



GEMI CASH MANAGEMENT FUND

INFORMATION MEMORANDUM

ISSUED BY
GEMI ASSET MANAGEMENT PTY LIMITED
(ABN 88 092 408 627 AFSL 231175)

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I. Important Notices

This Information Memorandum has been prepared by Gemi Asset Management Pty Ltd (“GAMPL”), in relation to an offer (the “Offer”) for an investment in the Gemi Cash Management Fund (the “Fund”). Principal Invest Pty Ltd (“PIPL”), ABN 76 606 603 810, authorised representative number 1284725 of GAMPL, is the Manager of the Gemi Cash Management Fund.

This Information Memorandum has not been, and will not be lodged, with the Australian Securities & Investments Commission. The offer contained in this Information Memorandum is an offer that does not require disclosure to Investors under Part 6D.2 or Part 7.9 of the Corporations Act 2001.

Investors should review this Information Memorandum in its entirety before deciding to participate in the Offer. If, after reading this Information Memorandum, you are unclear in relation to any matter or if you have any questions about the Offer, you should contact your accounting, tax, financial or other professional advisor.

None of the parties mentioned in this Information Memorandum guarantees the repayment of capital or payment of income, the performance or success of any investment or the achievement of the objectives of the Fund. None of the parties mentioned in this Information Memorandum nor any of their officers or employees makes any recommendation regarding the Offer described in this Information Memorandum. None of the parties have considered the objectives, financial situation or needs or taxation position of any particular person in preparing this Information Memorandum. GAMPL strongly recommends that Investors consult with appropriate legal, financial and taxation advisors in respect of the Investor’s financial position before deciding to participate in the Offer.

None of the parties mentioned in this Information Memorandum is authorised to give any information, or to make any representation, in connection with the Offer which is not contained in this Information Memorandum. Any information or representation not contained or referred to in this Information Memorandum may not be relied on as having been authorised by any of the parties mentioned in this Information Memorandum.

The Offer made under this Information Memorandum is only available to Australian resident wholesale clients within the meaning of section 761G of the Corporations Act 2001. The Offer does not constitute an offer or invitation in any jurisdictions in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this Information Memorandum in any jurisdiction outside Australia may be restricted by law and therefore any person who receives or comes into possession of this Information Memorandum should inform themselves about and observe any such restrictions. Nothing in this Information Memorandum constitutes an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

II. Summary

The Offer

GAMPL is pleased to provide the following Offer to Australian wholesale clients as defined in section 761G of the Corporations Act 2001 (“Sophisticated Investors”), subject to specific conditions described in this Information Memorandum. This Information Memorandum is not a product disclosure document under the Corporations Act 2001 and has been prepared only for use by Sophisticated Investors.

The Fund aims to achieve a high level of security of capital, give investors a market competitive investment return and provide access to funds at call. Unitholders’ investments are pooled with other unitholders’ investments and the Fund holds deposits with a number of Australian Authorised Deposit Institutions.

In order to participate in the Offer, potential Investors will be required to complete the Application Form and send it with appropriate identification to Gemi Asset Management Pty Ltd. Please deposit your funds into the account identified in the Application Form.

GAMPL will send you a confirmation of your initial application as soon as reasonably practical after receiving your completed Application Form, identification documentation and funds.

Applications into the Fund may be declined in whole or part by GAMPL in its absolute discretion.

Key features

Unit price	\$1.00
Minimum initial investment	\$10,000 unless we approve a lower minimum initial investment
Minimum additional investment	None
Minimum withdrawal amount	None
Minimum balance	\$5,000 unless we approve a lower balance
Income	Accrues daily and is credited to your account monthly
Establishment and termination fees	None
Management fee	Up to 0.5% p.a.
Withdrawal facilities	Payment to nominated account
Reporting	Monthly statements

III. About the Fund

When you invest in the Fund you are issued units at \$1.00 each. Each unit represents an equal beneficial interest in the Fund (subject to unpaid accrued entitlements). A unit entitles its holder to a proportionate share of the Fund's income (net of fees and expenses).

Your deposits in the Fund are pooled with other Unitholders' deposits and invested in a portfolio of bank deposits that provide a high level of security and liquidity. The securities will only include bank deposits. PIPL may change the Fund's range of investments and the level of investment in an asset class from time to time without notice.

Income is calculated and accrued on a daily basis and is paid to all Unitholders monthly by way of distribution or reinvestment in the Fund. Generally, the income of the Fund consists of interest earned less fees and expenses of the Fund. In the unlikely event accrued income is negative on a redemption of Units, your redemption proceeds will be reduced by that amount.

The Director of PIPL operated an identical fund for 10 years from December 2010 and delivered investors an annualised premium after fees in excess of 0.7% over the Reserve Bank of Australia Cash Rate.

IV. Risks

Investment in the Fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their longer term average.

There is also the risk that PIPL will choose particular investment strategies that are less profitable than others. All investments are subject to risk. The risks we have set out below are, we believe, the most significant risks of the Fund.

Interest rate risk

Changes to interest rates can have a direct and indirect impact (negative or positive) on returns.

Credit risk

When investing in bank deposits it is necessary to consider credit risk. Credit risk refers to the counterparty failing to meet an obligation to pay periodic interest or to repay the principal sum at maturity.

Fund risk

There is a risk that the Fund will terminate, fees and charges will increase, GAMPL will be replaced as trustee of the Fund or PIPL's investment professionals will change.

Note that, although the Unit price is set at \$1.00, there is no guarantee on the capital or return of the Fund. An investment in the Fund does not get the benefit of any government guarantee.

V. Terms and Conditions

Investing in the Fund

To invest in the Fund simply deliver a correctly completed Application Form together with your initial deposit and appropriate identification documentation. By completing the Application Form you agree to be bound by the terms and conditions, acknowledge that you have read the terms and conditions and information set out in the Information Memorandum and agree that we may not accept your application for units.

Who can invest?

Investors may only invest if they are a wholesale client within the meaning of section 761G of the Corporations Act 2001. The Fund is not a registered managed investment scheme and only wholesale clients can invest. Investors will need to fall within one of the categories below.

- (a) **Invest at least \$500,000**
The investor invests at least \$500,000 at one time.
- (b) **Net assets of at least \$2.5m or gross income in excess of \$250,000**
The investor supplies GAMPL with an Accountant's Certificate that shows that they have net assets of at least \$2.5m or gross income for each of the last two financial years of at least \$250,000 or the investor is a company or Fund controlled by someone who has such an Accountant's Certificate.

GAMPL reserves the right to refuse any application in its absolute discretion.

How to make additional investments

To make an additional investment, simply mail us a cheque or deposit funds into the following account with your client reference number as the reference:

Account Name: Gemi Registry Pty Ltd – Application Account

BSB: 332 027

Account No.: 555 642 066

Distribution reinvestment scheme

Income will be reinvested by way of an automatic application for additional units in the Fund. The application for units in this way will be subject to the terms and conditions of the Fund. Units allotted under the distribution reinvestment scheme will be allotted in accordance with the terms and conditions set out in the Information Memorandum and the Trust Deed.

Keeping us informed

You must notify GAMPL in writing of any changes to any details that you have given GAMPL. GAMPL will not be held responsible for any errors or losses associated with changes to your details where it has not received reasonable prior notice unless it has acted fraudulently or with gross negligence.

Future changes

From time to time, GAMPL may change the fees and charges, any term or condition applicable to the Fund. When GAMPL intends to introduce any new fee or charge or increase a fee or charge, you will be notified in writing at the address shown in the Register, or electronically to the email address you have provided GAMPL with. The notice will be sent at least 30 days before the effective date of the change.

Redemptions

All units will be redeemed at a redemption price of \$1.00. Please note, however, that this is not a capital guarantee. Any redemption or outward transfer of funds from your account will be deemed to be a request to us to redeem that number of Units that will realise a sum equal to the amount of the redemption or outward transfer, subject to outstanding fees or charges, any income entitlement and whether or not your balance will be reduced to nil or overdrawn. That number of units will generally be deducted from your unitholding with effect from the day that GAMPL is taken to process the redemption or transfer. You cannot make direct cash redemptions from the Fund. The total amount of your redemption proceeds may be adjusted downwards in the event that accrued income is negative.

Provided you have sufficient available balance, redemption proceeds will be available within 3 Business Days provided your request is received by 11am on a Business Day, however it is intended that redemptions will be paid on the same day.

Simply complete the Redemption Request Form. Withdrawals can be paid partially or in full, however they can only be paid into your nominated bank account.

In the unlikely event that the Fund becomes illiquid, Unitholders will only be able to redeem Units if GAMPL makes an offer. If GAMPL does make an offer, Unitholders may only be able to redeem some of their units. There is no obligation for GAMPL to make such an offer.

VI. Fees and Charges

Fees and other costs

This table 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 Fund assets as a whole. All fees and costs are exclusive of GST.

Type of Fee or Cost	Amount	How and when Paid
Establishment fee: the fee to open your investment	Nil	There is no establishment fee payable when you set up your investment in the Fund
Contribution fee: the fee on each amount contributed to your investment	Nil	There is no contribution fee when you invest in the Fund
Withdrawal fee: the fee on each amount you take out of your investment	Nil	There is no withdrawal fee when you redeem investments from the Fund
Termination fee: the fee to close your investment	Nil	There is no termination fee payable when you withdraw from the Fund
Management fee: the fee for managing your investment	Up to 0.5% p.a. Based on a constant investment of \$50,000, management costs for a year would be up to \$250	Calculated and accrued daily based on the total application price of units on issue on that day. The accrued fee is paid monthly in arrears by deduction from the returns of the Fund

GAMPL is entitled to be reimbursed for (amongst other things) costs of acquiring and disposing of Fund assets, taxes and charges charged to it in connection with the Fund, costs of convening and holding meetings of unitholders.

In addition to this right to be reimbursed, GAMPL is also entitled to be indemnified out of the Fund for any liability incurred by it for properly performing or exercising any of its powers or duties in relation to the Fund.

You authorise GAMPL to debit your investment by redemption of whole or fractional units, or to reduce your redemption proceeds or your accrued income entitlements and/or the Fund assets as a whole for:

- all fees and costs applicable to your investment in the Fund;
- any government charges and duties on or reimbursements to third parties of such charges and duties on receipts, holdings or redemptions in relation to your investment in the Fund.

Consumer advisory warning

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check your different fee options.

VII. Taxation Implications for Investors

The acquisition and redemption of units in the Fund can have important taxation consequences for investors. Tax requirements are complex and their impact varies depending on the circumstances of investors. The following section is necessarily general, and does not constitute the provision of tax advice. It is important that you seek professional advice (including tax advice) in relation to investing in the Fund in your personal circumstances.

Residents

GAMPL expects to maintain the Fund on the basis that investors will be presently entitled to payment of the income of the Fund from time to time (i.e. whether it is in fact paid or reinvested). Accordingly, for Fund income to which resident Australian investors are entitled and who have provided their tax file number (“TFN”) or Australian Business Number (“ABN”) or proof of relevant exemption, GAMPL does not expect to withhold tax. Rather these investors will need to include the amount of their income entitlement for a financial year in their assessable income for that year (even if they have been reinvested).

The acquisition and redemption of units in the Fund may have taxation consequences. A capital gains tax event will likely arise for investors in circumstances where their units in the Fund are redeemed.

However, in the normal course of events GAMPL would expect that the capital proceeds which are received or receivable on redemption (e.g. \$1.00 per unit) will be no greater than the cost base that the investors hold in their units which are redeemed (e.g. where also \$1.00 per unit). Therefore, in the normal course of events, a capital gain would not be expected to arise for investors on the redemption of their units.

Australian legislation allows GAMPL to collect your TFN or ABN and strictly regulates how it may use your TFN or ABN. Quotation is not compulsory and failure to quote is not an offence. If you choose not to give GAMPL your TFN, ABN or do not claim an exemption, GAMPL must deduct tax at the highest personal tax rate (plus the Medicare Levy) from your income entitlement.

VIII. Other information

Trustee

Gemi Asset Management Pty Limited, Australian Financial Services Licence 231175, is the trustee of the Fund. GAMPL is a wholly owned subsidiary of Gemi Holdings Pty Ltd, a member of the Gemi Group (Gemi).

Gemi

Gemi is a privately owned investment firm that has been operating for in excess of 20 years facilitating credit investments and manages approximately \$500m.

Gemi’s investment process is robust in nature and structured around strict risk and performance standards yet flexible enough to adapt to changing market conditions so that our investors can take advantage of new opportunities as they arise. Gemi’s investor base includes fund-of-funds, family offices and high net wealth investors.

Gemi has built a consistent track record of strong returns focusing on senior credit opportunities predominantly secured by Australian real estate.

Gemi has engaged Principal Invest Pty Ltd to manage the Gemi Cash Management Fund. Principal Invest Pty Ltd’s director operated a cash management fund with an identical strategy for 10 years from December 2010 and was able to deliver investors an annualised premium after fees in excess of 0.7% over the Reserve Bank of Australia Cash Rate during this period.

The Trust Deed

Many of the rights and responsibilities of Unitholders and the Trustee are set out in the Trust Deed of the Fund. The Trust Deed is binding on GAMPL and all Unitholders. The effect of some of the provisions of the Trust Deed are covered elsewhere in this Information Memorandum. Others relate to:

- the nature of Units;
- GAMPL’s power to manage the Fund (which is broad);
- the circumstances in which GAMPL is not liable to unitholders, for example, when GAMPL relies in good faith on professional advice. However, this limitation of liability is subject to the Corporations Act and does not apply if GAMPL fails to act in good faith or it defaults, acts negligently or is deceitful;
- how and when a meeting of unitholders can be called; and
- GAMPL’s right to delay redemptions.

The Trust Deed gives GAMPL broad powers to invest the Fund’s assets. However, while this Information Memorandum is current, GAMPL will adopt the investment policy described earlier in the Information Memorandum.

The Trust Deed and the Corporations Act set out the circumstances in which the Trust Deed may be amended.

GAMPL may resolve at any time to terminate the Fund and liquidate the Fund in accordance with the Trust Deed and the Corporations Act. On termination and after the conversion of the Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unitholders according to the number of Units they hold in the Fund.

A copy of the Trust Deed is available free of charge on request.

Anti-money laundering and counter-terrorism financing

GAMPL is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (“AML/CTF Law”). GAMPL may require you to provide personal information and documentation in relation to your identity when you invest in the Fund. GAMPL may need to obtain additional information and documentation from you when undertaking transactions in relation to your investment. GAMPL may need to identify:

- (a) an investor (including all investor types noted on the Application Form) prior to purchasing or investing in the Fund. GAMPL will not issue units until all relevant information has been received and your identity has been satisfactorily verified;
- (b) your estate – if you die while you are owner of units in the Fund, GAMPL may need to identify your legal personal representative prior to redeeming units or transferring ownership; and
- (c) anyone acting on your behalf, including your power of attorney.

In some circumstances, GAMPL may need to re-verify this information.

By applying to invest in the Fund, you also acknowledge that GAMPL may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of units, if GAMPL 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 GAMPL reasonably believes it may incur any liability if it does so.

Where legally obliged to do so, GAMPL may disclose the information gathered by GAMPL to regulatory or law enforcement agencies.

IX. How to Invest

1. Read this Information Memorandum.
2. Complete and sign the Application Form in Annexure 1.
3. Ensure you have provided certified copies of documentation identified in the Application Form.
4. Send the signed Application Form to:
GCMF@gemi.com.au
5. Deposit your application moneys into:
Account Name: Gemi Registry Pty Ltd –
Application Account
BSB: 332 027
Account No.: 555 642 066

GAMPL reserves the right to refuse an application for any reason.

X. Definitions and Interpretation

In this Information Memorandum, the following words and expressions have these meanings:

Accountant's Certificate	the certificate in the form contained in the Application Form
Application Form	the application form
Business Day	a day that banks are open for business in each State and Territory of the Commonwealth of Australia
Fund	the Gemi Cash Management Fund
Fund Deed	the Constitution of the Fund dated 23 December 2020 as amended, supplemented or replaced from time to time
GAMPL	Gemi Asset Management Pty Ltd ABN 88 092 408 627, Australian Financial Services Licence 231175
Information Memorandum	the document or documents pursuant to which units in the Gemi Cash Management Fund are offered by GAMPL and includes any supplemental memorandum
PIPL	Principal Invest Pty Ltd, ABN 76 606 603 810, authorised representative number 1284725 GAMPL's Australian Financial Services Licence 231175
Sophisticated Investor	means a wholesale client as that term is defined in section 761G of the Corporations Act 2001
Withdrawal Request Form	the withdrawal request form

XI. Corporate Directory

Trustee

Gemi Asset Management Pty Ltd
Level 6, 4-10 Martin Place
Sydney NSW 2000
www.gemi.com.au