

L U  E N A R Y

INVESTMENT MANAGEMENT

INFORMATION MEMORANDUM

Lumenary Diversified International Fund





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THIS DOCUMENT HAS BEEN ISSUED BY

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PURPOSE OF THIS DOCUMENT

This Information Memorandum (“IM”) provides a summary of the significant information about investing in the Lumenary Diversified International Fund (“Fund” or “LDIF”).

The information in this IM is general in nature only and does not consider your personal financial situation and needs. Before making an investment decision based on this IM, you should consult a licensed financial advisor to obtain financial advice that is tailored to suit your personal circumstances.

Investments in the Fund can only be made by someone who has read this IM. Information in this IM may change from time-to-time – the most recent version will be publicly available on our website <https://lumenaryinvest.com>

WHOLESALE/SOPHISTICATED INVESTORS

Lumenary is available only to Wholesale/Sophisticated Investors as defined within the Corporations Act 2001. Please fill out our short questionnaire to establish your status as a Wholesale/Sophisticated Investor:

<https://lumenaryinvest.com/questionnaire>



1. ABOUT LUMENARY

Lumenary is the trustee and investment manager for the Fund.

As trustee, we have a fiduciary duty to ensure that the Fund is run in the best interests of its investors and to oversee the operations of the Fund.

As investment manager, we are responsible for selecting and managing the investments of the Fund.

Lawrence Lam is the Managing Director & Founder of Lumenary Investment Management Pty Ltd and founded the firm in 2016. Lawrence has previous experience as an investment banker, a financial advisor and a financial services regulator with the Australian Prudential Regulation Authority.

He holds a Master of Applied Finance, Graduate Diploma in Corporations & Securities Law and Bachelor of Commerce (Actuarial Science) – all from the University of Melbourne.

We align our interests with clients through a shared ownership structure, ensuring accountability and transparency. As owner-operators personally invested in our funds, we are committed to delivering exceptional outcomes, fostering trust and alignment with our clients.

Our investment philosophy centres on identifying founder-led companies and those innovating with new products and services. We adopt a long-term mindset, focusing on businesses that demonstrate adaptability and seize prevailing opportunities. This approach allows us to evolve with dynamic market conditions while staying committed to sustainable growth.



2. HOW THE FUND WORKS

Fund Structure

The Fund is a unit trust. This means that when you invest your money in the Fund, your money is pooled together with other investors' money in the Fund. In return, you will be allocated units in the Fund. The Fund's investments are held by an independent third party, the custodian. The Fund's custodian is Interactive Brokers Australia Pty Ltd (AFS Licence 453554).

By investing in the Fund, you will have access to a portfolio of international securities that you may not have been able to access on your own. You will also have the benefit of ongoing investment research and portfolio management on your behalf.

Investing in the Fund

When you invest, you purchase units in the Fund and become a member or unit holder.

Please note that you will have beneficial interest in the Fund (represented by the value of your units) but you will not have entitlement to the Fund's underlying assets. Nor will you be entitled to participate in the management or operation of the Fund (except through any investor meetings).

You can invest in the Fund by completing the Application Form available on our website. We reserve the right to reject any applications if the investor does not meet the compliance and regulatory obligations of the fund.

Pricing of the Fund

Units in the Fund are priced based on the Fund's net asset value – the total value of the underlying portfolio of securities.

When you invest in the Fund, you will be allocated units at the unit (entry) price determined at the end of the business day on which we receive your application and cleared funds. When you redeem (withdraw), we will redeem your units at the redemption (exit) price determined at the end of the business day on which we process your redemption request.

Your beneficial interest in the Fund is represented by the value of the units you have purchased. Initially, this will be equal to the amount you have invested in the Fund. However, as the value of the Fund's investments increase (or decrease) over time, the value of your units will also increase (or decrease) accordingly.

Entry and exit spread

The Fund's application and redemption price has an entry/exit spread built in. The entry spread protects existing investors by ensuring that new investors who invest in the Fund cover their fair share of transaction costs (e.g. brokerage costs) that existing investors have already incurred.



The exit spread ensures that any transaction costs (e.g. taxes, brokerage, other government charges) incurred by the Fund because of investors leaving the Fund are fairly apportioned to those exiting investors.

The entry/exit spread depends on the amount of number and size of each investor in the Fund. The spread will vary over time and prior notice will not ordinarily be provided, and instead be provided in the welcome letter after you have invested in the Fund.

Withdrawing your investment in the Fund

You can withdraw some or all of your investment at any time, as long as the withdrawal request is greater than the minimum amount specified in Table 1. To do this, please submit a withdrawal request via the investment partner portal. You can request a specified dollar amount to be withdrawn, or a full redemption of your investment in the Fund.

You can usually expect to receive payment into your nominated bank account within 7 business days after our receipt and acceptance of your withdrawal request. However, during July each year, or at any other time when the Fund is processing statements or distributions, payment of your withdrawal may vary by up to 15 business days. There may be other circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act 2001), where your ability to withdraw from the Fund is restricted and you may have to wait a period of time before you can withdraw some or all of your investment. We will notify investors if there are any restrictions on withdrawals from the Fund.

Income distribution

The Fund intends to calculate its distributable income (if any) annually each year. Refer to page 14, for the precise ex-distribution date.

What is an income distribution?

An income distribution is the payment of the Fund's distributable income to investors. It may include interest, dividends and realised capital gains earned by the Fund. Your distribution is the sum of your proportional entitlement to the Fund's distributable income and will be different from year to year.

Distribution options

You can choose to have your distributions reinvested in the Fund or credited directly to your nominated Australian bank account. If you do not have an Australian bank account, your distributions will be automatically reinvested. Distribution payments to your nominated bank account are generally made within 10 business days after the end of the distribution period. No entry/exit spread applies on distributions that are reinvested.



Minimum investment and redemption amounts

Table 1: Minimum investment and redemption amounts, and cut-off times for processing transactions

Minimum initial investment	AUD \$100,000
Minimum withdrawal	AUD \$20,000 Note that if your withdrawal request results in your remaining investment balance to fall below AUD \$30,000, we may require you to withdraw your entire balance.
Cut-off times for processing applications and withdrawals	If we receive all applicable application or redemption documents (and cleared funds) at or before 2pm (Melbourne time) on a business day, we will process the transaction using that day's application or redemption price. Requests received after 2pm (Melbourne time) on a business day or non-business day will be treated as having been received before the cut-off time on the next business day.

Further detail available

The Fund's operation, and the responsibilities of Lumenary as trustee and investment manager are mandated in the Fund's Constitution.



3. BENEFITS OF INVESTING IN THE FUND

Significant features of the Fund

Please consider whether the expected Fund characteristics below suit your investment needs and if you are comfortable with the risks of investing in the Fund. We recommend you obtain financial advice tailored to your personal circumstances before investing in the Fund.

The primary objective of the Fund is to invest in a broad portfolio across developed and emerging markets, while minimising the risk of permanent capital loss. The Fund offers investors an opportunity to access investments in world-leading companies with a tilt towards founder-led companies.

The Fund's portfolio will comprise 1000+ underlying holdings. We believe such a portfolio ensures a foundation of stability and consistent performance over the long term in line with the fund's target benchmark (refer to Section 5 for the fund's benchmark).

It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.

Significant benefits

Investing in the Fund offers investors a range of benefits, including:

- invest in a globally diversified portfolio with a tilt towards founder-led companies;
- benefit from the foundation of reliable, world-leading companies for steady growth; and
- experience market performance aligned with global equity trends.



4. RISKS OF INVESTING IN THE FUND

General risks

Risk is the likelihood of losing one's capital. All investments carry a degree of risk. The level of risk for each investment strategy changes according to the prospects of the underlying assets underpinning the portfolio.

For example, the Fund will hold a combination of cash and/or global equities. Equities have the potential to generate the highest long-term return but is also the most volatility over the short-term.

Risks can be managed but they cannot be completely eliminated. It is important you understand that:

- the value of your investment will rise and fall over the short-term;
- investment returns will vary and future returns may differ from past returns;
- the nature of financial markets is that returns are not guaranteed and there is a degree of risk that you may lose some money on any investment you make; and
- laws affecting your investment in managed investment schemes may change over time.

Specific risks of the Fund

The significant risks for the Fund are:

Market risk

Share markets and investments are volatile. Over the short term, the market price of the Fund's assets will fluctuate. This may be due to factors such as economic conditions, market sentiment, political events, pandemic outbreaks, or other environmental and technological impacts.

Company-specific risk

Investments by the Fund in a company's securities will be exposed to the risks of that company. For example, the stock price of a company is subject to changes in its management, market trends, technology, actions of competitors and regulators.

Currency risk

As the Fund's investments in international securities are unhedged, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. A fall in the Australian dollar will positively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.

Key personnel risk

The skill and performance of Lumenary as investment manager can have a significant impact on the investment returns of the Fund. The Fund's performance could be negatively affected if Lumenary does not retain key employees.



Performance risk

There is a risk that the Fund may not achieve its investment objectives.

Fund risk

Investing in the Fund may give different results than investing directly in securities because of income or capital gains accrued in the Fund and because of other investors entering and exiting from the Fund. Although not anticipated, laws affecting managed investment schemes may change in the future, Lumenary could become insolvent, and the fees and expenses could change. An investment in the Fund is governed by the terms of the Fund's Constitution and this IM, each as amended from time to time. Lumenary may elect, in accordance with the Fund's Constitution and the Corporations Act 2001, to terminate the Fund for any reason. If this occurs, your units will be liquidated and returned back to you.

Liquidity risk

The Fund is exposed to securities which are generally considered to be liquid investments. However, under extreme market conditions there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets in time to meet withdrawal requests within the required timeframes. In order to do so, the Fund may be required to sell assets at a substantial loss, and possibly incur unfavourable tax outcomes.

Operational risk

Operational risk includes those risks which arise from carrying on a funds management business. The operation of the Fund requires Lumenary and its service providers to implement sophisticated systems and procedures. Some of these systems and procedures are specific to the operation of the Fund. Although Lumenary has implemented appropriate systems, a risk remains that inadequacies with these systems and procedures or the people operating them could lead to a problem with the Fund's operation and result in a decrease in the value of units.



5. KEY CHARACTERISTICS OF THE FUND

Benchmark

MSCI All Country World Index Net (in AUD).

Minimum suggested investment time frame

7-10 years (at least one market cycle). We do not recommend you invest in the Fund if you anticipate holding the investment for less than 3 years.

Investment objective

To invest in a broad portfolio across developed and emerging markets with a tilt towards founder-led companies

Investment strategy

The Lumenary Diversified International Fund invests in a diversified range of international companies, aiming to build a balanced and stable portfolio that spans both developed and emerging markets. The fund emphasises investments in world-leading companies, ensuring a foundation of stability and consistent performance over the long term, with a tilt towards founder-led companies.

Investment exposure

A combination of cash and global listed securities only.

It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.

Risk level

Risk is the likelihood of losing one's capital. This is different to volatility. Risk reduces as your investment horizon lengthens. If your investment horizon is less than 7 years, we consider risk to be High. If your investment horizon is greater than 7 years, we consider risk to be Medium.

We do not follow market trends – we approach investment independently and objectively. Expect our performance to be volatile over the short term. It is possible that we may underperform relative to global stock market indexes.

Fund performance

Lumenary will provide annual statements to each investor outlining Fund performance and fees that have been charged.



6. FEES AND COSTS

Did you know?

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. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more:

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 ("ASIC") website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options and which can also be used to calculate the effect of fees and costs on account balances.

What we charge for our services

Table 2 below can be used for comparison against other funds. The ASIC website managed fund calculator can be used to calculate the effect of fees and costs on account balances.

Table 2: Fees and costs

Fees when your money moves in or out of the Fund	<p>Establishment, contribution, withdrawal fee: zero</p> <p>(Note that entry or exit spreads will apply – this is not a fee. The spread is designed to ensure that the transaction costs incurred by the Fund are fairly shared amongst the investors. Refer to page 5 Entry and exit spread for more detail).</p>
Ongoing fee*	<p>1.00% per annum, calculated and accrued at the end of each month. This consists of the following components:</p> <ul style="list-style-type: none"> • Management fee: 0.80% per annum; and • Administration cost: 0.20% per annum
Performance fee*	<p>10.00% of the increase in the unit price, subject to exceeding:</p> <ul style="list-style-type: none"> • the higher of the index performance hurdle (the MSCI All Country World Index Net (in AUD), the bond yield hurdle (the Australian government 10 year bond yield at the start of the calculation period); and • the High Water Mark. The High Water Mark is the highest Unit Price in any preceeding calculation period. Having a High Water Mark ensures that any negative returns must be surpassed a Performance Fee is accrued and payable. <p>The Performance Fee (if payable) is capped to ensure your return (after the performance fee has been paid) will always be greater than or equal to the higher of the index performance hurdle and the bond yield hurdle.</p> <p>The Performance Fee is calculated and paid for each 6 monthly period ending 31 December and 30 June.</p>

* These fees are inclusive of the estimated net effect of Goods and Services Tax (GST) (i.e. inclusive of 10% GST, less any reduced input tax credits. As the Fund predominantly invests in international securities, the GST impact is currently estimated to be negligible. To the extent the GST impact changes (for example, if the Fund's exposure to Australian securities increases), the actual fees may differ from the rates stated above.



How we charge our fees

We can charge our fees either by directly deducting it as cash from your distributions or withdrawal amounts, or by cancelling the number of units you hold. Regardless of which method is used, the dollar amount of fees charged will be the same in all circumstances. We will provide regular statements to update you on how our fees have been calculated and deducted.

Changes in fees

Our fees may increase or decrease depending on changes in the costs of running our business, competitive, industry and regulatory environments. We can change fees without your consent, but will provide you with at least 30 days written notice of any fee change.

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Table 3: Example of annual fees and costs

Fee	Rate	Balance of AUD \$50,000 with additional contributions of AUD \$10,000 at the end of the year
Contribution fees	Zero	For every AUD \$10,000 you put in, you will be charge \$0.
Plus Ongoing fee	1.00%	For every AUD \$50,000 you have in the Fund you will be charged AUD \$500 per annum.
Plus Performance fee [#]	0.46%	For every AUD \$50,000, you have in the Fund you will be charged AUD \$230 (assuming we have met the outperformance conditions once during the year. See below for assumptions). If we have not met the outperformance conditions, the performance fee will be zero.
Equals Cost of the Fund [^]		If you had an investment of AUD \$50,000 at the beginning of the year and you put in an additional AUD \$10,000 at the end of that year, you would be charged fees of AUD \$730 [^] .

[#] Assuming that the Fund's unit price at the start of the period was \$1.25 and it returned 9% (after paying all ongoing fees), exceeded the higher of the index performance hurdle and the bond yield hurdle (assume 6.5%), and the high water mark being surpassed, then the Performance Fee will be 0.46%. We assume the performance fee was payable once during the year.



[^] Note that this example does not capture the impact of entry/exit spread as discussed on page 5, Entry and exit spread. The current entry and exit spreads are approximately 0.10% of the unit price. For example, if you invested AUD \$50,000 in the Fund the cost of the entry spread would be AUD \$50, or if you withdrew AUD \$50,000 from your investment the cost of the exit spread would be AUD \$50.

7. IMPORTANT DATES

The below Table 4 outlines when you can expect to receive distributions and other correspondence from us. We will endeavour to stick to these timeframes, however processing times may vary by up to 15 business days.

We will be communicating with you via the email addresses you provide us in the Application Form.

Table 4: Important dates

Distributions paid (if any)	Annual ex date of 30 June, paid in July each year.
Tax statement	July each year.
Unit holding statement	July each year.
Performance statement	July each year.
Investment performance report	July each year.
Investor update letters	June and December each year.



8. TAXATION OF MANAGED INVESTMENT SCHEMES

Investing in a managed investment scheme (such as the Fund) is likely to have tax consequences that apply to your specific circumstances. Tax laws can also change in the future so we recommend you seek your own professional tax advice before investing in the Fund.

Taxation of the Fund

The Fund generally distributes all of its taxable income each financial year so that it is not subject to tax. The Fund does not pay the tax liability on behalf of investors. As an investor, you will be assessed for tax on your share of the net income and net capital gains generated by the Fund. Depending on your particular circumstances, you may also be liable to pay capital gains tax when you withdraw units in the Fund. We will provide you with a tax statement at the end of each financial year.

Taxation of non-resident investors

If a non-resident investor is entitled to taxable income of a Fund, the investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by Lumenary in respect of your tax liability. We recommend you seek specialist taxation advice.

Taxation reforms

Legislation to establish a new tax system for managed investment trusts (MITs) was enacted in May 2016. Eligible MITs can elect to become an Attribution MIT (AMIT) by irrevocable choice. The new rules generally apply from 1 July 2016. One of the many implications of electing to become an AMIT is a lower withholding tax rate for foreign investors into the Fund.

The Fund's Constitution currently allows for it to become an AMIT.

Foreign investors should seek their own advice and monitor the progress of announcements and proposed legislative changes.



9. INVESTING WITH US

Steps

1. Read the latest Information Memorandum

Please ensure you have read the latest available version of the IM available at <https://lumenaryinvest.com/ldif/>

2. Complete the Investor Questionnaire

The fund is available to professional, sophisticated and experienced investors only. If you are unsure, please complete the questionnaire available on our website here:

<https://lumenaryinvest.com/questionnaire/>

3. Complete online Application Form

If you are a new investor with us, please complete all relevant sections of the Application Form here: <https://partner.lumenaryinvest.com/signup/>

If you are already an investor with us, you can submit an Additional Investment request via the investment partner portal.

4. Transfer funds

Transfer your funds directly into the Fund, our bank details are available on the respective forms.

After we receive your completed form, supporting identification documents and the funds have cleared, we will send you a welcome letter confirming the entry unit price and number of units purchased.

Cooling off

You can withdraw your investment at any time. Please see page 6, Withdrawing your investment in the Fund for further details.

If you choose to withdraw your funds immediately after applying, depending on when we receive your Withdrawal Form, the amount you receive may reflect any market movement up or down which means that there may be taxation implications for you. We will also deduct any tax or duty incurred and there will be an exit spread paid. As a result, the amount returned to you may be less than your original investment.