

# **ELDIUM INCOME FUND**

**INFORMATION  
MEMORANDUM**

**APRIL 2025**

# DISCLAIMER

This Information Memorandum (**IM**) is dated 16 April 2025 and has been prepared and issued by Eldium Funds Management Pty Ltd ACN 684 357 766 as manager (**Eldium, Eldium Funds Management or Investment Manager**) of the Eldium Income Fund (**Fund or Eldium Income Fund**). The Investment Manager is a corporate authorised representative (CAR 001314402) of Bolt Capital Pty Ltd ACN 636 202 223 (**Bolt or Trustee**), the holder of Australian financial services licence 522572, Bolt is the trustee of the Fund and issuer of units in the Fund. No persons other than the Investment Manager have caused or otherwise authorised the issue of this IM nor do they take responsibility for the preparation of this IM. This IM is given to a limited number of prospective investors solely for the purpose of evaluating whether they wish to invest in the Fund (**Investment**).

This IM is not a product disclosure statement as defined in the *Corporations Act 2001* (Cth) (the **Corporations Act**) and so must not be used in conjunction with an invitation to offer units in the Fund that would require a product disclosure statement (in accordance with Part 7.9 of the Corporations Act). This IM does not constitute financial product advice or provide a recommendation to enter into any investment. The information in this IM is general information only to assist any person to whom the IM is provided in assessing whether to invest in the Fund. The IM does not take into account any prospective investor's personal objectives, financial situation or needs and each prospective investor should obtain their own professional legal, tax and investment advice before making a decision about whether investing in the Fund is appropriate. This IM has not been lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government body. The offer made under this IM is only available to persons who qualify as a "wholesale client" (as defined in section 761G of the Corporations Act) or a "sophisticated investor" (as defined in section 761GA of the Corporations Act) (**Qualifying Investors**). The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

By accepting this IM, the recipient agrees that its existence, contents and any related discussions are to be held in strict confidence. Its use for any purpose other than to consider an Investment in the Fund by the recipient is not permitted. It is not to be reproduced or redistributed, in whole or in part or disclosed to any person without the written consent of the Investment Manager.

## Purpose of information

This IM is a summary of the terms and conditions of the Investment and does not relate to, and is not relevant for, any purpose other than to assist Qualifying Investors to decide whether to proceed with a further investigation of the Investment. It does not purport to contain all the information that a Qualifying Investor or a Qualifying Investor's professional advisers may require in making a decision in relation to the Investment. The IM must be read in conjunction with the trust deed of the Fund (**Trust Deed**) which the Qualifying Investor will be party to if they proceed to make the Investment.

Before making the Investment, Qualifying Investors must ensure they obtain a copy of and read the Trust Deed in its entirety and, if necessary, seek their own independent professional advice. The terms of the Trust Deed may differ from the statements made in the IM. The terms of the Trust Deed prevail over this IM.

## Australian residents

This IM does not constitute, and may not be used for the purposes of, an offer or invitation in any jurisdiction where, or to any person whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the units of the offer or otherwise to permit a public offering of the units in any jurisdiction. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an invitation to apply for units in the Fund. In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this Fund may be distributed in the United States.

This IM is not directed at or made available to any person in a jurisdiction in which its circulation or release is prohibited under the law of that jurisdiction.

## No representation

The Investment Manager has compiled the information contained in this IM in good faith. None of the Trustee, the Investment Manager, their associates or related parties, their respective directors, officers, representatives or advisers or any other person who may be taken to have been involved in the preparation of this IM (the **Transaction Parties**) makes any representation or warranty, express or implied, as to, or assumes any responsibility or liability for any loss or damage suffered in connection with, the content, adequacy, origin, validity, reliability, accuracy, legality or completeness of, or any errors in or any omissions from, any information, statement, opinion or forecast contained in this IM or any other written or oral communications transmitted to prospective investors or their affiliates or representatives in the course of their evaluation of any potential equity investment. The Investment Manager has not authorised any person to provide any information or make any representation in connection with its business, which is not contained in this IM, and if such information or representations are provided, they cannot be relied upon as having been authorised by the Investment Manager. The recipient should note that information on certain matters may not have been included in this IM for reasons of commercial sensitivity even though such information may be material to a prospective investor.

This IM must be read in conjunction with the Trust Deed for the Fund, a copy of which is available (free of charge) by sending an email to the Investment Manager at the following email address: [Investors@eldium.com](mailto:Investors@eldium.com).

Except to the extent required by law, none of the Transaction Parties accept any responsibility or liability for any errors, misstatements, misrepresentations in or omissions from this IM or any other such document or information supplied at any time to the recipient or its advisers in the course of the recipient's evaluation of the Investment, the Trustee and the Investment Manager. The Transaction Parties are not obliged to inform a recipient or any other person of any matter arising or coming to its notice after the date of preparation of this IM. Neither the delivery of this IM, nor any invitation to participate in the Investment implies or should be relied upon as a representation or warranty by any of the Transaction Parties that there has been no change since that date in the affairs or financial condition of the Trustee and the Investment Manager or that the information contained in this IM remains correct at, or any time after, the date of this IM.

### **Investors to conduct own investigations**

This IM does not contain all the information that a recipient may require to evaluate the Investment, the Trustee or the Investment Manager and is not intended to form the basis of any decision by a recipient. Prospective investors should not rely solely on this IM or on any supplementary information but should conduct their own investigations and analysis of the Fund, Trustee and the Investment Manager, this IM and any supplementary information, and should verify the accuracy, reliability and completeness of the information contained in this IM. Investors should obtain their own independent investment, legal, financial, taxation and other advice, as they deem necessary, and rely solely on that advice in making any decision to proceed with an investment. Prospective investors are solely responsible for obtaining all relevant approvals from government and authorities before proceeding with any investment.

This IM has been provided by the Investment Manager to give prospective investors an overview of the Fund. The information contained in this IM may not be appropriate for all persons and does not have regard to the investment objectives, financial situation or particular needs of persons who may read or use the information contained in this IM.

### **Projections**

This IM includes (and supplementary information may contain) information, statements, estimates and projections (collectively **Projections**) with respect to the anticipated future performance of the Fund or the Investment. Prospective investors are advised that such Projections involve significant elements of subjective judgment and analysis which may or may not be correct and are subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Trustee and Manager. None of the Transaction Parties give any representation, assurance or guarantee as to the accuracy of the Projections or that the occurrence of the events expressed or implied in any Projection will actually occur. For these reasons (amongst others), actual results may differ materially from those in the Projections. The Transaction Parties do not guarantee, represent or warrant any repayment of capital invested or any particular rate of return on investment. The Transaction Parties give no representation, warranty or otherwise that any Projections included in this IM will be achieved or that any assumptions and estimates made in connection with the Projections are correct or reasonable.

### **No guarantee**

Any Investment in the Fund is subject to investment risk, including loss of income and capital invested. Neither the Trustee nor the Investment Manager, any of their respective directors, officers, employees, advisors or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee the repayment of the committed capital nor do they make any guarantees about the timing of repayment of committed capital, which may be significantly delayed.

### **Trustee limitation of liability**

Except in certain circumstances (including fraud, negligence or wilful default by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to its right to be indemnified out of the assets of the Fund.

### **Disclosure of interests**

The Trustee, the Investment Manager or their related entities may also acquire units in the Fund. At the date of this IM, the Investment Manager holds Class G Units in the Fund.

### **Currency**

All dollar amounts referred to in this IM are in reference to Australian currency.

### **Business Day**

Business day means a day that is not a Saturday, Sunday or public holiday in Sydney, NSW

### **Not regulated by APRA**

The Trustee is not authorised under the *Banking Act 1959 (Cth)* (**Banking Act**) and is not supervised by the Australian Prudential Regulation Authority, nor are investments in the Fund covered by the deposit or protection provisions in section 13A of the Banking Act.

### **Updated information**

The information contained in this IM can change, and the IM may be updated or replaced from time-to-time. Unless the changed information is materially adverse to you, the Trustee and Investment Manager may not always update or replace this IM to reflect the changed information. Updated information can be obtained by going to the Investment Manager's website [www.eldium.com/investor](http://www.eldium.com/investor) or sending an email to [Investors@eldium.com](mailto:Investors@eldium.com).

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# FROM THE FOUNDERS

*Dear Investor,*

*We're proud to introduce Eldium Funds Management, a firm built on our shared vision of creating a best-in-class asset management business. Having known each other since childhood and pursued our own successful ventures, we are now coming together to bring this vision to life.*

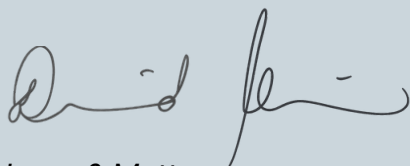
*The Eldium Income Fund is designed with a clear focus on wealth preservation and investment quality. Seeded with our own capital, the Fund is now open to wholesale investors, offering:*

- Regular monthly income*
- Strong alignment through co-investment*
- A well diversified portfolio of income producing private credit assets*

*The Fund has a focus on supporting Australian lending businesses - not only through the provision of capital, but also with hands-on expertise and our experience in building quality businesses.*

*We believe this integrated approach benefits both the businesses we support and the investors who partner with us, where capital from the Fund combines with our business expertise to help drive these businesses forward, and that in turn helps support the success of the investments for the Funds.*

*We look forward to building this next chapter with you. It's an enormously exciting venture and we are pleased to now open the fund to wholesale investors.*

A handwritten signature in dark ink, appearing to be 'Larry & Matt', written in a cursive style.

*Larry & Matt*

# FROM THE INVESTMENT MANAGER

Dear Investor,

At Eldium, we bring together deep expertise in corporate finance, investments, and business building - backed by the proven success of our Founders.

Larry co-founded Zip Co, helping build it into a global leader in consumer finance. Matt co-founded Stake, one of Australia's leading online brokerages. Together, their experience spans fintech, capital markets, and investment structuring, forming the foundation of Eldium's investment philosophy. Our Fund provides investors with the opportunity to co-invest alongside our Founders.

The Eldium Income Fund aims to generate monthly income, while preserving capital. The investment strategy is built on:

1. **Proprietary Sourcing**

We have an advantage in sourcing and developing proprietary high-quality lending businesses. Our networks and experience give us unique access to lending opportunities and the ability to actively support portfolio companies.

2. **True Alignment**

The Investment Manager will invest at least \$5 million into the Fund by acquiring G Class Units in the Fund, ensuring strong alignment with investors. The Investment Manager's G Class units are not entitled to any capital distribution from the Fund whilst the investment Manager's investment is below the \$5 million threshold until all capital on the A Class Units has been returned to the A Class unitholders, adding an extra layer of capital protection for the A Class unitholders.

3. **Portfolio Diversity**

The Fund targets a balanced portfolio diversified across asset classes including asset backed securities - mainly by providing institutional loans to lending brands across various niches in the lending economy. The Fund will not take on investments in property construction or development finance.

This is an exciting opportunity to invest alongside seasoned entrepreneurs and investment professionals with a track record of delivering value.

Welcome to Eldium Funds Management!



Will

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## THE TEAM



### **Larry Diamond**

Founder

Larry co-founded Zip Co in 2013 and served as Executive Director and CEO until 2023, later transitioning to US CEO and Chairman. Under his leadership, Zip Co became a global leader in consumer finance, expanding across international markets.

In 2024, Larry stepped down from executive duties to focus on philanthropy, family, and the establishment of Eldium Funds Management.

He holds a BTech (IT) and MCom and is a Chartered Accountant.

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### **Matt Leibowitz**

Founder

Matt co-founded Stake in 2017, building it into Australia's third-largest online brokerage. As CEO and founder, he spearheaded Stake's expansion, transforming access to US equities for Australian investors.

Before Stake, Matt was a senior partner at high-frequency trading firm Optiver managing trading and risk, in both Sydney and Chicago.

He originally trained as a lawyer with Allens Linklaters and holds a B.Com (Fin) and LLB (Laws)

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### **Will Wong**

Chief Investment Officer

Will is a corporate finance and investment specialist with over 20 years of global financial markets experience across Sydney, London, Hong Kong, and Manila.

Previously, he was a Goldman Sachs executive responsible for principal transactions in illiquid assets, and most recently served as CIO of a boutique Australian asset manager.

He began his career in the actuarial division of PricewaterhouseCoopers, where he qualified as an actuary, and holds a Bachelor of Economics (Actuarial Studies) from Macquarie University.

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# FUND FEATURES

FEATURE	SUMMARY
FUND NAME	Eldium Income Fund
UNIT CLASS	A Class Unit
INVESTMENT MANAGER	Eldium Funds Management Pty Ltd (ACN 684 357766, CAR 001314402)
INVESTMENT STRATEGY	<p>The Fund aims to achieve its Target Return while focusing on capital preservation and providing regular income. It employs a disciplined underwriting approach to build a diversified portfolio of credit assets, including:</p> <ul style="list-style-type: none"><li>• Asset-backed securities</li><li>• Corporate loans and bonds</li><li>• Real estate credit (excluding construction and development finance)</li></ul> <p>The Fund primarily invests in Australian businesses.</p>
TARGET RETURN	<p>RBA Cash Rate + 3.0% p.a.</p> <p>We note that this Target Return is subject to change and is an indication of what may be achieved by the Fund. However, the Target Return is an estimate only and not a forecast. The Target Return may not be achieved and no return is guaranteed to the investors nor is a return of capital.</p>
DISTRIBUTIONS	<p>The Trustee has the power under the Trust Deed for the Fund to declare a "Declared Rate" for the A Class Units. The holders of the A Class Units will then receive a monthly distribution of income at the Declared Rate for that month.</p> <p>The Declared Rate is reviewed and determined for each whole calendar month (the <b>Distribution Period</b>), published on the Eldium website <a href="http://www.eldium.com/investor">www.eldium.com/investor</a> and investor reports. Distributions in accordance with the Declared Rate are not guaranteed. The Declared Rate may vary from Distribution Period to Distribution Period at the absolute discretion of the Trustee.</p> <p>The Declared Rate may be lower than expected and may be lower than the Target Return. The Declared Rate may be nil.</p>

	<p>The holders of the A Class Units will not be entitled to any income of the Fund for a Distribution Period in excess of the Declared Rate, except where there has been a Declared Rate Shortfall in a prior period, in which case the holders of the A Class Units will be entitled to the excess income for the Distribution Period up to the amount of any Declared Rate Shortfall for the prior period or periods not already recouped. For the purpose of the above, a Declared Rate Shortfall means the amount by which the net income of the Fund for a month is less than the Declared Rate.</p> <p>Distributions are expected to be paid monthly, and generally within 30 days after the end of each Distribution Period provided however, the Trustee may determine at its absolute discretion to reinvest distributions by issuing additional A Class Units to the investors in satisfaction of any entitlement to the income.</p>
<b>APPLICATION</b>	<p>Monthly applications.</p> <p>Applications must be received before the 5th Business Day prior to the end of a calendar month to receive the issue price applicable for the last day of that month.</p> <p>The Fund is only open to wholesale investors. Minimum initial investment is \$250,000 and minimum additional investment is \$50,000.</p>
<b>REDEMPTIONS</b>	<p>A Class Units may not be redeemed until 12 months after the date the relevant A Class Units were issued (<b>Holding Period</b>).</p> <p>After the expiration of the Holding Period, redemptions may be requested for part or all of an Investment, with a 90-day notice period. Redemptions will be processed after on the last day of the relevant calendar month and is subject to the Fund having sufficient liquidity available. So for example, if you submitted a redemption request on 1 July, your redemption request would be processed at the month end price for September. The Trustee reserves the right to refuse to redeem A Class Units in its absolute discretion.</p> <p>The minimum redemption amount is \$50,000. Redemptions that would result in the investor's holding falling below \$250,000 may in the absolute discretion of the Trustee be processed as a full redemption.</p> <p>In the event that the Fund does not have sufficient liquidity available, redemption requests may be deferred in the absolute discretion of the Trustee. The redemption price you receive will be the price applicable at the time your redemption is processed.</p>
<b>ELDIUM CO-INVESTMENT</b>	<p><b>Commitment:</b> The Investment Manager will invest at least \$5,000,000 into the Fund via a separate class of Units, being G Class Units, in the Fund (<b>Eldium Co-Investment</b>).</p>

**Subordination:** The Investment Manager will not receive any return of capital or income on the Eldium Co-Investment unless the A Class unitholders have been paid all of their share of the monthly income of the Fund at the Declared Rate (and any excess income for the relevant Distribution Period up to the Declared Rate Shortfall) and the total G Class Units issued in the Fund, comprise at least \$5,000,000 of the Fund's capital.

**Capital Priority:** The Investment Manager will not receive any distribution of capital on the Eldium Co-Investment that would result in the capital in the Fund that is attributable to the G Class Units reducing below \$5,000,000, unless all capital on the A Class Units has been paid to the holders of the A Class Units and the holders of the A Class Units have also been paid their share of the monthly income of the Fund at the Declared Rate. (including any Declared Rate Shortfall)

**Income Priority:** The net income of the Fund for each Distribution Period will be distributed as follows:

1. First, to the A Class Units, a share of the net income up to the Declared Rate return for that Distribution Period;
2. Second, to the A Class Units, where in any prior Distribution Period or Distribution Periods there has been a Declared Rate Shortfall, a share of the net income up to the Declared Rate Shortfall for the prior Distribution Period or Distribution Periods not already recouped; and
3. Third, to the G Class Units, the balance of the net income for that Distribution Period.

For the purpose of the above, a "Declared Rate Shortfall" means the amount by which the net income of the Fund for a Distribution Period is less than the Declared Rate.

**Capital Floor:** Where the capital paid on the G Class Units is less than \$5,000,000, any income entitlements on the G Class Units must be reinvested into the Fund by way of a further issue of G Class Units until the amount of capital paid on the G Class Units is at least \$5,000,000.

#### OTHER INVESTMENT MANAGER FEES

The Investment Manager may be entitled to other fees from the origination and execution of transactions, payable directly from investee companies. The Investment Manager will direct any such fees to the Fund.

#### RISK

Like any investment of this type, there are risks associated with investing in the Fund. Distributions and capital returns are not guaranteed. For more information on the risks associated with investing in the Fund, see the Risks section of this IM, which starts on page 18.

<b>TAX INFORMATION</b>	Before investing in the Fund, investors should obtain their own independent tax advice, which considers their own circumstances.
<b>INVESTMENT HORIZON</b>	Expected to be a minimum of 3 years.
<b>MANAGEMENT FEE <sup>1</sup></b>	The Trustee has entered into an investment management agreement with the Investment Manager. Pursuant to the terms of the investment management agreement, the Investment Manager will be entitled to a management fee of 1.00% p.a. (plus GST) of the net asset value of the Fund at the start of each month, accrued daily and payable monthly in arrears.
<b>TRUSTEE FEE <sup>1</sup></b>	The Trustee will be entitled to a trustee fee of \$30,000 (plus GST) per annum. Where the amount of the funds under management ( <b>FUM</b> ) of the Fund is greater than \$100 million, the Trustee is entitled to be paid an additional fee of 3 basis points per annum on the value of the FUM in excess of \$100 million. The fee is payable monthly in advance.
<b>OTHER FUND FEES AND COSTS <sup>1</sup></b>	Other fees and costs incurred by the Fund (including accounting, administration and registry fees) are paid as and when incurred.
<b>UNIT PRICING</b>	Monthly
<b>LEVERAGE</b>	The Trustee has the power to borrow and grant encumbrances over assets of the Fund but there is no current intention to borrow or gear the Fund.
<b>BASE CURRENCY</b>	Australian Dollars
<b>TRUSTEE</b>	Bolt Capital Pty Ltd ACN 636 202 223
<b>ADMINISTRATOR</b>	Bolt Capital Pty Ltd ACN 636 202 223

<sup>1</sup> Expense recoveries may change without notice. Certain costs and expenses are recoverable out of the assets of the Fund. The actual amount of costs and expenses incurred by the Fund can change from time to time, and reflect the day-to-day expenses in operating the Fund (such as accounting, administration and registry fees) as well as abnormal expenses that may arise from time to time.

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# ABOUT THE INVESTMENT MANAGER

## ABOUT ELDIUM

Eldium was established in 2025 by Larry Diamond and Matt Leibowitz (**Founders**) to be a best-in-class asset management business.

Eldium combines the Founders' diverse business experience with deep expertise in corporate finance and investments.

The Eldium Income Fund provides investors with the opportunity to co-invest alongside our Founders, who will hold an investment in the Fund through the Eldium Co-Investment.

## THE INVESTMENT MANAGER

The Investment Manager of the Fund is a wholly owned subsidiary of Eldium Pty Ltd ACN 683 588 034. The Investment Manager has been appointed by the Trustee under an Investment Management Agreement and is a corporate authorised representative of the Trustee.

The executive team includes Larry and Matt, together with Will Wong, combining deep expertise and experience in business, corporate finance and investments.

## ROLE OF THE INVESTMENT MANAGER

The Investment Manager is responsible for the implementation of the investment strategy and the day-to-day management of the Fund including:

1. Sourcing investments in line with the Fund's investment strategy;
2. Monitoring and managing the investment portfolio; and
3. Managing the cashflows of the Fund.

## INVESTMENT COMMITTEE

The Investment Manager has established an Investment Committee to assist with governance and investment decision making.

The Investment Committee comprises Larry, Matt and Will with a quorum of 2 members and unanimous approval of those present at the meeting required for investments to proceed.

## OUR LEADING EDGE

The Eldium Income Fund is distinguished by:

### Loan Sourcing

The Investment Manager has an advantage in not only sourcing proprietary deal flow through established networks, but also in developing high quality businesses, being able to provide our portfolio companies with valuable business building expertise as well as the capability to structure and execute transactions for the Fund.

### Eldium Co-Investment

The Investment Manager will invest into the Fund via G Class Units, on which it will not receive any return of capital or income unless unitholders have been paid all A Class income due for any prior months. Further, where the capital paid for the Eldium Co-Investment is less than \$5,000,000, any entitlement to income for the Eldium Co-Investment must be reinvested into the Fund by way of a new unit issue until the amount of capital contributed in total is \$5,000,000.

No distribution of capital will be made in relation to Eldium's Co-Investment below the \$5,000,000 threshold until all capital on the A Class Units has been returned to the A Class Unitholders.

### Portfolio Diversity

For risk management purposes, the Fund is designed around a balanced portfolio diversified across credit style investments including asset backed securities, corporate loans and real estate credit (excluding construction and development finance).

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# INVESTMENT STRATEGY

## INVESTMENT STRATEGY

The Fund aims to deliver regular monthly income while prioritising capital preservation through a disciplined underwriting process. It seeks to achieve the Target Return or higher by building a diversified portfolio of credit assets, including:

- Asset backed securities
- Corporate loans and bonds
- Real estate credit (excluding construction and development finance)

The Fund's portfolio may consist of senior or subordinated, secured or unsecured, and public or private credit assets, which may be externally rated or unrated. To manage liquidity, the Fund is expected to hold a cash allocation, alongside liquid instruments such as investment-grade bonds and money market securities.

While the Fund primarily focuses on Australian businesses, it may also allocate capital to select opportunities in the USA and New Zealand where appropriate.

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## PORTFOLIO CONSTRUCTION

The Fund is designed to maintain a diversified portfolio across individual exposures and asset classes to enhance risk-adjusted returns.

The following guidelines will be applied as long-term targets, which are guidelines only and may not be met from time-to-time including when the Fund size is developing:

### CREDIT SENIORITY:

Up to 100% Senior Debt

Up to 100% Rated Debt

Up to 40% Unrated Subordinated

### ASSET CLASS ALLOCATION:

Up to 100% Asset backed securities

Up to 75% Corporate loans / bonds

Up to 75% Direct lending

Up to 25% Cash and liquid assets

Up to 25% Other Assets

### CONCENTRATION:

Up to 40% Single asset servicer

Up to 20% Any diversified investment

Up to 20% Non-Australian domiciled

Up to 10% Any underlying borrower

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## TYPES OF ASSETS

The Fund invests in a diverse range of credit assets, structured to provide stable income and capital preservation.

### ***Asset Backed Securities:***

- The asset backed strategy involves investing in loans backed by a diversified pool of assets, providing credit risk protection through collateralisation.
- These may include portfolios of:
  - Commercial loans – unsecured or secured against assets such as vehicles, equipment, receivables, and contracts.
  - Consumer loans – unsecured personal loans or secured against vehicles, solar systems, or financial assets.

### ***Corporate Loans and Bonds:***

- Corporate credit consists of loans to companies based on their earnings, cash flow, or asset base.
- Loans may be secured against a company's assets, including:
  - Hard assets (e.g., property, equipment, contracts)
  - Future cash flows (e.g., receivables, licensing revenue)

### ***Direct lending:***

- The direct lending strategy involves lending that is secured, typically by first registered mortgages, over real assets such as:
  - Residential Property
  - Commercial Property
  - Agricultural Property
  - Infrastructure Assets

### ***Other Assets:***

Assets not specified above, including derivatives permitted for risk management purposes, as well as equity associated with debt investments.

### ***Currency hedging:***

The Fund may invest in assets denominated in foreign currency and these may be hedged back into AUD or remain unhedged.

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# FUND STRUCTURE

The Eldium Income Fund is an Australian domiciled, open-ended, unregistered multi-class unit trust.

Accepted applications will be issued A Class Units in the Fund, providing investors with a beneficial interest in the Fund, but not to any specific asset of the Fund.

The Investment Manager will invest in G Class Units, a separate class of units with different terms to A Class Units.

Both classes of units are invested in the same pool of assets. The Investment Manager will only receive a return of capital or income on its Eldium Co-Investment if A Class unitholders have been paid their share of the monthly income due and payable at the Declared Rate, including for any prior months. Further, no capital may be returned on the G Class Units in the Fund if the Eldium Co-Investment is less than \$5,000,000 of the Fund's capital or if the return of capital would cause the capital on the G Class Units to reduce below \$5,000,000. Finally, where the capital on the G Class Units is below \$5,000,000 any income entitlements on the G Class Units must be reinvested in the Fund by way of issue of new units until the \$5,000,000 capital threshold is satisfied.

## FUND TERMS

The terms of the Fund are set out in its Trust Deed. The Trust Deed deals with a wide range of matters, including:

- the nature of units in the Fund;
- the Trustee's powers;
- appointment of the Investment Manager;
- when the Fund terminates;
- the Trustee's rights to fees and reimbursement of expenses;
- the Trustee's limited liability; and
- the process for changing the Trust Deed or appointing a new trustee.

The Trust Deed provides for the Trustee to conduct the affairs of the Fund and there is no power under the Trust for the holders of A Class Units to direct the Trustee on any matters. Certain decisions of the Trustee require the consent of the holders of G Class Units.

Investors should keep in mind the Fund's investments may be illiquid and that the Trustee may not redeem any units in such case. Investors should also keep in mind that a holding period applies to this investment. An investor may try to transfer their units but, apart from limited exceptions, the Trustee may refuse to register the transfer and need not give reasons.

Associates of the Trustee may invest in the Fund and need not account to the Trustee for any benefits received.

## TRUSTEE

The Trustee of the Fund is Bolt Capital Pty Ltd, holding Australian Financial Services Licence 522572.

## THE INVESTMENT MANAGER

The Trustee has appointed the Investment Manager, Eldium Funds Management Pty Ltd, under an Investment Management Agreement.

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Under the Investment Management Agreement, the Investment Manager is delegated to provide certain investment management and administrative services to the Trustee including:

- (a) sourcing investments in line with the Fund's investment strategy;
- (b) monitoring and managing the investment portfolio; and
- (c) managing the cashflows of the Fund.

## THE FUND ADMINISTRATOR

The Trustee will also act as the Fund Administrator, responsible for overseeing the Fund's administrative services including:

- Fund accounting
- Fund reporting
- Unit pricing

As both Trustee and Administrator, the Trustee is responsible for ensuring that all administrative functions are conducted in accordance with the Fund's governing documents and regulatory obligations.

## TRUST DEED

A copy of the Trust Deed is available on request. All investors should read the Trust Deed and obtain their own independent legal, tax, duties and financial advice before investing in the Fund.

## REDEMPTIONS

A Class Units may not be redeemed until 12 months after the date the relevant A Class Units have been issued (**Holding Period**). After the expiry of the Holding Period, redemptions may be requested for part or all of an investment, with a 90 day notice period.

Redemption requests must be submitted via: [www.eldium.com/investor](http://www.eldium.com/investor)

Redemptions will generally be processed after the end of each calendar month in which the notice period expires, subject to the Fund having sufficient liquidity available, at the applicable redemption price.

Redemption requests are subject to certain conditions including:

- The Fund having sufficient cash and liquidity available.
- In the event that the Fund does not have sufficient cash and liquidity available, the redemption may be deferred at the Trustee's discretion.
- A redemption request that would cause the investor's investment to fall below \$250,000 may be processed as a full redemption.
- The Trustee may accept or reject a redemption request at its absolute discretion.

Generally, under the Trust Deed, the Trustee has the power in its absolute discretion to redeem and cancel Units as it sees fit provided that all redemptions are conducted at market value and any redemption of G Class Units does not cause the G Class Unit capital to fall below \$5,000,000.

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## UNIT PRICING

Unit prices will be calculated as at the close of business on the last Business Day of the month, unless otherwise determined by the Trustee.

The Net Asset Value is the total value of assets less liabilities (as calculated in accordance with the Trust Deed).

The Unit price is the Net Asset Value of the Fund referable to A Class Units divided by the number of Class A units on issue at the relevant date. Any impairment will be applied firstly to the Eldium Co-investment.

The Administrator acting reasonably will determine the Unit Price for Class A Units, using the Fund's valuation methodology and taking advice from the Investment Manager.

## INCOME RETURN

The holders of the A Class Units will be entitled to share in the income of the Fund for a Distribution Period, in accordance with the respective proportion of A Class Units held, up to the Declared Rate.

The Declared Rate is set by the Trustee each Distribution Period at the absolute discretion of the Trustee. The Declared Rate is published on the Eldium website and in investor reports. Distributions in accordance with the Declared Rate are not guaranteed. The Declared Rate may be lower than expected and may be lower than the Target Return. The Declared Rate may be nil.

The holders of the A Class Units will not be entitled to any income of the Fund for a Distribution Period in excess of the Declared Rate, except where there has been a Declared Rate Shortfall in a prior period, in which case the holders of the A Class Units will be entitled to the excess income for the Distribution Period up to the amount of any Declared Rate Shortfall for the Distribution Period or Distribution Periods not already recouped. For the purpose of the above, a Declared Rate Shortfall means the amount by which the net income of the Fund for a Distribution Period is less than the Declared Rate.

The net income of the Fund each Distribution Period will be distributed as follows:

- Firstly, to the A Class Units, a share of the net income up to the Declared Rate return for that Distribution Period;
- Secondly, to the A Class Units, where in any Distribution Period there has been a Declared Rate Shortfall, a share of the net income for the Distribution Period up to the Declared Rate Shortfall not already recouped; and
- Thirdly, to the G Class Units, the balance of the net income for that Distribution Period, if any.

For the purpose of the above, a "Declared Rate Shortfall" means the amount by which the net income of the Fund for a Distribution Period is less than the Declared Rate.

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# RISK FACTORS

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund and the payment of income to investors or repayment of an investor's capital (or both). Many risk factors fall outside of the control of the Trustee and the Investment Manager and cannot be completely mitigated.

The following is a non-exhaustive list of the primary risks associated with investing in the Fund. Investors should carefully consider these risks and assess whether they are comfortable with them before investing in the Fund.

Distributions are not guaranteed and neither is the return of investors' capital.

## GENERAL INVESTMENT RISK

In addition to the specific risks identified below, there are also other more general risks that can affect the value of an investment in the Fund. These include the following:

- The state of the Australian and world economies.
- Legislative changes (which may have retrospective effects) including taxation and accounting issues.
- Inflation.
- Negative consumer sentiment which may keep the value of assets depressed.
- The state of the property and other asset markets, and valuation risk.
- Events beyond the control of the Trustee or Investment Manager, such as natural disasters, war, pandemics, system failures or man-made disasters may materially disrupt Fund operations, investments or administration.
- The illiquidity and cost of capital markets.

## MARKET RISK

Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors.

Factors that influence markets generally can include business confidence and government and central bank policies including the level and direction of interest rates, natural disasters, pandemics and man-made disasters beyond the control of the Trustee and the Investment Manager.

## REGULATORY RISK

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.

## GENERAL ECONOMIC RISK

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

## TAXATION RISK

The returns to investors may be affected by changes to taxation legislation, or where applicable, the classification of the Fund as a public trading trust for tax purposes. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure investor interests are protected.

## FUND RISK

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

While the Fund is developing, there may be a higher concentration of assets, sectors, or borrowers. This may increase exposure to individual asset or borrower performance and reduce diversification benefits.

The Fund may utilise derivatives for risk management or hedging purposes.

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These instruments carry risks including counterparty risk, liquidity risk, and basis risk, which may lead to losses or affect Fund performance.

Certain Fund assets may be illiquid or lack observable market prices. The valuation of such assets may involve judgement and assumptions which may prove to be inaccurate, affecting unit pricing.

### **ILLIQUIDITY RISK**

There are limits on when investors can withdraw from the Fund. Further, the Trustee will not return any amount to Investors if there is not sufficient liquidity and investors may not redeem their units within 12 months of being issued. This may present a risk to investors in the event they require the return of their investment more urgently.

### **INTEREST RATE RISK**

Changes to interest rates can have a direct and indirect impact (negative or positive) on returns. The income return on an investor's investment is not guaranteed and could go down. This could happen due to factors such as the deterioration of the financial position or credit rating of a financial institution, adverse movements in the Australian and overseas interest rates, market illiquidity, adverse movements of exchange rates, negative changes in monetary policy and other economic, social and political factors.

### **INVESTMENT RISK**

Credit risk represents the risk that a borrower defaults on a loan and the Trustee is not able to recover the loan amount (e.g. if the sale of secured property is not sufficient to cover the loan). There may be costs involved in managing such loans.

There is a risk that the due diligence conducted by the Investment Manager may not uncover all relevant information about borrowers or investment counterparties. Underlying weaknesses in a borrower's financial position, security, or operations may not be identified prior to investment.

There is a risk that suitable investment opportunities may be limited or delayed, which may result in capital not being fully deployed for periods of time. This may impact the Fund's ability to achieve its Target Return.

To the extent the Fund holds investments denominated in foreign currencies, movements in exchange rates may affect the value of these investments. Hedging may be used but is not guaranteed to be effective.

Some investments may be secured by collateral that is difficult to value or enforce. There is a risk that realisation of security may be delayed or insufficient to cover the amount owed. Some of the Fund's investments may be in subordinated positions. In the event of default, these investments may be repaid after other senior creditors, increasing the risk of loss.

The Fund may be exposed to borrowers or counterparties with significant levels of leverage. High leverage can amplify losses and increase default risk, especially in adverse market conditions.

### **DOCUMENTATION RISK**

Documentation risk is the risk that a deficiency in documentation (such as documents and contracts associated with mortgage agreements) could, in certain circumstances, adversely affect the return on an investment or the risk profile of the Fund.

### **INCOME RISK**

Income risk arises primarily from a failure of the borrowers to make agreed interest payments. Neither the Trustee nor the Investment Manager guarantees any return of capital or income

### **CONFLICTS OF INTEREST**

The Investment Manager may have conflicts of interest in managing the portfolio of the Fund because the Fund may invest in or provide capital to companies that are partly or wholly-owned directly or indirectly by associates or related parties of the Investment Manager.

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Certain Eldium staff may be entitled to fees or commissions from third parties for introducing investment opportunities to the Fund. The Investment Manager will hold G Class Units in the Fund and may earn a return on this investment.

### **CYBER SECURITY RISK**

The Fund relies on various technology systems, including digital communication networks, data storage systems, and third-party service providers, to operate its investment activities, manage transactions, and maintain investor records. Cyber security breaches, including hacking, phishing, malware attacks, or other unauthorised access to sensitive data, could result in the theft or misuse of investor information, financial loss, business disruption, or reputational damage.

### **SERVICE PROVIDER RISK**

The Fund relies on third-party service providers, including administrators, legal advisors, auditors, and IT providers, to support its operations. There is a risk that these service providers may fail to perform their duties effectively, experience operational disruptions, or become insolvent. Any failure, error, or misconduct by a service provider could negatively impact the Fund's administration, compliance, or financial performance. While the Trustee and Investment Manager conduct due diligence and monitor service providers, there is no guarantee that all risks can be mitigated.

### **KEY PERSON RISK**

The Fund's strategy is dependent on key individuals, including the Founders and CIO. Loss or unavailability of these individuals could adversely affect the Fund's performance.

This section contains a brief summary of relevant tax considerations for investors on the assumption that they are Australian resident taxpayers who hold their A Class Units on capital account.

Neither the Trustee nor the Investment Manager is a taxation advisor and is not able to provide investors with taxation, duties, financial or legal advice. The Trustee and the Investment Manager recommend that investors obtain their own independent investment, legal, financial, taxation, duties and other advice, as they deem necessary, prior to investing in the Fund, that has regard to their individual circumstances. Any information relating to tax contained in this section and the IM generally is for general information purposes only and should not be relied upon as an indication of the particular tax treatment of any prospective investor. The tax treatment of any prospective investor will depend on each person's individual circumstances and may be subject to change in the future.

## INCOME TAX/CGT

The Fund is expected to be administered on the basis that at the end of each tax year, its investors are presently entitled to all distributable income of the Fund. The investors will include the distribution in their assessable income in the year to which the distribution relates. The distribution will generally retain its character (i.e. it may comprise income and capital gains etc.).

The Trustee may determine at its absolute discretion to reinvest distributions by issuing additional A Class Units to the investors in satisfaction of any entitlement to the income. The effect of this is that investors may be subject to tax on amounts of income not received by them in cash at the time that the tax is payable.

You may need to pay tax in relation to your investment in the Fund, but you might be able to claim some tax credits or have the benefit of some concessions. Your tax liability will depend on your individual circumstances and we recommend that you seek professional advice before you invest or deal in your investment. We will send you all information you need each year to complete your tax return.

## Goods and Services Tax (GST)

GST of 10% is generally applicable to fees, costs, expenses and commissions payable by the Fund. GST may apply to the fees charged by the Investment Manager, the Trustee and on other Fund expenses. GST is not applicable to investors in relation to the application or redemption of A Class Units, however investors should seek their own advice on the recoverability of GST incurred on related costs.

## Duty

A liability to duty may arise for an investor on a transfer, issue or disposal of A Class Units in the Fund (or on an agreement to do any of these things) where any of the underlying assets of the Trust consist of dutiable property in Queensland (whether held directly or indirectly by the Trust). Any stamp duty arising on dealings in A Class Units in a Trust will be payable by the investor. There may also be duties implications for an investor on a transfer, issue or disposal of A Class Units in the Fund (or on an agreement to do any of these things) in other States of Australia where the underlying assets of the Trust include dutiable property in the other States.

Investors should obtain stamp duty advice for all States in which the underlying assets of the Fund are dutiable property before agreeing to invest in the Fund. Any duty payable in any States will be payable by the investor.

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## **TAX FILE NUMBER**

Collection of an investor's TFN is authorised and their use and disclosure strictly regulated by the tax laws and the *Privacy Act 1988* (Cth).

Investors may quote a TFN or claim a TFN exemption in relation to their investment in the Fund when completing their application form.

Investors may quote an ABN instead of a TFN if they are making this investment in the course of an enterprise carried out by them. If an investor chooses not to quote a TFN, TFN exemption or ABN, we may be required to deduct tax at the prescribed rate from that investor's income distributions. At the date of this IM, this was the highest marginal rate plus Medicare levy.

## **OTHER INFORMATION**

### **WHO CAN INVEST**

Any offer of A Class Units as referred to in this IM is an offer of units only:

- to a wholesale client (as defined in section 761G of the Corporations Act);
- to a sophisticated investor (as defined in section 761GA of the Corporations Act); or
- any person who does not require the provision of a product disclosure statement under Division 2 of Part 7.9 of the Corporations Act.

### **MINIMUM APPLICATION**

The minimum subscription amount for each Investor is \$250,000.

Applications in excess of \$250,000 are to be in increments of \$50,000. The Trustee reserves the right to accept investments less than these amounts or reject an application in whole or in part without giving reasons.

Application money received will be held in trust, with any interest earned prior to the issue of units being payable to the Fund. In the event the Trustee, in its discretion, decides not to accept your application, applicants for A Class Units will have their application moneys refunded as soon as practicable. No interest is payable on refunds.

### **ALLOTMENT OF A CLASS UNITS**

A Class Units in the Fund will be allotted to Investors under the Trust Deed at the absolute discretion of the Trustee. The Trustee can accept part of an application or not accept a particular application or applications.

If the Trustee allots a lower number of A Class Units than that applied for by an applicant, or does not accept an application, the Trustee will refund the portion of application monies relating to A Class Units that were not allotted. No interest will be paid on monies.

### **CONFIRMATION OF UNIT ALLOTMENT**

Following the issue of A Class Units, the applicants will receive a confirmation statement that sets out the number of A Class Units that have been allotted to them.

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## **PAYMENT OF APPLICATION MONIES**

The subscription amount for Units will be paid in full by the investor upfront, in accordance with the payment instructions set out in the Application Form. Cleared funds must be received in the Fund's application account before any application is processed.

## **SUBSCRIPTION TERMS AND CONDITIONS**

The Terms and Conditions of applying for A Class Units and, if any issue of A Class Units, are set out in this IM, the Trust Deed and the Application Form (**Constituent Documents**). By signing and submitting an Application Form you are agreeing to the terms and conditions of each Constituent Document.

## **APPLICATION FORM**

To subscribe for A Class Units, an applicant must execute an Application Form electronically and provide certain other identification documents. The Application Form is available by accessing this link [www.eldium.com/apply](http://www.eldium.com/apply).

The application is only deemed to have been accepted upon acceptance by the Trustee, at which time it becomes binding on the applicant. The applicant agrees to subscribe for A Class Units on terms and conditions of the Constituent Documents.

## **GOVERNING LAW**

This IM and any application for A Class Units referred to in this IM are governed by the laws of New South Wales.

## **COOLING OFF PERIOD**

No cooling-off period or rights apply to an investment in the Fund. An application may not be withdrawn following lodgement with us.

## **REGULAR REPORTS**

You will receive the following regular reports:

- transaction statements (each time you invest or your Units are redeemed)
- distribution / income statements (each time the Fund makes a distribution)
- monthly reports (with updates on the Fund's performance and investments); and
- tax return information (as soon as the Trustee can produce it after the end of the financial year).

We usually communicate with you by email (but paper copies of documents sent to you by email are available on request).

## **COMPLAINTS HANDLING**

The Trustee has a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Investment Manager at [Investors@eldium.com](mailto:Investors@eldium.com):

## **PRIVACY**

The *Privacy Act 1988* (**Privacy Act**) governs the use of an individual's personal information gained by an organisation from dealings with the individual. The National Privacy Principles govern the way in which organisations should treat personal information.

The Trustee and the Investment Manager are committed to managing and only using personal information in compliance with the Privacy Act. The Trustee and the Investment Manager will apply the National Privacy Principles in respect of all information you provide in making the application for investment in the Fund.

The information the Trustee and the Investment Manager obtain from you in an Application Form is used to evaluate your application for A Class Units in the Fund and to issue and manage your investment.

The Trustee and the Investment Manager will retain the information you provide for record keeping purposes, however, once your personal information is no longer required, the Trustee and the Investment Manager will either destroy it or retain it in a way that does not identify that it relates to you.

You have a right to know the information the Trustee and the Investment Manager holds and to require the Trustee and the Investment Manager to correct any errors. You can assist the Trustee and the Investment Manager to keep your details up-to-date by advising the Trustee and the Investment Manager of any information that appears incorrect. You can contact the Investment Manager at [Investors@eldium.com](mailto:Investors@eldium.com) to obtain details about the information the Trustee and the Investment Manager holds for you. As well as reporting to you about your investment in the Fund, the Trustee and the Investment Manager may use your contact details to let you know about other investment opportunities. If you prefer not to receive these communications, then please advise the Investment Manager at [Investors@eldium.com](mailto:Investors@eldium.com). If the Trustee and the Investment Manager is obliged to do so by law, they will pass your personal information to other parties strictly in accordance with the relevant legal requirements.

## **AML/CTF LEGISLATION**

In order to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* and the related regulations and rules (**AML/CTF Act**), the Trustee and the Investment Manager are required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

The Trustee and the Investment Manager reserve the right to request such information as is necessary to verify the identity of an Investor and the source of the payment. In the event of delay or failure by an Investor to produce this information, the Trustee may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with the AML/CTF Act. Neither the Trustee nor the Investment Manager, nor their delegates, shall be liable to the Investor for any loss suffered by the Investor due to the rejection or delay of any subscription or payment of withdrawal proceeds.

### **Email**

[Investors@eldium.com](mailto:Investors@eldium.com)

### **Website**

[eldium.com](http://eldium.com)

### **Address**

Level 1, 47-49 Murray Street, Pyrmont NSW 2009



 **ELDIUM**