable the financier to call on the loan if Investors exercise their rights to remove and replace the trustee of the relevant fund.</p>	Section 4.2
Derivatives	<p>The Manager does not generally use derivative instruments within the Funds. However, from time to time, the Manager may use call or put options in acquiring or disposing of assets in the portfolio. Options can provide the Manager with flexibility and certainty in the asset purchase and disposal process.</p>	Section 4.2
Withdrawals/ Redemptions	<p>The Funds' investments in the tourism assets are considered by the Trustees to be illiquid assets, and generally cannot be redeemed (in whole or in part) before the Fund's strategy has been realised. Investors should therefore expect to hold their investment in the Funds for up to 10 years.</p>	Section 7.2



# 4.0 About the Defender Tourism Property and Operation Funds

## 4.1 Fund Overview

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### Investment objective

The Funds aim to provide stable and tax effective distributions and the potential for long term capital growth through the acquisition of tourism focused real property and business assets.

Our approach enables the Funds to maximise return and utilise in-house expertise to deliver superior value to each asset acquired. Central to this idea is its belief that a well acquired and well-run asset will deliver superior returns over the long period for investors.

The investment objective of the Funds is to:

- Preserve investors' capital and ensure continuity of income;
- Maintain integrity of the assets by ensuring the Fund is well managed and maintained;
- Monitor the economy and property markets in general to forecast the optimum exit date in relation to the Fund's assets.

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### Investment strategy

The Funds' investment strategy is to:

1. Acquire properties and tourism businesses with high value-add potential at below replacement value;
2. Upgrade and reposition the asset, focusing on cost effective improvement with high marginal benefits;
3. Refine business operating procedures and implement new technologies to increase operating leverage;
4. Sell asset on improved performance and yield compression as part of a portfolio or as individual assets to maximise returns.

The Investment Manager seeks to acquire additional tourism assets to complement the Funds' existing portfolio of high quality tourism assets spread around Eastern Australia. A core part of the Investment Manager's strategy is the expansion of assets under the ownership and management of the DTPF and DTOF which will lead to better leverage operational efficiencies.





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## Asset classes

The DTPF obtains its exposure to tourism assets by investing in both freehold and leasehold assets and cash. It may also invest in listed equities that operate in the tourism sector.

The DTPF proposes to acquire further direct and indirect interests in real property. To achieve this, the DTPF may acquire interests in other trusts, companies, partnerships or joint ventures to effect the ownership and economic interest in the various tourism focused assets its seeking to acquire.

The DTPF will continue to hold a component of the portfolio in liquid assets, such as cash or listed A-REITS to facilitate liquidity in the fund over the long-term.

The DTOF aims to provide semi-annual, tax effective income streams through its subsidiary trusts which operate businesses associated with the tourism property assets held by the DTPF. These assets are generally held through subsidiary trust arrangements. The business assets include operational, marketing, hospitality, food and beverages as they relate to the tourism property assets.

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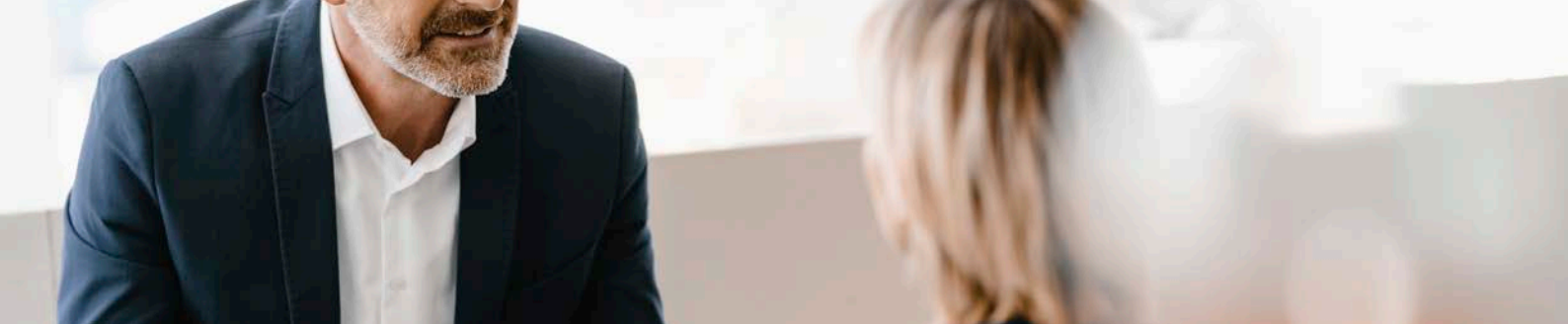
## Location and currency

The Manager is focused on the acquisition of real estate holding established accommodation businesses, primarily on the East Coast of Australia. The DTPF portfolio of property assets currently has 7 locations, including in Tasmania, Victoria and both Southern and Northern NSW with the DTOF owning and operating the tourism businesses housed in those locations. The Funds and their assets are denominated in AUD.

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## Fund information and performance

Performance information for the Fund will be displayed monthly at [www.defenderam.com/tourism](http://www.defenderam.com/tourism)



## 4.2 Asset Types

The Manager will target the following guidelines:

- Between 80% and 100% exposure to Australian tourism assets;
- Between 0% and 20% in cash and property related liquid assets such as listed A-REITS;
- 30% diversification of asset type, geography and operator with the aim of reducing the impact of seasonality associated with tourism assets.

### Allocation range for each stated asset type

#### Leverage

Leverage is a tool which may be utilised by the Manager to magnify exposures beyond the assets available to the Funds by increasing the level of investible assets.

Leverage is the level of debt finance that is used to purchase Properties or manage the capital expenditure within a fund. Leverage increases the exposure of Investors to movement in the value of the underlying properties in which a fund invests. It can magnify capital gains; however, it can also magnify capital losses. A highly geared fund will have a lower asset buffer to rely on in times of financial stress.

The Manager only uses debt and does not use derivatives to leverage the portfolio. The maximum look-through level of leverage in the Funds (LVR) is 70%. If the Funds' assets fall in value this level may be breached in which case the Investment Manager will aim to implement a strategy to return the look-through leverage level of the Funds to 60% or below. The Manager has a target look-through leverage level of between 35% - 55%. At times the level of leverage may move out of this range, this will primarily occur at times prior to the acquisition or after the sale of direct property assets. The Investment Manager may exceed the 60% target at the point of acquisition of a new Property and prior to a capital raise to fund its settlement or reduction of the associated debt when the Funds acquire and settle on the Property. Borrowings are generally secured by the property (or properties) held by the DTPF and this will mean that repayment of these borrowings ranks ahead of an Investor's interest in the Funds. Defender monitors both the LVR and interest cover ratio (ICR) covenants for each fund on a monthly basis at monthly management meetings. During these meetings, management will take active steps to manage LVR and ICR within the debt covenants where possible. Where a covenant is breached, Defender will work in consultation with the financier to take appropriate steps to manage the breach and to do so in the best interests of Investors.

#### Sources of Leverage

The Manager will arrange certain debt facilities for the acquisition of properties and businesses owned by the Funds. The facilities are arranged with banks or other financial institutions which will generally take a first or second mortgage as security. These facilities are closely managed in accordance with the LVR limits and other covenants prescribed by the lender.

The Manager is authorised to arrange further debt facilities in order to refinance or acquire properties in the future. The Trustees will review such debt arrangements in accordance with their monitoring of the Funds and Manager's performance.





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## Worked Example

A hypothetical worked example of the impact of Leverage on investment returns and losses is set out below.

This example assumes the maximum anticipated level of Leverage, namely an LVR of 60% of the Funds' Net Asset Value. This example further assumes that the Funds are fully invested in leveraged assets. This will mean, for each \$10,000 invested, the LVR will be  $(60\% \times \$10,000) = \$6,000$  (in other words, for every \$10,000 invested, the Funds is Leveraged a further \$6,000).

- A 1% increase in the return on net assets of the Funds results in a 1.6% increase in return to investors (\$160 gain for the Gross Asset Value of \$16,000).
- A 1% decrease in the return on assets of the Funds results in a 1.6% loss to investors (\$160 loss for the Gross Exposure of \$16,000).
- In the above example, if no Leverage were used, a 1% increase in the return on assets of the Funds results in a 1% increase in return to investors (\$100 gain for the \$10,000 investment).
- If not leverage were used, a 1% decrease in the return on assets of the Funds results in a 1% loss to investors (\$100 loss for the investment of \$10,000).

Please note that the above example has been provided for reference purposes only. Any assumptions underlying these examples are hypothetical only.

See Section 5.1 for risks associated with the use of Leverage.

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## Collateral

The Funds use the property assets of the DTPF and business assets of the DTOF as security for any monies borrowed. The Funds' obligations to Lenders will be secured by way of a first mortgage over property assets held in the DTPF and/or fixed or floating charge over the business assets held in the DTOF.

See Section 5.1 for more detail regarding the risks associated with borrowings and the use of collateral and security.

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## Derivatives

The Manager does not generally use derivative instruments within the Funds. However, from time to time, the Manager may use call or put options in acquiring or disposing of assets in the portfolio. Options can provide the Manager with the opportunity and right to secure the purchase or sale of assets promptly and without the obligation to proceed.

In these cases, options provide the Manager with flexibility and certainty in the asset purchase and disposal process.

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## Liquidity

The Funds' investments in the tourism assets are considered by the Trustees to be illiquid assets, and generally cannot be redeemed (in whole or in part) before the Funds' strategy has been realised. Investors should therefore expect to hold their investment in the Funds for up to 10 years.

However, withdrawal opportunities are expected to increase as the Funds continue to grow and become diversified into other assets. Investors may also sell their investment and apply to transfer their unit-holding to a third party, subject to the discretion of the relevant trustee.



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## Key Dependencies

The key dependencies underpinning the investment strategy are the research, analysis, skill and experience of the Manager as well as the movement in the prices of investments. With the investment techniques available to the Funds, the Funds aim to generate "alpha" on each investment - that is, generating a profit which is not dependent on the general movements of the market (e.g. market conditions or interest rates) but rather on the skill of the Manager. The Funds are not tied to performing against a particular index or benchmark.

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## Key Risks

See Section 5.1 for key risks associated with the investment strategy.



### 4.3 Hedging

The Funds are denominated in AUD and are invested in assets held in Australia. The Funds are not directly exposed to fluctuations in foreign currencies but may be subject to related economic risks and industry-specific risks present in the Australian tourism industry. The Funds are not to undertake hedging activity.

See Section 5.1 for risks associated with economic and industry specific risk.

### 4.4 Risk Management Strategy

The Manager has risk management processes in place including an investment methodology of diversification and limiting exposure to certain investments, actively monitoring the Funds' Leverage and liquidity, undertaking due diligence on assets and obtaining expert external accounting, legal and tax advice.

Unit Holders benefit from the Manager's skills and experience in implementing the investment strategy of the Funds and its directors' experience in operating wholesale unregistered managed investment schemes. Although the number of personnel of the Manager is small, this may also be a benefit since it enables a more nimble, hands-on and active management style to be adopted by the Manager.

Asset exposures are constantly monitored to ensure all the assets of the Fund are aligned to the investment parameters. Operating and investment processes are continuously reviewed through a combination of internal and external audit, regular compliance

monitoring, management self-assessment procedures and risk management oversight.

Some investments may be made based on limited due diligence and on publicly available information. This may increase risks to the Fund associated with those investments.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities, exposure and liquidity, undertaking due diligence where practicable on investments and obtaining expert external accounting, legal and tax advice.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities. There is no guarantee that the risk management strategy will be successful all the time.

### 4.5 Fund Structure

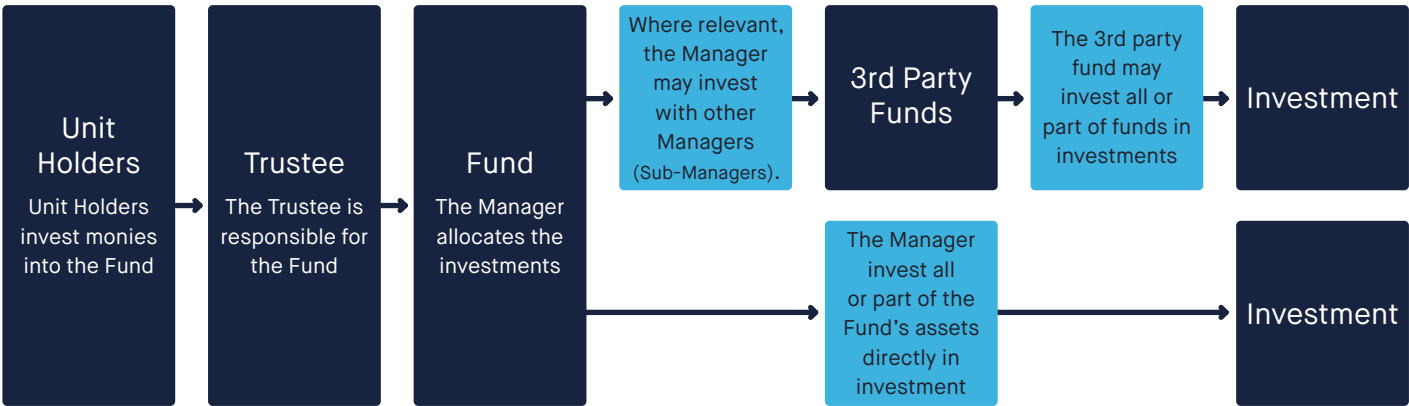
The Funds are Australian based unregistered managed investment schemes available to wholesale investors. The Funds obtain their exposure by investing directly in assets but may also obtain asset exposure indirectly where this option is desirable. The Funds will generally do this by investing in property securities or A-REITS that are listed on an Australian securities exchange.

The DTPF is an Australian based unregistered managed investment scheme. The Fund was established on 30 January 2017 on such terms that enable the DTPF Trustee, if certain conditions are met, to make a choice for it to be an Attribution Managed Investment Trust (AMIT) for tax purposes. The DTPF has not to date met the conditions to be an AMIT and, accordingly, no election has been made by the Trustee for the DTPF to be an AMIT.

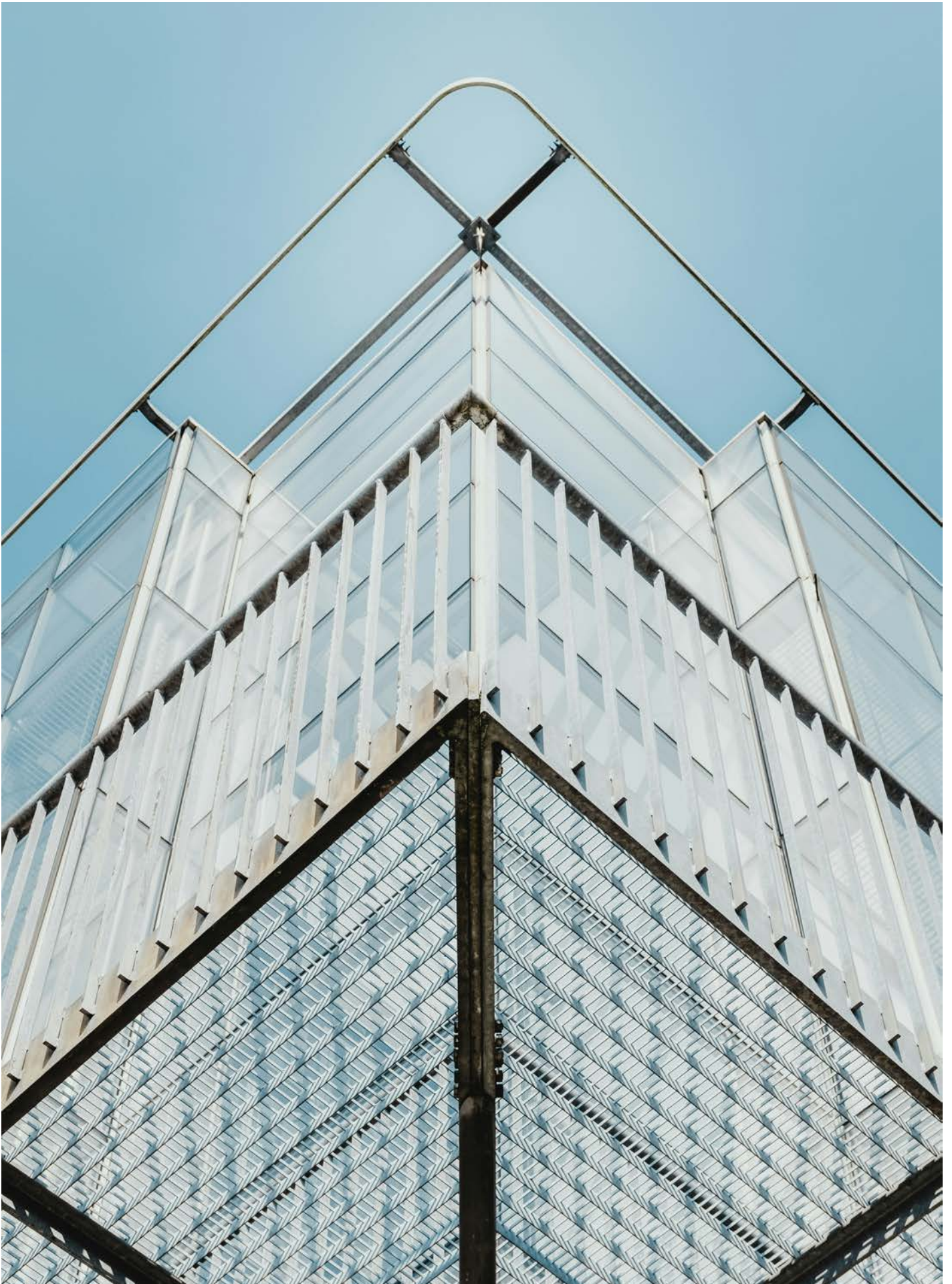
In December 2023, DTPF's assets were split into two funds (being DTPF and DTOF) to enhance the operational and financial efficiencies of the portfolio. Your new investment in the Funds will be split 50/50 across both Funds unless you nominate an uneven split.

The DTOF is an Australian based unregistered managed investment scheme. The DTOF was established on 23 December 2023. DTOF will not be able to meet the conditions to be an AMIT. If DTOF becomes widely held, it may become a public trading trust for taxation purposes.

#### Investment Structure







## 4.6 Key Service Providers to The Fund

Investment Manager	Defender Asset Management Ltd	Managing the Funds' investments.
Administrator	First Equity Tax	Investment accounting, fund accounting and net asset value calculations.
Custodian	The Trustee of each Fund	The Custodian holds the assets of each Fund.
Registry	Automic Pty Ltd	<p>The Funds have entered into a registry agreement with Automic Pty Ltd. Automic Group will be responsible for the following registry functions on behalf of the trustees of the Funds:</p> <ul style="list-style-type: none"> <li>• The receipt of completed Application Forms and payments;</li> <li>• Banking functions;</li> <li>• The administration of AML/CTF processes;</li> <li>• Payment of distributions and withdrawals;</li> <li>• Maintenance of the Funds register;</li> <li>• Periodic mailings and communications to Investors.</li> </ul>
Auditor	First Equity Audit	Auditing annual financial accounts.
Legal	Brown Wright Stein Lawyers	Legal services for the Funds.

See Section 5.1 for risks relating to the above, in particular counterparty risks.





## 4.7 Classes of Units In The Fund

Each of the Funds currently have one class of investment Units which are available to applicants under this IM: these are ordinary units. The beneficial interest in the Funds is divided into Units. A Unit confers on the Unit Holder an undivided beneficial interest in the assets of the Funds as a whole, subject to the liabilities of the Funds and not in parts or single assets.

Either or both Funds may issue additional Classes of Units in the future, with the same or different terms to the existing Classes. A Unit Holder holds a Unit subject to the rights, restrictions and obligations attaching to that particular class of Unit.

The Trust Deed and law provide that all units of a class rank equally with units in that same class with respect to matters such as fees, redemptions, distributions and on winding up. Different classes may have differing arrangements on these matters compared with other classes of units. These other Classes may have different arrangements with respect to liquidity, fees and minimum holdings, to reflect the differing nature of investors in those Classes.

# 5.0 Risks

An investment in the Funds entails several risks. There can be neither assurance that the Funds' investment objective will be achieved nor any guarantee that the Funds will return income or capital to Unit Holders. Investors should consider any investment in the Funds as a supplement to an overall investment portfolio and should invest only if they are willing to accept the risks involved.

Unit Holders in the Funds could lose some or all of their investment in the Funds. Investors should consider the following risks in determining whether an investment in the Funds is suitable for them. They should seek professional advice before investing. The summary below is a guide only and not an exhaustive list of all the risks of investing in the Funds.

## 5.1 Risks Applicable To The Fund

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### Risk Factors

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of risk. When investing in a wholesale unregistered managed investment scheme, it is important to note that the value of assets in the managed investment scheme and the level of returns will vary. No return is guaranteed. Future returns may differ from past returns and Unit Holders may lose some or all of their money invested. Additionally, laws (including tax laws) that affect managed investment schemes may change in the future, which may have an adverse effect on the returns of the Funds. The level of acceptable risk will vary across Unit Holders and will depend upon a range of factors such as age, investment timeframe, where other parts of the investor's wealth is invested and a Unit Holder's level of risk tolerance. Prospective investors should carefully consider the risks and uncertainties described below and the other information contained in this IM before making an investment in the Funds. They are not an exhaustive description of all the risks associated with an investment in the Funds and the Funds may be unable to fulfil their payment or other obligations under or in connection with them due to a factor which the Trustees or Manager did not consider to be a material or significant risk based on information currently available to either of them or which they may not currently be able to anticipate.

If any of the risks described below (or an unlisted risk) actually occurs, the value of the assets in the Funds could decline, and a Unit Holder could lose all or part of their investment.

The value of an Investor's investment in the Funds rises and falls with changes in the value of the Funds' investments. Even if the value of an Investor's investment does not actually decrease, it may not achieve the returns targeted in the Funds' objectives.

Applicants should carefully consider the key risks which are summarised below (this is not an exhaustive list of all the risks associated with the Funds or their investments).

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### General Economic Conditions

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may affect the performance of portfolio properties and business assets and their value at the time of disposal. This is an inherent risk associated with all managed funds of this underlying asset class.

Since COVID-19, the Investment Manager has adjusted its inhouse economic indicator methodology for the potential of further pandemics. As always, these indicators will form part of our overall investment strategy assessment as we identify appropriate opportunities for investment in accordance with our 5-step investment process.

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### Derivatives

The Manager does not generally use derivative instruments within the Funds. However, from time to time, the Manager may use call or put options in acquiring or disposing of assets in the portfolio. Options can provide the Manager with the opportunity and right to secure the purchase or sale of assets promptly and without the obligation to proceed.

In these cases, options provide the Manager with flexibility and certainty in the asset purchase and disposal process. Whilst the use of options is considered a lower risk than other types of derivatives, the Funds may lose the premium paid on options and may also experience counterparty risk by exposure to the counterparty of the option.

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## Past Performance and History

There can be no assurance that the Funds will achieve their investment objectives. The Funds' past performance information should not be relied upon as (and is not) an indicator of future performance. The Funds' performance can be found at [www.defenderam.com](http://www.defenderam.com)

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## Manager Risk

The success of the Funds depends upon the ability of the Manager to identify investment opportunities that achieve the Funds' investment objective.

The Manager's investment strategy may not be successful in meeting the Funds' investment objective and the Manager may not be successful in identifying investment opportunities.

The Manager may lose key personnel (see Section 2) which could impact on its ability to continue to implement the Funds' investment strategy.

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## Industry Specific Risk

The tourism industry's revenue is highly sensitive to economic conditions, both domestically and internationally. Tourism businesses heavily depend on international travel to Australia, making their revenue contingent on border policies and overseas economic conditions. These external factors can quickly impact industry revenue. For instance, the closure and reopening of Australia's international borders during the Covid-19 pandemic led to a temporary spike in revenue volatility. Additionally, a substantial portion of revenue comes from domestic tourists, which means the industry revenue is influenced by fluctuations in domestic economic conditions.

High levels of competition within the tourism industry exert downward pressure on prices. During periods of inflation, this competitive dynamic limits the ability of many hotels to increase prices without affecting demand.

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## Valuation

Investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisation value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets.

Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals and accruals. Redemptions and applications for Units (and the calculation of fees) may occur on the basis of these valuations.

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## Market Risk

A Property may be adversely re-rated due to positive movements in other investment markets on a comparative basis, changes in investor sentiment and changes in underlying property investment fundamentals. The success of the Funds will also be dependent on the ability of the Investment Manager to dispose of the investment at the appropriate time.

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## Development Risk

The Funds may invest (directly or indirectly via a property fund) in properties which are subject to development. Development properties are subject to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the developments may be delayed (including due to unforeseen circumstances, contractor default and weather), costs associated with the development may be more than anticipated or counter-parties involved in the development may default. Any of these circumstances may have an adverse financial impact on the Funds.

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## Force Majeure

All property investments are subject to risks of force majeure including being affected by fire, earthquakes and other similar events. Where possible, practicable and feasible, insurance will be obtained in order to mitigate these risks.

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## Business Risk

The DTOF invests in tourism businesses which are subject to all the risks of managing a business including, but not limited to, operational risk, financial and cash flow risk, human resources, physical and security risk, natural catastrophes, competition, environmental risk and regulatory compliance.

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## Leverage

The Funds may borrow money to invest in assets to be held and managed by the Funds. This could enhance returns, although it may also increase losses. Borrowing or Leverage may produce more volatile returns compared to investing without making use of borrowing or Leverage. Borrowings are nearly always secured by mortgage or other type of collateral over real or personal property held by the Funds.

If the Funds' borrowings are to mature within a short timeframe, it will need to refinance. There is a risk that refinancing will be on less favourable terms or not available at all. The loan to value ratio (LVR) formula used by Defender when calculating the leverage ratio of the Funds, is:

$$\text{LVR} = \frac{\text{TOTAL INTEREST BEARING LIABILITIES}}{\text{TOTAL ASSETS}}$$

The Funds may utilise this methodology, however it is important to note that any financier of the Funds may use a different methodology to measure its LVR covenant. Each financier will set an LVR covenant. This covenant is the maximum percentage level of leverage the Funds can hold relative to asset values under the financing facility. If this covenant is breached, the financier may exercise its rights under the facility agreement including the imposition of higher interest margins or forcing the sale of a Property.

It is for this reason that Defender will seek to set leverage with headroom over the covenant. If financing/refinancing is sought to increase direct leverage within a fund, this will only occur in accordance with a fund's capital management plan and it must be in the best interests of Investors and in accordance with the Fund's Trust Deed and disclosure documents.

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## Regulation

Regulation of the Manager, the Trustees and the Funds and their investments may change which may impact on the investment returns and nature.

The structure of the Funds and their investments are based on Australian law, tax and administrative practice in effect at the date of this Information Memorandum. No assurance can be given that Australian law, tax or administrative practice will not change at a later date and adversely impact the structure of the Funds' transactions and the treatment of its investments.

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## Tax

The taxation of the Manager, the Trustees and their investments is complex and dependent on the taxation laws and the manner in which these are interpreted and administered by the Australian government agencies and courts. The relevant taxation laws and the manner in which they are interpreted and/or administered by the Australian government agencies and courts may change. Such changes may impact on the investment returns and their character. See Section 8 for further details.

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## Redemption and Liquidity Risk

Redemptions from the Funds may be limited in the situations described in Section 7.2. The Funds may not be able to promptly liquidate some investments at an amount close to their fair value, or liquidate them at all. This would cause losses to the Funds or reduce the ability of Unit Holders to redeem their Units from the Funds.

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## Distribution

The Funds are not designed for Unit Holders seeking regular income payments. While the Funds must pay its distributable income each year, there is no guarantee that any income will be generated. In certain circumstances, Unit Holders may be liable for tax on distributions even if they have not received any distribution in cash.



## 5.2 Risk Management

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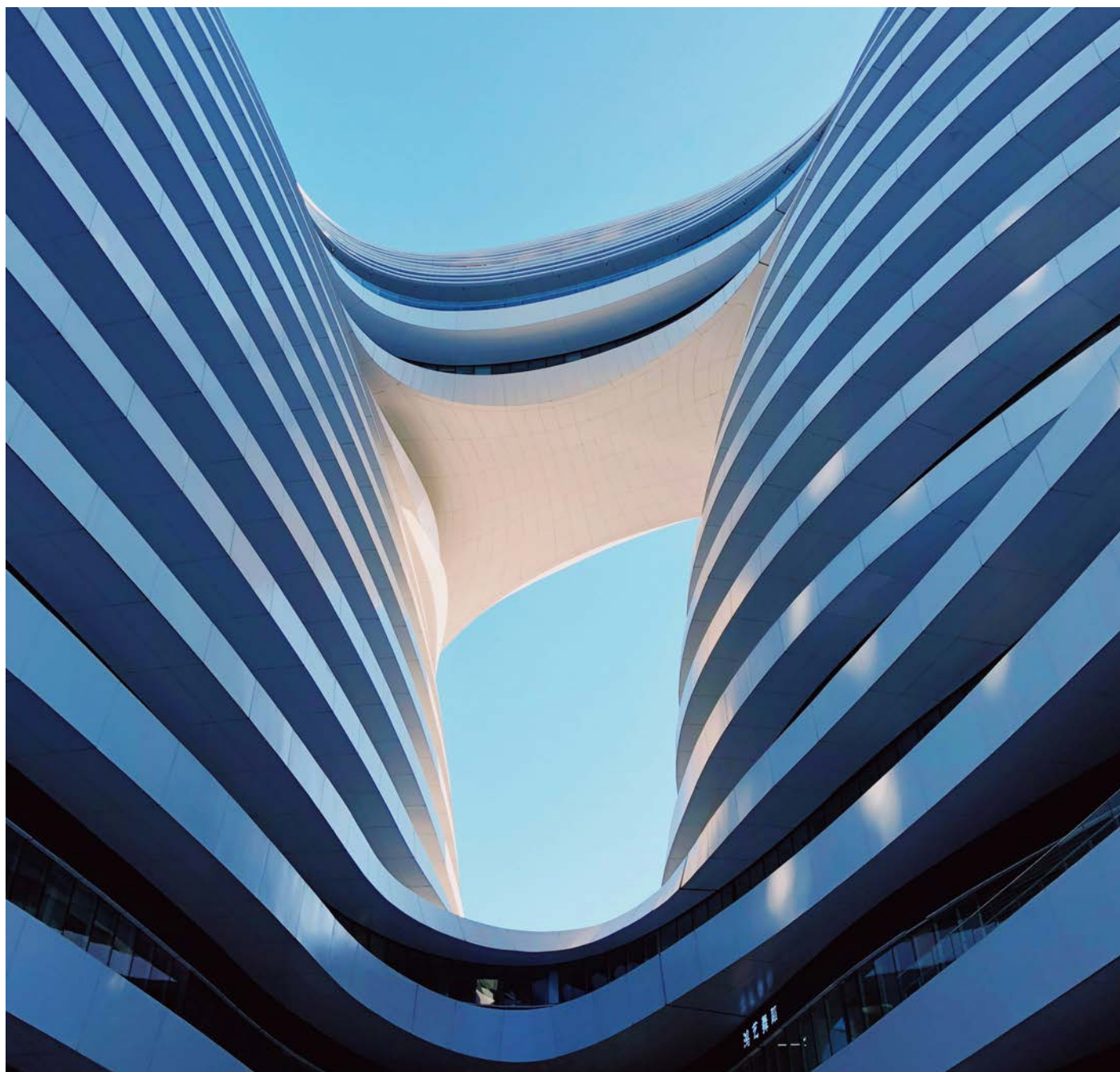
The Manager has risk management processes in place including an investment methodology of diversification and limited exposure to certain investments, hedging, actively monitoring the Funds' exposure and liquidity, undertaking due diligence (where practicable) on investments and obtaining expert external accounting, legal and tax advice.

Unit Holders benefit from the Investment Manager's skills and experience in implementing the investment strategy of the Funds and its directors' experience in operating wholesale unregistered managed investment schemes. Although the number of personnel of the Investment Manager is small, this may also be a benefit since it enables a more nimble, hands-on and active management style to be adopted by the Investment Manager.

Asset exposures are constantly monitored to ensure all the assets of the Funds are aligned to the investment parameters. Operating and investment processes are continuously reviewed through a combination of internal and external audit, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Some investments may be made based on limited due diligence and on publicly available information. This may increase risks to the Funds associated with those investments.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities.



# 6.0 Fees and Other Costs

## 6.1 Fees And Other Costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Funds' assets as a whole. Fees are based on the changes in the NAV of each Fund, and each

Fund is charged a proportionate fee. Taxes are set out in another section of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee and cost	Amount	How and when paid
Asset Acquisition Fee	1%	<p>This fee will be paid to the Manager from the assets of the Funds on completion of an acquisition of both the real property and any associated business acquired directly or indirectly by the Funds.</p> <p>The fee is based on the total Acquisition costs relating to the asset acquisition, which includes:</p> <ol style="list-style-type: none"> <li>1. Costs for the identification, due diligence, survey, assessment and acquisition;</li> <li>2. Purchase price of the asset;</li> <li>3. Legal costs, stamp duty, registration fees, borrowing and mortgage expenses, and any other costs incurred in the relevant Fund acquiring that asset.</li> </ol>
Debt Facilitation Fee	NIL	There is no debt facilitation or disposition fee.
Management Fee	0.8% per annum of the gross asset value of the Funds	<p>This fee is paid monthly in arrears.</p> <p>The fee is paid to the Investment Manager to manage the Funds.</p>
Performance fee	20%	<p>The performance fee is paid to the Manager as an incentive to maximise the value of the Funds' portfolio. This fee is paid subject to the High Water Mark being met as at 30 June each year. The Funds will make an ongoing estimate of the performance fee and accrue this in the unit price.</p> <p>Refer to Section 6.2 for more details.</p>

Type of fee and cost	Amount	How and when paid
Expenses and Indirect Costs	As incurred	These are the out-of-pocket expenses and other costs that the Trustees are entitled to recover from the Funds, including but not limited to, expenses incurred in issuing Units, convening and holding Unit Holders' meetings, amending the Trust Deeds of the Funds and establishing and maintaining registers and accounting records. This also includes expenses incurred by the Trustees in respect of external service providers and advisers, including compliance costs and audit, accounting and legal fees. The Trustees are entitled to be reimbursed from the assets of the Funds as and when the Trustees incur the relevant expenses.
Placement Fee	Up to 5%	This is the fee charged by financial advisers, intermediaries and consultants for the introduction of Investors to the Fund and is up to 5% of the cost capital raised for the Funds. The Placement fee is discretionary and the Investment Manager seeks to minimise the use and costs associated with any Placement fees. The Funds will not pay any ongoing commission to financial advisers or intermediaries.

**Notes:**

1. All fees set out in this Section 6 are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits).  
The Funds may not be entitled to claim a reduced input tax credit in all instances.
2. These amounts do not include any other indirect costs and may vary in future years. Refer to Section 6.3 for more details.



## 6.2 Additional Explanation Of Fees And Costs

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### Management Costs

All estimates of fees and costs in this section are based on information available as at the date of this IM. The figures reflect the Trustees' reasonable estimate at the date of this IM of those fees and costs that will apply for the current financial year (adjusted to reflect a 12-month period). The fees and costs and examples provided in this IM are stated on a consolidated basis across the Funds. Fees and costs are apportioned and deducted from your investment in both Funds.

These amounts are inclusive of GST less reduced input tax credits. The total management costs for operating the Funds include the Management Fee and indirect costs (including recoverable expenses).

They do not include the transactional and operational costs of the Funds or the asset acquisition fee that is payable by the Funds. Management costs are payable from the Funds' assets and are not paid directly from your account. The management costs reduce the Net Asset Value of the Funds and are reflected in the NAV per Unit.

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### Management Fee

This is the fee charged by the Investment Manager for managing the Funds and its investments. The Manager will be paid a Management Fee of 0.8% per year of the gross asset value of the Funds. The Management Fee is calculated and accrued monthly and paid from the Funds monthly in arrears. The Management Fee is reflected in the Unit price.

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### Performance Fee

The Manager will be paid a Performance Fee of 20.00% of the increase in the Net Asset Value of each Unit (adjusted as set out below) above the High Water Mark for the Units, calculated and payable yearly in arrears (at 30 June) (Calculation Period).

The Performance Fee is only paid where the price of Units exceeds the High Water Mark for the Units, which in respect of a date, is the greater of:

- The highest Net Asset Value per Unit as at the last day of the last period for which a Performance Fee was last paid or payable.

Any distributions paid or payable to Unit Holders since the last time the Performance Fee for the Units was set will be included as part of the increase in the Net Asset Value per Unit.

The Net Asset Value per Unit is calculated after deducting Expenses and Management Fees but before any accrued Performance Fees. Adjustments may be made for capital restructures.

If Units are redeemed other than for the end of a Calculation Period, the Performance Fee will be paid as if the redemption had occurred for the end of the Calculation Period.

The Manager has no obligation to restore to the Funds any Performance Fees previously earned and paid, notwithstanding a loss in a subsequent period. If the Funds are terminated as of a date other than the last day of a Calculation Period, then the Performance Fee due to the Manager will be calculated on the basis of the Funds' performance over the period from the last Performance Fee computation (or the first issue of Units, as the case may be) through to the termination date.

The Manager may elect to receive part of its Management Fee and/or Performance Fee in the form of Units in the Funds. Any Units issued to the Manager will be at the issue price for those Units applicable at that time.



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## Worked example of Performance Fee

The example that follows is only for the purpose of illustrating how Performance Fees may be calculated.

The Net Asset Value of units issued in January are issued at \$1 and at 30 June is \$1.10 and you held 10,000 Units during this period.

The Performance Fee is  $20.00\% \times 10,000 \times ((\$1.10 - \$1.00)) = \$200.00$ .

For each \$10,000 that you have invested at 30 June and purchased for \$1 per unit, you would have earned \$1,000.00 and be charged \$200.00 in Performance Fees.

This example assumes the High Water Mark of \$1.00 and hence the Net Asset Value per Unit (i.e., \$1.10) exceeds the High Water Mark for the Units.

Importantly, the investment return of the Unit is for illustrative purposes only and is not an indicator of future performance.

---

## Expenses

All costs or general expenses incurred (or that will be incurred) by the Manager in connection with the management of the Funds and the Offer are payable out of the Funds.

The Manager is responsible for providing at its cost all office personnel, office space and office facilities required for the performance of its services. The Funds will pay all other expenses incidental to its operations, including, but not limited to, fees payable to the Funds' Service Providers (e.g. Administrator, Registry and Brokers, Lenders and Custodians) and their out of pocket expenses incurred on behalf of the Funds, taxes imposed on the Funds or the Manager, governmental charges and duties, the Funds' advisers (e.g. legal, accounting and audit), printing and distributing the IM, subscription materials, marketing materials and any reports and notices to Unit Holders or prospective Unit Holders. The Funds may also pay unanticipated expenses arising from its business, such as litigation and indemnification expenses.

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## Indirect Costs

In general, indirect costs are any amounts that reduce the returns on the units that is paid from, or the amount or value of, the income or assets of the Funds (including an underlying investment of the Funds). Indirect costs are reflected in the unit price of your investment in the Funds.

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## Transactional and Operational Costs

The Funds may incur transactional and operational costs such as commissions, brokerage, settlement and clearing costs. Transactional and operational costs are additional costs to Unit Holders that are deducted from the assets of the Funds. Such costs are recovered as they are incurred and reflected in the Unit price. Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs.

Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

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## Tax

See Section 8 for information.

Fees Waiver and Deferral	The Investment Manager may defer the receipt of any fees from time to time. If it does this, this will not affect its right to receive the applicable fee. The Investment Manager may waive all or part of the Management Fee, Performance Fee or other fees for certain Unit Holders or pay all or part of such fees or amounts out of our own resources to third parties (e.g. financial advisers, dealer groups) for services related to the placement of Units. It is not possible to estimate these amounts. If the law allows, we may charge fees on a different basis to our associates and Unit Holders that are wholesale clients (as defined under the Corporations Act) and who make a substantial investment in the Funds or other of our investment products.
Adviser Service Fee	You may agree to pay your own adviser a fee for any financial advice that they provide to you. However, these are separate to any fees we charge in respect of your investment in the Funds, as set out in this IM and the table above.

## 6.3 Example Of Annual Fees And Costs

The following table gives an example of how the fees and costs applicable to Units in the Funds can affect your investment over a one (1) year period. The hypothetical example below assumes that a Performance Fee is payable to the Manager. Please note that this is just an example. In practice, your investment balance will vary, as will related management costs.

Example of annual fees and costs for the Fund	This table gives an example of how the ongoing annual fees and costs associated with your investment in the Funds will affect your investment balance over a 1-year period. You should use this table to compare the ongoing fees and costs of this Funds with other similar unregistered wholesale managed investment schemes.	
Example Defender Global Funds	Per Annum Basis	Balance of \$250,000 with a contribution of \$25,000 during the year and a return of 20% for the period <sup>1</sup> .
Contribution Fees	NIL	For every additional \$25,000 you put in, you will be charged \$0 contribution fee.
Plus Management Fees	0.8%	And for every \$250,000 you have in the Funds you will be charged a Management Fee of \$2000 each year (i.e., 0.8% x \$250,000).
Plus Performance Fees	20%	And, you will be charged or have deducted from your investment a Performance Fee of \$10,000 (see below Performance Fee calculation).
Plus estimated expenses and indirect costs <sup>2</sup>	0.4%	And, you will be charged or have deducted from your investment \$1,000 to reflect estimated expenses and indirect costs.
Equals cost of investing the Fund	If you had an investment of \$250,000 at the beginning of the year and you put in an additional \$25,000 during the year, you would be charged an estimated fees and costs of: \$13,000.	

1. The example above assumes that \$250,000 is invested for the entire year, the value of the net asset value (NAV) increases by 20% and an additional \$25,000 is invested during the year. Therefore, management costs are calculated using the \$250,000 balance only.
2. The amounts (and percentages) for 'estimated expenses' and 'estimated indirect costs' are just estimates. These could be higher or lower. You should not rely on these estimates as being an accurate reflection of those expenses and costs.
3. The example above assumes that \$250,000 is invested for the entire year, the value of the net asset value (NAV) increases by 20% and an additional \$25,000 is invested during the year. Therefore, management costs are calculated using the \$250,000 balance only.

## Example of the impact of the Performance Fee on your investment

Example	Based on the NAV of the Fund	Based on the value of Investment	Balance of \$250,000 with a contribution of \$25,000 during the year and a return of 20% for the period (1).
Investment balance at start of year	\$250,000		
Starting NAV price	\$1.00	\$250,000	Assuming an investor receives 250,000 units at the beginning of the year, based on a Unit price of \$1.00 per Unit.
Plus Change in NAV – before Performance Fees – being the return to investors before Performance Fee.	+ \$0.20	\$50,000	This is based on a 20% return during the period, where all Management Fees, estimated expenses and indirect are included in the changes to the NAV.
Equals NAV before Performance Fee	\$1.20	\$300,000	This is the per Unit price before the Performance Fee, as a result of 20% return.
Less the Performance Fee	-\$0.04	-\$10,000	The Performance Fee is 20% of the return after all costs, and reflects a reduction in the NAV by the value of the Performance Fee payable to the Investment Manager.
Equals The NAV post performance fee	\$1.16	\$319,000	This is the NAV post all fees and charges, multiplied by the 275,000 units (250,000 initial Units + 25,000 additional investment units) to reflect an investment value of \$319,000 at \$1.16 per Unit.
Investment value at end of year	\$319,000	\$319,000	

# 7.0 How the Fund Works

## 7.1 How To Apply

To invest in the Funds you must complete the accompanying Application Form.	The Manager may from time to time allow additional times for accepting applications.
Applications and application amounts must be received by the Registry prior to 5:00pm (Sydney time) 5 Business Days before the end of a month, unless otherwise agreed by the Manager in its absolute discretion. Applications received after the cut-off time will generally be processed in the following month.	Additional Application Forms may be obtained from the Registry or by telephoning the Manager on (02) 8624 6130 or emailing <a href="mailto:info@defenderam.com">info@defenderam.com</a> .
Minimum Investments	<p>The minimum initial investment amount is \$100,000 and the minimum additional investment amount is \$25,000. The Manager may in its absolute discretion waive or vary these minimum requirements.</p> <p>It is important to note that the default position is that your investment monies (including any additional investment) will be split 50% with units in the DTPF and units in the DTOF. You may apply to vary this in your application for units.</p>
Issue Price	The issue price of Units will be the Net Asset Value per Unit as at the last Business Day of the relevant month.
Application Acceptance and Interest	<p>To ensure the Fund remains efficient and competitive, the Manager may in its absolute discretion reject or decline to accept applications (in part or in full) and may close a Class or the Fund to further investment where it believes the relevant Class or the Fund has reached capacity.</p> <p>Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.</p>
Issue of Units	The number of Units issued to an applicant will be equal to the application amount divided by the issue price.





## 7.2 How To Redeem

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Unit Holders may make a request to redeem their Units by giving written notice to the Manager. The Manager will make a recommendation to the Trustee of the relevant Fund regarding approval of the redemption request.

The Trustee may, in its absolute discretion, redeem units in accordance with the request.

Redemption requests must be received by the Manager prior to 5pm (Sydney time) 30 days (or such lesser period as the Manager may determine) before the last Business Day of each calendar month (Redemption Valuation Date). The Manager may from time to time allow additional times for accepting redemptions.

All redemption requests are subject to whether there is sufficient liquidity in the Fund.

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### Minimum Redemption Amount

The minimum redemption amount is \$25,000 unless otherwise approved by the relevant Trustee. Redemption requests may be refused if the processing of a redemption request would result in the Unit Holder holding an investment balance of less than \$100,000. Unless you direct us otherwise, your redemption will be split 50/50 across the DTPF and DTOF.

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### Redemption Price

Where a redemption is approved by the relevant Trustee, the redemption price for a Unit will be its Net Asset Value per Unit as at the Redemption Valuation Date.

The Manager expects that redemptions will be processed and typically paid within 30 days of the Redemption Valuation Date, however, in certain circumstances, redemptions may take longer. It may take up to 120 days from the Redemption Valuation Date to calculate your redemption price or pay your redemption proceeds. This is because the ability to fund a redemption is generally dependent on the ability of the Funds to realise their investments.

In some circumstances, redemptions may also be suspended as set out below.

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### Restriction On Redemptions

The Trustee is restricted from approving redemption applications where approving the application creates circumstances where the redemption would be adverse to the relevant Fund as a whole. Where, in the opinion of the Trustee, the redemption would be adverse to the interests of unit-holders as a whole, the Trustee will decline to approve the redemption application.

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### Where The Fund Is Not Liquid

The redemption process, including the calculation of the redemption price, described above applies only when the Funds are 'liquid' (as defined in section 601KA of the Corporations Act 2001). If the Funds are no longer liquid, Units may only be redeemed under a redemption offer made to all Unit Holders in the Funds, in accordance with the Trust Deed and the Corporations Act. Unit Holders will be notified in writing of any material changes to their redemption rights.



## 7.3 Transfers

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You may not sell or transfer (or agree to do so) any Units to another person without our prior written consent. We may impose certain terms and conditions or delay or withhold our consent.

To apply, complete and send to the Registry the transfer document. This is available from the Registry.

If you do not obtain our consent, we may compulsorily redeem the relevant Units. The sale or transfer of Units will have tax consequences. Stamp duty may also be payable unless an exemption applies. You should obtain tax and stamp duty advice before requesting a transfer.

## 7.4 Distribution

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The distribution policy of the Funds is to distribute (when available) as soon as practicable after each 30 June and 31 December (or otherwise as determined by the Manager) the net income in the Funds.

Distributions from each of the Funds may comprise income and/ or capital as determined by the Manager under the relevant Fund's Trust Deed. We may also distribute additional amounts at other times. There is no guarantee that any income will be derived from the Funds. Distributions are calculated based on the number of Units in the relevant Fund held as at the end of the distribution date (e.g. 30 June). Your distribution entitlement is not pro-rated for the duration of your investment during the year.

You can elect to reinvest distributions. Distributions will be reinvested in the relevant Fund Units from which the distribution was derived. If you do not make a choice, distributions from the Units will be automatically reinvested in further Units.

Such Units will be issued at the relevant Net Asset Value per Unit (with no Buy/Sell Spread). If you hold other Classes of Units in the Funds, any election you make with respect to Units will apply to your other classes of Units.

## 7.5 Net Asset Value Of Units

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The Net Asset Value for a Unit of is the total value of the relevant Fund's assets less the Fund's liabilities (calculated in accordance with the Trust Deed) each referable to that Class, divided by the number of Units on issue in the Class. The key aspects of the valuation policy applied in valuing the Fund's assets are set out below. We may rely upon the valuations or prices supplied by third parties and/or industry standard pricing models for which we will not or are not able to verify the accuracy. The Manager has appointed the Administrator to calculate the net asset valuations of the Funds. Units will typically be priced monthly on the last Business Day of each calendar month except where the calculation of the Net Asset Value of the Funds is suspended.

Unit prices will be displayed monthly at [www.defenderam.com/](http://www.defenderam.com/) investments or can be obtained by telephoning (02) 8624 6130.

The Manager has documented how it intends to exercise Unit pricing discretions in a policy document. If a discretion is exercised in a way that departs from the documented policy, a record of this will be kept in an exceptions register. The policy document and any exceptions register will be available to Unit Holders free of charge by contacting the Manager.



## Valuation

The key aspects of the Fund's valuation policy are:

### Exchange Traded Assets

Exchange traded securities that are regularly traded are valued at their last traded price where there exists a liquid market, or where there is no liquid market on an appropriate VWAP or discount basis. Other investments traded through a clearing firm or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution, less any exit or liquidity costs.

### Non-Exchange Traded Assets

Non-exchange traded securities are typically valued at their cost price or the price of the most recent transaction. Other investments that are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty.

### Real Property and Business Assets

Business assets held by the DTOF are typically valued by the Manager using EBITDA valuation multiple models applicable to the tourism industry. EBITDA multiples vary depending on demographics, location, service offerings and capital intensiveness of the business. The EBITDA modelling is combined with an assessment of actual sales of comparable assets (where available) and price indicators from the tourism and hospitality industry. Real property held by DTPF is generally valued at market price using appropriate methodologies including inspection, comparable sales, rental data, area market analysis with assessment of actual sales. Valuations are conducted by the Manager and these valuations are reconciled to rolling valuations by registered valuers between 2-5 year horizons.

### Currencies

Any non-Australian Dollar value will be converted into Australian Dollars at the rate reasonably determined by the Manager.

The Manager may utilise an alternative valuation methodology or principle to those described above if it considers that such valuation would better reflect the fair value of the asset.

## 7.6 Cooling Off Rights

Unit Holders may have their Units cancelled and monies returned to them where the Manager receives from them a written redemption request within 14 days of the earlier of confirmation by the Manager of that Unit Holder's initial investment in Units or the 5th Business Day after that Unit Holder's Units are issued under this IM.

The monies returned will be equal to the price at which Units could be applied for on the day the Manager receives the redemption request (adjusted for market movements, reasonable transaction and administration costs and any applicable fees and taxes).

This cooling off right does not apply for investments under the Funds' distribution reinvestment plan.

# 8.0 Tax Considerations

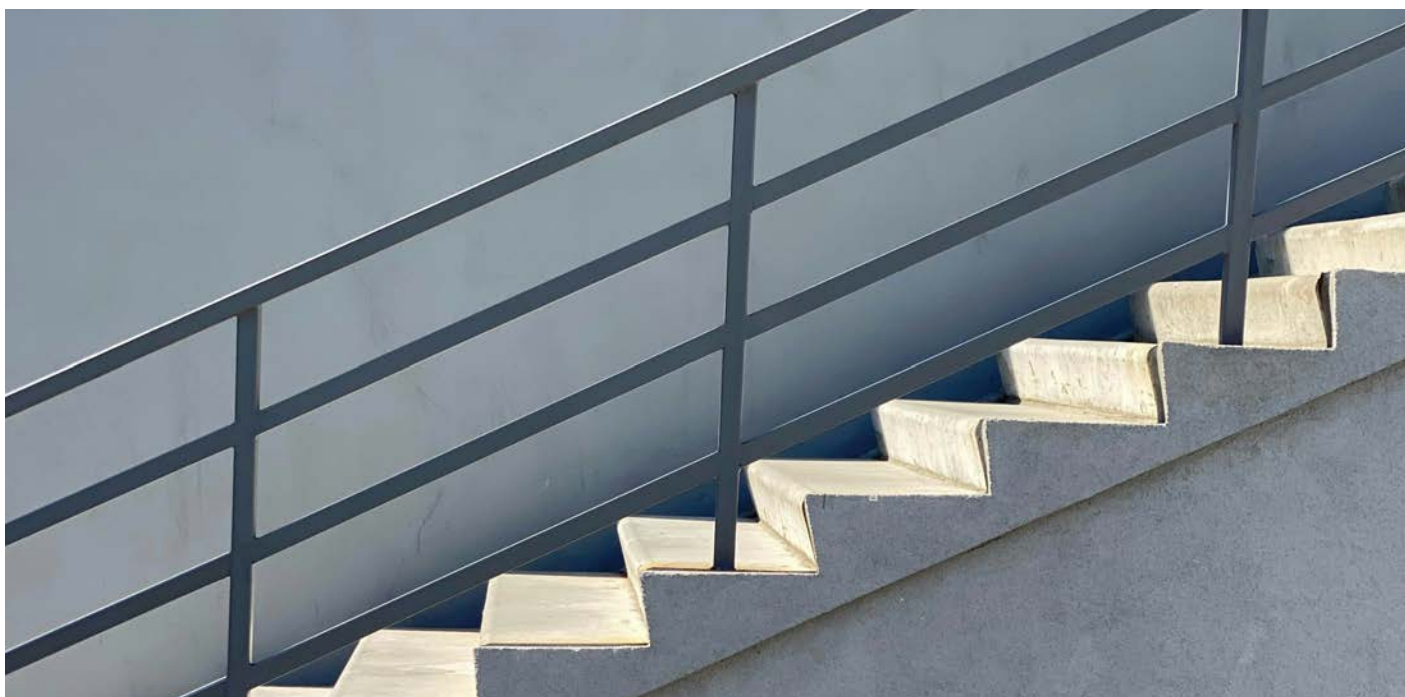
## 8.1 General Overview

The information in this section is based upon Australian tax law and administrative practices in force as at the date of this Information Memorandum. The Australian income tax law is subject to change at any time and any such changes could adversely affect the information provided herein. Any gains from the Funds' investments and from your investment in the Funds may be treated on revenue or capital account depending on the particular circumstances of the Funds and each investor. This may impact the Funds' and an investor's ability to obtain a discount on the capital gains tax applied on any gains. Under Australian tax law, a holding of Units may give rise to taxable distributions even though investors may not receive distributions in cash to fund the tax liability.

The transfer or redemption of Units involves a disposal, which may have tax implications.

Stamp duty may also be payable on the transfer unless an exemption applies. You are not required by law to quote your TFN. However, without your TFN or appropriate exemption information, we are required to withhold tax at the highest marginal tax rate (plus Medicare levy) from income distributions and interest payments made to you.

Investors should obtain independent professional advice in relation to their particular circumstances regarding the taxation consequences of an investment in the Funds before investing.



## 8.2 Summary of Tax Implications

A summary of the general Australian taxation implications for the Funds and Investors in the Funds is set out below.

The summary has been prepared on the basis that Investors:

- Are tax resident in Australia;
- Are subject to Australian tax (that is, are not exempt from Australian tax); and
- hold their investments on capital account.

The summary does not consider the tax implications for other taxpayers who hold their investments on revenue account (e.g. banks, life insurance companies, equity traders, etc.).

These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Investors should seek their own independent taxation advice about their specific facts and circumstances.

It is intended that the Funds will qualify as a managed investment trust (MIT) for Australian tax purposes. Where possible, the Trustee of the relevant Fund may elect for the Funds to be an Attribution Managed Investment Trust (AMIT). If such election is made, the election will apply for all income years while the Funds continue to meet certain criteria.



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## Taxation Of The Fund

The Trustee of the relevant Fund should not generally be subject to tax in respect of the income and gains derived by the relevant Fund in each financial year, provided investors are presently entitled to the income of the trust or, where the Fund is an AMIT, the relevant Trustee attributes all of the taxable income of the fund to Investors in accordance with the AMIT rules and the Trust Deed each income year. It is noted that, under the AMIT Rules, the cash paid to Investors does not need to be equal to the amounts attributed to those Investors.

Where a Fund qualifies as an MIT, the relevant Trustee intends to elect for deemed capital gains tax (CGT) treatment to apply to the relevant Fund. The election applies to investments in shares and non-share equity interests in a company, units in a unit trust, land and rights or options to acquire shares, units or land. The election does not apply to other assets or derivatives.

Where a Fund incurs a revenue loss (which may arise where the Funds makes a loss on investments to which the deemed capital account treatment described above does not apply) in a financial year, the relevant Fund may carry this tax loss forward to offset against future taxable income of the Fund, subject to the satisfaction of the trust loss carry forward rules. Any capital losses made by the relevant Fund can be offset against capital gains in the same financial year or carried forward to offset future capital gains. Capital losses are not subject to the tax loss recoupment rules however they cannot offset revenue gains.

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## Taxation Of Distribution From The Fund

Australian tax resident investors will include in their assessable income the amount attributed to them by the relevant Trustee and this will be advised to Investors via the annual distribution statement. Where the relevant Fund is an AMIT during an income year, the amount attributed to Investors will represent a fair and reasonable attribution of the Fund's taxable income determined by the relevant Trustee in accordance with the Trust Deed. The fair and reasonable attribution may take into account the Investor's share of their interests in the relevant Fund and any gains realised by the Fund in order to fund an Investor's redemption request.

The relevant Trustee may be required to withhold tax from distributions in a range of circumstances including for certain payments to non-resident investors.

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## Cost Base Adjustments

The cost base of the Investor's units in each Fund will generally be the amount the Investor paid for the units (including incidental costs of acquisitions and disposals). However, changes to the cost base will be required to be calculated by each of the Investors of the relevant Fund on an annual basis. Where a Fund qualifies as an AMIT, broadly, the cost base will increase where the Fund attributes an amount of assessable income (including grossed up capital gains) or non-assessable non-exempt income and the cost base will decrease for amounts of cash distribution to which an Investor becomes entitled to or for tax offsets attributed to the Investor by the relevant Trustee.

A reasonable estimate of the AMIT cost base net amount will be provided to members as part of the Attribution MIT Member Annual (AMMA) statement.

Similarly, where a Fund does not qualify as an AMIT, investors' cost bases should also be required to be reduced where an investor's cash distribution entitlement exceeds their share of taxable income of the Funds. Where an Investor's cost base is reduced to nil, further reductions in the cost base will be taken to be a capital gain for the Investors.

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## Disposal Or Redemption Of Units

Resident Investors will make a capital gain where the capital proceeds from the disposal or redemption of their units exceeds the cost base of the relevant units. Conversely, a capital loss will arise if the capital proceeds are less than the reduced cost base of the relevant units.

Under the current law, where the Investor is an individual, an entity acting in the capacity of trustee (conditions apply) or a complying superannuation fund and the units have been held for more than 12 months, any capital gain arising from disposal or redemption of the units may be reduced by the relevant CGT discount (if applicable).

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## Annual Tax Statement

Investors should expect to receive an annual tax statement or, where the relevant Fund qualifies as an AMIT for an income year, an AMMA tax statement for the Fund within 3 months after the end of each financial year. The statement will show the cash distributed and the taxable and non-taxable components and, where the Fund qualifies as an AMIT, a reasonable estimate of any adjustments to the Investors' cost base of their units.

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## Tax File Number (TFN) and Australian Business Number (ABN)

The Trustees are authorised under Australian tax laws to collect TFNs and ABNs in connection with investments in the Funds.

It is not compulsory for an Investor to provide their TFN, but without a TFN (or ABN in some circumstances) or the appropriate exemption information, the Trustees must withhold tax from distributions (and undistributed amounts to which they are presently entitled) at the 'top rate', being the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided.

Investors may prefer to provide an ABN as an alternative to their TFN if their investment is made as part of an enterprise.

Investors who have not quoted their TFN or ABN (or a relevant exemption) will need to claim a credit in their income tax return for the tax withheld (or, if this is not appropriate, they can apply to the Australian Taxation Office (ATO) for a refund).

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## Reporting

For investors that are considered to be residents of certain countries for tax purposes, we may also be required to obtain additional information and report to the Australian Tax Office (ATO) or overseas tax authority each year relevant details relating to their investment, including balance and income received, under the rules designed to combat tax evasion in their country of residence for tax purposes.

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## Foreign Account Tax Compliance Act (FATCA)

The Funds are required to comply with FATCA. FATCA enables the U.S Internal Revenue Service (IRS) to identify and collect tax from US Persons that invest in non-US entities.

To comply with these requirements, we will collect and disclose information about certain investors such as your US Taxpayer Identification Number to the ATO or IRS. If you do not provide this information, we may be required to withhold tax on any payments made to you.

If a Fund suffers any amount of FATCA tax, neither the Manager nor the relevant Fund will be required to compensate you for any such tax, and the effects of these amounts will be reflected in the returns of the Fund. A credit for such foreign taxes may be available in your jurisdiction of residence.

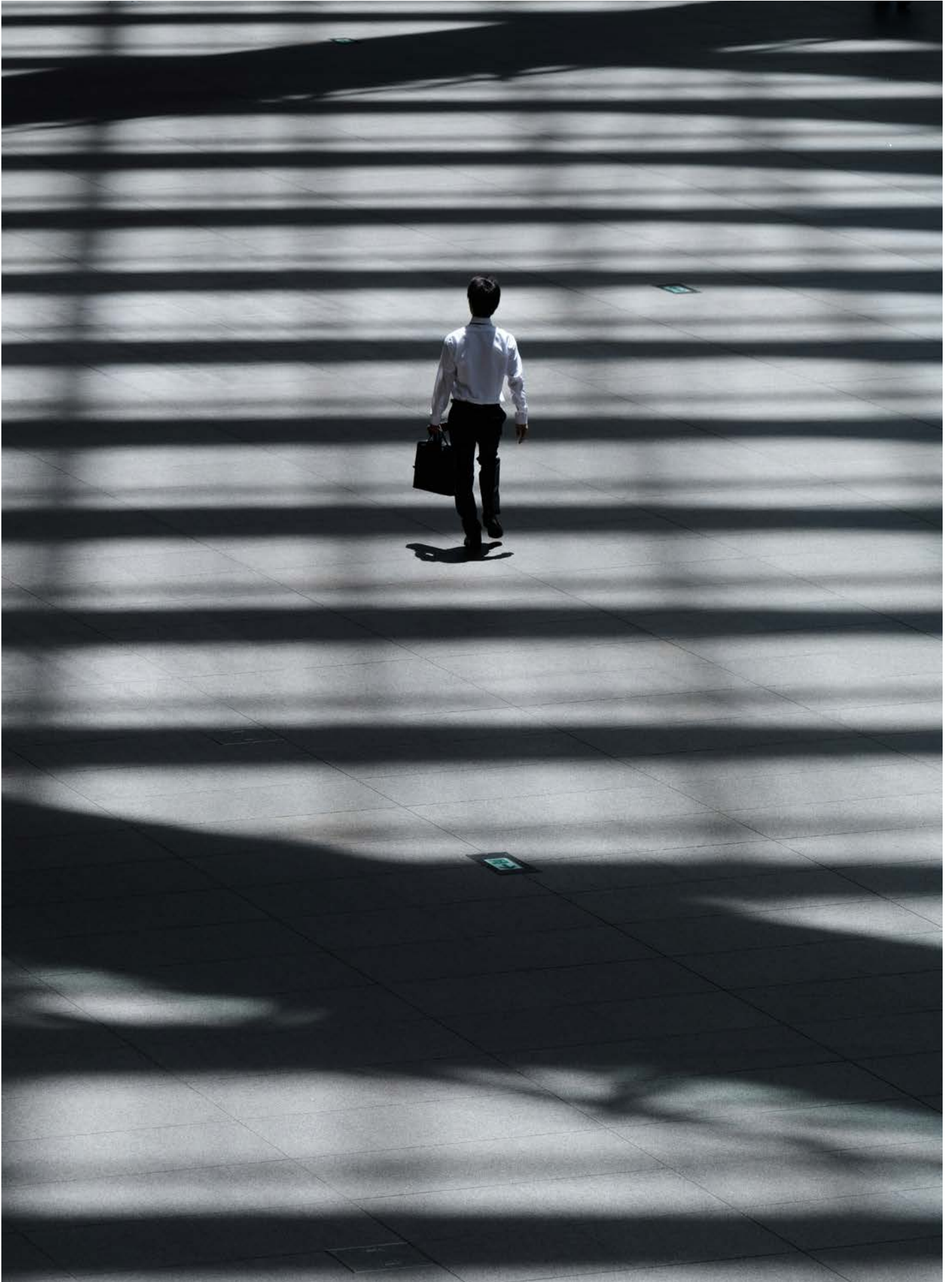
You should seek your own advice in this regard.

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## Common Reporting Standard (CRS)

The 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.

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.



# 9.0 Material Contracts

The Trustees consider that the material contracts described below are those which a Unit Holder would reasonably regard as material and which Unit Holders and their professional advisers would reasonably expect to find described in this IM for the purpose of making an informed assessment of an investment in the Funds under the Offer.

This Section contains a summary of the material contracts and their substantive terms. As this Section is only a summary of the material contracts, it does not set out all rights and obligations under each material contract and these agreements will only be fully understood by reading each document in full.

## 9.1 Investment Management Agreement

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The Trustees have entered into the Investment Management Agreements with the Investment Manager. A summary of the material terms of the Investment Management Agreements is set out below.

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### Services

The Investment Manager will invest and manage the assets of the Funds in accordance with the terms of the Investment Management Agreements. Other services include assisting the Trustee in preparation and distribution of Offer documents, reporting to the Trustees, keeping proper records of Funds' transactions, liaising with the Administrator and Registry to ensure that they are carrying out their role and have any information they require.

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### Power And Discretions

For the purpose of carrying out its functions and duties under the Investment Management Agreements, the Investment Manager has the powers of a natural person to deal with the assets of the Funds and to do all things and execute all documents necessary for the purpose of managing those assets and carrying out its functions under the Investment Management Agreements.

The Investment Manager must not without the prior consent of the Trustees:

- Delegate any of its functions, powers or duties under the Investment Management Agreement; or
  - Invest in any form of investment without prior written consent of the relevant Trustee before the Fund.
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### Non - Exclusivity

The Investment Manager may from time to time perform similar investment and management services for itself and other persons to the services performed for the Trustees under the Investment Management Agreements.



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## Exercise of Duties

The Investment Manager must act honestly and exercise all reasonable care, skill, due diligence and vigilance expected of a professional manager would exercise in carrying out its functions, powers and duties under the Investment Management Agreement.

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## Fees And Expenses

An Acquisition Fee, Management Fee and a Performance Fee are payable to the Investment Manager at the rates indicated in Section 6.

The Investment Manager is entitled to be reimbursed from the Funds for all expenses it reasonably and properly incurs in performing the investment and management services under the Investment Management Agreement provided that it provides the relevant Trustee with written notice of the expenses together with reasonable evidence that the relevant Trustee may reasonably request to verify that the expenses have been reasonably and properly incurred.

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## Term And Termination

The term of the Investment Management Agreement is ongoing until terminated in accordance with its terms.

Either party can terminate the relevant Investment Management Agreement immediately on certain termination events (Termination Event). 'Termination Events' include:

- Fraud, wilful misconduct or gross negligence; and
- A receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertakings of a party, or a party goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms approved in writing by the other party) or ceases to carry on business.

The Investment Manager may also terminate the relevant Investment Management Agreement if the relevant Trustee is removed as the trustee of the Funds by Unit Holders.

The Trustee may also terminate the relevant Investment Agreement where the Manager ceases to have suitable regulatory permissions to provide services under the agreement.

## 9.2 Trust Deed

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Please refer to section 10.2 for summary of details about the terms of the Trust Deed.

# 10.0 Operational aspects of the Fund

## 10.1 Communication And Reporting

Unit Holders will be provided with the communications set out in the table below and in the disclosure benchmarks set out in Section 3. Unit Holders will also receive confirmations of their Unit applications,

redemptions and distributions. Unit Holders may ask the Manager for additional information as reasonably required, although the Manager may not always be able to satisfy such requests.

Statement	Timing
Unit Net Asset Value	Monthly
Fund Newsletter	Quarterly
Periodic Statements	Annually
Income distribution statement (including details of income entitlements)	Annually
Annual Report (Including the Fund's Audited Accounts)	Annually

We will not mail a hard copy of the annual report to you unless you elect to receive it in hard copy by completing the relevant part of the Application Form. You can elect to receive the annual report by email. The annual report will be available at [www.defenderam.com/investments](http://www.defenderam.com/investments).

Other information relating to the Units you hold will be provided in hard copy unless you elect to receive it by email by completing the relevant part of the Application Form.

If you hold other Classes of Units in the Funds, any election you make with respect to Units will apply to all classes of Units you hold.

Fund related information will be provided through our website at [www.defenderam.com/investments](http://www.defenderam.com/investments).



# 10.2 The Trust Deed Of The Fund

<p>The Trust Deed contains the rules relating to a number of matters including:</p> <ul style="list-style-type: none"><li>• Unit Holder rights;</li><li>• the process by which Units are issued and redeemed;</li><li>• the calculation and distribution of income;</li><li>• the investment powers of the Trustee;</li><li>• the Trustee's right to claim indemnity from the Funds and charge fees and expenses to the Funds;</li><li>• the creation of other classes of Units;</li><li>• the termination of the Funds.</li></ul> <p>It is generally thought that Unit Holders' liabilities are limited to the value of their holding in the Funds. It is not expected that a Unit</p>	<p>Holder would be under any obligation if a deficiency in the value of the Funds was to occur. However, this view has not been fully tested at law.</p> <p>Unit Holders can inspect a copy of the relevant Trust Deed at our head office or we will provide them with a copy free of charge, on written request. The Trustee may alter the Trust Deed if it reasonably consider the amendments will not adversely affect Unit Holders' rights. Otherwise (subject to any exemption under the law), the relevant Trustee must obtain Unit Holder approval at a meeting of Unit Holders.</p> <p>A Trustee may retire or be required to retire as Trustee if Unit Holders vote for its removal.</p>
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<p>Units</p>	<p>The beneficial interest in the Funds is dividend into Units. A Unit confers on the Unit Holder an undivided beneficial interest in the assets of the Funds as a whole, subject to the liabilities of the Funds and not in parts or single assets. A Unit Holder holds a Unit subject to the rights, restrictions and obligations attaching to that particular class of Unit.</p>
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<p>Classes Of Units</p>	<p>The Trust Deed permits the Trustee to:</p> <ul style="list-style-type: none"><li>• Establish separate classes of Units;</li><li>• Establish additional classes of Units as required;</li><li>• Allocate a part or parts of the assets of the Funds to a particular class, or particular classes of Units; and</li><li>• A class of Units may have interests and rights differing from each other class of Units.</li></ul>
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<p>Liability of Unit Holders</p>	<p>Subject to any separate agreement of acknowledgment by a Unit Holder or any tax amount arising in connection with Unit Holder as set out in the Trust Deed, the liability of each Unit Holder is stated in the Trust Deed to be limited to the amount (if any) which remains unpaid in relation to the Unit Holder's subscription for their Units.</p>
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<p>Trustee's Powers and Duties</p>	<p>The Trustee has all the powers in respect of the Funds that may be conferred on a trustee under the law and as though the Trustee was the absolute owner of the assets of the Funds and acting in its personal capacity. This includes the power to borrow or lend money, and raise and accept any type of financial accommodation, and to grant options, rights, mortgages securities, guarantees and indemnities.</p>
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Entitlement To Fees And Expenses	The Trustee is entitled to be paid the fees as provided for in the Trust Deed and to recover expenses from the Funds' assets that are incurred by it in performing its role in connection with the Funds, subject to the proper performance of its duties.
Trustee's Indemnity	The Trustee is indemnified out of the assets of the Funds and can be reimbursed for any liability incurred by it, in its own capacity or through a delegate, in relation to the proper performance of any of its duties or exercise of any of its powers in relation to the Funds.
Trustee's Liability	The Trustee will generally not be liable to Unit Holders except to the extent that the Corporations Act imposes such liability. The Trustee's liability is generally limited to the extent to which it is entitled to recover through its right of indemnity from the assets of the Funds.





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## Distributions/ Reinvestment

The Trust Deed provides for the Trustee to make distributions and the Trustee may decide whether to permit or require Unit Holders to reinvest some or all of any distribution to acquire Units.

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## Meetings

Meetings of Unit Holders may be convened and conducted in accordance with the Trust Deed.

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## Amendments To The Trust Deed

The Trust Deed may be amended by the Trustee at any time by executing a written instrument.

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## Removal And Retirement Of The Trustee

The Trustee may voluntarily or compulsorily retire as permitted by law, which includes by calling a meeting of Unit Holders to pass a resolution with respect to appointing a new Trustee. The Trustee must give each unit-holder at least 14 days written notice of its intention to retire.

Unit Holders may also call a meeting to vote on a special resolution to remove the Trustee.

## 10.3 Complaints Resolution

The Manager has a formal policy in place for dealing with complaints. In the first instance, complaints should be in writing to Defender Asset Management Ltd, PO Box 630, North Sydney NSW 2060. The Manager will acknowledge Unit Holder complaints immediately, and will investigate complaints and provide a final response to the complaint within 45 days of receipt of the complaint.

Phone: +61 2 8624 6130  
Email: [info@defenderam.com](mailto:info@defenderam.com)  
Mail: PO Box 630,  
North Sydney, NSW 2060

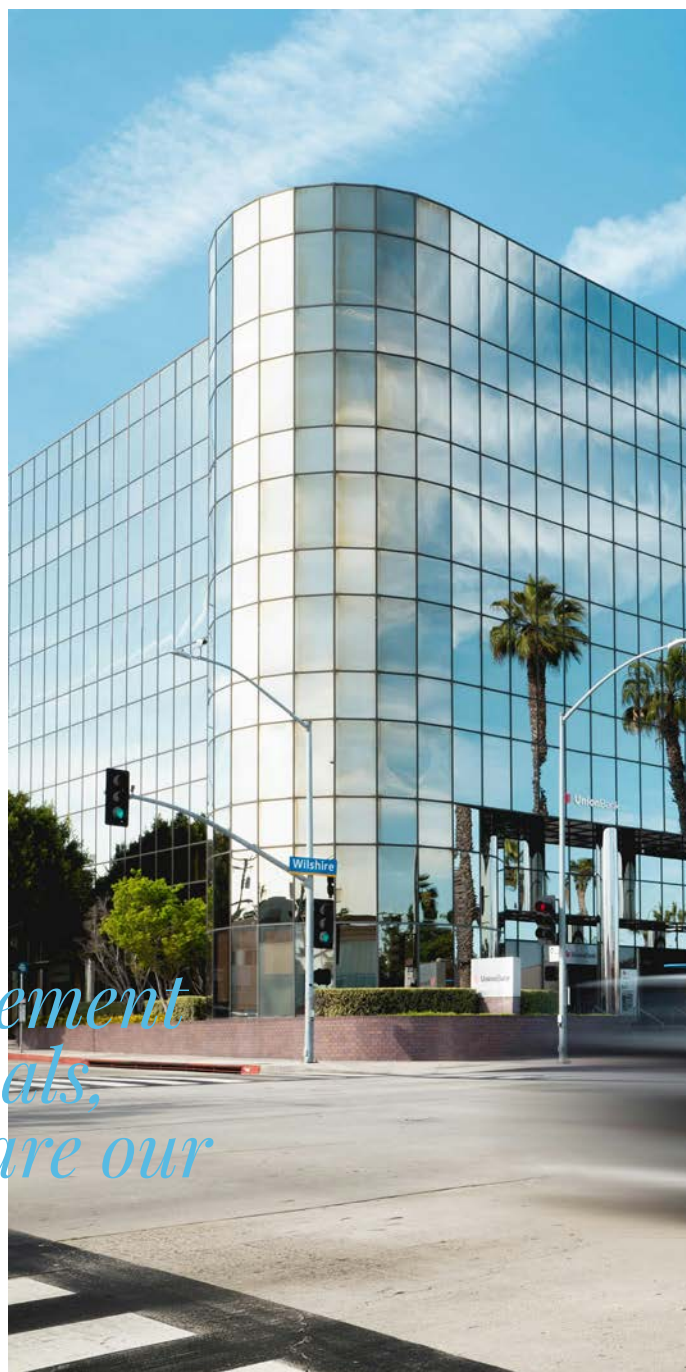
## 10.4 Anti-Money Laundering

The Manager is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) ('AML/CTF Law'). The Manager may require you to provide personal information and documentation in relation to your identity when you purchase Units in the Funds. The Manager may need to obtain additional information and documentation from you when undertaking transactions in relation to your investment. The Manager may need to identify and verify a Unit Holder (including all investor types noted on the Application Form) prior to purchasing Units in the Funds.

The Manager will not issue Units until all relevant information has been received and your identity has been satisfactorily verified;

- Your estate – if you die while you are the owner of Units in the Funds, the Manager may need to identify your legal personal representative prior to redeeming Units or transferring;
- Ownership – anyone acting on your behalf, including your power of attorney.

In some circumstances, the Manager may need to re-verify this information. By applying to invest in the Funds, you also acknowledge that the Manager may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of Units in the Funds, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF Law, and the Manager will incur no liability to you if it does so.



*Defender Asset Management  
is owned by its principals,  
our client's objectives are our  
objectives.*



# 10.5 Privacy

The Application Form accompanying this IM requires you to provide personal information.

The Manager and each Service Provider to the Manager or Funds may collect, hold and use your personal information in order to assess your application, service your needs as a Unit Holder, provide facilities and services to you, the Manager or the Funds and for other purposes permitted under the Privacy Act 1988 (Cth).

Tax and corporations law also require some of the information to be collected in connection with your application. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Your information may also be disclosed to members of the Manager’s Group, the Registry, and the Administrator and to their affiliates, delegates, agents and Service Providers on the basis that they deal with such information in accordance with any agreement entered into with the Manager or the Manager’s privacy policy. The Manager may need to disclose information about you to government entities and regulators as required by law.

Your information may also be used to inform you about investment opportunities or other matters that the Manager’s Group thinks may be of interest to you. Contact the Manager using its contact details in the Corporate Directory if you do not want your personal information to be used for this purpose or to request a copy of your personal information held by the Manager (or the Registry).



# 10.6 Key Corporate Governance Policies

## Related Party Transactions and Conflict Of Interest

The Trustees may use the services of related parties in the management of the Funds (in addition to the Investment Manager) and pay fees for their services. All related party transactions are conducted on arm’s length normal commercial terms and conditions. From time to time, the Trustees and the Investment Manager, their related bodies corporate or their directors and employees may hold Units in the Funds. The Trustees may be subject to conflicts of interest when performing its duties in relation to the Funds. The Trustees have procedures in place to manage appropriately these conflicts of interest.

## Interest Of Director

As at the date of this IM, the Manager holds Units in the Funds. Entities associated with or related to the directors of the Manager additionally hold Units in the Funds.

## Remuneration Of Directors

The fees and expenses of the directors of the Trustees are paid by the Trustee companies in their own right and will not be reimbursed out of the assets of the Funds.

# 11.0 Glossary

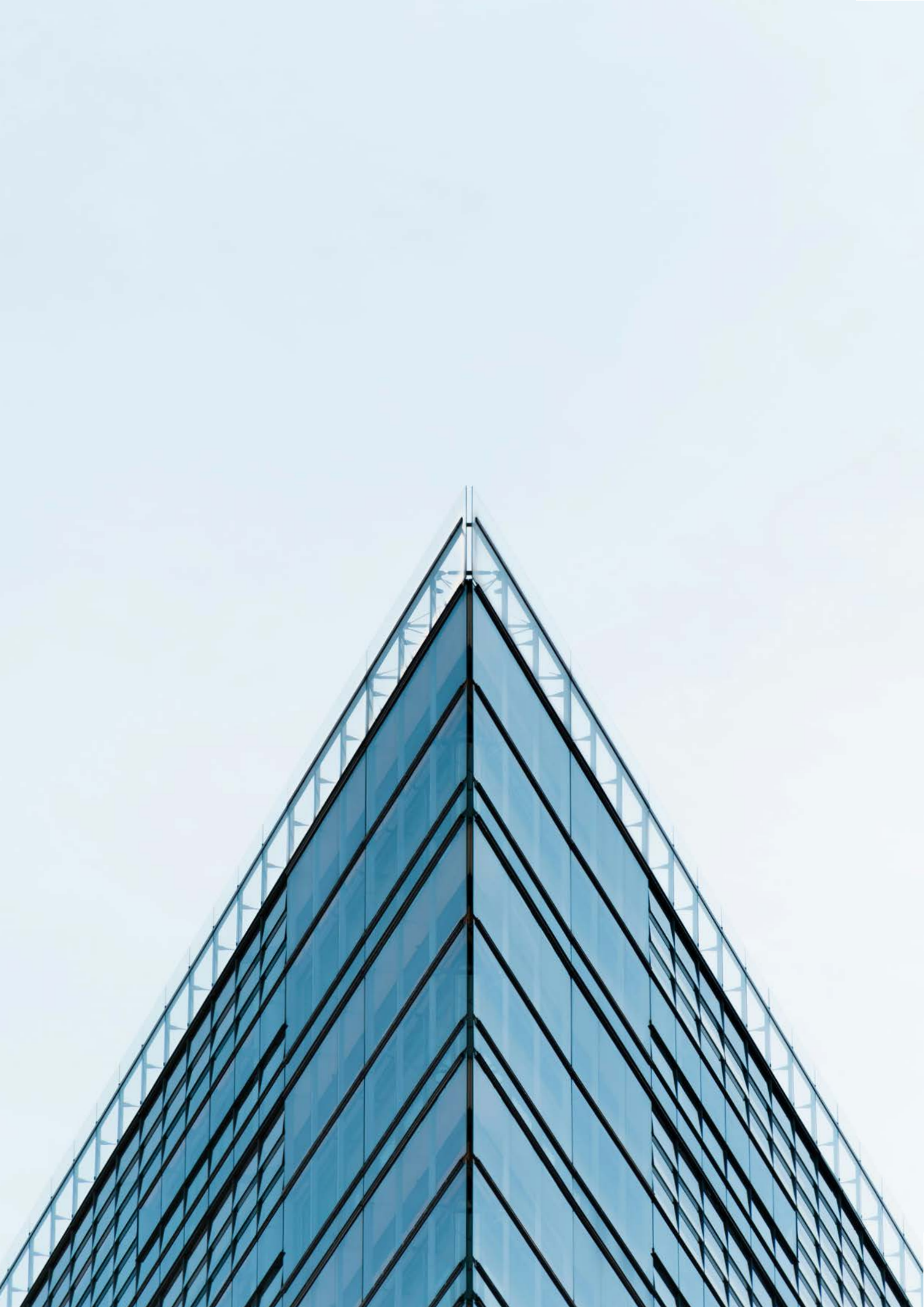
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A\$ Or \$	Australian dollars
Administrator	First Equity Tax
AFSL	Australian Financial Services Licence
Application Form	The application form accompanying this IM
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Auditor	First Equity Audit Pty Limited, or any other auditor appointed by the Trustees from time to time
Business Day	Any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia
Calculation Period	Has the meaning provided in Section 6.2.
CGT	Capital Gains Tax
Class	Each Class of Units in the Funds
Corporations Act	Corporations Act 2001 (Cth)
Custodian	The Trustees are the Custodians of the respective Funds
Derivative	A financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index)
Defender	Defender Asset Management Ltd (ACN 608 281 189)
DTOF	Defender Tourism Operations Fund
DTPF	Defender Tourism Property Fund
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
Equities	Shares or other equity interests in a company
Expenses	Has the meaning in section 6.2 under "Expenses"



FATCA	Foreign Account Tax Compliance Act
Funds	Defender Tourism Property Fund Defender Tourism Operations Fund
High Water Mark	Has the meaning provided in Section 6.2
ICR	Interest Cover Ratio
IM	This Information Memorandum
Investment Manager	Defender Asset Management Ltd - 'Manager' or 'Us'
Lender	An individual, public/private group, or a financial institution that makes funds available to a person or business with the expectation that the funds will be repaid in a set period with interest and or fees chargeable for the service
Leverage	Borrowing money or securities to invest or investing through Derivatives in order to increase the monies available for investment
Manager	Defender Asset Management Ltd - 'Investment Manager' or 'Us'
Management Fee	The fee payable to the Manager for the management of the Funds
Manager's Group	The Manager and each of its related bodies corporate, and each of their associates
Net Asset Value or NAV	The net asset value of the relevant class or the Fund, as determined under the Trust Deed. Refer also Section 7.5
Net Exposure	The exposure value of long Positions less the exposure value of short Positions
Offer	The invitation to subscribe for Units set out in this IM and as described in Important Information
Option	An agreement under which the holder has the right but not the obligation to purchase or sell an asset (e.g. a share) at a particular price at or by a particular time
Performance Fee	Has the meaning provided in Section 6.2
Real Estate	Property, land and buildings including air rights above the land and underground rights below the land

Registry Or Registrar	Automatic Pty Ltd as a provider of registry services to the Funds, or other such registry service provider as determined by the Manager from time to time
Redemption Valuation Date	Has the meaning set out in Section 7.2
Service Providers	The entities named in Section 4.6 as such and any additional or replacement service providers to the Funds from time to time
Trust Deed	Means the applicable trust deed for a Fund
Trustees	Means Defender Tourism Operations Pty Ltd and Defender Tourism Property Pty Ltd
Unit Holder	A person entered on the register of the Funds as a holder of Units in one or more Classes
Units	A beneficial interest in the Funds of any Class. A fully paid unit in the Funds
US Persons	Has the meaning given to the term in Regulation S of the U.S. Securities Act 1933 (as amended)
VWAP	Volume-weighted average price



# 12.0 Corporate Directory

## Manager (or Investment Manager)

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Defender Asset Management Ltd	301/44 Miller Street, North Sydney NSW 2060
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## Registry

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Automic Pty Ltd	Level 5/126 Phillip Street, Sydney NSW 2000
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## Auditors

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First Equity Audit Pty Limited	304/44 Miller Street, North Sydney NSW 2060
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## Administrator

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First Equity Tax Pty Ltd	304/44 Miller Street, North Sydney NSW 2060
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## Legal

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Brown Wright Stein Lawyers	Level 6/179 Elizabeth Street, Sydney NSW 2000
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DEFENDER ASSET MANAGEMENT LTD

301/44 Miller Street  
North Sydney NSW 2060

ACN 608 281 189  
Australian Financial Services Licence No.  
482722

CONTACT

02 8624 6130  
[info@defenderam.com](mailto:info@defenderam.com)



DEFENDER

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NSW 2060  
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