



# Perennial Private Ventures Fund No. 1, LP Information Memorandum

12 April 2022



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## Manager

Perennial Private  
Investments Pty Ltd

ABN 20 643 423 750

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## Important Notices

### Issuer

This information memorandum dated 12 April 2022 (**Memorandum**) has been prepared and issued by Perennial Private Investments Pty Ltd (ACN 643 423 750; AFSL Representative Number 001293139) (**Manager**) to provide background information for persons who qualify as wholesale clients in Australia as defined in section 761G of the *Corporations Act 2001* (Cth) (**Corporations Act**) or wholesale investors in New Zealand as defined in clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**) who have completed a wholesale investor certificate as attached to the Subscription Agreement and are considering applying for partnership interests (**Interests**) in the Perennial Private Ventures Fund No. 1, LP (ILP2100042) (**Fund**). No persons other than the Manager have caused or authorised the issue of this Memorandum nor do they take any responsibility for the preparation of the Memorandum.

The Manager is part of Perennial Partners Limited ABN 90 612 829 160 (**Perennial Partners**), a house of specialist investment teams, including Perennial Investment Management Limited ABN 13 108 747 637 (**PIML**), the General Partner and PVM. Where the term Perennial is used in this Memorandum, it is taken to include Perennial Partners, the General Partner, PVM and the Manager.

### The Fund

The Fund is registered as an incorporated limited partnership under the *Partnership Act 1892* (NSW) and was conditionally registered with Innovation and Science Australia as a venture capital limited partnership (**VCLP**) on 15 February 2022.

Perennial Private Ventures GP LP Pty Ltd (ACN 654 899 251) (**GP Co**) is acting as the general partner of Perennial Private Investment GP, LP (ILP2100041) (**General Partner**) which is acting as the general partner of the Fund.

The Manager, the GP Co, the General Partner and the Fund have been appointed as corporate authorised representatives of Perennial Value Management Limited (ACN 090 879 904; AFSL 247293) (**AFSL Holder** or **PVM**).

The Manager has been appointed by the General Partner to manage the Fund and, as manager, will source and present investment opportunities to the Fund. Persons who successfully subscribe to the Fund will become limited partners of the Fund.

### Intermediary Authorisation Arrangement

Any offers of interests in the Fund have been made by the Manager as an authorised intermediary of the General Partner and the Fund (together, the **Issuers**) (in accordance with section 911A(2)(b) of the Corporations Act) under an arrangement between the Issuers and the Manager (**Authorised Intermediary Arrangement**), set out in the Management Agreement.

Pursuant to the Authorised Intermediary Arrangement and in accordance with section 911(2)(b) of the Corporations Act:

- a) the Manager will make offers to arrange for the issue, variation or disposal of financial products on behalf of the Issuer in respect of investments of the Fund and accept this agreement; and
- b) the Issuers will issue (including to acquire, or to enter into a legal relationship or contract), vary or dispose of such financial products, if such offers are accepted.

## Significant Investor Visa

The Fund is intended to operate as a venture capital fund within the meaning of Migration (IMMI 15/100: Complying Investments) Instrument 2015 (**SIV Instrument**). The Fund is not authorised, endorsed or guaranteed by the Australian Government, ASIC or the Department of Home Affairs. If an applicant is applying to become a SIV Investor in the Fund, then it is the responsibility of that applicant (and not the General Partner) to ensure that it meets all of its obligations and requirements that relate to their application for, and grant of, a temporary or permanent Significant Investor Visa. An investment in the Fund in itself does not entitle an Investor to a Significant Investor Visa, and the Fund, General Partner, the GP Co, the Manager, the AFSL Holder and each of their respective associates do not make any representation, warranty or guarantee that an investment in the Fund in itself will secure the grant of a Significant Investor Visa to the Investor. The General Partner, the Manager, the AFSL Holder and each of their respective associates accept no liability whatsoever for any loss or damage arising from an Investor relying on their investment in the Fund as securing the grant of a Significant Investor Visa.

## Important Information

The offer contained within this Memorandum is only available in Australia to wholesale clients (as defined in section 761G of the Corporations Act) and wholesale investors (as defined in clause 3(2) of Schedule 1 of the FMCA) in New Zealand who have completed a wholesale investor certificate. This Memorandum does not constitute an offer or invitation in any place or to any person in or outside of Australia or New Zealand where it would be unlawful to make such an offer or invitation. The offer is not available in the United States or to US Persons (as defined under US securities law) unless otherwise approved by the Manager. No public offer of Interests in the Fund will be made. This Memorandum is not a prospectus, product disclosure statement or any other disclosure document required under the Corporations Act.

This Memorandum is not required to and may not contain the same level of detail which would be required in a product disclosure statement or a prospectus. The Fund is not registered as a managed investment scheme under the Corporations Act and as an incorporated limited partnership is not required to be registered as a managed investment scheme. The General Partner is not obliged to accept applications and reserves absolute discretion in limiting or refusing any application. This Memorandum contains a non-exhaustive summary of certain proposed features of the Fund. Fees and costs stated in this Memorandum are exclusive of any applicable GST (unless specified otherwise). All dollar amounts are in respect of Australian dollars (unless specified otherwise). Any information provided in this Memorandum and in any other document or communication is subject to the Limited Partnership Deed and the Subscription Agreement (collectively, the **Governing Documents**) for the Fund. To the extent of any inconsistency between this Memorandum and the Governing Documents, the Governing Documents prevail.

No person guarantees the performance of, or rate of return from, the Fund nor the repayment of capital from the Fund. Investments in the Fund are not deposits with or liabilities of the Manager or any associated company and are subject to investment and other risks, including possible delays in repayment and loss of income or principal invested. Recipients of this Memorandum should ensure they are fully aware of all these risks before investing in the Fund.

To the maximum extent permitted by law, neither the Fund, the General Partner and/or the GP Co (the **Fund Entities**), or the AFSL Holder nor any related party, officer, director, adviser or associate of the respective entities provides any representations or warranties in relation to this Memorandum or the Fund and disclaim all responsibility in relation to the Memorandum and the Fund. Neither the AFSL

Holder nor the Fund Entities make any representation or warranty as to the accuracy or truth of the contents of this Memorandum.

No information outside of this Memorandum made available to investors or potential investors in the Fund is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future by, the Fund, the Manager or any other person (including any director, officer or any related body corporate of the Manager), except as required by law. This Memorandum supersedes all previous representations and communications (including investor presentations) in respect of the Fund. The Manager may vary the offer set out in this Memorandum without notice at any time, including to close the offer at any time, accept late subscriptions, or to increase or decrease the size or timing of the offer, without notice.

Any forward-looking statements in this Memorandum (including statements of intention, projections and expectations of investment opportunities and rates of return) are made only at the date of this Memorandum based on current expectations and beliefs but involve risks, contingencies, uncertainties and other factors beyond the control of the AFSL Holder or the Fund Entities which may cause actual outcomes to be materially different. Assumptions underlying such statements involve judgements which may be difficult to accurately predict. Therefore, such forward looking statements included in this Memorandum may prove to be inaccurate and should not be relied upon as indicative of future matters. Past performance is not a reliable indicator of future performance. The Manager has no intention to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Memorandum, except where required by law.

Investors should read the Memorandum in its entirety and understand that the Memorandum is general in nature and must not to be considered as investment, financial, legal or tax advice. Before making an investment decision in relation to the Fund, investors should consider whether investing in the Fund is suitable to their own individual circumstances and seek advice from a qualified financial adviser.

By accepting this Memorandum, if you are an Australian investor, you are:

- representing that you are a wholesale client (as defined in section 761G of the Corporations Act);
- agreeing to keep the Memorandum and its contents confidential and not to provide it to other persons, other than your advisers provided they also maintain such confidentiality; and
- representing that you have read and agreed to the information noted in this Memorandum including this 'Important Information'.

### **Notice to residents of New Zealand**

This Memorandum does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for Interests by persons in New Zealand who do not meet the criteria below. Applications or any requests for information from persons in New Zealand who do not meet the criteria below will not be accepted.

The offer of Interests made to New Zealand investors is available only to, and may only be accepted by, persons who are "wholesale investors" for the purposes of the FMCA and who have provided an appropriate wholesale investor certificate to the Issuer. This Memorandum and any supplement(s) are not a product disclosure statement for the purposes of the FMCA. This Memorandum has not,

and will not be, lodged with the Registrar of Financial Service Providers in New Zealand. This offer does not constitute a “regulated offer” to retail investors for the purposes of the FMCA.

By accepting this Memorandum, if you are a New Zealand investor, you are:

- representing that you are a wholesale investor in New Zealand (as defined in clause 3(2) of Schedule 1 of the FMCA) and agree that you will provide a completed wholesale investor certificate to the Issuer;
- agreeing to keep the Memorandum and its contents confidential and not to provide it to other persons, other than your advisers provided they also maintain such confidentiality; and
- representing that you have read and agreed to the information noted in this Memorandum including the “Important Information” and this “Notice to residents of New Zealand”.

In addition, each New Zealand investor also acknowledges and agrees that:

- he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any Interests in the Fund; and
- he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any Interests in the Fund; and
- he, she or it has not distributed and will not distribute, directly or indirectly, this Memorandum or any other offering materials or advertisement in relation to any offer of any Interests in the Fund,

in each case in New Zealand other than to a person who is a Wholesale Investor; and

- he, she or it will notify the Manager if he, she, or it ceases to be a wholesale investor.

New Zealand wholesale investors wishing to invest in the Fund should be aware that there may be different tax implications of investing in the Fund compared to those disclosed in this Memorandum for Australian investors, and should seek their own tax advice as necessary.

## **WARNING**

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

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# 1 Executive summary

## 1.1 Introduction

Dear Investor,

Perennial is bringing to market an exciting new fund which will offer investors access to high growth private businesses located primarily in Australia and New Zealand.

This new fund, Perennial Private Ventures Fund No. 1, LP, will identify businesses with outstanding founders and management teams that operate in large addressable markets. The Fund will seek out companies which have demonstrated early success within their sector and have high growth potential.

The Fund will leverage the Manager's in-house expertise and strong market relationships to access the growing pipeline of growth stage private businesses. The Fund's performance will be driven by the Manager's ability to identify which of these high growth opportunities will provide an attractive return for investors.

The Perennial investment team has a track record of deploying these skills across various funds including the three Perennial Private to Public Opportunities Funds, the Perennial Value Smaller Companies Trust, and the Perennial Value Microcap Opportunities Trust.

Considering the target asset class, including its illiquid nature, a closed-end fund structure will be employed to assist in executing the strategy of the Fund. Accordingly, the Fund is suitable only for wholesale investors who have a long-term investment horizon and who do not need to access their invested capital for a minimum seven-year period.

The investment team has, on average, over 15 years' investment experience each and a very broad knowledge and background in private markets.

Key staff members have deep experience in private and public company investing, fundamental analysis and industry research, corporate actions and financial transactions, legal and capital structuring, as well as investment banking and capital markets.

We encourage you to read this Memorandum thoroughly and consider if the Perennial Private Ventures Fund No. 1, LP is suitable for your investment requirements.

Yours faithfully,



**John Murray**

Co-Founder and Director

Perennial Partners Limited



**Anthony Patterson**

Co-Founder and Director

Perennial Partners Limited

## 1.2 The offer under this Memorandum

This Memorandum has been prepared by the Manager for the offer of Interests in the Fund (the **Offer**).

### Subscriptions

Applications to invest in the Fund are made by way of the Subscription Agreement provided by the Manager. To invest in the Fund by the First Closing Date, completed Subscription Agreements and associated documents (such as proof of identity documents) must be received by the Manager, by 12:00pm on 3 June 2022, or such later date as the Manager may determine. In addition, if you are a New Zealand wholesale investor, your Subscription Agreement must be accompanied by a completed wholesale investor certificate. Applications may be refused in full or in part by the Manager in its absolute discretion. Copies of the Governing Documents may be made available during the offer period on a confidential basis to Investors by request to the Manager. The Manager may close the Offer before the Final Closing Date in its absolute discretion.

Details on how to subscribe are further described at Section 10.2.

## 1.3 The Investment

This Memorandum provides general information for investors interested in the opportunity to invest in the Fund. The Manager is targeting a fund size of \$200 million. The Fund has been established to focus on investments in small and mid-market businesses within Australia and New Zealand.

## 1.4 The General Partner

Perennial Private Investment GP, LP (ILP2100041) is the general partner of the Fund.

## 1.5 The Manager

The Manager of the Fund is Perennial Private Investments Pty Ltd (ACN 643 423 750; AFSL Representative Number 001293139).

## 1.6 Terms and Conditions

A high-level summary of key terms of the Fund is set out in Section 5. In the event of any inconsistency between this Memorandum and the Governing Documents, the Governing Documents prevail.

## 1.7 Risks and Advice

Potential investors should be aware that the nature of an investment in the Fund is high risk and neither the General Partner nor the Manager give any assurance that the Fund will achieve its return objectives. See Section 6 for more information on risks. Investors should seek their own financial, legal, taxation and other professional advice before deciding to invest in the Fund.

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## 2 About Perennial

### 2.1 Introduction

The Manager is part of Perennial Partners Limited ABN 90 612 829 160 (**Perennial Partners**), a house of specialist investment teams, including Perennial Investment Management Limited ABN 13 108 747 637 (**PIML**), the General Partner and PVM. Where the term Perennial is used in this Memorandum, it is taken to include Perennial Partners, the General Partner, PVM and the Manager.

Perennial partners with outstanding investment professionals pursuing great investment outcomes in segments where active management can add meaningful value. The common thread is highly talented teams, solely focussed on discovering great investment opportunities.

Perennial provides its investment partners with strategic, operational and distribution expertise and access to an investor base made up of financial advisers, wealth managers, institutional, high net worth and family offices, while allowing them to focus on managing money. Perennial's 'clients first' culture underpins everything it does. Perennial's sole focus is to deliver excellence in funds management through equity ownership and the alignment of interests between key investment management staff and its clients.

As at 28 February 2022, Perennial manages approximately \$7.7 billion on behalf of institutional and retail clients. As at 28 February 2022, Perennial manages \$644 million in private assets and the team has made approximately 85 private investments in the last five years. To date 24 portfolio companies have achieved an IPO and three have been acquired via a trade sale.

### 2.2 Investment Committee

The Investment Committee at the date of this Memorandum is comprised of highly experienced and qualified persons from the Manager whose initial members will be comprised of Ryan Sohn, Brendan Lyons, Karen Chan and James McQueen and then such other persons as determined by the General Partner or Manager from time to time.

The investment management team is well-resourced and is currently made up of five investment professionals with complementary experience and proven track records.

**Alignment of Interests:** Key members of the investment management team will invest into the Fund.

#### Investment Management Team

The investment team manages private company investments having a broad range of experience across both financial and commercial aspects.

Details of the current investment management team are set out below:

## **Brendan Lyons**

**Head of Private Investments and Portfolio Manager**

Brendan commenced with Perennial in August 2020 as Head of Private Investments. He has led numerous private investments for Perennial, including Good Pair Days, Lumi, Expert360, InstantScripts and SuperHero.

Brendan has 26 years' global experience across equity markets, corporate transactions, financial & industry analysis, and investment management. Brendan worked for Goldman Sachs / JBWere for 18 years, including ten years as an equity partner. He was Co-Head of Australian Equities, and also held other senior roles at Goldman Sachs / JBWere in institutional equities and equities research in Sydney, Melbourne, London and New York. Early in his career, he was a top ranked equities analyst in a number of industrial sectors including media, conglomerates, chemicals, steel and contractors. After leaving Goldman Sachs, Brendan focused on pre-IPO advisory for private SME companies, which included his role as the founding partner of the corporate advisory and investment management businesses at Kelly+Partners.

Brendan holds a Bachelor of Science from the University of Western Australia and a Master of Applied Finance from the University of Melbourne.

## **Ryan Sohn**

**Portfolio Manager**

Ryan joined Perennial in August 2018 as an analyst covering investments in the technology sector in the Smaller and Microcap Opportunities Fund. Ryan was the co-founder of the Private to Public funds where he remains a Portfolio Manager. He has led a number of Perennial's private investments, including Indebted, Bare, Sonder, Animoca Brands, WithYouWithMe and BuildXact.

Ryan's previous role was as an Investment Analyst at Monash Investors, an absolute return hedge fund. During this time, Ryan focused on listed and unlisted technology companies as well as general industrial research. Prior to joining Monash Investors, Ryan spent two years in investment banking at HSBC focusing on structured banking.

Ryan holds a Bachelor of Commerce (Finance, Accounting and Marketing) from the University of Western Australia in which he graduated with high distinction.

## **Andrew Smith**

**Head of Smaller Companies & Micro Caps and Portfolio Manager**

Andrew commenced with Perennial in July 2008 as a Senior Analyst and then later a Portfolio Manager on the Smaller Companies fund which he continues to manage. Andrew was also the founder of the Microcap Opportunities Fund and co-founder of the Private to Public funds where he remains a Portfolio Manager. He has led a number of Perennial Private deals, including Koala, Songtradr, Locata and Microba.

Andrew's previous role was Head of Research at Linwar Securities, a boutique broker specialising in smaller company research, ultimately bought by Etrade and ANZ. Andrew joined Linwar in 2003 and during this time he has gained a deep understanding of stocks across the small cap spectrum. Prior to this, he worked at Tyndall in their graduate program, where he

gained experience across a number of functions including accounting, product development and stock analysis.

Andrew attained First Class Honours in Finance while achieving his Bachelor of Commerce degree at Sydney University and is a Graduate of the Australian Institute of Company Directors

### **Karen Chan**

#### **Portfolio Manager**

Karen joined Perennial in July 2021 as a Senior Investment Director in the Private Investments team and is now a Portfolio Manager. Karen has over 18 years' global experience across investments, investment banking, consulting and law. She has led a number of Perennial Private deals, including Emesent, Monese, Vamp and Verrency.

Karen joined Perennial from Investec where she was Head of Emerging Companies responsible for Investec Australia's venture capital and private growth investments. She managed both on-balance sheet investments as well as the Investec Emerging Companies Australia Fund No. 1, which is an ESVCLP fund. Prior to Investec, Karen has over a decade of experience in IPOs, M&A and corporate advice at Morgan Stanley, JPMorgan and Gresham Partners where she was mainly focused on technology companies across Asia Pacific. Karen has also held the role of global legal counsel for Jurlique and has significant experience working with private company founders and consulting to early stage high growth companies.

Karen holds a Bachelor of Commerce and Bachelor of Laws (First Class Honours) from the University of Sydney and is a Graduate of the Australian Institute of Company Directors.

### **James McQueen**

#### **Senior Investment and Legal Principal**

James commenced with Perennial Private in July 2021 as Senior Legal and Investment Principal.

James has over 17 years' experience in legal, finance and capital markets advisory across both private and public markets. As a finance and corporate lawyer, James has worked for top tier law firms and banks as well as for private, public and institutional clients across capital raisings, M&A, debt and structured finance, leveraged finance, securitisation, and debt capital markets transactions, both in Australia and in the UK.

Over the last eight years, James has worked primarily in the venture space in Australia both as an investor and advisor. He has consulted to high growth technology ventures as well as family offices and venture capital funds focussed on growth opportunities in technology, funds management, property and health.

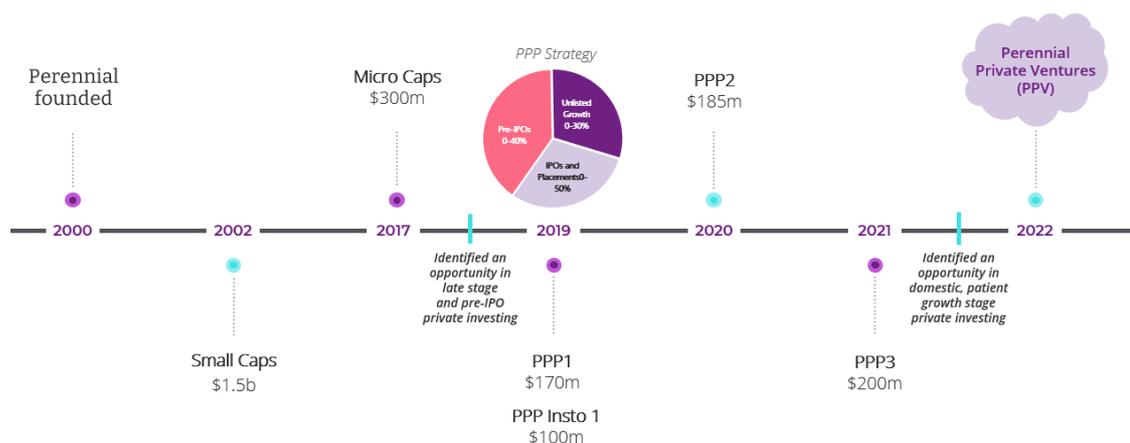
James holds a Bachelor of Laws (Honours) and Bachelor of Commerce from The University of Melbourne and a Master of Business Administration from the Melbourne Business School.

## **2.3 Prior Investment History**

### **Track Record**

Perennial's investment management team has been investing in both listed and unlisted companies since 2002. The small companies team and private investments team together manage \$2.5 billion in small and micro-cap listed & unlisted companies on behalf of investors.

Below is a timeframe outlining Perennial's history:



*Note – PPP denotes the Perennial Private to Public Opportunities Funds*

The Perennial team has invested in 85 private businesses over the last five years across five separate funds with a private company mandate. Of these, 24 have since publicly listed via an IPO and 3 have been acquired through private takeovers.

Perennial's first Private to Public Fund was launched in August 2019. As at 28 February 2022, the Fund has returned 163.3% since inception net of all fees and including annual distributions.

Perennial's second Private to Public Fund was launched in October 2020. As at 28 February 2022, the Fund has returned 19.8% since inception net of all fees.

Perennial's third dedicated Private to Public Fund was launched in August 2021. As at 28 February 2022, the Fund has returned 0.1% since inception net of all fees.

The table below shows the size and returns of all three Perennial Private to Public Funds. The returns are net of all fees and include any annual distributions paid.

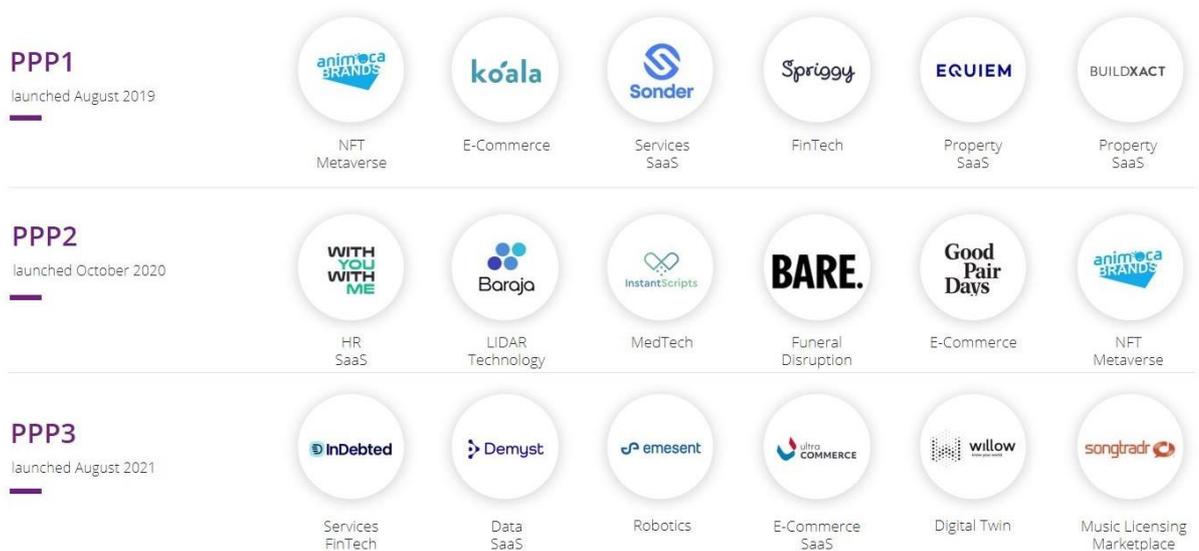
Fund	Inception	Initial Fund Size	Performance (as at 28 February 2022)
Perennial Private to Public Opportunities Fund	August 2019	\$65 million	163.3%
Perennial Private to Public Opportunities Fund No.2	October 2020	\$154 million	19.8%
Perennial Private to Public Opportunities Fund No.3	August 2021	\$207 million	0.1%

The Perennial Private to Public Opportunities Funds (PPP Funds) invest across three core segments of the market:

1. Unlisted expansion and growth companies
2. Pre-IPO companies
3. Listed equity placements and IPOs

This new Fund is specifically targeting growth stage private companies. Therefore, the Fund will share some similarities to the unlisted expansion and growth segment within the PPP Funds. However, the Fund will be targeting private companies that may be earlier in their growth cycle or not on a near-term liquidity pathway. This compares to the PPP Funds, which primarily target later stage private companies that are within a six-month to two-year horizon to listing or takeover. The diagram below outlines a sample of companies that the PPP Funds have invested in as at 31 March 2022:

### Private Growth Investment Examples



### Deal Flow

The investment management team has excellent access to private company deal flow across Australia and New Zealand. Over the past 12 months, Perennial has assessed over 700 private company opportunities. Perennial is seen as an investment partner of choice for many founders, private companies and co-investors given the success of our private company funds, and our strength across both private & public markets. The Perennial brand provides a competitive advantage that enables access to many private companies and other counterparties. The Fund will use the Manager's professional networks to acquire and assess new leads that originate from the following areas:

- Internal idea generation
- Direct corporate approaches
- Founder relationships and referrals
- Professional counterparties
- Advisory, professional services and consulting networks, brokers, and senior executives across the industry

- Venture capital ecosystem participants, including angel investors and other venture capital funds

## **2.4 Investment Philosophy**

The Fund will primarily invest in growth stage private companies with strong founders and leadership teams that have established product market fit in one or more large, attractive addressable markets. The Manager will assess the size of each investment in the context of the overall portfolio construct.

The Fund will target private companies which satisfy the following criteria:

1. Visionary founders and a strong management team
2. Demonstrated product market fit in large, attractive markets
3. Potential category leadership that can scale globally
4. A strong financial profile with leading unit economics
5. An accelerating growth profile
6. Opportunity to invest at attractive valuations with a margin of safety

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## 3 Investment Process

### 3.1 Investment Objective

The investment objective of the Fund is to generate a return of 8% IRR per annum (after Management Fees) on Capital Contributions over the life of the Fund. This is a target only and there is no guarantee that the Fund will be successful in achieving its investment objective.

#### Target Capital Deployment



#### Early Wins

- Time Frame to Liquidity: 1-2 years
- Return expectations: 2x
- Portfolio Weight: 20-40%



#### Portfolio Core

- Time Frame to Liquidity: 2-4 years
- Return expectations: 2-3x
- Portfolio Weight: 40-50%



#### Outsized Returns

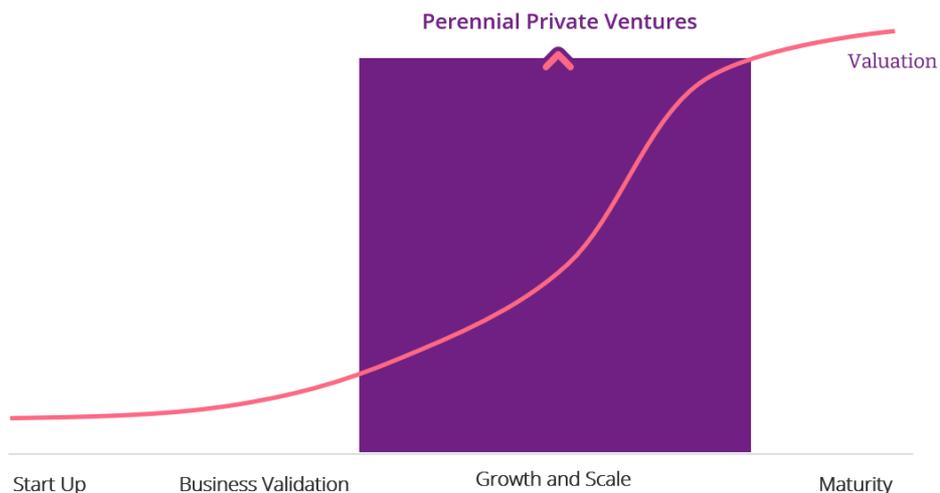
- Time Frame to Liquidity: 4-5 years
- Return expectations: 3-6x
- Portfolio Weight: 20-30%

### 3.2 Investment Strategy

The Fund has been established to focus on high growth private businesses located primarily within Australia and New Zealand that are Eligible Venture Capital Investments.

The Fund will predominantly invest in companies that are in the private growth stage. Private growth stage businesses are companies that have established product market fit and are now demonstrating accelerated revenue growth. On exception, the Fund may also selectively invest in certain opportunities outside of these parameters, including earlier stage companies where the investment provides an attractive risk/return opportunity.

The investment management team will assess investment opportunities across the following segment of the corporate evolutionary cycle:



### 3.3 Investment Process

#### Deal Generation

700+ per year

- Internal idea generation and direct approaches
- Utilise broad network of contacts & counterparties for introductions
- Perennial is a private investor of choice for many companies
- Perennial brand is a competitive advantage and provides ease of access

#### Due Diligence

100+ per year

- Bottom up analysis on each company to ensure it satisfies our investment characteristics:
  - visionary founders and strong team
  - accelerated growth profile
  - product market fit achieved
  - leading unit economics
  - potential category leadership
  - margin of safety

#### Deal Metrics & Structuring

15-30 per year

- Either lead the deal terms, or review existing metrics
- Size of our investment will be determined by:
  - timeframe to liquidity
  - sector exposure
  - risk adjusted return scenario
- Protect downside risk and seek alignment with founders and investors for outsized returns
- Take Board position or observer rights

#### Post Investment

- Prompt monitoring and reporting requirements
- Proactive assistance with corporate strategy and future transactions
- Leverage the Perennial network to add value to the company
- **Expand** position if company is exceeding expectations

#### Exit

- **IPO**
  - Provide advice on IPO structure, pricing, timeline and investment case
  - Assistance with IPO counterparties
  - Help ensure appropriate broker coverage
  - Look to invest further at the IPO, subject to valuation
- **Private Takeover**
  - Strategic input to ensure best outcome is realised for the company and shareholders

The investment process involves members of the team assessing potential investment opportunities, highlighting investments that meet the Fund's criteria and justify further due diligence, and rejecting investments that do not satisfy the Fund's criteria. Once an investment is deemed suitable, the Investment Committee will seek to reduce risk, match liquidity, and appropriately weigh the investment in the context of the broader portfolio construction.

## 4 Structure of Fund

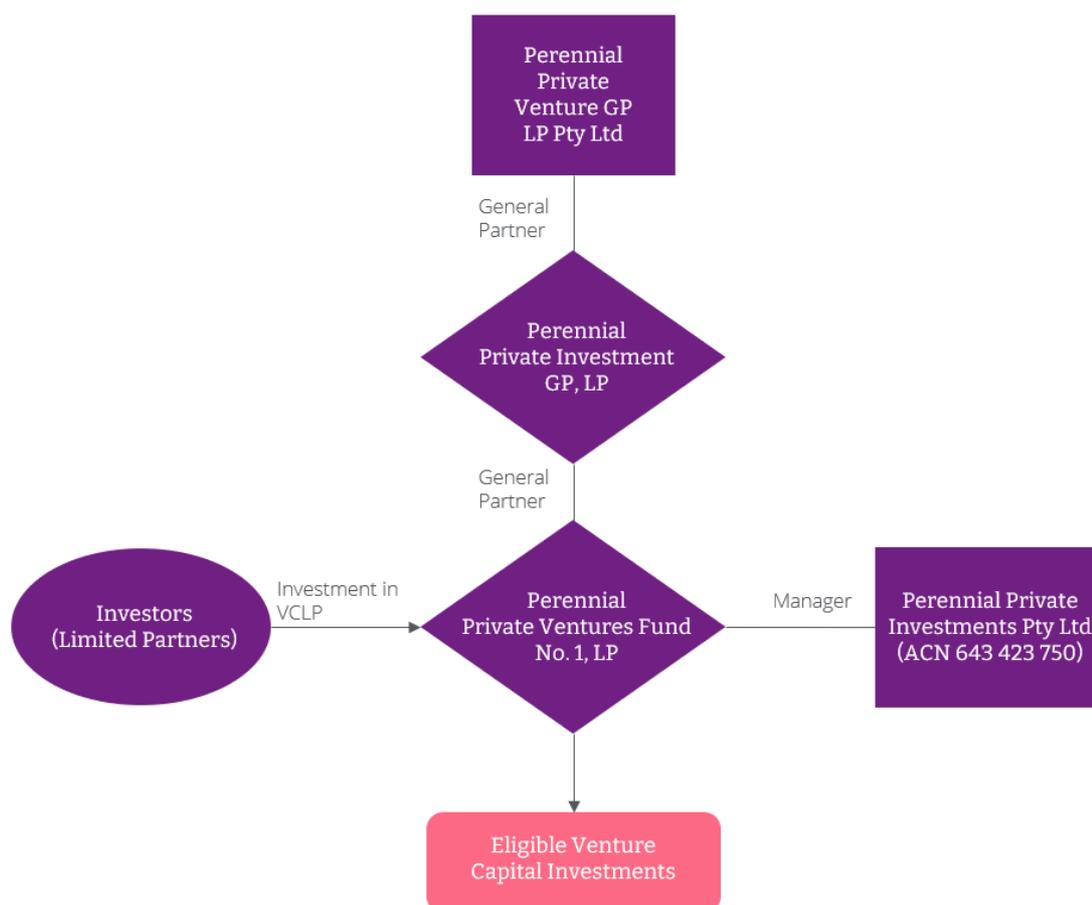
### 4.1 Overview of the Fund

The Fund is structured as an incorporated limited partnership that has been conditionally registered as a VCLP. It is expected that an application for unconditional registration will be made following the First Closing Date. Parties investing in the Fund will become limited partners in the Fund, although additional co-investment vehicles may be established to facilitate investment by particular parties.

The general partner of the Fund is another incorporated limited partnership known as **Perennial Private Investment GP, LP (ILP2100041) (General Partner)**. The general partner of the General Partner is a company formed and registered under the Corporations Act as **Perennial Private Ventures GP LP Pty Ltd (ACN 654 899 251) (GP Co)**.

The General Partner has appointed the Manager as the manager of the Fund.

The Fund's structure is illustrated below:



As a VCLP, the Fund must meet certain technical requirements. The Fund is only permitted to invest in investments that constitute Eligible Venture Capital Investments, as well as certain short-term or convertible loans (although this will not be a focus for the Fund).

None of the AFSL Holder or the Fund Entities give any assurance as to the tax treatment of the Fund to individual investors. See Section 8 of this Memorandum for further information.

## 4.2 Significant investors

The Fund has been designed to assist SIV Investors in complying with the requirements attaching to the Business Innovation and Investment (Provisional) visa (subclass 188), significant investor stream (**Significant Investor Visa**). In particular, the Fund has been conditionally registered as a VCLP in order to be classified as a venture capital fund within the meaning of the Migration (IMMI 15/100: Complying Investments) Instrument 2015 (**SIV Instrument**).

If a person is intending to be a SIV Investor in the Fund, they will be required to pay their Committed Capital into an Australian ADI account in escrow in favour of the General Partner (**Escrow Account**) upon subscribing for Interests in the Fund and will not be able to access this money once it has been deposited. Interest earned on monies held in the Escrow Account will become property of the Fund and the General Partner is not required to pay such interest amounts back to the SIV Investor.

Over time, the Manager will draw down on the Escrow Account to make investments and any distribution that would otherwise be made to a SIV Investor under the Governing Documents must be dealt in one of the three following ways:

- where the Fund is not being wound up, reinvestment in the Fund (in such case it may be retained by the Fund and in such case this amount will not be subject to the Preferred Return until the amount is reinvested or applied to pay for expenses of the Fund);
- paid into the Escrow Account for future withdrawal (these amounts will not be subject to the Preferred Return until the amount is withdrawn and called back into the Fund); or
- reinvestment in another Complying Investment, in which case the SIV Investor (or its nominee) must specify all relevant details in order for the General Partner to make such payment.

The Fund is not authorised, endorsed or guaranteed by the Australian Government or the Department of Immigration and Border Protection. If a person is applying to become a SIV Investor in the Fund, it is the responsibility of that applicant (and not the General Partner) to ensure that it meets all of its obligations and requirements that relate to their application for, and grant of, a temporary or permanent Significant Investor Visa. An investment in the Fund in itself does not entitle an Investor to a Significant Investor Visa, and the Fund Entities, Perennial and its associates do not make any representation, warranty or guarantee that an investment in the Fund in itself will secure the grant of a Significant Investor Visa to an Investor.

An investment in the Fund is illiquid in nature. A SIV Investor may not be able to liquidate their investment in the Fund in line with any deadlines or timetables associated with their Significant Investor Visa. See Section 6 for more information.

## 4.3 Capital contribution regime

Under the Governing Documents, any person that:

- is a SIV Investor;
- has a Committed Capital of less than \$2 million; or
- elects to pay their Committed Capital into the Escrow Account.

(Escrow Investors)

will be required to pay, upon subscribing for an interest in the Fund, their Committed Capital into the Escrow Account to be admitted as an Investor in the Fund. Amounts held in the Escrow Account may only be returned to an Escrow Investor in consultation with, and at the absolute discretion of, the General Partner or the Manager. Except in the case of SIV Investors, the General Partner may, in its absolute discretion, agree that such Investors may pay an amount that is less than their Committed Capital into the Escrow Account or agree to waive this requirement. Any Investor that is not an Escrow Investor will not be required to make an upfront payment of their Committed Capital into the Escrow Account. Rather, such Investors will be subject to the call regime set out in the Governing Documents and the General Partner will draw down of their Committed Capital over time. Where the uncalled Committed Capital of Investors is unequal as a result of Late Capital being retained by the Partnership, the General Partner may make a call or multiples calls on Investors disproportionately.

#### **4.4 How will the Manager's strategy be implemented?**

The Manager will focus on investing in small and mid-market businesses within Australia and New Zealand that are Eligible Venture Capital Investments.

Investors may receive annual distributions of the taxable income of the Fund, at the Manager's discretion. If an investment of the Fund is realised before the end of the respective Investment Period, the Manager may reinvest the proceeds in new investments.

The Investment Period for the Fund is four years from the First Closing Date. After the Investment Period, the Fund is only able to make further investments in limited circumstances such as follow-on investments, investments in which the Fund has a pre-existing actual or contingent obligation to make or when a new investment has been approved by Ordinary Resolution.

From the end of the Investment Period stated above, the Manager will seek to maximise the value of the investments in the Fund before the end of the Term by exiting including (but not limited to) through trade sales or initial public offerings.

It is the Manager's intention to realise all investments of the Fund and return investment proceeds to Investors by the end of the Term. If the Fund still holds investments at the end of the Term, the Manager will seek to manage investments to maximise investor value and:

- the General Partner may extend the Term for up to two consecutive one year periods; and/or
- continue as the Manager during the wind-up period, until all investments held by the Fund have been fully realised and the proceeds distributed to Investors. The General Partner may only distribute assets in specie to an Investor if such distributions are in the form of marketable securities and approved by Special Resolution.

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## 5 Summary of Key Terms

Set out below is a summary of the key terms of the Fund. Refer to the Governing Documents for the complete terms which will supersede and prevail to the extent of inconsistencies with this Memorandum.

Term	Description
<b>Fund</b>	Perennial Private Ventures Fund No 1, LP
<b>Fund Structure</b>	<p>The Fund will comprise Perennial Private Ventures Fund No. 1, LP (ILP2100042), an incorporated limited partnership incorporated in New South Wales that is conditionally registered as a VCLP (the <b>Fund</b>).</p> <p>The Fund will invest in Eligible Venture Capital Investments.</p>
<b>AFSL Holder</b>	Perennial Value Management Limited (ACN 090 879 904; AFSL 24729).
<b>Manager</b>	Perennial Private Investments Pty Ltd (ACN 643 423 750). The Manager is an authorised representative of the AFSL Holder under its Australian Financial Services Licence (Australian Financial Services Authorised Representative Number 001293139).
<b>General Partner</b>	The general partner of the Fund is Perennial Private Investment GP, LP (ILP2100041), which is conditionally registered as a venture capital management partnership.
<b>Investment Plan</b>	<p>The Fund will invest primarily in small and mid-market businesses within Australia and New Zealand.</p> <p>The amount of equity investment in an investee company will typically be between \$1 million and \$5 million, however, may be as small as \$150,000 and as large as \$20 million at the time of investment.</p>
<b>Target Return</b>	<p>8% IRR per annum on Capital Contributions (after Management Fees).</p> <p>This is a target only. The Fund may not achieve this return.</p>
<b>Eligible Investors</b>	The Fund is only open to wholesale clients (as defined in section 761G of the Corporations Act) and wholesale investors in New Zealand (as defined in clause 3(2) of Schedule 1 of the FMCA) who are approved by the Manager.
<b>Minimum Committed Capital</b>	\$100,000 per Investor unless otherwise approved by the Manager.
<b>Escrow Account</b>	Any person that is an Escrow Investor will be required, upon subscribing for an interest in the Fund, to pay the entire Committed Capital into the Escrow Account to be admitted as an Investor in the Fund, which the General Partner will draw down over time. Except in the case of SIV Investors, the General Partner may, in its absolute discretion, agree that such Investors may pay an amount that is less than their Committed Capital into the Escrow Account or agree to waive this requirement.

<b>Capital Calls</b>	Any Investor that is not an Escrow Investor will be subject to the call regime set out in the Governing Documents. The General Partner may make calls on such Investors for any or all of their unpaid Committed Capital. Where the uncalled Committed Capital of Investors is unequal as a result of Late Capital being retained by the Partnership, the General Partner may make a call or multiples calls on Investors disproportionately.
<b>Late Capital</b>	<p>Investors admitted on a closing date after the First Closing Date will contribute the proportion of their Committed Capital that they would have paid had they been admitted on the First Closing Date (<b>Late Capital</b>) plus an amount equal to such drawn capital multiplied by 8% per annum applied from the date the payment would have been payable until the later closing date (<b>Late Capital Interest</b>). Late Capital will be retained by the Fund and the Investors' capital accounts will reflect the Late Capital contributions which they have made to the Fund. Late Capital Interest will also be retained by the Fund and this will be proportionately shared with all investors at the time.</p> <p>The Late Capital paid by Investors will, among other things, cover the proportionate share of any of the Funds' costs and fees that would have been incurred by them if admitted on the First Closing Date including the Management Fee that the Investor would have borne had it been admitted on the First Closing Date instead of the later closing date (<b>Late Management Fee</b>). The Late Management Fee is paid to the Manager.</p>
<b>First Closing Date</b>	A date determined by the Manager.
<b>Final Closing Date</b>	A date determined by the Manager not more than 12 months after the First Closing Date.
<b>Investment Period</b>	Commences on the First Closing Date and ends on the fourth anniversary of the First Closing Date or such other date determined in accordance with the Governing Documents.
<b>Term</b>	Three years from the end of Investment Period or such other date determined in accordance with the Governing Documents. The Manager or the General Partner may extend the Term by up to two one-year periods in their discretion.
<b>Management Fees</b>	<p>From the commencement of the Investment Period, an amount equal to 2% per annum (ex GST):</p> <ul style="list-style-type: none"> <li>(a) of aggregate Committed Capital until the end of the Investment Period; and</li> <li>(b) thereafter, of Invested Capital,</li> </ul> <p>payable and calculated quarterly in advance.</p>
<b>Distributions</b>	Distributions from the Fund may be made at any time at the discretion of the General Partner. Distributions will be made pro rata to capital contributions and will be paid in the following order of priority to Investors and the General Partner:
<b>Return of capital return and preferred return</b>	Firstly, 100% to Investors until they have each received (including Tax Benefits) their Capital Contributions plus a preferred return representing an IRR of 8% per annum (after Management Fees) on such draw downs.

<b>Catch Up</b>	Secondly, 100% to the General Partner until the General Partner has received 20% of the sum of the Preferred Return and the amounts distributed under this provision.		
<b>Split</b>	Thirdly 80% to Investors and 20% to the General Partner.		
<b>Manager may receive less fees</b>	The Manager and General Partner may accept lower fees or defer payment of fees for any period. Any deferral will in no way affect the right of the Manager and the General Partner to receive the applicable fees.		
<b>Distributions in-specie</b>	The General Partner may only make distributions of Fund property other than cash and tax credits if they are marketable securities and with approval by Special Resolution.		
<b>Re-investment</b>	The General Partner may re-invest proceeds from the realisation of an investment in the certain circumstances.		
<b>SIV Distributions</b>	Any distribution that would otherwise be made to a SIV Investor under the Governing Documents must be dealt in one of the three following ways: <ul style="list-style-type: none"> <li>(a) where the Fund is not being wound up, reinvestment in the Fund;</li> <li>(b) paid into the Escrow Account for future withdrawal (these amounts will not be subject to the Preferred Return until the amount is withdrawn and called back into the Fund); or</li> <li>(c) reinvestment in another Complying Investment, in which case the SIV Investor (or its nominee) must specify all relevant details in order for the General Partner to make such payment.</li> </ul>		
<b>Redraw</b>	The Manager may redraw amounts distributed for up to three years after distribution from the Fund to Investors in connection with a particular investment for the purposes of the Manager or Fund meeting obligations owed by it in respect of that investment. In such circumstances, the Manager will give notice to Investors at the time of the distribution of an estimate of the portion of the distribution that may be redrawn.		
<b>Expenses</b>	The Manager will pay its own costs and Overhead Expenses. The Fund will reimburse the Manager and General Partner for all expenses properly incurred in connection with the management of the affairs of the Fund. Such expenses will include, among other things, the fees of legal counsel, auditors, other professional advisers, and marketing, placement fees, custody and administration costs.		
<b>Maximum Establishment Costs</b>	\$500,000 (ex GST). Amounts in excess of this amount will be paid by the Manager.		
<b>Overhead Expenses</b>	Any rent, office maintenance and administration, wage, salary and personal income tax expenses of the General Partner, Manager or a person lawfully appointed under the Limited Partnership Deed.		
<b>Reporting</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Reports</b></td> <td style="width: 50%;"><b>How to be given</b></td> </tr> </table>	<b>Reports</b>	<b>How to be given</b>
<b>Reports</b>	<b>How to be given</b>		

	Accounts for the Financial Year which have been audited by the Auditor.	To each Investor within 90 days after the end of the Financial Year.
	<p>"Financial Year" means each 12-month period ending on 30 June and the shorter periods ending on the first 30 June after the First Closing Date or commencing on a 1 July and ending on the date of termination of the Fund.</p>	
<b>Defaults</b>	<p>In the event an Investor does not pay a call on its capital commitment or other amount due to the Fund when required, the Manager will have the right to:</p> <ul style="list-style-type: none"> <li>• seek payment of the due amount plus interest, expenses and costs;</li> <li>• apply any amount payable from the Fund to the relevant Investor to offset unpaid amount plus any accrued interest, expenses and costs; and</li> <li>• forfeit and/or sell the Investor's Interests, under the Governing Documents.</li> </ul> <p>Rights attaching to the Interests of a defaulting Investor will be suspended while it continues to be a defaulting Investor.</p>	
<b>Transfer of Interests</b>	<p>An Investor may only transfer their Interests in accordance with the Governing Documents and with the consent of the General Partner and the Manager (which may be withheld in their absolute discretion).</p>	
<b>Termination of the General Partner or the Manager</b>	<p>The General Partner or the Manager (as the case may be) may retire with 30 days' notice and must retire if required to do so by Special Resolution for cause (which includes insolvency or a material unremedied breach of a Governing Document).</p>	
<b>Investor meetings</b>	<p>Investors together holding more than 35% of aggregate Committed Capital may, by notice in writing, require the General Partner to convene a meeting of Investors.</p> <p>Investor meetings will be held in Sydney or such other place or via video teleconferencing as the Manager determines from time to time.</p>	
<b>Tax Considerations</b>	<p>The taxation of partners and partnerships is extremely complex. Each prospective Investor is urged to consult its own tax adviser as to the tax consequences of an investment in the Fund.</p>	

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## 6 Risk Factors

Investors in the Fund should be aware that investment in the Fund entails a high degree of risk and this Fund is only suitable for **wholesale clients as defined in section 761G of the Corporations Act** who understand fully, and are capable of assessing, the risks of a fund of this nature.

The return of capital and the performance of the Fund are not guaranteed by any person or organisation, including the Manager.

Prospective investors should consider the following factors and their own circumstances including their investment history and personal appetite to risk before making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective investors must read the entire Memorandum including all attachments and must consult their own professional advisors, before deciding to invest in the Fund.

The most common risks associated with investing in the Fund are described below, however there may be other risks that affect the performance of the Fund. The discussion of risks below is general in nature and should not be relied upon as personal financial product advice. Perennial does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the Fund could lose money.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in the Fund fits into your overall investment portfolio.

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### **Illiquid investment**

An investment in the Fund is illiquid. There is no established secondary market in which an Investor may sell its Interests and none is expected to develop. Investors have no right to withdraw from the Fund. The Limited Partnership Deed contains substantial restrictions on the transferability of Interests and generally prohibit Interests being transferred, resold, exchanged or otherwise disposed. The General Partner does not have to register a transfer if the purported transfer is contrary to law. There can be no assurance that the Manager will be able to realise investments promptly nor at a suitable price.

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### **General Investment Risk**

The investment returns of an investment in the Fund will be subject to economic variables (including interest rates, unemployment, inflation and economic growth), market conditions, factors impacting particular investee companies and government policy. Some investee companies will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities.

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### **Manager Risk**

Investors will have no opportunity to control the day-to-day operations, including investment and exit decisions, of portfolio companies. They must rely on the ability of the Manager in identifying, structuring, developing and realising potential investments consistent with the Fund's investment objectives and policies. Whilst it is the intention for the General Partner to create and maintain a stable investment team with attractive terms of employment or consultancy (as applicable) for its team members, certain members could leave or become otherwise unable to work, which may cause a loss of capital for Investors. The performance of the Manager will be assessed by Investors and any issue regarding removal or retirement will be addressed under the Limited Partnership Deed.

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<b>Deal Flow</b>	<p>Sourcing of deals is a difficult and lengthy process. The Fund may not be able to fully invest its Committed Capital at acceptable prices. The Manager may face unfavourable or a low volume of deal flow which may affect its ability to implement the Fund's investment strategy.</p> <p>There is also a risk that there may be a lack of suitable investment opportunities for the Fund to invest in, given the Fund's investment focus, philosophy and strategy. This risk is affected by several factors including the requirements of the legislation governing VCLP's, the size of the Fund and the availability of opportunities for investment within the Fund's intended investment markets.</p>
<b>Leverage</b>	<p>The Fund's portfolio may include companies which may have debt in their capital structures. Investee companies with a leveraged capital structure have increased exposure to rising interest rates, refinance risk, economic downturns and deteriorations in the financial performance of the company.</p>
<b>Lack of Diversification and Concentration Risk</b>	<p>The Fund will concentrate on companies and technologies initially and primarily located in Australia and New Zealand. To the extent that the Fund concentrates on investments in Australia and New Zealand, the investments may become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular region. In addition, the Fund may invest more heavily in a particular market sector. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable performance of this market sector.</p> <p>The use of a single investment manager applying generally similar trading methodologies could mean lack of diversification and, consequentially, higher risk.</p> <p>Also, funds that invest in a relatively small number of securities are more susceptible to risks associated with any one company, or any single economic, political, or regulatory occurrence than more diversified funds might be.</p>
<b>Investee Companies Failure</b>	<p>One or more investee companies acquired by the Fund could suffer financial difficulties and/or fail leading to financial difficulties for the Fund and/or a loss of capital to Investors. Follow on funding may be required that may dilute the Fund's interest in an investment.</p>
<b>Carried Interest</b>	<p>The existence of carried interest may create an incentive for the Manager to make riskier investments than might otherwise be the case.</p>
<b>Market risk</b>	<p>The value of the Fund can be impacted by fluctuations or changes in the market prices of the listed securities held by the Fund and the financial markets as a whole. Unexpected conditions e.g. economic, technological or political, can have a negative impact on the returns of all investments within a particular market.</p> <p>There can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such listed securities.</p>
<b>Economy and Market</b>	<p>Realisation of investments and returns will be subject to economic conditions in the general economy and particular markets (especially those that the Fund will invest in), and this may affect both the value of investments and the future performance of the Fund.</p>

<b>Currency Risk</b>	The Fund's portfolio may hold investments priced in foreign currencies. These investments will be exposed to foreign exchange risk which can either positively or negatively impact the investment returns of the Fund.
<b>Changes in Laws</b>	<p>There is a possibility that adverse consequences may arise for these investments because of amendments to statutes and regulations affecting the operations of the business which may have a materially adverse effect.</p> <p>Changes in government and monetary policy, taxation and other laws may all have an impact on investee companies or on the ultimate return achieved by Investors.</p>
<b>Litigation</b>	The Fund's investments may be subject to litigation or legal proceedings which may have an adverse effect on the value of the investment and its operations.
<b>Due Diligence</b>	There is a risk that the legal, financial and tax due diligence conducted on investments may not identify all issues associated with the investment that may cause a loss to the Fund.
<b>Legal, Regulatory and Tax Risk</b>	<p>The Fund is not required to be registered under the Corporations Act and accordingly the investors do not receive the protections provided as a regulated scheme.</p> <p>Legal and tax regulations that apply to Perennial, the Fund and its investments may change. Changes to tax law, interpretation or practice could adversely affect the tax treatment of an investment in the Fund and the tax treatment of the Fund's investments. Investors should obtain their own tax advice in relation to an investment in the Fund.</p>
<b>Target returns</b>	The Manager does not guarantee the level of returns targeted will be achieved from an investment in the Fund.
<b>Competition</b>	Competing businesses, including those with superior products or technologies may adversely affect an investee company which may have a material adverse effect on returns to Investors. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of an investee company. There is no assurance that an investee company will be able to compete successfully in its marketplace and any increase in competition could adversely affect the earnings of an investee company.
<b>Past performance</b>	<p>The performance of prior investments in which Perennial and/or the investment team have been involved cannot be relied upon in assessing the merits of the Fund.</p> <p>Prospective investors should read the Memorandum and Governing Documents in full and obtain independent advice prior to investment.</p>
<b>Liability</b>	The Governing Documents contain provisions designed expressly to limit the liability of investors, in their capacity as Investors in the Fund, to the amount of their respective Committed Capital. There can be no absolute assurance that the liability of investors will be limited as intended by those provisions as the ultimate liability of Investors rests with the courts. Each investor must satisfy itself as to the risks of the limitation and to its liability as an Investor in the Fund.

<b>Force majeure events</b>	Events, including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes may adversely affect the normal operations of investee businesses.
<b>SIV compliance risk</b>	An investment in the Fund does not entitle an Investor to a Significant Investor Visa, and the Fund Entities do not represent, warrant or guarantee that a successful application for investment in the Fund will lead to an Investor obtaining a Significant Investor Visa. The AFSL Holder and the Fund Entities accept no liability whatsoever for any loss or damage arising from an Investor relying on an investment in the Fund as providing an Investor with or entitling an Investor to a Significant Investor Visa. The Fund may cease to comply with prevailing Significant Investor Visa requirements set by the Australian Government. An investment in the Fund is illiquid in nature. A SIV Investor may not be able to liquidate their investment in the Fund in line with any deadlines or timetables associated with their Significant Investor Visa.
<b>Pandemic risk</b>	The spread of COVID-19 has led to the introduction of government lock downs and social distancing measures that have had and continue to have an impact on the global economy. While the Australian and New Zealand investment environments are doing better than many others, the extent and the impact of a continuing global recession cannot be predicted and could adversely affect the Fund and its investments.
<b>Market Disruptions</b>	Significant market disruptions, such as those caused by natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. The recent Russian incursion into Ukraine has had, and is expected to continue to have, a severely adverse impact on the economies of many nations, individual companies and the market in general. War and other market disruptions may result in increased market volatility; regulatory trading halts; or closure of domestic or foreign exchanges, markets or governments. Such events can significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of Fund's investments.

The above risks are not exhaustive of all risks of investing in the Fund. Investors should rely on their own enquiries and assessments in relation to the Fund.

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## 7 Fees and Costs

This section provides summary information about the main fees and costs that you may be charged for the Fund. The fees and costs charged by the Fund may be deducted, from the returns on your investment or from the Fund assets as a whole. You should read all of the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs with those of other managed investment funds.

### 7.1 Management Fee

From the commencement of the Investment Period, a management fee equal to 2% per annum (ex GST) of aggregate Committed Capital until the end of the Investment Period and thereafter, of Invested Capital until the termination of the Fund. See Section 5 for more information.

### 7.2 Carried interest

Distributions of income and gains will (subject to certain special cases like the distributions on subsequent closings described above) be made in the following order of priority:

- first, 100% to Investors until they have each received (including Tax Benefits) their drawn down Committed Capital plus a preferred return representing an IRR of 8% per annum (after Management Fees) on such draw downs;
- second, 100% to the General Partner until the General Partner has received 20% of the sum of the aggregate preferred return amounts of Investors and the amounts distributed under this provision;
- thirdly, 80% to Investors and 20% to the General Partner.

The Manager and General Partner may accept lower fees or defer payment of fees for any

period. Any deferral will in no way affect the right of the Manager and the General Partner to receive the applicable fees.

See Section 5 for more information.

### 7.3 Other fees and costs

Fund establishment fees of up to \$500,000 (ex GST) will be due and payable at first close. Establishment fees in excess of this figure will be paid by the Manager.

The Fund will reimburse the Manager for expenses or liabilities incurred with promotion, operation or activities of the Fund.

The General Partner and/or Manager are entitled to certain termination benefits (described in the Limited Partnership Deed) on removal of the General Partner or the Manager and on termination of the Fund.

### 7.4 GST

All fees set out in this Memorandum are exclusive of any applicable GST, unless otherwise stated.

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## 8 Taxation

### 8.1 Taxation

#### **Investors should seek their own professional tax advice.**

It is recommended that all Investors seek independent professional advice on the tax consequences of their investment in the Fund based on their particular circumstances as the commentary below is general in nature.

Investors who are not resident in Australia (**Foreign Investors**) should also obtain specific advice on the taxation implications, including such implications arising in their local jurisdiction as a result of investing in the Fund.

If you are a New Zealand resident wishing to invest in the Fund, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. As a general rule, Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.

#### **The Fund**

The Fund is currently conditionally registered as a VCLP with Innovation and Science Australia. Provided that the Fund attains unconditional registration and maintains unconditional registration as a VCLP, the Fund will be treated as a flow-through partnership for Australian income tax purposes and will not be subject to income tax. However, Investors in the Fund may be subject to tax on their share of the

Fund's income in certain circumstances (as described further below).

Where a conditionally registered VCLP is subsequently registered unconditionally, applicable tax concessions may be back-dated to the date from when the partnership carried on activities relating to becoming registered as a VCLP or otherwise the date that the partnership was conditionally registered. It is expected that the Fund will be unconditionally registered following the First Closing Date, and in any event, within 24 months of receiving conditional registration.

#### **VCLP Tax outcomes**

Investors of the Fund should broadly be subject to Australian tax on their share of the net income of the Fund:

- from any source if they are an Australian resident partner (unless an exemption applies); or
- from Australian sources if they are a foreign resident partner (unless an exemption applies).

Income and gains made by the Fund should retain their character when allocated to Investors.

To the extent income is derived from non-Australian sources (e.g. New Zealand), withholding tax or income tax may be imposed by the jurisdiction in which the foreign investment is located.

#### **Gains on exit**

##### Eligible Venture Capital Partners

Subject to the Fund being unconditionally registered as a VCLP and continuing to maintain that status during the life of the Fund, Eligible Venture Capital Partners are eligible for a full tax exemption on their share of

profit or capital gain on the disposal of investments by the Fund where:

- the shares in the investment have been held by the Fund for at least 12 months;
- the investment is an Eligible Venture Capital Investment; and
- at the time of disposal, total value of the assets of the investee company are less than \$250m.

Pursuant to section 118-420 of the ITAA, an investor which is a partner in the Fund will be an Eligible Venture Capital Partner if it is, broadly, one of the following:

- a tax-exempt foreign resident;
- a “foreign venture capital fund of funds” whose committed capital in the VCLP does not exceed 30% of the total committed capital of the VCLP;
- a “widely held foreign venture capital fund of funds”; or
- a foreign resident who does not meet items (1), (2) or (3) above, whose committed capital in the VCLP and associated entities of the VCLP does not exceed 10% of the total committed capital of the VCLP.

A tax-exempt foreign resident is a foreign resident that is:

- exempt from tax or effectively exempt from tax in its country of residence; and
- is not a general partner of a VCLP.

A “foreign venture capital fund of funds” is:

- where it is a limited partnership:
  - (i) a partnership established in a foreign country;

- (ii) every partner who is a general partner of the limited partnership is a foreign resident; and
- (iii) the limited partnership itself is not a general partner of a VCLP or an Early Stage Venture Capital Limited Partnership (**ESVCLP**); or

- where it is not a limited partnership:
  - (i) the members of the entity, and not the entity itself, are taxed in its country of residence;
  - (ii) it is established in a foreign country;
  - (iii) it is a foreign resident; and
  - (iv) the entity is not a general partner of a VCLP or an ESVCLP.

Committed capital is the sum of the amounts that a partner (pursuant to the partnership agreement) may become obliged to contribute to the partnership.

A “widely held foreign venture capital fund of funds” is a foreign venture capital fund of funds and meets the following conditions:

- the entity is a “widely held entity” as defined in section 842-230 of the ITAA;
- Eligible Venture Capital Partners (other than foreign venture capital fund of funds) ultimately hold the rights to at least 90% of the entity's income; and
- each other entity who is a foreign resident,
  - (i) if the entity is a limited partnership – is a general partner of the partnership; or

- (ii) otherwise – exercises day to day control of the entity.

Australian resident investors in the VCLP will not qualify as Eligible Venture Capital Partners.

### **Australian resident Investors**

Australian resident investors should include their share of gains and losses made on the sale of investments by the Fund.

Australian resident investors that are complying superannuation funds, pooled superannuation trusts, or qualifying managed investment trusts (MIT) (which themselves have made an effective capital election) and are investing directly in the Fund, should be able to rely on their statutory capital treatment in respect of gains derived through the Fund.

Accordingly, subject to the relevant requirements being satisfied, the abovementioned Australian resident Investors should be able to obtain the benefit of the capital gains tax (CGT) discount concession in respect of gains derived through the Fund where the Fund has held the underlying asset for at least 12 months.

The Fund is not eligible to elect for default capital account treatment of investments. Therefore, whether a gain or loss made from an investment is on capital or revenue account for all other Australian resident Investors would depend on the application of general principles based on all the relevant facts and circumstances and, in some cases, may be affected by the nature of the local investor.

### **Australian Venture Capital Fund of Funds Investors**

Where the investors are investing in the Fund through an Australian Venture Capital Fund of Funds (AFOF), Eligible Venture Capital Partners in the AFOF may be eligible for concessional tax treatment on their share of the profit or capital gain on the disposal of investments by the Fund, subject to certain conditions being met and provided that the AFOF was unconditionally registered at the time the investment was made.

We recommend such investors obtain independent advice in this regard which is specific to their particular circumstances.

### **Other Fund distributions**

#### **Dividends**

Unless fully franked or declared as conduit foreign income, Foreign Investors will be subject to Australian withholding tax on their share of Australian-sourced dividends at the rate of 30% (subject to any treaty relief that may be available). The Australian withholding tax is a final tax and no further Australian assessment or Australian filing obligations exist in respect of that income.

An exemption from Australian withholding tax may be available where unfranked dividends which are not declared conduit foreign income are distributed to investors that are tax exempt non-resident pension funds or sovereign wealth funds. The availability of this exemption will depend on the particular circumstances of the pension fund or sovereign wealth fund investor, and their interest in the Fund.

Franked dividends and unfranked dividends declared as conduit foreign income allocated to foreign investors should not be subject to Australian withholding tax.

Local investors should include their share of any dividends in their assessable income together with any franking credit to the extent those dividends have been franked. Local investors may be entitled to obtain a franking tax offset (and in certain cases a refund) in respect of any attached franking credits attached to franked dividends subject to satisfaction of the relevant franking integrity measures.

### **Interest**

Foreign Investors will be subject to Australian withholding tax on their share of Australian-sourced interest income at the rate of 10%, unless treaty relief or a domestic exemption is available.

In each case, the Australian withholding tax is a final tax and no further Australian assessment or Australian filing obligations exist in respect of that income.

An exemption from Australian interest withholding tax may be available where interest is paid indirectly to investors that are eligible tax exempt non-resident pension funds or sovereign wealth funds. The availability of this exemption will depend on the particular circumstances of the pension fund or sovereign wealth fund investor, and their interest in the Fund.

Local investors should include their share of any interest income in their assessable income.

### **Losses**

An Eligible Venture Capital Partner's share of any losses arising from the realisation of Eligible Venture Capital Investments is not available to shelter the Eligible Venture Capital Partner's assessable income or gains arising from the Fund (if any) or from other sources.

However, tax losses made by the Fund may be allocated to other Investors. An Investor's individual interest in a partnership loss (if any) may be an allowable deduction (subject to certain limitations).

### **Permitted loans**

An Investor's share of income or gains in respect of "permitted loans" (i.e. certain short-term or convertible loans meeting criteria set out in the Venture Capital Act) is still taxable in the hands of the investors as it is not an Eligible Venture Capital Investment.

Any interest paid on or certain gains made on the realisation of permitted loans should be subject to Australian tax as described in the previous sections.

### **Tax Disclaimer**

The information contained above is intended to be of a general nature only and is not intended to be an authoritative or complete statement of all potential tax implications for each investor. It does not constitute tax advice and should not be relied on as such. During the period of ownership of the investment by investors, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of their investment in the Fund, taking into account their specific circumstances. Accordingly, EY does not seek to recommend, promote or otherwise encourage any party to participate in the Fund.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is

confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the Corporations Act 2001 to provide you with this taxation advice.

## 8.2 Reporting

The Manager is committed to keeping Investors well informed regarding the Fund and its activities. The Manager will provide annual tax statements. Additionally, at the request of interested Investors, the Manager may provide additional information on portfolio company technologies in order to explore early adoption and/ or beta testing with Investors.

For the purposes of reporting to Investors and determining returns, Fund assets will be valued monthly with listed equities being determined by reference to traded prices and unlisted investment being assessed by the Manager and periodic independent valuation assessment.

## 8.3 Foreign Account Tax Compliance Act (FATCA)

In compliance with the US income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund may be required to provide information to the ATO in relation to:

- Investors who are individuals that are US citizens or tax residents (US persons);

- Investors that are entities that are US tax residents or controlled by US persons; and

Investors that are considered recalcitrant (i.e. Investors that do not provide the necessary information to the Fund). Under the FATCA rules, the Fund must conduct appropriate due diligence (as required) to collect information about Investors (and their controlling persons, where applicable). Where Investors do not provide appropriate information to the Fund, the Fund may be required to report those accounts to the ATO.

## 8.4 Common Reporting Standards (CRS)

The CRS is the single global standard for the collection of financial account information of Investors (and their controlling persons, where applicable) and the reporting and exchange of financial account information of those Investors (and their controlling persons, where applicable) who have tax residency of a foreign jurisdiction, which regime commenced on 1 July 2017. The obligations of the Fund under CRS is similar to those under FATCA, whereby the Fund will need to collect information (including the tax residency information) of each Investor (subject to limited exceptions at the Fund's determination) and report similar information of Investors (and their controlling persons) who have tax residency of a foreign jurisdiction to the ATO. Where Investors do not provide appropriate information to the Fund, the Fund may be required to report those accounts to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

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## 9 Additional Information

### 9.1 Privacy

This Memorandum and the Subscription Agreement requires you to provide personal information. The Manager and each service provider to the Manager and the Fund may collect, hold and use your personal information in order to assess your application, service your needs as a client or investor, provide facilities and services to you, and for other purposes permitted under the *Privacy Act 1998* (Cth) (**Privacy Act**).

Tax and company laws also require some of the information to be collected in connection with your application. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Your information may also be disclosed to affiliates of each of the Manager's group of companies and to their agents and service providers on the basis that they deal with such information in accordance with the Manager's privacy policy. The Manager does not currently transfer your personal information overseas. If your personal information is transferred overseas in the future, you will be notified through an amendment to the privacy policy. The General Partner may need to disclose information about you to government entities and regulators as required by law.

Your information may also be used to inform you about investment opportunities or other matters that the Manager thinks may be of interest to you. Contact the Manager if you do not want your personal information to be used for this purpose. The Manager's privacy policy contains information about how you can access or seek

correction of your personal information or lodge a complaint about a breach by the Manager of the Australian privacy principles and how such a complaint will be handled.

Under the Privacy Act, you may request a copy of your personal information held by or on behalf of the Fund by contacting the Manager.

### 9.2 Anti-money laundering

The Manager is required to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (**AML/CTF Law**). The Manager may require you to provide personal information and documentation in relation to your identity when you purchase Interests in the Fund. The Manager may need to obtain additional information and documentation from you when undertaking transactions in relation to your investment.

The Manager may need to identify:

- an Investor's Subscription Agreement prior to purchasing Interests in the Fund. The General Partner will not issue Interests in the Fund until all relevant information has been received and your identity has been satisfactorily verified;
- your estate – if you die while you are the owner of Interests in the Fund, the General Partner may need to identify your legal personal representative prior to redeeming Interests in the Fund or transferring ownership; and
- anyone acting on your behalf, including your power of attorney.

In some circumstances, the Manager may need to re-verify this information. By applying to invest in the Fund, you also acknowledge that the Manager

may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of Interests in the Fund or payment of proceeds, if it is concerned that the request or transaction may breach any obligation of, or cause the Manager to commit or participate in an offence under, any AML/CTF Law, and Manager will incur no liability to you if it does so.

### 9.3 Conflicts of interest

Subject to the Corporations Act and the Governing Documents, each of the Manager and their employees, officers, advisers and associates may from time to time:

- act in various capacities (such as adviser, manager and responsible entity/trustee to another fund vehicle) in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be aligned or in competition with the interests of Investors in the Fund;
- deal with each other in relation to the Fund in which case the dealing will generally be on arm's length terms or approved by the General Partner;
- invest in and deal in any capacity, with the same investments as that of the Fund, on similar or different terms;
- establish investment vehicles that may co-invest in the investments of the Fund; and/or
- recommend that investments be purchased or sold, on behalf of the Fund, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients.

The Manager and the General Partner may have interests conflicting with the Fund that arise in the ordinary course of its business in the structure and operation of the Fund's investments.

The Manager may act as the investment manager for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Investors in the Fund.

The Manager may receive compensation in managing other client portfolios that may be more than its compensation for managing the Fund, thus providing an incentive to focus its efforts on such other client accounts. Such other clients may have investment objectives or may implement investment strategies similar to those of the Fund.

The General Partner or the Manager (or entities managed by the General Partner or the Manager or a related entity of the Manager or the General Partner) may establish a subsequent fund with the same or similar investment mandate.

To the extent that a particular investment is suitable for both the Fund and the other clients, these other clients may compete with the Fund with respect to those investments. Where this occurs, the Manager will seek to ensure that such investments will be allocated between the Fund and the other clients pro rata based on assets under management or in some other manner that is fair and equitable taking into account the surrounding circumstances, including the risk profile of the client accounts.

In respect of listed investments simultaneous identical portfolio transactions for the Fund and the other

clients may tend to decrease the prices received by the Fund, respectively, for its portfolio sales.

In addition, purchase and sale transactions (including swaps) may be effected between the Fund and other clients for cash consideration at the current market price of the particular securities. The Manager has an interest in a high value being attributed to assets in the Fund to increase the amount of Management Fees and carried interest able to be charged.

The Manager has established internal policies and procedures to identify and appropriately manage any conflicts of interest arising in relation to the Fund. Where the Manager considers that a particular conflict of interest is likely to have a materially adverse effect on Investors in the Fund it will seek to implement adequate arrangements to mitigate and prevent (where practicable) adverse effects on Investors in the Fund. In certain cases, the Manager may disclose the conflict of interest to Investors (and other persons if relevant) to proceed in the context of that conflict of interest.

The Manager may from time to time sell, transfer or otherwise dispose of, assets of the Fund to another fund or investment vehicle managed by Perennial or its affiliates (**Perennial Fund Sale**). Where such Perennial Fund Sale occurs, the General Partner or Manager must determine the value of the transaction using a method determined by an independent valuer and in accordance with the accounting standards and valuation guidelines set out in the Limited Partnership Deed and on an arm's length basis.

## 9.4 Documentation

The Fund will be governed by the Governing Documents. Each Investor will agree to be bound by the Governing Documents by executing a Subscription Agreement. Applications may be refused by the General Partner in its absolute discretion. The minimum subscription amount to invest is set out in the summary of terms set out in Section 5. A copy of the Governing Documents is available upon request from the Manager.

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## 10 Investing in the Fund

### 10.1 Who can invest?

Perennial may only issue Interests in the Fund to wholesale clients in Australia (as defined in section 761G of the Corporations Act) and wholesale investors in New Zealand (as defined in clause 3(2) of Schedule 1 of the FMCA) who have completed a wholesale investor certificate. Please contact us if you are unsure as to whether you are eligible to invest in the Fund. Only Wholesale Clients are eligible to invest in the Fund.

### 10.2 Applications

#### Minimum Committed Capital

Subject to the Manager's discretion to accept a lower amount, the minimum Committed Capital amount that the Manager will accept is \$100,000. The Manager may in its discretion raise or lower the minimum Committed Capital amount provided that the status of the investor as a Wholesale Client is not prejudiced. Certification of investor status will be required as a prerequisite for investing in the Fund.

It is the intention of the Manager that additional investments will not be accepted after the Final Closing Date.

#### Application Acceptances

In respect of each initial investment, an investor must qualify as a Wholesale Client.

Applications are accepted at the absolute discretion of the Manager. If a person is an Escrow Investor, they will be required to pay their capital commitment into the Escrow Account to be accepted as an Investor in the Fund, unless the General Partner agrees

otherwise (except in the case of SIV Investors). See Section 5 for more information.

Other than in respect of SIV Investors, the Limited Partnership Deed allows the General Partner to reduce an Investors Committed Capital to the Fund specified in their Subscription Agreement without giving a reason. The Manager may only reduce the Committed Capital of a SIV Investor to less than \$1,000,000 if that SIV Investor agrees. It is the responsibility of each applicant to contact the Manager to ascertain the status of their subscription and an applicant cannot assume their subscription has been successful until they receive confirmation from the Manager.

Rejected, invalid, incomplete, or scaled back applications will be returned to applicants as soon as possible. Interest is not payable on rejected, invalid, incomplete or reduced capital commitment monies. Subscription monies will be held in a non-interest bearing account until invested by the Fund.

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## 11 Glossary

The following terms as used in this Memorandum should be taken to have the following particular meanings.

<b>Accounts</b>	means the financial statements of the Fund for the relevant period prepared in accordance with the directions of the Manager and otherwise with the Limited Partnership Deed.
<b>ADI</b>	means an authorised deposit-taking institution under the <i>Banking Act 1959</i> (Cth) or a non-Australian financial institution with equivalent standing in its place of domicile.
<b>AFSL Holder</b>	means Perennial Value Management Limited (ACN 090 879 904; AFSL 24729).
<b>AML/CTF Law</b>	means <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth) and associated regulations.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ATO</b>	means the Australian Taxation Office.
<b>Auditor</b>	means KPMG.
<b>Authorised Intermediary Arrangement</b>	has the meaning given in the 'Important Notices' section.
<b>Capital Contribution</b>	means a capital contribution to the Fund including Late Capital but excluding: <ul style="list-style-type: none"><li>(a) any amounts allocated to the Capital Account of any Investor pursuant to the defaulting investor regime of the Limited Partnership Deed; and</li><li>(b) amounts held in the Escrow Account.</li></ul>
<b>CGT</b>	means capital gains tax.
<b>Committed Capital</b>	means, in respect of an Investor, the total of the committed capital of the Investor to the Fund made under a Subscription Agreement or Deed of Accession executed by the Investor (to the extent accepted by the General Partner), as determined and adjusted in accordance with this deed.
<b>Complying Investment</b>	means an investment specified in the Migration (IMMI 15/100: Complying Investments) Instrument 2015.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended and any associated regulations.

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<b>Cost</b>	means, in relation to Property, the amounts invested in or paid to acquire the Property and any other amounts related thereto including all third party fees and transaction costs, as recorded in the Accounts.
<b>Deed of Accession</b>	means a deed approved by the General Partner and Manager under which a person undertakes to comply with the terms of the Governing Documents as they apply to them
<b>Eligible Venture Capital Investment</b>	means an “eligible venture capital investment” as defined in the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Escrow Account</b>	has the meaning given in Section 4.2.
<b>Final Closing Date</b>	has the meaning given in section 5.
<b>First Closing Date</b>	has the meaning given in section 5.
<b>Foreign Investors</b>	has the meaning given to it in 8.1.
<b>Fund</b>	means Perennial Private Ventures Fund No. 1, LP (ILP2100042).
<b>Fund Entities</b>	means the Fund, the General Partner and the GP Co.
<b>General Partner</b>	has the meaning given in the ‘Important Notices’ section.
<b>Governing Documents</b>	has the meaning given in the ‘Important Notices’ section.
<b>GP Co</b>	means Perennial Private Ventures GP LP Pty Ltd (ACN 654 899 251).
<b>GST</b>	means the Goods and Services Tax.
<b>Interests</b>	means a partnership interest in the Fund.
<b>Invested Capital</b>	means the Cost of all investments of the Fund, less the Cost of all investments which have been fully sold, redeemed or otherwise realised and distributed in cash or in specie to Investors (including as redemption proceeds), written down, or written off to zero.
<b>Investment Committee</b>	means the investment committee of the Fund (which will operate in respect of the Fund).
<b>Investment Period</b>	Commencing on the First Closing Date and ending on the fourth anniversary of the First Closing Date unless otherwise adjusted under the Limited Partnership Deed.
<b>Investor</b>	means a person who is admitted as a limited partner to the Fund under the Limited Partnership Deed.
<b>IPO</b>	means an initial public offering.

<b>IRR</b>	means, at any date, the discount rate (accruing daily and compounding annually), expressed as an annual percentage, which when applied to cash flows and distributions in specie (including tax credits) results in a net present value of zero as at the date of calculation.
<b>Issuer</b>	has the meaning given in the 'Important Notices' section.
<b>ITAA</b>	means the <i>Income Tax Assessment Act 1936</i> (Cth) and <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Late Capital</b>	has the meaning given to it in Section 5.
<b>Late Capital Interest</b>	has the meaning given to it in Section 5.
<b>Late Management Fee</b>	has the meaning given to it in Section 5.
<b>Limited Partnership Deed</b>	means the limited partnership deed governing the Fund.
<b>Manager</b>	means Perennial Private Investments Pty Ltd (ACN 643 423 750; AFSL Representative Number 001293139).
<b>Management Agreement</b>	means the management deed in respect of the Fund between the Manager, the General Partner and the Fund, dated 17 March 2022.
<b>Management Fee</b>	means the management fees payable to the Manager as set out in Section 5.
<b>Memorandum</b>	means this information memorandum.
<b>Offer</b>	has the meaning given to it under Section 1.2.
<b>Ordinary Resolution</b>	means a resolution approved by Investors holding together more than 50% of the Committed Capital of those Investors entitled to vote and who do vote on the resolution.
<b>Overheads</b>	means any rent, office maintenance and administration, wage, salary and personal income tax expenses of the General Partner, Manager or a person to whom the General Partner or Manager has delegated a power, responsibility or thing under the Limited Partnership Deed.
<b>Perennial Fund Sale</b>	has the meaning given to it in Section 9.3.
<b>PPP Funds</b>	has the meaning given to it Section 2.3.
<b>Preferred Return</b>	means, in relation to an Investor the aggregate of payments (including tax credits) made by the Fund to the Fund (which have not been redrawn to the Fund) up to the time that an amount at which: <p style="margin-left: 40px;">(a) those payments, considered as positive amounts; and</p>

	<p>(b) all capital contributions by the Investor (deemed to be received on the date in the respective call notice), considered as negative amounts,</p> <p>represent an IRR of 8% per annum (after Management Fees) to the Investor; less</p> <p>(c) all capital contributions by the Investor.</p>
<b>Property</b>	means all property, rights and income of the Fund.
<b>PRV</b>	has the meaning given to it in Section 4.2.
<b>Significant Investor Visa</b>	has the meaning given in Section 4.2.
<b>SIV Investor</b>	an Investor who intends to apply for or has applied for a 'Business Innovation and Investment (Provisional) visa (subclass 188)' under the significant investor stream (otherwise known as a significant investor visa).
<b>SIV Instrument</b>	has the meaning given in the 'Important Notices' section.
<b>Special Resolution</b>	means a resolution approved by Investors holding together at least 75% of the Committed Capital of those Investors entitled to vote and who do vote on the resolution.
<b>Subscription Agreement</b>	means a deed poll in a form approved by the Manager under which a person subscribes for Interests in the Fund.
<b>Tax</b>	means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a government agency (and any related penalty, fine, fee or interest related thereto) including stamp duty, goods and services taxes, transaction taxes, payroll taxes and fringe benefits tax.
<b>Tax Benefit</b>	means any Tax related benefits attaching to the income of the Fund or distributions from the Fund, including tax credits, tax offsets and other attributes that reduce Tax payable in Australia. For the avoidance of doubt, a franking credit, and any Tax paid that would give rise to a foreign income tax offset to an Investor are Tax Benefits.
<b>Term</b>	<p>Provided that the Fund is a VCLP, 3 years from the end of the Investment Period or such other date determined in accordance with the Governing Documents, unless:</p> <p>(a) terminated by the General Partner earlier in accordance with this deed (but no earlier than 5 years following registration of the Fund as a VCLP in accordance with the Venture Capital Act); or</p> <p>(b) extended by the General Partner for up to two consecutive one year periods.</p>

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If the Fund is not a VCLP, the General Partner may extend the Term in its discretion.

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**VCA or Venture  
Capital Act**

means the *Venture Capital Act 2002* (Cth).

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**VCLP**

has the meaning given to it in the 'Important Notices' section.

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## 12 Contact details

### 12.1 Manager

Perennial Private Investments Pty Ltd  
(ACN 643 423 750; AFSL Representative  
Number 001293139)

Level 27, 88 Phillip Street  
Sydney NSW 2000

Phone: +612 8274 2777

[www.perennial.net.au](http://www.perennial.net.au)

### 12.2 General Partner

Perennial Private Investment GP, LP  
(ILP2100041)

Level 27, 88 Phillip Street  
Sydney NSW 2000

Phone: +612 8274 2777

[www.perennial.net.au](http://www.perennial.net.au)

### 12.3 Lawyers

Gilbert + Tobin

Two, International Towers, Level 35  
Tower/200 Barangaroo Ave  
Sydney NSW 2000

### 12.4 Tax Advisers

Ernst & Young

200 George Street  
Sydney NSW 2000

### 12.5 Auditor

KPMG

Tower 2 Collins Square  
727 Collins Street  
Melbourne VIC 3008