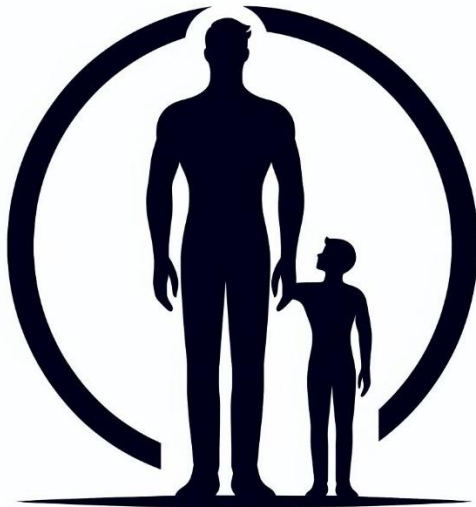


EGP Long/Short Global Fund



# EGP Long/Short Global Fund

INFORMATION MEMORANDUM –  
AN OFFERING TO WHOLESAL CLIENTS  
31 December 2024

ISSUED BY EGP FUND PTY LIMITED, PO BOX 1873, MACQUARIE CENTRE, NORTH RYDE, NSW 2113  
ABN 99 647 608 624  
CAR#1309772 OF AFSL #499193

EGP Fund Pty Ltd (ACN 647 608 624) is the trustee and investment manager of EGP Long/Short Global Fund.

The Fund is governed by the Constitution and the Subscription Agreement (as applicable) which regulate, among other things, the rights and obligations of the Trustee, Investment Manager, and the investor. A copy of the Constitution is available free of charge by contacting EGP Fund. The Information Memorandum (IM) will be reissued in the event of any change to the information contained herein.

This Information Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in the units described in it. The return of capital and the performance of the Fund are not guaranteed by any person or organisation.

Information contained in this Information Memorandum is general information only and does not consider your individual objectives, financial situation, or needs. This Information Memorandum has not been, and is not required to be, lodged

with the Australian Securities and Investments Commission under the Corporations Act 2001. The Fund is not required to be and is not registered as a managed investment scheme under the Corporations Act 2001. Accordingly, an invitation to subscribe for units in the Fund will be an offer that does not need disclosure for the purposes of the Corporations Act 2001 (Cth).

This Offer to subscribe for units in the Fund is only made to wholesale clients (as defined under the Corporations Act 2001). Unless otherwise indicated, all fees quoted in this Information Memorandum are exclusive of the effect of GST and any input tax credit, and all dollar amounts refer to Australian dollars.

This Offer is only principally available to eligible wholesale investors who receive this Information Memorandum in Australia. Applications from outside Australia will generally not be accepted.

There is no cooling off period or cooling off rights in relation to an investment in the Fund as cooling off rights which are provided under Corporations Act 2001 (Cth) are not available to wholesale clients. Investments in this Fund are subject to risk and market fluctuations. Investors should ensure that they understand the risks and where necessary seek independent professional advice before investing in this product.

Investors should be aware that the risks may result in possible loss of income and principal and may involve delays with repayment.

There may be no secondary public market for units in the Fund and no market is expected to develop in the future. An investment in the Fund may not be transferred, resold, exchanged or otherwise disposed of except in accordance with the terms of this Information Memorandum and Constitution.

By accepting this Information Memorandum, you are representing that you are a wholesale client.

## Overview

<b>Investment Vehicle</b>	EGP Long/Short Global Fund (Fund), an unregistered managed investment scheme
<b>Trustee/Investment Manager</b>	EGP Fund Pty Ltd (ACN 647 608 624) CAR #1309772 of AFSL #499193
<b>Registry/Administrator</b>	Registry Direct
<b>Fund Domicile</b>	Australia
<b>Investment Horizon</b>	At least five years
<b>Benchmark</b>	6% per annum
<b>Investment Type</b>	Long/Short Global Equity
<b>Investment Objective</b>	The fund aims to outperform the benchmark net of fees over rolling five-year periods
<b>Investor Eligibility</b>	Wholesale Clients, as defined in the Corporations Act 2001
<b>Minimum Investment</b>	\$50,000*
<b>Minimum Redemption</b>	\$5,000, balance must exceed Minimum Investment or will be subject to full redemption*
<b>Buy/Sell Spread</b>	10bps
<b>Applications</b>	Monthly, funds must be visible in the Trust account before the last business day of the month to make that month's applications
<b>Redemptions</b>	Monthly, correctly completed redemption for must be received by the last trading day of the month and will be paid once unit pricing is confirmed by the Administrator
<b>Fees and Costs</b>	Management Fee: 0.05% (5bps) of average monthly net asset value. Credited back against Performance Fees. Performance Fees: 10% between 6-12% 20% between 12-18% 30% performance >18%  The fund will bear normal costs e.g. brokerage and accounting etc.
<b>Valuations</b>	Monthly
<b>Distributions</b>	At least annually, more at manager election.

\* Can be waived at the manager's election

# EGP Long/Short Global Fund

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## **Fund Structure:**

The Fund is an unregistered wholesale Australian resident unit trust. EGP Fund Pty Ltd is the investment manager. The governing rules of the Fund are detailed in the Fund's Constitution. A copy of the Constitution is available from EGP Fund.

## **Investment Objective:**

To deliver a return exceeding 6% per annum over a rolling five-year basis. To fulfil the objective, the Fund will focus on long/short investments in listed equities and exchange traded funds (ETF's) globally, but with a primary focus on Australian and United States listed equities. The Fund may also use derivatives to hedge portfolio risk and enhance returns.

## **Portfolio Construction:**

The equity component of the EGP Long/Short Global Fund is expected to run longer-term long and short equities books alongside a series of short-term long and short exposures. It is the aim of the portfolio to profit from both sides of the long/short book, but primarily from the long book. The short book is expected to perform best during periods of significant market dislocation.

With the aim of smoothing the anticipated volatility the equity structure above may experience, other strategies such as a sectoral long/short strategy will sometimes run alongside equity book, using ETF's for exposure. The entire portfolio will be published in each monthly report. The overall portfolio will target ~80% net exposure over time.

# Risks

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## **General:**

Unit holders should be aware that there is no guarantee that the implementation of the investment objective or process will not result in losses to unit holders. The return of capital and the performance of the Fund are not guaranteed. Nor are the liquidity of the Fund's investments or that you will be able to redeem your investment from the Fund within the timeframes specified in this IM guaranteed. Each investor should carefully consider the risks of investing and, where necessary, seek professional advice as to the suitability of investing in the Fund. Some of the specific risks of investing in the Fund are set out below.

## **Manager Skill:**

The EGP Long/Short Global Fund runs a quantitative strategy. The performance of the

fund relies on the skill of EGP Fund in designing this strategy and correctly implementing it.

## **Leverage:**

The Fund may employ leverage over its capital where the manager believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities to borrow additional funds for investment purposes. The Fund may also leverage its investment return with derivatives and short sales. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their investments.

## **Liquidity:**

Liquidity refers to the ease with which an asset can be bought or sold, without a negative

impact on its value. The Fund aims to invest in highly liquid listed stocks and to keep the fund size small enough that the entire fund could be liquidated in under three days under normal market conditions.

Under certain conditions the liquidity of a particular market or security may be restricted, thus affecting the performance of the Fund.

Because of the monthly liquidity of the fund, the manager may be forced to sell investments in stressed scenarios including to meet claims related to unit holder redemptions or to meet commitments to leveraged capital.

The manager may suspend redemptions and the calculation of the unit price if sufficient Fund assets cannot be realized at an appropriate price on adequate terms, to meet withdrawal requests.

### **Short Selling:**

The Fund engages in short selling. Selling securities short creates the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which can reduce profits or create losses in some circumstances.

### **Derivatives Risk:**

Derivatives, such as options, futures, and swaps, may be used by the Fund for hedging and non-hedging purposes such as:

- To manage risks.
- To implement an investment strategy in a cost-efficient manner.

- As a substitute for direct investment in securities; or
- To reduce risk or gain exposure to other types of investments when appropriate.

The risks of using derivatives might include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected and counterparty risk.

### **Counterparty Risk:**

Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. For example, the Fund's investments may be borrowed, lent or otherwise used by the Prime Brokers for their own purposes. These assets become the property of the Prime Broker and the Fund has a right against the Prime Broker for the return of equivalent assets. The Fund ranks as an unsecured creditor for the equivalent assets and there is a risk that the Prime Broker does not return equivalent assets or value to the Fund (for example, because of insolvency).

A party defaulting on its obligations could subject the Fund to substantial losses because the Fund will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.

## **Investing In the Fund**

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### **Who can invest?**

This Information Memorandum offers investors who are wholesale clients as defined under the Corporations Act 2001 the opportunity to invest in the Fund.

### **Applications**

**Minimum Initial Investment:** The minimum initial investment is \$50,000, subject to EGP Fund's discretion to accept a lower amount.

Certification of wholesale status will be required as a pre-requisite for investing in the Fund.

### ***Application Acceptances***

In respect of each initial and additional investment, an investor must qualify as a wholesale client. Applications are accepted at the absolute discretion of EGP Fund. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies. Interest earned on application funds will be retained by the fund.

### ***Application Process and Cutoff Times***

Applications can be made by completing a Subscription Agreement for initial investments or the Additional Subscription Form for subsequent additional investments and forwarding it to [applications@egpcapital.com.au](mailto:applications@egpcapital.com.au). Applications will be processed monthly; the application price will be the unit price as published in the relevant monthly report.

Cleared funds must be electronically transferred into the Fund's Application Account (see below for bank account details) no later than 4pm AEST on the second last business day of the month. The relevant Subscription Agreement or Additional Subscription Form must be emailed to [applications@egpcapital.com.au](mailto:applications@egpcapital.com.au) before 4pm AEST on the final business day of the month.

The bank account details are as follows:

BSB: 062-320

Account Number: 1178 9169

Account Name: EGP Fund Pty Ltd ATF EGP Long Short Global Fund

## **Redemptions**

### ***Minimum Redemption***

The minimum redemption is \$5,000, subject to EGP Fund's discretion to accept a lower amount. Should a redemption take an individual holding below the Minimum Initial Investment, the entirety of the holding will be redeemed.

### ***Redemption Process and Cutoff Times***

Redemptions can be made by completing the Redemption Form attached at the end of this IM and emailing it to [redemptions@egpcapital.com.au](mailto:redemptions@egpcapital.com.au).

Redemptions will be processed the day after the monthly report is published (customarily the 5<sup>th</sup> business day following the last trading day of the previous month).

## **Suspensions**

EGP Fund may suspend for a reasonable period the application, redemption, or both, of units, the payment of redemptions and the calculation of the unit price in certain circumstances. These circumstances include where EGP Fund considers it is desirable for the protection of the Fund or the interests of the unit holders as a whole including if any relevant financial or foreign exchange market is closed or trading is restricted, if a state of affairs exists which will or may affect to a significant degree the ability of EGP Fund to acquire or dispose of assets or the prices at which EGP Fund may acquire or dispose of assets, or if sufficient assets cannot be realised at an appropriate price on adequate terms. Applications and redemptions received during a suspension period will be processed as of the next Subscription Day or Redemption Day after the end of the suspension period. Suspensions are expected to be an extremely unlikely occurrence given the anticipated liquidity profile of the Fund.

## Unitholder Communication

As a unitholder in the fund, you will normally receive the following reports:

### **Monthly Report**

A monthly report setting out the unit price, performance of the fund and the fund's current holdings at the end of the month.

### **Tax, Distribution and Annual Statements**

Taxation and distribution statements are sent to all unit holders at least annually. In addition, an annual statement which contains the transaction history of a unit holder for the year is also sent to all unit holders. Taxation,

distribution, and annual statements are made available to unit holders online via email communication.

### **Financial Statements**

Financial Statements of the Fund are issued annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act 2001 or under the Constitution. The financial statements are available to any unit holder on request.

# Fees

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## **Management Fee**

A management fee of 0.05% per month (plus GST net of reduced input tax credits) of the net asset value of the Fund is payable by the Fund to EGP Fund. The 'net asset value' of the Fund is the value of all its assets less all its liabilities.

It is calculated based on beginning monthly equity. The management fee is credited back against the Managers performance fee.

## **Performance Fee**

A performance fee of 10% (plus GST net of reduced input tax credits) of the amount by which the net asset value of the Fund (adjusted for applications and redemptions and before the payment of any distribution) exceeds the 6% per annum (the Benchmark) for performance of between 6-12%.

In effect, a 12% return serves to repay the management fee, and a return exceeding 12% is required for a performance fee exceeding the management fee to occur.

Between a 12-18% per annum, the performance fee is 20% (plus GST net of reduced input tax credits).

Performance exceeding 18% per annum incurs a 30% performance fee (plus GST net of reduced input tax credits).

The fund is subject to a "high water mark", meaning the highest net asset value of the Fund at the end of a period where a performance fee has been paid, adjusted for applications, redemptions, and subsequent distributions.

The performance fee is calculated and paid monthly. The performance fee paid to EGP Fund is equal to the performance fee accrual since the performance fee was last paid. It is payable only if the Fund's return over the performance fee period is positive. If the performance fee at the end of a period is a negative amount, this amount carries over to the first day of the next period. This means that EGP Fund must make up any underperformance from the previous period before accruing a performance fee.

## **Other Fees and Expenses**

The Fund charges a buy/sell spread of 10bps to cover investment/redemption brokerage. The Fund incurs other expenses, such as audit fees,

legal fees, transaction costs, taxes, and other expenses allowable under the Constitution, including abnormal expenses (if any). An abnormal expense would, for example, be the

cost of holding a unit holder meeting. The Constitution allows for such expenses to be paid directly by the Fund or paid by EGP Fund and reimbursed from the Fund.

# Unit Pricing, Distributions & Taxation

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## Unit Pricing and Valuation

When you invest in the Fund you are allocated units in the Fund. Each of these units represents an equal undivided part of the market value of the portfolio of investments that the Fund holds. As a result, each unit has a dollar value or unit price. The unit price is calculated by dividing the total asset value of the Fund, less its liabilities, by the total number of units held by unit holders on that day. All unit prices are calculated to four (4) decimal places.

Units are priced each Month with reference to the last traded share price for that day.

The net asset value of the Fund includes the value of income accumulated since the previous distribution date.

In calculating the net asset value of the Fund, the Administrator may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, the Investment Manager, Trustee and any administrator or valuations agent of other collective investments into which the Fund invests.

To the extent that EGP Fund is responsible for or otherwise involved in the pricing of any of the Fund's assets (for example in the case of suspended stocks), the Administrator may accept, use and rely on such prices, without verification, in determining the net asset value

of the Fund and shall not be liable to the Fund, any unit holder or any other person in doing so.

## Distributions

Distributions will usually be determined annually as at 30 June, or more frequently at EGP Fund's discretion. Distributions will generally be paid within 30 calendar days after the distribution date.

Distributions are automatically reinvested unless a unit holder elects for the distribution to be paid out in cash.

Distributions are reinvested at the unit price effective immediately after the end of the distribution period.

A unitholder can change their distribution option by notifying EGP Fund by email at least five (5) Business Days prior to the relevant distribution date. Unit holders will still have to pay tax on a distribution, even if it is reinvested.

EGP Fund Pty Ltd has absolute discretion in performing its obligations as trustee and may accept or reject a written direction from a unit holder.

## Taxation

There are tax implications when investing, redeeming, and receiving income from the Fund. EGP Fund cannot give tax advice and we recommend that you consult your tax adviser.

***The fund will have a tendency towards shorter term trading, meaning that most gains made are likely to be taxable in the same year.***

The following summary is general in nature and does not constitute tax advice. You should seek independent professional advice on the tax consequences of an investment in the Fund, based on your circumstances, before deciding to invest.

Generally, the Fund will not pay Australian income tax because the unit holders will be 'presently entitled' to all the income (including net capital gains) of the Fund. Your taxable income will include your share of the net taxable income of the Fund (including net capital gains) which is allocated to you in respect of that income year, even if your distribution is reinvested or received in the following year. If there is income of the Fund to which no unit holder is 'presently entitled', the Fund will be subject to tax at the highest marginal tax rate (plus Medicare levy).

The following summary is relevant for Australian resident unit holders who are individuals, complying superannuation entities and companies that hold their units on capital account.

The Fund will seek to distribute franking credits (if any) received from its investments in Australian companies. Any franking credits attached to distributions will be shown in unit holders' annual tax statements. To the extent franking credits exceed tax payable by a unit holder, any excess may be refundable to individuals and complying superannuation funds.

The tax regime for Attribution Managed Investment Trusts ("AMIT's") has been operative in Australia since 1 July 2016. The AMIT regime is designed to improve the operation of the taxation law for funds by increasing certainty, allowing greater flexibility, and reducing compliance costs. Trusts which meet the eligibility criteria may make an irrevocable election to become an AMIT. The Fund has elected into the AMIT regime. The

Fund monitors its ability to meet the AMIT eligibility criteria on an ongoing basis.

The following summary is relevant for Australian resident unit holders who are individuals, complying superannuation entities and companies that hold their units on capital account.

At the end of the Fund's tax year, we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

### **Capital Gains Tax**

Your assessable income for each year includes net capital gains (i.e. after offsetting capital losses). You may derive capital gains from either:

- A component of the distribution made to you as a unit holder in the Fund; or
- Redeeming units from the Fund.

The Fund has made the Managed Investment Trust CGT election to treat certain assets including shares held by the Fund as CGT assets. The Fund's ability to make this election is subject to it continuing to satisfy certain criteria, which the Fund cannot guarantee.

Individuals, trusts and complying superannuation entities may be eligible for a CGT discount in relation to capital gains derived upon the disposal of units where they have held the units continuously for at least twelve (12) months.

Certain capital gains distributed to unit holders from the Fund may also qualify as discount capital gains. The CGT discount percentage is 50% for individuals and trusts and 33 1/3% for complying superannuation entities.

The distribution by the Fund of certain non-taxable amounts (if any) may give rise to capital gains tax cost base adjustments to a unit holders' units in the Fund. This may result in a larger capital gain or reduced capital loss on



the subsequent disposal of the units or may result in an immediate capital gain to the extent that any non-taxable amounts received exceed the CGT cost base of the units.

### **Good and Services Tax**

The issue and redemption of units in the Fund and receipt of distributions will not be subject to GST. GST is payable by the Fund on EGP Fund's fees and certain reimbursement of expenses. The Fund will generally be able to claim input tax credits and/or reduced input tax credits of either 55% or 75%.

### **Non-Resident Taxation**

Australian tax will be deducted from distributions of certain Australian sourced taxable income to non-resident unit holders. The amounts will be withheld at the rates of tax applicable to non-resident unit holders and will depend on the type of income and country of residence of the unit holder. Non-resident unit holders may also be subject to tax in the country they reside in, but may be entitled to a credit for some of all of the tax deducted in Australia.

On the basis that the assets of the Fund are unlikely to be direct or indirect interests in Australian real property, no Australian capital gains tax consequences should arise for non-resident unit holders who hold their units on capital account.

Non-residents seeking to invest in the Fund should obtain tax advice on their specific circumstances.

### **Foreign Tax Credits**

Australian residents are required to include in their assessable income their share of any foreign taxes paid by the Fund. Unit holders may be entitled to a tax offset for foreign taxes paid by the Fund, subject to certain conditions.

### **Tax File Number (TFN) and Australian Business Number (ABN) (Australian Unitholders only)**

It is not compulsory for unit holders to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy and any other applicable levies or taxes. The ABN, TFN or an appropriate exemption can be provided in the Subscription Agreement when making an initial investment.

### **Foreign Account Tax Compliance Act (FACTA) Common Reporting Standard (CRS) and Similar Regimes**

The Foreign Account Tax Compliance Act of 2010 (FATCA) is United States (U.S.) tax legislation which aims at enabling the U.S. Internal Revenue Service (IRS) to identify and collect tax from U.S. residents that invest via non-U.S. entities, such as the Fund.

FATCA requires certain Foreign Financial Institutions (FFIs) to register with the IRS and collect and provide certain information about U.S. investors (relating to their identity, account balance and payments) to the IRS. Such U.S. investor account information is either reported to the IRS directly, or via a local regulatory or taxation authority in a country which has entered into an intergovernmental Agreement with the U.S. If you or (where you are applying on behalf of an entity) a Controlling Person of the entity (including 25% or greater owners) are a U.S. citizen or U.S. tax resident, you must contact EGP Fund at the time of applying for Units in the Fund. Non-compliance with FATCA may result in a flat rate of 30% withholding tax on payments of certain U.S. source income.

The Common Reporting Standard (CRS) is a standardised set of information sharing rules which have been developed by the OECD with the aim of preventing tax evasion. Australia has enacted legislation to implement the CRS from 1 July 2017. Unlike FATCA, there is no withholding applicable under CRS.

Under FATCA and the CRS, EGP Fund and the Fund will be required to implement due diligence procedures to document and identify unit holders that are non-residents or entities that are controlled by non-residents and report certain information about those unit holders to the ATO. The ATO may exchange this information with the relevant foreign tax authorities.

EGP Fund and the Fund, as registered FFI's under FATCA and reporting entities under CRS, intend to comply with their FATCA and CRS obligations (and any other obligations which may arise under similar regimes to be implemented in the future).

EGP Fund will request that you provide certain information about yourself, and your tax status.

Any unit holder who does not provide information requested by EGP Fund for FATCA or CRS purposes, or for the purposes of any

similar regime in another country, is subject to a compulsory redemption of their units.

In addition, if you do not provide us with the required information for FATCA or CRS compliance, EGP Fund may be required to report your account details to the appropriate local tax authority such as the ATO.

In certain instances, the Fund may not be able to escape the imposition of withholding tax or other taxes under FATCA or any similar regime. While the Fund will seek to apportion any such tax burden on unit holders whose actions or inactions have caused the Fund to be subject to tax, there can be no assurance that it will be able to do so, and if the Fund cannot, any such tax will reduce the amount of cash available to pay all unit holders, including those unit holders who have provided all requested information.

## **Applications**

Applications for EGP Aggressive Fund are done exclusively online. The online application can be accessed at:

[Application Link](#)

Or by emailing the EGP team and asking for a link to be sent to you, email: [applications@egpcapital.com.au](mailto:applications@egpcapital.com.au)

\_\_\_\_\_  
(Date)

EGP Fund Pty Ltd  
PO Box 1873  
Macquarie Centre  
NSW 2113

## Investor Redemption Request

Dear Administration Team,

My investor details are:

Investor number:	
Investor name:	
Investor address:	

Please make either a part or full redemption (as shown below) from my investment account in the EGP Long/Short Global Fund:

	\$	Units
<input type="checkbox"/> Part redemption		
<input type="checkbox"/> Full redemption		
Credit proceeds to the following bank account <b>(if listed account has been previously provided then a scanned or faxed copy of this form is acceptable)</b>	Account Name:  BSB:  Account Number:	

Yours faithfully,

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Authorised signatory

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Authorised signatory