
River Capital Growth Fund Information Memorandum

July 2010



Responsible Entity and Investment Manager
River Capital Pty Limited
ABN 64 073 531 469
Australian Financial Services Licence no. 237985

SERVICE PROVIDERS

Responsible Entity and Investment Manager River Capital Pty Ltd ABN 64 073 531 469 Level 15, 644 Chapel Street South Yarra, 3141 Victoria	
Board of Directors Jeffrey Mahemoff AO (Chairman) Roland Brown Barry Carp (Managing Director)	Advisory Committee Terrey Arcus Richard Facioni Tony Robinson David Vaux
Executive Directors Paul Cowan James Davis	Legal Advisers Mallesons Stephen Jaques Level 50, 600 Bourke Street Melbourne VIC 3000
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IMPORTANT NOTICE TO RECIPIENT

This Information Memorandum has been prepared by River Capital Pty Limited ACN: 073 531 469 ('River Capital'). It sets out information about the River Capital Growth Fund (the Fund) upon which the recipient of this Information Memorandum (Recipient) can base a decision as to whether it should investigate a possible investment in the Fund.

This Fund is not at the date of this Information Memorandum a registered Scheme under section 601EB of the Corporations Act.

This Information Memorandum is supplied personally to the Recipient on the following conditions, which conditions are expressly accepted and agreed to by the Recipient, in part consideration of the supply of the Information Memorandum, as evidenced by the retention by the Recipient of this Information Memorandum. If these conditions are not acceptable the Information Memorandum is to be returned immediately.

1. No offer of the Fund for issue is made pursuant to this Information Memorandum where the offer would need a regulated disclosure document under Division 2 of Part 7.9 of the Corporations Act.
2. This Information Memorandum does not purport to contain all the information that may be required to evaluate any transaction in relation to the Fund (or would be required if it were a disclosure document which required lodgement with ASIC under the Corporations Act). The Recipient, intending Investors and respective advisers should conduct their own independent review, investigations and analysis of the Fund and of the information contained, or referred to, in this document.
3. Neither River Capital nor its directors, officers, employees, advisers or representatives (referred to collectively as the 'Beneficiaries') makes any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Information Memorandum or subsequently provided to the Recipient by any of the Beneficiaries. This includes, without limitations, any historical financial information, estimates and projections and any other financial information derived therefrom. Nothing contained in this Information Memorandum is, or shall be relied upon by the Recipient or any other person, as a promise or representation, whether as to the past or the future.
4. Except insofar as liability under any law cannot be excluded, the Beneficiaries shall have no responsibility arising in respect of the information contained in this Information Memorandum or in any other way for errors or omissions (including responsibility to any persons by reason of negligence).
5. This Information Memorandum has been prepared as at 1 July 2010 (the Preparation Date). Its delivery at any time after the Preparation Date does not imply that the information contained in it is accurate, timely or complete at any time subsequent to the Preparation Date. River Capital may in its absolute discretion, but without being under any obligation to do so, update or supplement this Information Memorandum. Any further information will be provided subject to these terms and conditions.
6. River Capital has not authorised any person to give any information or to make any representation or provide information in connection with the Fund or this offer that is not contained in this Information Memorandum. Any such information or representation not contained in this document must not be relied upon as having been authorised by or on behalf of River Capital.
7. This Information Memorandum, including any update or supplement to this document, does not and will not form part of any contract for the investment in interests in the Fund that may result from the review, investigation or analysis of the Fund by the Recipient or its advisers. Any contract entered in to for an investment in units in the Fund (the Units) will contain any or all information, representations and warranties upon which the Recipient or any other intending acquirer should rely.

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8. River Capital reserves the right to evaluate any applications for investment in the Fund and is entitled to await receipt of cleared funds before deciding to reject any or all applications submitted. River Capital is not obliged to give reasons for rejecting any application made. The Beneficiaries shall not be liable to compensate the Recipient or any intending applicant for Units in the Fund, for any costs or expenses incurred in reviewing investigating or analysing any information in relation to the Fund, in making an application or otherwise.
 9. River Capital reserves the right to charge an applicant a dishonour fee (not exceeding the dishonour fee charged to River Capital) in the event that a cheque on an application is void.
 10. The information in this Information Memorandum is provided personally to the Recipient as a matter of interest only. It does not amount to a recommendation either expressly or by implication with respect to any investment in the Fund.
 11. The contents of this Information Memorandum are:
 - a. Strictly confidential;
 - b. Not to be disclosed by a Recipient to any other person or entity, whether an associate or related body corporate of the Recipient, other than an employee or professional adviser to the Recipient and then only for the sole purpose of the Recipient considering and taking advice as to whether it will apply for Units in the Fund; and
 - c. Not to be reproduced, either in whole or in any part or parts; without River Capital's prior written consent and, if such written consent is given, only for the purposes referred to in paragraph (b) above.
 12. The information in this Information Memorandum may not be appropriate for all persons and it is not possible for the Beneficiaries to have regard to the investment objectives, financial situation and particular needs of each Recipient or person who reads or uses the information in this Information Memorandum. Before using or acting in reliance on the information in this Information Memorandum, the Recipient should check its accuracy, reliability and completeness and obtain independent and specific advice from appropriate experts.
 13. The offer of Units in the Fund in this Information Memorandum is available to persons receiving the Information Memorandum in Australia. This Information Memorandum does not constitute an offer in any place outside of Australia where, or to any person to whom, it would be unlawful to make such an offer. The distribution of the Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of the Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

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1. KEY FEATURES

Name	River Capital Growth Fund.
Structure	<p>Australian resident open ended multi class Unit Trust:</p> <p><i>Unit Classes</i></p> <p><i>Class A Units</i></p> <p>Class A units are the primary units of the Fund and represent the principal entry point for all applications. The underlying investments shall comprise Strategic and Event Driven investment opportunities in businesses listed on a primary stock exchange.</p> <p><i>Class P units</i></p> <p>Class P units are the secondary units of the Fund. Class A units are reclassified as Class P units in accordance with the directions of each applicant. The underlying investments shall comprise investments in both listed and unlisted Active investment opportunities. Multiple classes of P units may be created (ie. P1, P2, P3 etc) with each class representing a separate investment opportunity.</p> <p>The Fund does not have any Class P units on issue at the Preparation Date of this Information Memorandum.</p>
Selection and Reclassification	<p><i>Investor Selection</i></p> <p>Applicants may at their election nominate to hold 100% of their investment in only Class A units, or to participate in the Class P Unit Investment Option.</p> <p><i>Class P Unit Investment Option</i></p> <p>Under the Class P Unit Investment Option, an amount representing up to 30% of the value of an applicant's investment in the Fund may be reclassified as Class P type units. The amount which can be reclassified is discussed in further detail in section 4.3.</p> <p><i>Unit Reclassification</i></p> <p>For those applicants who choose the Class P Unit Investment Option, once a suitable Active investment opportunity is identified and committed, sufficient Class A units will be reclassified into a new class of P type units at an equivalent unit price to facilitate the acquisition of the investment.</p>
Investment Objective	<p>To preserve capital and provide investors with superior risk adjusted returns over the medium to long-term.</p> <p>To achieve this objective, River Capital will pursue the following strategies:</p> <ol style="list-style-type: none">1. River Capital will make Strategic investments in a portfolio of small to mid-sized listed Australian and international companies exhibiting the following qualities;<ol style="list-style-type: none">(a) run by first class management teams;(b) demonstrate strong and predictable operating cash flows;(c) strong balance sheets with minimal reliance on financial engineering; and(d) economically resilient industries. <p>River Capital will focus on traditional valuation tools to assess the merits of an investment opportunity, and does not generally speculate on short term movements in share prices. Additionally, some capital may be retained to participate in Event Driven share transactions such as placements, IPOs and merger / takeover events.</p>

	<p>Investors can achieve exposure to investments made pursuant to this strategy through holding Class A units.</p> <p>2. River Capital will also make investments in businesses (usually listed) where it intends to participate more actively in the policies and financial outcomes of the underlying businesses acquired. These investments will generally be less liquid than those acquired for Class A units.</p> <p>Investors can achieve exposure to investments made pursuant to this strategy through holding Class P type units.</p>
Fees and Charges	<p>Entry Fee: Nil (All classes)</p> <p>Exit Fees: Nil (All classes)</p> <p>Management Expense Ratio (MER): 2.0% per annum (All classes)</p>
Performance Fees	<p><i>Class A units</i></p> <p>Charged at a rate of up to 15% of the annual increase in the net asset value of each unit issued to investors.</p> <p>Performance fees will only be charged once the investor has received a preferred return of at least 10% in a financial year. Performance fees are calculated annually and remain subject to a High Water Mark restriction (refer Section 5.5).</p> <p><i>Class P type units</i></p> <p>Charged at the rate of 20% of the increase in the net asset value of each Class P type unit. Performance fees will only be charged on the sale (or pro-rata in the case of a partial sale) of the underlying Class P type investment, and once the investor has received a preferred return of at least 10% per annum during the period in which the investment is held.</p>
Applications and Withdrawals	<p>Minimum Initial Investment: \$500,000 (refer Section 4.1).</p> <p>Minimum Additional Investment: \$25,000. Additional applications may be made without completing an Application Form.</p> <p>Minimum Withdrawal: \$5,000.</p>
Applications Frequency	<p>Monthly in the case of Class A units. Subject to the Fund being open for new investment, applications for Class A units must be received no later than five (5) business days prior to commencement of month.</p> <p>Applications for Class P type units are not contemplated by this Information Memorandum and will not generally be accepted by River Capital.</p>
Withdrawals Frequency	<p>Monthly in the case of Class A units. Withdrawal requests must be received no later than the 15th day of the previous month.</p> <p>In the case of Class P type units, there is no redemption capability prior to the realisation or partial realisation of an investment which is the subject of a class of the Class P type units. When the underlying investment is sold, the income arising from investments of the relevant class will be distributed, and the Class P type units may then either be redeemed (with the net proceeds returned to investors) or, if the applicant directs River Capital to do so, reclassified back into Class A units.</p>

Unit Pricing	<p>The application (entry) and withdrawal (exit) price of each Class A unit in the Fund is calculated monthly based on the Net Asset Value of the assets and liabilities of the Fund which are determined to be referable to Class A units (determined on a mark to market basis), the number of Class A units on issue, and the dealing costs associated with the acquisition or disposal of investments within the Class A investment pool.</p> <p>The price of each Class P type unit in the Fund shall be calculated at least annually, and shall be based on the Net Asset Value of the assets and liabilities of the Fund which are determined to be referable to Class P type units (determined at cost or directors' valuation), the number of Class P type units on issue and the costs associated with the acquisition and disposal of the underlying investments within each Class P type investment pool.</p>
Distributions	<p><i>Distribution Frequency</i></p> <p>Annually on 30 June of each financial year. River Capital may at its election distribute income more regularly, or, where appropriate, immediately prior to the reclassification or redemption of units.</p> <p><i>Distribution Method</i></p> <p>In the case of Class A units, distributions may be re-invested by way of application for additional Class A units (no Buy/Sell spread) or credited to an Australian Bank account.</p> <p>In the case of Class P type units, distributions shall be either paid in cash and credited to an Australian resident Bank account, or re-invested by way of application for additional Class A units.</p>
Reporting	<p>Transaction Statements: Transaction confirmation statements after each transaction.</p> <p>Distribution Statements: Within 2 months of each distribution period.</p> <p>Taxation Statement: Annually</p> <p>Investor Update: Half-Yearly investment report.</p>
Borrowings	<p>No borrowings are presently contemplated. However in the event borrowings are to be undertaken at a future time, the security provided will, where possible and appropriate, generally be restricted to the investment pool of the Unit Class to which the borrowings relate.</p>
Goods and Services Tax	<p>All fees and charges specified above exclude GST.</p>

2. RIVER CAPITAL GROWTH FUND

The River Capital Growth Fund (Fund) is an unregistered, wholesale Australian resident unit trust. River Capital Pty Limited is the trustee and investment manager of the Fund. The governing rules of the Fund are detailed in the Fund's Constitution. The Fund was established pursuant to a Constitution dated 22 October 2001 (Constitution), and varied pursuant to Deed Polls dated 8 March 2002, March 2004 and 1 August 2008. A copy of the Constitution is available on request.

History

River Capital was established in 1996 to manage the portfolio interests of the owners and a select group of families and individuals. Over the years the number of families and individuals who have invested with River Capital have grown significantly. The combined River Capital group currently manages in excess of \$200 million for more than 200 investors across its suite of investment funds, together with additional monies which are managed pursuant to separate individual mandates.

The Fund has remained consistent to its objective of finding businesses that could, as a result of their operating performances, generate strong returns for investors in the medium to long-term. River Capital follows a disciplined approach that has been designed to meet the requirements of its investor base for superior risk adjusted returns and capital preservation.

Since inception the Fund's average return exceeds 22% per annum after the deduction of management fees but prior to the deduction of performance fees. The Fund returned 18.5% for the financial year ended 30 June 2010.

Investment Approach

Investment objective:

The Fund's objective is designed to meet the requirements of its investors for capital preservation and superior risk adjusted returns over the medium to long-term.

The management team at River Capital has produced a successful track record as an equity investor in Australia and internationally in both public and private markets. We consistently follow a disciplined investment process which has seen us own shares in outstanding businesses over an extended period of time.

The Fund's investment focus broadly fits into three categories:

- Traditional listed equities referred to as our strategics (Strategic);
- The relatively smaller events driven opportunities (Event Driven);
- The final category is our active participation situations where we, together with our partners, seek to participate more actively in the strategic direction and policies of a company (Active).

While we are confident that our disciplined approach will provide above average returns over the medium to long-term, short-term volatility in share prices is something beyond our control.

Characteristics we require:

We look for the following characteristics in a business:

- A high quality management team who behave like owners and are prepared to engage with investors;
- Industry leading position – businesses with a sustainable competitive advantage;
- A strong history of profit and cashflow with good earnings growth;
- Strong balance sheet with minimal reliance on financial engineering; and
- Economically resilient industries.

We do not generally invest in the resources, technology or biotech sectors, or businesses with start-up risk.

Strategic Investments:

This is the traditional area of focus for the Fund. These investments typically have the following attributes:

- Companies listed on a major stock exchange;
- High conviction;
- Long-term investment horizon;
- No active involvement in the business; and
- Underlying share price represents a reasonable estimate of the value of the holding.

Events Driven Investments:

These investments are generally a smaller part of the portfolio and have the following attributes:

- Mergers, takeovers and IPO's;
- Our returns and timetable will be reasonably predictable; and
- Share prices will represent a reasonable estimate of the value of the holding.

Active Investments:

The final category are Active investments, where, together with our partners, we seek to participate more actively in the strategic direction and policies of a company:

- Usually listed companies;
- May include pre IPO opportunities;
- Often active involvement at business or board level;
- Clear strategy established for value creation;
- Typically focused on expansion capital;
- The value of our investment will be determined by the performance of the business and not the last sale price of the shares; and
- Positions are generally illiquid and held at cost or directors valuation.

Alignment of Interests:

With a significant part of the net wealth of executives and their related family interests invested in the Fund, the River Capital executive team have a deep vested interest in the Fund's performance ensuring an ongoing alignment of interests between executives and investors.

Who Should Consider Investing In The Fund?

Investors seeking:

- Exposure to growth oriented Australian and international businesses listed on a primary stock exchange (Class A units);
- Exposure to active positions in businesses (usually listed) requiring expansion capital, and where a clear strategy is established for value creation (Class P type units);
- Investments with the potential for above average long term annualised returns; and
- Access to an investment manager with a sound track record for generating above average investment returns across both listed and unlisted situations.

Who Should Not Invest in the Fund?

Investors seeking:

- Guaranteed, market-linked or fixed income investments;
- Short term trading gains on their investment; and
- In respect of Class P type Units, a dependable income stream or access to funds prior to the sale by the Fund of its interests in Active positions.

Prudential Guidelines

The Fund does not normally invest more than 15% of Investor equity in any single investment. However, where the market value of an investment exceeds the 15% level due to market gains, River Capital will not automatically sell this investment to reduce its weighting to the 15% level.

This prudential guideline is not included in the Constitution of the Fund and, therefore, River Capital will not be absolutely bound by it. River Capital reserves the right to vary its investment approach for the Fund from time to time. If River Capital wishes to vary its investment approach and it considers the variation as being material, it will notify all Investors of the variation by giving 30 days' notice of such variation.

3. BOARD OF DIRECTORS, ADVISORY COMMITTEE & MANAGEMENT TEAM

3.1 River Capital Pty Limited

River Capital Pty Limited is an investment manager established in June 1996 to manage investments on behalf of private family groups, high net worth individuals and self managed Superannuation Funds. The Company's principal focus is that of investing in quality businesses on behalf of the Investors.

3.2 Board of Directors

The Directors are appointed by the shareholders of River Capital. The Board is responsible for corporate governance, investment mandate compliance and compliance with the Company's regulatory obligations.

Jeffery Mahemoff AO – Non Executive Chairman

Jeffrey Mahemoff is currently an Executive Director of Smorgon Consolidated Investments. He is also Chairman of the Centre for Community Child Health at the Royal Children's Hospital, a Life Governor of Bialik College and a Governor of the Hebrew University of Jerusalem. Jeffrey has many years of experience in investment, administration and commercial roles. He was appointed to the River Capital Board in 1996.

Roland Brown – Non Executive Director

Roland Brown has a Bachelor of Laws (LL.B.) degree from St Andrews University in Scotland. From 1990-1997, he was Chief Financial Officer of the Smorgon Consolidated Industries Group of Companies; from 1983-1990, he ran his own Consulting Company and, prior to 1983, he was Chief Financial Officer of Elders IXL Ltd.

Roland was appointed to the River Capital Board in March 2000.

Barry Carp – Managing Director

Refer section 3.4 – Executive Directors and Key Personnel.

3.3 Independent Advisory Committee

The Independent Advisory Committee of River Capital comprises persons of eminence from a diverse range of business and academic backgrounds, who;

- Provide high level independent and informed advice on major issues, business intelligence and strategic planning; and
- Act as ambassadors of River Capital to help identify and foster external relationships and networking opportunities.

Terrey Arcus AM – Advisory Committee

Terrey Arcus is co-founder and chairman of strategic advisory practice Port Jackson Partners Limited and a former Director of McKinsey Company, where he gained extensive international management consulting experience, and spent most of the first five years consulting in the United States and Europe. He directed a number of major client relationships in Australia through 1983 and then established the resident McKinsey practices in East-Asia outside Japan during the rest of the 1980s.

Terrey has been a director of major public and private companies, but currently limits his corporate directorships to avoid conflicts of interest with his consulting practice. Terrey has an active pro-bono practice consulting to education, arts and medical institutions and has been awarded an Order of Australia for his contributions and is currently a member of the National Gallery of Australian Foundation.

Before joining McKinsey, Terrey was a production and design engineer with a manufacturer of electrical power and control equipment in Australia and, in addition, participated in the development of a computer-controlled medical centre.

Terrey holds a first class honours degree in Electrical Engineering and a Science degree from the University of Sydney, as well as a Masters degree in Business Administration from Harvard Graduate School of Business Administration where he graduated with distinction.

Richard Facioni – Advisory Committee

Richard Facioni has over 20 years experience in investment banking and financial services. He is a founder of Shearwater Capital Group, a privately owned alternative asset fund manager.

Richard co-founded Rismark International, a funds management business specialising in the execution of sophisticated real estate investment strategies and research, in 2005 and was its Executive Chairman until 2008. He remains a Non-executive Director.

Prior to establishing Rismark, Richard was an Executive Director in the Investment Banking Group of Macquarie Bank, where he spent over 15 years. Richard led the Principal Transactions Group, and prior to that specialised in mergers and acquisitions.

Richard holds an MBA from the Wharton Graduate School of Business, and an Honours Degree in Engineering from the University of Sydney.

Richard also serves as a Non Executive Director of Nikko Principal Investments.

Tony Robinson – Advisory Committee

Tony was appointed Managing Director of ASX listed financial services provider Centrepoint Alliance Limited in July 2009. He has broad experience in an array of service-based industries and brings a wealth of executive-level experience across financial services and other related industries.

From 2007-2009, Tony was an Executive Director and CEO of IOOF Holdings Limited and played a key role in facilitating the merger of IOOF with Australian Wealth Management Limited. From 2001-2006, Tony was the CEO of listed insurance and broking company, OAMPS Ltd, prior to its acquisition by the Wesfarmers Group. Under his tenure, OAMPS grew from 200 to over 1,200 employees to become the largest Australian-owned insurance broker and specialist underwriter in the market.

Previous management positions include joint Managing Director of Falkiners Stockbroking, Managing Director of Wealthpoint (which forms part of the St George Group), Chief Financial Officer of Link Telecommunications and General Manager; Corporate Services at Mayne Nickless.

Tony is a Non-Executive Director of Bendigo Bank Ltd.

David Vaux – Advisory Committee

After an early career in law with Freehills, David spent several years in the investment banking and venture capital sectors with Macquarie Bank and Jamison Equity Limited.

In October 1998, David was appointed Managing Director of DCA Group Limited, an ASX listed business capitalised at \$50 million. Under his leadership, DCA expanded into diagnostic imaging and residential aged care, with its I-Med and Amity businesses becoming market leaders in Australasia.

In December 2006, DCA was acquired by a consortium including CVC Private Equity and the senior management team led by David for approximately \$2.7 billion. In December 2007, the consortium sold its residential aged care business to BUPA for \$1.2 billion.

David and his wife Sarah Jane have recently established “ELF”, an Education and Learning Foundation supporting aspirational children and social entrepreneurs focused on youth issues.

3.4 Executive Directors and Key Personnel

Barry Carp – Managing Director & Chief Investment Officer

Barry established the business of River Capital in 1996. As Managing Director and Chief Investment Officer, he has since developed River Capital into one of Australia's leading boutique investment management businesses. Today, through its activities, River Capital invests on behalf of a significant number of private family groups, individuals and self managed superannuation funds.

Together with his wife Suzi, they co-chair the River Capital Foundation, which each year allocates a proportion of the River Capital profits to organisations working to support people who fall through society's cracks, with a focus on children, mental health and indigenous communities.

Barry holds an Economics and Law degree from Monash University.

Paul Cowan – Executive Director & Chief Operating Officer

Paul Cowan joined River Capital in February 2004 after having previously been appointed to the Board in a non executive role.

Prior to joining River Capital, Paul served as Chief Executive Officer of Lowell Capital Limited, which he joined in 1988. During this time, Paul maintained day to day responsibility for Lowell's funds management and corporate advisory operations, and was a key contributor in the expansion of Lowell from a Victorian based operation to a nationally represented business (Lowell Flinders Group) with interests in a broad range of financial and investment services.

Having commenced his working career with Price Waterhouse in 1980, Paul has a Bachelor of Economics degree from Monash University and is a qualified Chartered Accountant.

James Davis – Executive Director & Portfolio Manager

James joined River Capital in January 2003 after working for two years as a Senior Manager in the corporate finance department of one of Australia's largest independent stockbrokers, Tolhurst Noall Limited. During this time, James focussed on equity capital markets and mergers, acquisitions and advisory transactions. Prior to this, he served firstly as a member of KPMG's assurance and advisory department, and subsequently as a Manager with KPMG Corporate Finance where he specialised in mergers, acquisitions and advisory transactions.

James is a member of the Institute of Chartered Accountants in Australia.

Josh Ackman – Head of Credit

Josh joined River Capital's Credit Investment Group in 2009 and holds a Masters of Accounting & Finance from The London School of Economics and a Bachelor of Business degree from Monash University.

Prior to joining River Capital, Josh began his career at Deutsche Bank London in 1996 before moving to Goldman Sachs, a New York based fund manager Concordia and Lehman Brothers/Nomura. Josh previously ran the Credit Default Swap business at Goldman Sachs in Tokyo and has been based in London, Tokyo and New York before returning to Australia in 2006.

Bradley Davis – Senior Portfolio Analyst

Brad joined River Capital in 2010, having approximately 8 years financial markets experience in funds management and equity research. Brad currently serves as Senior Portfolio analyst.

Prior to joining River Capital, Brad acted as Asian Industrials Analyst for Merricks Capital Inc, a Melbourne based multi strategy hedge fund, and previously with Merrill Lynch (New York and Melbourne) in Institutional Equity Sales and Equity Research.

Brad holds a Bachelor of Commerce and Bachelor of Arts degree (University of Melbourne).

Tom Wilmott – General Manager, Operations & Finance

Tom joined River Capital in 2006 and presently acts as General Manager, Operations and Finance, of River Capital. Previously, Tom worked as a Senior Associate for 4 years with Martin Goodrich & Associates - Chartered Accountants, and for 10 years with Deloitte in their Growth Solutions division. Tom is a member of the Institute of Chartered Accountants.

Bruce Webb – Executive

Bruce joined River Capital in 2008 after working as an investment analyst and business development manager for the DCA (diagnostic imaging) and Amity (residential aged care) Groups for a period of 9 years.

During this time, Bruce's responsibilities involved the provision of financial analysis and appraisal of investment opportunities, the conduct of industry research and commercial due diligence, and the management of transition aspects of new and acquired projects.

Prior to his involvement with the DCA and Amity Groups, Bruce was a senior actuarial analyst with Colonial in Australia, the UK and New Zealand. Bruce has an MBA from Melbourne Business School.

Silvo Barac - Analyst

Silvo joined River Capital in 2007 after working for 4 years as a senior investment research analyst with Lonsec. This role involved the ongoing tactical and performance analysis of a broad range of Australian equity managers and investment strategies, including large cap, small cap, diversified and multi manager. Prior to this time, Silvo served as a compliance analyst with a major Australian custodial firm.

Dinesh Kuhadas – Manager, Accounting & Finance

Dinesh joined River Capital in 2008 after having spent approximately 7 years as a senior analyst / accountant with Deloitte and Price Waterhouse Coopers (in both Australia and Singapore).

Dinesh is a member of the Institute of Chartered Accountants in Australia.

Anjelin Thotakura – Manager, Accounting & Finance

Anjelin joined River Capital in 2008 after having spent approximately 2 years as Corporate Accountant with Orchard Funds Limited, and previously, 8 years as a senior analyst / accountant with Deloitte (Australia and Fiji).

Anjelin is a member of the Institute of Chartered Accountants in Australia, and the Fiji Institute of Accountants.

3.5 Fund Custodians

River Capital uses independent custodians to hold and safe keep the property of the Fund comprising the Class A investment pool. HSBC Custody Nominees (Australia) Limited and Citibank NA (Singapore) have been appointed to provide these custody services to the Fund.

Where appropriate, River Capital will also appoint HSBC Custody Nominees (Australia) and/or Citibank NA (Singapore) to provide equivalent services in relation to Class P type investment pools.

Neither HSBC Custody Nominees (Australia) Limited or Citibank NA (Singapore) are authorised to provide stock lending services on behalf of the Fund.

3.6 Fund Auditors

Deloitte Touche Tohmatsu, Chartered Accountants, have been appointed as the Fund's independent auditor to audit the Fund's accounts and to prepare the statutory accounts and taxation returns.

3.7 Fund Administration and Unit Registry

As the Manager of the Fund, River Capital also performs the role of Fund Administrator and Unit Registry Manager. Pursuant to this role, River Capital provides accounting services to the Fund and calculates the value of Units (all classes) in the Fund. River Capital is also responsible for receiving and processing applications, issuing Units to Investors, paying withdrawals and distributions to Investors and maintaining an up to date register of Investors.

4. OPERATION OF THE FUND

4.1 Applications

To apply for Units in the Fund, intending investors should follow the instructions on the Application Form and appropriate Customer Identification Forms at the rear of this Information Memorandum and send the completed forms, together with appropriately certified documents, in accordance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006, and payment directly to River Capital.

When completing the Application Form, you will need to indicate whether you would like 100% of your investment in the Fund to be allocated to Strategic and Event Driven investments (Class A units), or whether you would like to participate in the Class P Unit Investment Option which will allow part of your investment in the Fund to be allocated to Active investments. The consequences of which option you choose are set out in more detail below under section 4.3.

Correctly completed applications received before 3:00 pm on the fifth last business day of the month will be processed on the first business day of the following month, using the issue price at the close of the month in which the application was received. Applications received after this time will be deemed to have been received in the following month and will be processed accordingly.

Class A units in the Fund are issued on a monthly basis, or less frequently depending on when the Fund is open for subscriptions. The issue price of Class A Units (Entry Price) will be calculated in accordance with the Fund's Constitution.

When an Active style investment opportunity arises, Class A units are reclassified as Class P type units. Each P type Unit Class (ie P1, P2, P3 etc) relates to a separate stand alone investment opportunity. The Class A units will be reclassified as Class P type units at a price equivalent to the issue price of Class A units immediately prior to a reclassification. Class A units will only be reclassified as Class P type units where they are held by investors who elect to have exposure to Active style investments on the Application Form. Further details are set out below under section 4.3. There are not, at the Preparation Date of this Information Memorandum, any Class P type units in the Fund on issue.

Applications for the issue of Class P type units are not contemplated by this Information Memorandum, and will not generally be accepted by River Capital. River Capital however retains its rights to consider and deal with any application for Class P type units as it determines in its absolute discretion.

The minimum initial investment in the Fund for Investors who do not currently hold units in the River Capital Growth Fund is A\$500,000. River Capital may determine the amount of the minimum initial investment in the Fund from time to time and such amounts may be increased or decreased at any time without notice.

No offer for issue of Units in the Fund is made or intended to be made by River Capital to any person who would be deemed by virtue of section 761G of the Corporations Act to be a retail client, or in the event River Capital were licensed to deal in securities on behalf of retail clients, would result in the requirement to issue a Product Disclosure Statement pursuant to Division 2 of Part 7.9 of the Corporations Act. Unless and until the Fund becomes a registered Managed Investment Scheme, River Capital:

- (a) Will ensure that it is a term of offer of Units in the Fund for issue that any person to whom the offer is made confirms to River Capital's reasonable satisfaction that the offer to that person does not require disclosure under Division 2 of Part 7.9 of the Corporations Act; and
- (b) Will not register or permit the registration of any transfer of Units in the Fund unless the transferor or transferee confirms to River Capital's reasonable satisfaction that the transfer of Units does not require disclosure under Division 2 of Part 7.9 of the Corporations Act.

Applications for investment of less than AUD\$500,000 (excluding any amounts paid or lent for the application by River Capital or any associate) can only be considered if the applicant satisfies River Capital that it is not a retail client, or that any issue of Units will not require disclosure under Division 2 of Part 7.9 of the Corporations Act.

In the event the application is for an amount less than \$500,000, the applicant must:

- **provide a certificate from a qualified accountant dated no more than 6 months before the application is made that the applicant has net assets of at least A\$2.5 million, or had a gross income for each of the last 2 financial years of at least A\$250,000 a year; or**
- **provide satisfactory evidence that it is a professional investor in accordance with the definition of Professional Investor contained in section 9 of the Corporations Act; or**
- **be a sophisticated investor in accordance with section 761GA of the Corporations Act and provide the written acknowledgment required by such section.**

If River Capital considers it desirable for the protection of the Fund or in the best interests of investors it may suspend the issue of Class A Units or the calculation of the Entry Price.

4.2 Additional Investments

Additional investments may be made quickly and easily by ticking the further investments box on the Application Form. To use this facility, simply send your cheque for your additional investment to us. The minimum additional investment is \$25,000.

4.3 Allocation of Investment

If you subscribe for Class A units in the Fund, you will have a choice as to whether you would like all of your investment in the Fund to be allocated to Strategic and Event Driven investments (represented by Class A units) or whether you would like to participate in the Class P Unit Investment Option and potentially have part of your investment allocated to Active investments (represented by Class P units).

This choice must be made in the Application Form you complete to subscribe for units in the Fund. Any choice you make in your initial application for Class A units will affect any subsequent units in the Fund which you acquire.

0% allocation to Active Investments

If you make the choice to have all of your investment in the Fund allocated to Strategic and Event Driven investments, you do not consent to the reclassification of any of your Class A units to be units of another class.

30% Allocation to Active Investments

If you make the choice to participate in the Class P Unit Investment Option, you appoint River Capital to act as your attorney to consent to the reclassification of your Class A units to be Class P type units to give effect to this choice. This power of attorney extends not only to those units which you acquire under the Application Form, but any subsequent units which you may acquire in the Fund in the future.

Under this power of attorney, River Capital has the ability to determine, subject to the maximum number of Class A units (discussed below) when, how many and which of your Class A units it can consent to the reclassification of on your behalf.

The maximum number of Class A units which River Capital is able to consent to the reclassification of is equal to such number of Class A units which have a value, at the relevant time, of 30% of the aggregate value of all of the units you hold in the Fund, less the value of any Class P units you hold at the relevant time.

For these purposes, units which have been on issue since the beginning of a financial year have a value equal to their price at the beginning of the financial year, calculated in accordance with the provisions of the Constitution for the Fund. Units which have been issued or reclassified during the financial year have a value equal to their price at the time of issue or reclassification, whichever is the later.

Any units you have subscribed for are included in the units you hold for these purposes from the time the units are issued to you. Units which you have redeemed are excluded from the value of the units you hold for these purposes from the time the units are redeemed.

It is important to note that in certain circumstances, the value of your investment in the Fund allocated to Active investments may be more than 30% of the value of your total investment in the Fund. This may occur, for example, where you receive your maximum allocation to Active investments under the methodology described above, and the value of those investments increases more than the value of the investments underlying your Class A units, or where you redeem some of your Class A units. In this situation, River Capital is under no obligation to reclassify any of your Class P units to be Class A units.

Changing your choice

You may amend your choice at any time. However, the change in your choice will not come into effect until 30 days after you provide written notice to River Capital.

An amendment of your choice will not alter any previous allocation of your investment in the Fund. A subsequent amendment of your choice can only affect how River Capital allocates your investments in the future.

For example, if you initially chose the Class P Unit Investment Option, River Capital may have consented on your behalf to the reclassification of some of your Class A units to be Class P units. If you subsequently alter this election, and you elect to have 100% of your investment allocated to Strategic and Event Driven investments, River Capital will not have the ability or the obligation to reclassify your existing Class P units back as Class A units. Additionally, River Capital will not be able to subsequently reclassify any more of your Class A units to be Class P units.

Allocation to each Active investment opportunity

When a suitable investment has been identified for the Fund, those investors who have chosen to have an amount representing up to 30% of their investment in the Fund allocated to Active investments may have the opportunity to participate in that investment.

The amount of each participating investor's investment in the Fund which will be allocated to the investment opportunity will be determined by River Capital on a pro rata basis, based on the maximum value of the Class A units held by the participating investor which River Capital has the ability to reclassify. This is to be determined at the time the relevant Class A units are to be reclassified as units of the class corresponding to the Active investment opportunity.

4.4 Withdrawals

Class A Units

You can make a request to withdraw some or all of your investment in Class A units in the Fund at any time. The minimum withdrawal amount is \$5,000. Withdrawal requests must be in writing, signed by the authorised signatories, clearly stating the number of Units or dollar amount you wish to withdraw. The withdrawal amount per Class A Unit depends on the Exit Price calculated at the close of month in which the withdrawal request is processed.

The Exit Price is determined as set out in the Constitution.

If we receive your withdrawal request prior to the 15th day of the month, we will redeem the number of units to which the withdrawal request relates on the first business day of the month after the withdrawal request is received.

Withdrawal requests received after 15th day of the month will be treated as having been received in the following month and processed accordingly.

Proceeds arising from the redemption of Class A Units in the Fund will be paid within 30 days of the date the Units are redeemed.

River Capital may compulsorily redeem Class A Units held by an Investor at any time, by giving not less than 3 months prior written notice to the Investor of its intention to compulsorily redeem Units in the Fund. A compulsory redemption will be paid out within 30 days after the date on which the Units are redeemed.

The redemption price of Class A Units will be calculated in accordance with the Constitution as amended from time to time.

If River Capital is unable to value the Fund or investments cannot be readily liquidated or where River Capital determines that large withdrawals may not be in the best interests of all Investors in the Fund, River Capital may suspend withdrawals from the Fund.

Class P Type Units

In the case of Class P type units, there is no redemption capability during the currency of the investment. Where the underlying investment of a class of Class P type units is sold, either in whole or in part, the Fund will typically distribute any income arising in respect of units of that class at the end of the following distribution period. Once the income is distributed, the units of the relevant class will either be redeemed (with the net proceeds returned to investors) or, if the investor directs River Capital to do so, reclassified back into Class A units.

4.5 Distributions

River Capital will calculate the income of the Fund for each distribution period in accordance with the Constitution.

Under the Constitution, each Investor's proportion of the income distributions will be determined by reference to the number of Units of each Class in the Fund held by the Investor at the end of a distribution period as a proportion of the total number of Units of each Class on issue in the Fund at the end of the distribution period.

This means that the amount of the income distributions received on Class A units will be determined based on the income and expenses arising from the Strategic and Event Driven investment portfolio which is referable to that Class. Likewise, the income distributions arising on Class P type units will be determined based on the income and expenses arising from each Active Investment which is referable to such class of units.

River Capital intends to manage the Fund such that investors in the Fund are presently entitled to all of the taxable income of the Fund each financial year. In this situation, the Fund should not be liable to income tax.

The taxable components of distributions which you are presently entitled to should form part of your taxable income for the relevant year, even if reinvested in additional Units.

The Constitution for the Fund contains provisions that seek to provide for the taxable components of the income entitlements you receive in respect of units of a particular class to generally be based on the performance of investments which are referable to that Class. However, the taxable components may, in certain circumstances, be affected by the performance of investments which are referable to other classes. This is because the Fund should be a single trust for tax purposes.

You will be notified in your annual Taxation Statement of the taxable components of the distributions you received in respect of the financial year.

Distributions are payable within 2 months after the end of each distribution period, being 30 June in each financial year. River Capital may at its election distribute income more regularly or where appropriate, immediately prior to the reclassification of units.

For holders of Class A units, you can choose to have your distributions automatically reinvested back into the Fund by way of application for additional Class A Units, or paid directly to your nominated bank account. You may choose to automatically reinvest your distributions by ticking the box on the Application Form.

In the case of Class P type units, distributions shall be either paid in cash and credited to an Australian resident Bank account, or re-invested by way of application for additional Class A units.

4.6 Valuation Policy

The application (entry) and withdrawal (exit) price of each Class A unit in the Fund is calculated monthly based on the Net Asset Value of the assets and liabilities of the Fund which are referable to the Class A units (determined on a mark to market basis), the number of Class A units on issue, and the dealing costs associated with the acquisition or disposal of investments within the Class A investment pool.

The issue and withdrawal prices can differ due to the transaction costs involved in buying or selling assets which result from applications to and withdrawals from the Fund. Differences between the application and withdrawal price (if any) are not expected to be significant.

The price of each Class P type unit in the Fund shall be calculated at least annually, and shall be based on the Net Asset Value of the assets and liabilities of the Fund which are referable to each Class P type investment pool (determined at cost or directors' valuation) the number of Class P type units on issue, and the costs associated with the disposal of the underlying investments within each Class P type investment pool.

Unit price calculations will be carried out by the Fund Administrator and will be based upon independently verifiable prices and generally accepted valuation methodologies and accounting principles.

4.7 Reporting

River Capital considers it important to keep Investors informed through regular reports. Investors will receive:

Investment Statements

After each transaction affecting an Investor, a statement will be sent confirming any changes in an Investor's unit holding.

Distribution and Taxation Statement

You will receive distribution statements detailing your income entitlements. These statements will be forwarded to you together with your income entitlements within 2 months of each distribution period.

An annual Taxation Statement will also be issued to assist you in the preparation of your taxation return. The Taxation Statement will set out the components, for tax purposes, of your income entitlements for the financial year.

Annual Financial Statements

Audited annual financial statements will be forwarded to Investors within 3 months after the end of the Fund's financial year.

Investor Update

To ensure Investors have current information regarding the performance of the Fund, and each Unit Class, a detailed half-yearly update is provided. This update is designed to provide Investors with an insight into Fund performance and market conditions over the preceding half year. This update will usually be sent to Investors within 30 days of each half-year.

Investors will have access to the Class A unit price on a monthly basis.

Investor Enquires

River Capital welcomes queries regarding your investment at any time. Please call during business hours in Melbourne on (03) 9825 5111 or via email at barry@rivercapital.com.au, paul@rivercapital.com.au, or james@rivercapital.com.au

5. REMUNERATION OF RIVER CAPITAL

5.1 Entry or Exit Fees

No entry or exit fees are payable when you enter or exit from the Fund.

5.2 Management Fees

River Capital will be entitled to receive a management fee (the Management Fee) based on the net asset value of each investment class. The Management Fee is currently set at 2% per annum. This is a base fee for River Capital's trustee and investment management services. The Management Fee is calculated and paid out of the assets of each Class of units on a monthly basis.

5.3 Management Expense Ratio (MER)

River Capital will pay all the expenses associated with the management and operation of the Fund out of its own resources. The Management Expense Ratio (MER) of the Fund is therefore limited to the Management Fee. The MER measures the total fees and expenses (exclusive of any interest, costs, bank fees and taxes) charged annually divided by the average net asset value of the Fund.

5.4 Costs And Expenses

River Capital is entitled to be reimbursed for all out of pocket expenses other than those which are associated with the management and operation of the Fund. Specifically, these include but are not necessarily limited to legal and consultants fees associated with the acquisition or disposal of any investment, periodic valuation fees payable to third parties, brokerage and stamp duties, and interest and financing costs in the event borrowings are to be undertaken by the Fund.

To the extent such costs are not paid directly by the investee businesses, the Fund will bear such costs and expenses.

5.5 Performance Fee

Class A Units

In addition to the Management Fee, River Capital is entitled to a performance incentive (Performance Fee) calculated at the rate of up to 15% of the increase in the net asset value of each Class A unit issued to investors. This fee will only be charged once the Investor has received a return of at least 10% in a financial year, or pro-rata in the case of units issued or redeemed during a financial year.

In the case of Class A units, the Performance Fee entitlement is determined at the end of each financial year, and calculated on the following basis;

- Firstly at the rate of 0% for all returns up to the preferred Investor return of 10% per annum,
- Secondly, once the Investor has achieved the preferred return, a catch up at the rate of 15% of the preferred return,
- Thirdly, once the catch up of the preferred return has occurred, at the rate of 15% for excess returns to the Investor above the preferred return.

The Performance Fee in respect to Class A units will be calculated as at 30 June each year, after the completion of an independent audit, and charged to individual unitholders based on the cost price of each Class A unit held by them at the relevant calculation date, after taking into account any subsequent increases in the net asset value upon which a Performance Fee has previously been paid.

Accordingly the payment is not treated as an expense of the Fund but a cost to each unitholder which will vary from unitholder to unitholder depending on the timing of each unitholder's acquisition and disposal of Class A Units.

Should an Investor elect to redeem Class A Units during a financial year, the Performance Fee attributable to those Units will be calculated at the point of redemption and deducted from the withdrawal proceeds. Once a Performance Fee has been paid on the increase in the net asset value of an issued Class A Unit, no further Performance Fee is payable by a unitholder unless the net asset value of that Class A Unit continues to increase above the highest previous level upon which a Performance Fee has been paid.

Should the net asset value of an issued Class A Unit held by an investor fall below the highest Unit value upon which a Performance Fee has previously been paid, no further incentive fee is payable to River Capital until the loss on that Unit has been fully recovered. This is referred to as a High Water Mark restriction.

The High Water Mark applicable to each of the issued Class A Units will be adjusted to reflect previous distributions made in respect of those Units.

Class P Type Units

In addition to the Management Fee, River Capital is entitled to a Performance Fee calculated at the rate of up to 20% on the increase in the net asset value of each Class P type unit held by investors.

Due to the illiquid nature of the underlying Class P type investments, with each Class P type investment to be valued from the date of acquisition at cost or director's valuation, a Performance Fee will only be charged on the sale (or pro rata in the case of a partial sale) of the underlying investments, and once the Investor has received a preferred return of at least 10% per annum, and shall be calculated on the following basis;

- Firstly at the rate of 0% for all returns up to the preferred Investor return of 10% per annum,
- Secondly, once the Investor has achieved the preferred return, a catch up at the rate of 20% of the preferred return,
- Thirdly, once the catch up of the preferred return has occurred, at the rate of 20% for excess returns to the Investor above the preferred return.

Notwithstanding the above basis of calculation, in the event the price of a Class A Unit is below the High Water Mark for that Unit at the time of reclassification (the "Class A High Water Mark"), the Class A High Water Mark shall apply to the Class P type unit created for the purposes of determining the Performance Fee for such Class P type unit.

As is the case with the Class A units, any Performance Fee in relation to Class P type units are not treated as an expense of the Fund, but a cost to each Investor which will be dependant on the timing of each unitholder's acquisition and disposal of Class P type units.

General

The directors of River Capital believe that the practice of performance based remuneration is an accepted method of remunerating growth oriented managers, and that it provides a strong incentive for River Capital to strive for consistent returns for the benefit of all Investors.

River Capital envisages that any Performance Fees payable by investors will be deducted from their distribution entitlements. However, in the event the balance of a distribution entitlement is insufficient to meet an Investor's Performance Fee payment obligations, Class A units in the Fund having an equivalent value to the remaining Performance Fee liability (inclusive of GST) may be redeemed by River Capital in satisfaction of the outstanding obligation.

As the Performance Fee is not payable out of the Fund, but is rather an obligation on individual investors, it is not included in the calculation of the MER.

5.6 Goods & Services Tax (GST)

The Management Fee and the Performance Fee to be paid to River Capital are quoted above exclusive of GST. Any applicable GST will be added to such fees. The Fund is registered for GST and accordingly will claim whatever credits it is entitled to in respect of GST paid by it to third parties.

5.7 Commissions

River Capital may from time to time enter into arrangements with other parties under which we may make payments to such parties in return for promoting the Fund.

6. RISKS

An investment in the River Capital Growth Fund entails a number of risks. There can be no assurance that the investment objectives of the Fund will be achieved, and results may vary substantially over time. The Fund is only suitable for Investors for whom an investment in the Fund does not represent a complete investment program and who fully understand the risks of an investment in the Fund. Prospective Investors should consider the following factors in determining whether an investment in the Fund is a suitable investment for their particular circumstance:

6.1 Dependence on the Investment Manager

The success of the Fund and of each class of units within the Fund depends upon the ability of River Capital as investment manager to develop and implement investment strategies that achieve the Fund's investment objective. Subjective decisions made by River Capital may cause the Fund or one or more Unit Classes to incur losses or to miss profit opportunities on which it would have otherwise have capitalised.

6.2 General Investment and Trading Risk

By its very nature, an investment in the equity markets (both listed and unlisted) entails both general market and specific company risks. The net asset value of any unit class within the Fund can rise as well as fall. This depends on the market value of the Fund's investments at any point in time. River Capital believes that the Fund's investment process moderates this risk through the selection of businesses and the restrictions on the amount of capital allocated to any one investment.

The value of a class investment in the Fund and the return on such an investment will be influenced by many factors (including factors outside the control of River Capital) such as domestic and international markets and economic conditions, political climate, interest rates and inflation.

The Fund has been designed as a long term investment vehicle and therefore Units in the Fund should not be considered as short term, trading investments.

6.3 Regulatory and Tax Risk

The Fund and its investments are governed or affected by a number of laws and regulations. There is a risk that a government or regulator may introduce changes to those laws or regulations, or that a court may make a decision regarding the interpretation of those laws and regulations. These changes or decisions can affect the ability of the Fund to conduct its activities and make its investments, and the consequences, including for tax purposes, of conducting those activities and making those investments, and of investing in the Fund.

River Capital will monitor these developments and, where appropriate, take action to facilitate the Fund's achievement of its investment objectives.

6.4 Limited Liquidity

Class A Units

An investment in Class A units in the Fund provides limited liquidity since the interests are not freely transferable and Investors may redeem their Units only at the end of each month. The Fund may not be able to readily dispose of smaller publicly traded securities and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. A withdrawing Investor may, at the sole and absolute discretion of River Capital, receive securities owned by the Fund, in lieu of cash, or alternatively a portion of the redemption may be deferred.

Class P Type Units

In the case of Class P type units, the Fund will acquire strategic and active interests in businesses and opportunities, the securities of which may not be listed on a recognised stock exchange. Certain of these investments may be highly illiquid, and as there is no established secondary market for such investments, there can be no assurance that the Fund will be able to realise such investments in a timely manner.

Accordingly, no redemption facility is offered in the case of Class P type units, with the value of an investor's interests being returned in whole or in part upon the sale or partial sale respectively of the underlying investments.

As such, Investors are encouraged to consider an investment in the Fund as a long term investment having a duration of at least 5 years.

6.5 Specific Investment Risks

At the specific investment level, risk can arise from the sectors of the economy in which the acquired businesses operate, changes in technology, and from the management of the businesses themselves.

The kind of investments undertaken by the Fund may place heavy reliance on existing management. The performance of these businesses, and of investments within them, may be adversely affected by the loss of key personnel.

Additionally, after an investment has been made by the Fund, an investee company or business may require further funding from a source other than the Fund, which may dilute or devalue the Fund's equity position in the investee company or business.

The Fund intends to invest in a limited number of businesses and opportunities. Consequently, the Fund's overall performance could be adversely affected by the unfavourable performance of any single investment.

6.6 Use of Leverage

The Fund may, in the sole discretion of River Capital, leverage its investment positions by borrowing funds. Such leverage increases both the possibilities for profit and the risk of loss. Additionally, liabilities incurred in relation to a particular unit class remain liabilities of the Fund, and in such circumstances the Fund's indebtedness to the lender will be secured by a charge over all of the securities and other assets of the Fund.

Under certain circumstances, a lender may demand an increase in the collateral that secures the Fund's obligations, and if the Fund were unable to provide additional collateral, the lender could liquidate assets of any class within the Fund to satisfy the Fund's obligations. Liquidation in that manner could have extremely adverse consequences.

In order to mitigate this risk, River Capital will seek to satisfy all liabilities referable to a particular unit class firstly from the investment pool of that unit class.

In addition, the amount of the Fund's borrowings and the interest rates on those borrowings, which will fluctuate, may have an effect on the Fund's profitability.

6.7 Global Investment and Currency Risk

Whilst the Fund predominantly invests in Australian securities, River Capital will, from time to time, take positions in securities (whether listed or unlisted) in other overseas markets. As a result, the Fund could be exposed to currency risk when securities denominated in currencies other than the Australian dollar change in value relative to the Australia dollar.

The Fund could also be exposed to country risk because other countries may have differences in accounting, reporting and disclosure requirements and less government regulation. Other potential economic and political risks include restrictions on foreign investment, repatriation of capital and exchange control regulations.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective Investors should read this entire Information Memorandum and consult with their own advisers before deciding whether to invest in the Fund. In addition, as the Fund's investment process develops and changes over time, an investment in the Fund may be subject to additional and different risk factors. No assurance is given, or can be made, that profits will be achieved or that substantial losses will not be incurred.

Because investment in the Fund is limited to sophisticated and professional Investors, River Capital and its Directors have assumed that Investors have an understanding of the risks attached in an investment of this type generally and the Fund specifically, that they have sufficient experience in investing in securities to appreciate the merits of an investment in the Fund, the value of the various classes of Units, their own information needs and the adequacy of the information provided by River Capital.

7. TAX CONSIDERATIONS

This is an overview of some of the Australian taxation issues associated with investing in the Fund. The information below does not take into account the circumstances of each Investor that may invest in the Fund and should not be used as the basis for any investment decision in the Fund.

This information has been prepared based on Australian law as at the date of this document. Australian taxation law changes from time to time. As a result, investors should be aware that the consequences of investing in the Fund may alter.

This summary is general in nature and does not take into account the circumstances or position of any particular unitholder. For example, this summary does not generally consider the position of investors who are not residents of Australia for tax purposes, or who are temporary residents of Australia for tax purposes. It also does not take into account the tax consequences of investing in the Fund for Investors who are assessed on the disposal of their units otherwise than under the Australian capital gains tax provisions, such as Investors who are in the business or trading or dealing in units or securities.

The Australian tax consequences of investing in the Fund are particular to the circumstances of each Investor. River Capital strongly recommends that Investors seek independent professional advice regarding the potential taxation consequences under the present Australian Taxation regime of applying for, holding, reclassifying, and withdrawing Units in the Fund.

Taxation of the Fund

Under current tax legislation, the Fund should not be subject to income tax if investors in the Fund are presently entitled to all of the taxable income of the Fund for the financial year. It is anticipated that investors of the Fund will be presently entitled to all of the taxable income of the Fund for each financial year.

The taxable income of the Fund which an investor of the Fund is presently entitled to will form part of the Investors' assessable income, even if the entitlements are reinvested. Generally, income derived by the Fund retains its character on distribution to Investors.

The tax consequences for Investors of receiving income entitlements depends on the components of those entitlements for tax purposes. The Constitution of the Fund contains provisions that seek to provide for the components of the income entitlements of each Investor from units in the Fund to reflect the Class of units from which the income entitlement arises.

The Commissioner of Taxation is currently involved in a dispute before the Federal Court of Australia dealing with a number of issues that are relevant to the allocation of different classes of taxable income to different unitholders of a trust. The outcome of the case may be relevant to the determination of the components of the income entitlements of each Investor in the Fund where there are Class P type units in the Fund on issue.

Investors will be supplied with an annual Taxation Statement detailing the components of their income entitlements for tax purposes to enable them to complete their income tax returns.

Capital Gains and losses

The income entitlements of Investors of the Fund may include a component of capital gains and losses. These capital gains and losses may arise as a result of the disposal by the Fund of its investments.

There have been a number of recent changes to the tax laws relating to managed investment trusts. These include changes that allow managed investment trusts to elect to have gains and losses on certain types of investments assessed under the capital gains tax rules, and changes to the requirements that trusts must satisfy to qualify as managed investment trusts.

Whether the Fund is able to qualify as a managed investment trust for these purposes depends on the circumstances of the Fund, which may change from time to time. Where the Fund is able to qualify as a managed investment trust for these purposes, River Capital intends to make an election to have

gains or losses on the disposal of the investments of the Fund assessed under the capital gains tax rules.

Non-resident investors

The tax treatment of the income entitlements of Investors of the Fund that are not residents of Australia for tax purposes may be different. For example, such Investors may not be assessed for tax purposes on certain components of the Investor's income entitlements from the Fund and River Capital may be required to withhold amounts from certain components of the Investor's income entitlements from the Fund.

Concessional withholding rules for trusts that qualify as managed investment trusts have recently been enacted. Whether the Fund is able to qualify as a managed investment trust for these purposes depends on the circumstances of the Fund, which may change from time to time. Where the Fund is able to qualify as a managed investment trust for these purposes, River Capital intends to withhold amounts from the income entitlements of an Investor who is not an Australian resident for tax purposes in accordance with the concessional withholding rules.

Disposal of units

Under the capital gains tax provisions, Investors who redeem or otherwise dispose of their units in the Fund may realise a capital gain or loss on the redemption or disposal. In general terms, the capital gain (or loss) arising from the disposal or redemption should generally equal the excess (or shortfall) of the consideration they receive in respect of the redemption or disposal over the cost base of their unit.

If the relevant conditions are satisfied, Investors may be able to claim the benefit of the capital gains tax discount to reduce any net capital gain arising on the disposal or redemption of their units if they have held their units for 12 months or more prior to the disposal or redemption.

Reclassification of units

Where you hold Class A units in the Fund and those units are reclassified as Class P type units, you should not be taken to have disposed of your units for the purposes of the capital gains tax provisions, as for capital gains tax purposes, you should still hold the same unit.

8. ADDITIONAL INFORMATION

8.1 Summary of Constitution

The River Capital Growth Fund is a unit trust that was established under a Constitution executed by River Capital as the Responsible Entity.

The Responsible Entity may amend the terms of the Constitution in its absolute discretion, provided the proposed amendment is not adverse to the interests of the Investors. A copy of the Constitution and any amending instruments is available for inspection by Investors, applicants and prospective applicants during business hours at the office of River Capital.

The Fund's Constitution sets out the 'machinery provisions' for the Fund as well as the rights of the Fund's Investors. These include provisions for:

- **The establishment of the Fund as a unit trust;**
- **The Fund's duration, vesting and winding up;**
- **The creation of different classes of Units;**
- **The rights attaching to Units and rights of Investors which include the right to:**
 - Attend and vote at meetings of Investors;
 - Vote to determine whether the Responsible Entity should be disqualified to act as trustee of the Fund where the Fund is an unregistered scheme and subject to procedures set out in the Corporations Act, vote to remove the Responsible Entity if the Fund is a registered Managed Investment Scheme for the purposes of the Corporations Act and vote to amend the Constitution;
 - Receive either a share, or (if the Responsible Entity so determines) a present entitlement to a share, of the Class Distributable Income for the Distribution Period as defined in the Constitution, on a pro rata basis with all other such Class Units;
 - Participate in the division of any surplus assets or profits of the Fund on the winding up of the Fund on a pro rata basis with all other Units; and
 - The rights on redemption as set out in the Constitution.
- **Applications, issue of Units, withdrawal and redemptions from the Fund, including the calculation of entry and exit prices for each Unit Class;**
- **The reclassification of Units from one class to another class, and the ability of the Responsible Entity to consolidate or subdivide units of a class;**
- **The basis of valuation of net assets of each Class of Units of the Fund;**
- **The Responsible Entity's powers and management responsibility, liabilities and indemnities;**
- **The holding, registration and transfer of Units;**
- **Fees and outgoings;**
- **Changes of the Responsible Entity; and**
- **The preparation of accounts, and determination of the Fund's net income.**

The Constitution gives River Capital or any subsequent Responsible Entity of the Fund an indemnity from Fund property for any liability it incurred in it performing any duty or exercising any power or omitting to act or attempting to do so in relation to the Fund. The Responsible Entity is not required to do anything for which it does not have a full right of indemnity. Any right of indemnity given by the Constitution is additional to any indemnity allowed by law.

The Responsible Entity is able at any time to terminate the Fund by giving written notice to each of the Investors of its intention to terminate the Fund. This includes circumstances where the Fund's net asset value falls below A\$10 million for a continuous period of six months.

8.2 Additional Matters

The Constitution requires certain matters to be included in the current disclosure document of the Fund. Whilst this Information Memorandum is not a disclosure document for the purposes of Division 2 of Part 7.9 of the Corporations Act, it is the current disclosure document of the Fund and will remain so until it is replaced by a subsequent document. Specifically this disclosure document sets out River Capital's investment policies for the Fund. The Fund is not a registered managed investment scheme.

While the fund is not a registered managed investment scheme under Chapter 5C of the Corporations Act, the amount of publicly available information about the Fund and its management is more limited than it would be if the Fund were a registered managed investment scheme. For example, the Fund is not required to lodge a Compliance Plan with ASIC and to have that plan audited. Notwithstanding this, information about River Capital's compliance procedures, including its complaints resolution procedures, are available at its registered office during business hours.

APPLICATION FORM

(Please refer to the instructions on how to complete the application form set out at the back of this Information Memorandum)

1. INVESTOR DETAILS

(a) Investor 1

Individual (including a natural person acting as a trustee of a superannuation fund, or partners of a firm)

Titles (Mr/Mrs/Ms) Given Names _____ Surname _____

Telephone No. Private _____ Business _____ Facsimile _____

Corporation (including a corporate trustee of a trust or superannuation fund)

Name _____ ACN/ARBN _____

Contact Person _____ Capacity _____

Name of Trust or Superannuation Fund (if applicable) _____

(b) Investor 2 (only applicable for joint applications)

Individual (including a natural person acting as a trustee of a superannuation fund, or partners of a firm)

Titles (Mr/Mrs/Ms) Given Names _____ Surname _____

Telephone No. Private _____ Business _____ Facsimile _____

Corporation (including a corporate trustee of a trust or superannuation fund)

Name _____ ACN/ARBN _____

Contact Person _____ Capacity _____

Note: joint applications will be held as joint tenancy. Unless otherwise instructed either person may request a withdrawal.

2. MAILING ADDRESS

No. and Street _____ Suburb _____

State _____ Postcode _____ Country _____

3. TAX FILE NUMBER, AUSTRALIAN BUSINESS NUMBER OR EXEMPTION

(a) Investor 1 (Individual, Corporation, Superannuation Fund or Trust)

TFN _____ Reason for Exemption (if claimed) _____

ABN _____

(b) Investor 2 (only applicable for joint applications)

TFN _____ Reason for Exemption (if claimed) _____

ABN _____

4. APPLICATION AMOUNT

Amount to be invested: \$ _____

Minimum initial investment amount is \$500,000 or \$25,000 for each additional investment unless otherwise agreed with River Capital.

Cheques payable to: River Capital Pty Limited A/C River Capital Growth Fund

OR Bank Transfer Details: Westpac Private Bank, 360 Collins Street, Melbourne
Account Name: River Capital Growth Fund
BSB: 033 – 364
Account Number: 24 – 5421

AND Deliver your Application Form and cheque (if applicable) to: River Capital Pty Limited:
Level 15, Como Tower
644 Chapel Street
South Yarra VIC 3141

5. FURTHER INVESTMENT FACILITY

Tick to make further investments without the need to complete an Application Form (see paragraph 4.2 of the Information Memorandum)

6. DISTRIBUTION INSTRUCTIONS

- o Please reinvest distributions into Class A Units in the Fund
- o Please pay distributions by cheque and mail to my address
- o Please forward income distributions direct to the account, details of which are given below

Account Name _____ o Cheque o Savings (*Please tick*)

Institution _____ Branch _____

BSB No _____ A/c No _____

7. CHOICE OF ALLOCATION

In respect of my/our current and future units in the River Capital Growth Fund (**Fund**), I/we make the following election:

(Please mark x in the appropriate box)

- **0% allocation to active style investments**

This instruction confirms that 100% of my/our current and future interests in the River Capital Growth Fund will be directed towards Strategic and Event Driven investments and I/we do not consent to the reclassification of any of my/our Class A units that I/we currently or may in future hold to be Class P type units.

- **30% allocation to active style investments**

This instruction confirms that an amount representing up to 30% of the value of my/our current and future interests in the River Capital Growth Fund may be directed towards Active investments, with the balance to be invested in Strategic and Event Driven investments. The amount to be invested in Active investments is determined in accordance with the terms set out in section 4.3 above.

By marking this box, I/we hereby appoint River Capital Pty Ltd to be my/our attorney to consent to the reclassification of my/our Class A units to be Class P type units on the terms set out on in section 4.3 above.

I/we declare that, in exercising powers under this power of attorney, River Capital Pty Ltd may:

- determine, in its absolute discretion, which of my/our Class A units I/we consent to the reclassification of and when I/we consent to the reclassification occurring; and
- exercise a power under this power of attorney even if a benefit is conferred on River Capital Pty Ltd.

This power of attorney operates from the date of this notice until I/we cease to hold any units in the River Capital Growth Fund.

8. DECLARATIONS AND ACKNOWLEDGEMENTS

I/We:

- have read and understood the information memorandum to which this application form relates;
- declare that all the details given in this application are true and correct;
- agree to be bound by the Constitution dated 22 October 2001 pursuant to which the Fund is established (as amended from time to time);
- acknowledge that the Responsible Entity River Capital reserves the right to refuse applications for Units at its discretion;
- acknowledge that none of River Capital, their directors or associates guarantees the repayment of capital or the performance of the Fund;
- declare that offer of Units in the Fund to me/us do/does not require disclosure under Division 2 of Part 7.9 of the Corporations Act and that the onus of ensuring that I/we do not fall within the definition of retail client pursuant to section 761G of the Corporations Act as amended from time to time is borne by me/us;
- agree that if requested by the Responsible Entity of the Fund, I/we will furnish such documentation to the Responsible Entity as required by the Corporations Act, operative at the time of issue, as evidence of my status as being other than a retail client for the purposes of the Corporations Act, and acknowledge the Fund is not required to be registered under section 601ED of the Corporations Act.

8. SIGNATURE(S)

(a) Investor 1

Signature(s) _____

Date _____

(b) Investor 2

Signature(s) _____

Date _____

THE COMMON SEAL of (ACN))
was affixed in the presence of authorised)
persons:-)

.....
Director

.....
*Director/Secretary

.....
Print name of Director

.....
Print name of *Director/Secretary

.....
Print usual address of Director

.....
Print usual address of *Director/Secretary

***Please complete capacity in which signing**

INSTRUCTIONS TO COMPLETE YOUR APPLICATION FORM

1. Investor Details

Complete the name you wish your investment to be registered in, either individually, jointly or as a company, or trustee. If your investment is as trustee for a Fund or superannuation fund, please include both the name of the trustee and the name of the Fund or superannuation fund.

2. Mailing Address

Please provide the mailing address at which we can send you written correspondence, such as regular statements and reports on your investment.

3. Tax File Number, Australian Business Number or Exemption

If you choose not to quote your Tax File Number (TFN) nor claim an exemption, we may be required to deduct tax at the highest marginal tax rate plus Medicare levy from any income payable to you, unless you are entitled to quote an Australian Business Number (ABN) instead of a TFN and you quote that ABN.

If you are entitled to quote an ABN instead of a TFN and you choose not to quote an ABN or TFN, we may deduct tax at the highest marginal tax rate plus Medicare levy from any income payable to you.

You will be entitled to quote an ABN instead of a TFN where your investment in the Fund is made in the course or furtherance of an enterprise you carry on. You should seek professional advice in relation to your entitlement to quote an ABN instead of a TFN.

If you are claiming an exemption, please provide us with the reason for the exemption.

4. Application Amount

Please insert the amount you wish to invest in the Fund. The application money must be paid via cheque made payable to 'River Capital Pty Ltd'.

5. Further Investment Facility

You can tick this box if you wish to make further investments without completing an Application Form.

6. Distribution Instructions

Please select a distribution method by ticking the appropriate box. Distributions will be automatically reinvested in the Fund unless indicated otherwise.

7. Declarations and Acknowledgments

8. Signature(s)

Each Investor must sign and date the application form.

Joint applications must be signed by both parties.

Applications by companies must be signed by two directors or a director and a secretary, or, if there is only one director/secretary, by that person, or by an authorised representative of the company. Please print your name and your position(s) below your signature.

If signed under Power of Attorney, the attorney hereby verifies that no notice of revocation of that power has been received. A certified copy of the Power of Attorney must be forwarded with the Application Form.