

Investment Program



Issued By Aleda Capital Pty Ltd

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Dear Investor,

It is with great pleasure that I offer you the opportunity to invest with HLK Group's Managed Discretionary Account (MDA) Services. The Aleda Capital Strategy is a service offering to both retail and wholesale clients, giving them an opportunity to invest across multiple MDA strategies with ease and efficiency.

Aleda Capital has been developed from many years of financial service research and experience working primarily in the MDA space. A gap was identified around current investment options in the marketplace, primarily a lack of actively managed MDA services that offered a single point to investment across multiple strategies depending on their risk profile.

We have heavily invested in automation to ensure our clients can invest with us through an easy to use, transparent service offering that is streamlined through an online portal. We believe that within the ever changing marketplace a service that can be offered to investors in the comfort of their own home is something that is expected in today's day and age and we strive to refine this service each day to exceed our clients expectations.

Aleda Capitals philosophy is based around the humble bamboo, for thousands of years throughout South East Asia bamboo has been used to construct and grow villages and towns into cities through its many different uses. We believe our service is in many ways like the bamboo, with a strong foundation that can efficiently grow to whatever size is needed depending on your risk profile and goals. Having a service that is across a number of strategies offers versatility within our client portfolios.

I have personally been involved in the financial services industry for many years having worked across a number of different investment platforms, and believe Aleda Capital offers a fantastic opportunity for clients that are looking to diversify their investment portfolio into managed account services. Our investment services offer diversification depending on your investment requirements, from sustained growth over the long term to short term growth within fast moving markets, Aleda Capitals have an option to suit all type of investors.

I look forward to welcoming investors and urge you to read this Investment Program carefully in order to make an informed decision as to whether Aleda Capital is suitable for your requirements.

Sincerely,

Jason Holdsworth
Director – Aleda Capital

INTRODUCTION

The MDAs offered by Aleda Capital are for both ‘wholesale’ & ‘retail’ investors (as defined by the Corporations Act 2001).

Aleda Capital makes this offering in the belief that efficient asset allocation requires a more dynamic approach. The exponential growth of the exchange-traded funds (ETF) market allows Aleda Capital the ability to offer flexible MDA solutions to investors. This enables us to construct global diversified investment MDAs across different asset classes.

The MDA employs cutting edge quantitative techniques and technology in the asset allocation process to drive long-term outcomes. Dynamic reallocation of the investable assets ensures sustained diversification across market cycles while a systemic, model-based investing methodology and maintains the rigor and discipline required to achieve the investor's financial goals.

THE MDA STRUCTURE

Managed Discretionary Accounts, or MDAs, are a more efficient and direct model of managing a clients' investments as compared to the traditional fund management structure. The client's account is opened directly with a reputable executing broker partner. Aleda Capital has chosen to partner with Pepperstone Group Limited ("Pepperstone") and Interactive Brokers Australia Pty Ltd as our preferred executing brokers.

By entering into the MDA, the client is giving HLK Group permission to trade the account on their behalf. The trades will be directed by the underlying quantitative model of the respective MDA.

MDAs in Australia are regulated by the Australian Securities & Investments Commission ("ASIC") and the provision of MDA services must meet certain conditions of the Corporations Act (2001), Regulatory Guide 179 and ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968. MDAs are managed by a Managed Discretionary Account Operator, which in this case is HLK Group, who holds, and operates under, an Australian Financial Service License (AFSL) to provide MDA services. The Operator has appointed Aleda Capital as its corporate authorised representative to provide advice to you in relation to HLK Group's MDA service.

The key advantages of the MDA Service include:

Legal Ownership - The investor retains legal ownership of all portfolio assets.

Transparency - The investor can view and monitor the MDA performance, along with all the underlying securities, fees in live time. Automated performance/holdings reports directly available from the executing broker platform ensures independence of reporting as well and transparency in the fees and costs involved in the investing strategy.

Portability - The investor retains the right to discontinue the services of the asset manager without being required to liquidate their investments.

Liquidity - The MDA offers investors access to their cash holdings on a daily basis, all other assets are only restricted by the exchange settlement timeframes, usually 2-3 days.

HLK's responsibilities under the MDA Contract

HLK will be responsible to you for:

- (a) the functions that it is contracted to perform under the MDA Contract; and
- (b) compliance with:
 - (i) the requirements of ASIC Legislative Instrument 2016/968;
 - (ii) the MDA contract, including this Investment Program (subject to where you have agreed in writing to a variation); and
 - (iii) any representations included in the Financial Services Guide provided to you with this Investment Program.

Warnings

The MDA Contract may not be suitable for you if you have provided limited or inaccurate information relating to your relevant personal circumstances and may cease to be suitable if your relevant personal circumstances change.

The types of "*non-limited recourse products*" that may part of your MDA portfolio with us include foreign exchange & Contracts for Difference derivative products that have a margin account (i.e. "*margin FX majors and minors*").

Margin FX trading contracts are agreements which allow you to make a gain or loss, depending on the movement of underlying currencies. The contract derives its value from underlying currencies (usually referred to as a "*currency pair*") which is never delivered to you, and you do not have a legal right to, or ownership of it. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the currency you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit, which is much smaller than the contract size (this is why the contract is "*margined*" or "*leveraged*").

Margin is typically a relatively small proportion of the overall contract value. For example a contract trading on leverage of 25:1 will require margin of just 4% of the contract value.

When the initial deposit for a margin FX contract is lower than a certain threshold (e.g. after an unfavourable move in the value of the underlying asset), a "*margin call*" is triggered.

A small price movement in the underlying asset may result in a large movement in the value of your trade – this can work in your favour, or result in substantial losses.

You may lose your initial deposit and be required to deposit additional "*margin*" in order to maintain your position. If you fail to meet any margin requirement, your position will be liquidated and you will be responsible for any resulting losses.

Foreign Exchange and CFD trading are high risk and not suitable for everyone, most importantly do not invest money you can't afford to lose.

The maximum value of the ratio between the maximum potential liability you can have holding such a product through the MDA Service and the amount payable for you to acquire that product is unlimited.

HLK Group's policy for communicating margin calls, as contained in clause 10.1 of the MDA Contract, is to call for payment from you of a deposit or margin directly to the relevant Clearing Broker (by whatever terms those obligations are described) for such money or property (e.g. Approved Securities) in any amount or type that the Clearing Broker or the MDA Provider, in their absolute discretion, feels is necessary to protect themselves. The Clearing Broker will communicate its requirements to you under your relevant arrangements with your Clearing Broker.

Under clause 10.1 of the MDA Contract, if you fail to meet the margin call (or lodge Approved Securities) then the MDA Provider or the Clearing Broker may in their absolute discretion, close out, or instruct the Executing Broker to close out without notice, all or some of the your position.

Example

The following example involves Max, who has deposited USD\$1,000. He anticipates that the EUR will depreciate against the USD in the near future. After the first day, his position deteriorates and a Margin Call is triggered. The following day, his position deteriorates further and this results in the forced liquidation of his position.

Account Initial Deposit	
Max deposits \$1,000 USD	Initial Deposit = \$1,000 USD
Opening the position	
Max sells a contract of EUR/USD at our standard lot size, which is 100,000.	$1 \times 100,000 \times 1.24656 = \$124,656 \text{ USD}$
The contract is leveraged on a 1:200 ratio.	$124,656 \times 0.005 = \$623.28 \text{ USD (Initial Margin)}$
The Margin Level is the equity divided by the margin	Equity: \$1,000 Margin = \$623.28 USD Margin Level: $\$1,000 / \$623.28 = 157.55\%$
Rollover Interest	
Max holds his position overnight. In this example, the swap (short position) for EUR/USD is 2.46 pips. This is charged against the funds that Max has deposited with us.	$1 \text{ lot} \times -2.46 \text{ pips} \times 1 \text{ day} = \-24.6 USD
Next Day: Margin Call	
The next day the price of EUR/USD has increased by 23.5 pips to 1.24891 (bid) / 1.24909 (offer). The trade has moved against Max's favour and so the Margin Level is lower than 150% equity. At this time the trading platform will show a Margin Call alert.	Equity: $\$1000 - \$24.6 - (0.00235 \times 100,000) = \740.4 USD Margin Level: $\$740.4 / \$623.28 = 118.8\% \text{ (lower than 150\%)}$
Rollover Interest	
Max has not responded to the Margin Call. The position is held open overnight. The swap (short position) for EUR/USD remains 2.46 pips, for which Max is charged.	$1 \text{ lot} \times -2.46 \text{ pips} \times 1 \text{ day} = \-24.6 USD
Third day: Forced Liquidation	
The following day, the price of EUR/USD has increased by a further 11.9 points to 1.25010	Equity: $740.4 - 24.6 - (0.00119 \times 100,000)$

<p>(bid) / 1.25028 (offer). This results in the forced closing of his position to protect him from further loss.</p>	<p>= 715.8– 119 = \$596.8 USD Margin remains Margin Level: = \$596.8 / \$623.28 = 95.8% (below 100% so Forced Liquidation is triggered)</p>
<p>Max's total loss is the gross loss less the costs. The spread was built in to the price.</p>	<p>Trading Loss: = \$124,656 – \$125,028 = \$-372 USD Interest Loss: = -24.6 x 2 = \$-49.2 USD Total Loss: \$-372 –\$49.2 = USD\$-421.2, which is deducted from Max's deposit of USD\$1,000.</p>

Utilis Strategy

Utilis is a high-quality strategy based on diversification for conservative clients. It is structure utilizing a broad range of ASX listed Exchange traded funds (ETFs). It provides market exposure across a range of asset classes including Australian equities, International equities, Australian fixed income and international fixed income. To ensure that the strategy is aligned with the client’s conservative risk profile, there is a larger allocation to cash and bonds when compared to our Edulis strategy.

The Utilis strategy is acceptable for conservative investors, offering lower returns offset by lower risk.

Investment Structure	Managed Discretionary Account
Target Return	N/A
Drawdown Level Notification	N/A
MDA Provider	HLK Group Pty Ltd
MDA Investment Manager	Aleda Capital Pty Ltd
Executing Broker	Interactive Brokers Australia Pty Ltd
Account Type at Executing Broker	Standard Account with Fixed Rate Pricing at Interactive Brokers Australia
Investment Universe	ASX Listed Exchange Traded Funds (EFTs), Cash and ASX listed Cash equivalents
Investment Methodology	Passive long term buy and hold
Leverage	No
Minimum Investment	\$20,000
Suitable Investor Profile	<p>This strategy suits Conservative risk profile. You should only consider investing in this strategy if:</p> <ul style="list-style-type: none"> • You have carefully read all of this Investment Program; • You are a Conservative investor with a 5-7 year investment horizon; • You understand and are comfortable with the risks involved in this investment strategy – refer to SIGNIFICANT RISKS for further details; • You have considered personal financial product advice to determine whether an investment in this strategy is appropriate for you; • You have considered the potential benefits and risks involved in this strategy having regard in particular your investment needs and financial circumstances.

Edulis Strategy

Edulis is a high-quality strategy based on diversification for moderately conservative clients. It is structure utilizing a broad range of ASX listed Exchange traded funds (ETF). It provides market exposure across a range of asset classes including Australian equities, International equities, Australian fixed income and international fixed income. To ensure that the strategy is aligned with the client’s moderate risk profile, there is a greater exposure to Australian and overseas equities compared to our Utilis strategy.

The Edulis strategy is acceptable for Moderate, Balanced, Assertive, Aggressive investors with higher exposure to international equity compared to the Utilis strategy.

Investment Structure	Managed Discretionary Account
Target Return	N/A
Drawdown Level Notification	N/A
MDA Provider	HLK Group Pty Ltd
MDA Investment Manager	Aleda Capital Pty Ltd
Executing Broker	Interactive Brokers Australia Pty Ltd
Account Type at Executing Broker	Standard Account with Fixed Rate Pricing at Interactive Brokers Australia
Investment Universe	ASX Listed Exchange Traded Funds (ETFs), Cash and ASX listed Cash equivalents
Investment Methodology	Passive long term buy and hold
Leverage	No
Minimum Investment	\$20,000
Suitable Investor Profile	<p>This strategy suits Moderately Conservative, Balanced, Assertive and Aggressive risk profiles.</p> <p>You should only consider investing in this strategy if:</p> <ul style="list-style-type: none"> • You have carefully read all of this Investment Program; • You are a Moderately Conservative, Balanced, Assertive or Aggressive investor with a 5-7 year investment horizon; • You understand and are comfortable with the risks involved in this investment strategy – refer to SIGNIFICANT RISKS for further details; • You have considered personal financial product advice to determine whether an investment in this strategy is appropriate for you; • You have considered the potential benefits and risks involved in this strategy having regard in particular your investment needs and financial circumstances.

Elatus Strategy

The Elatus strategy is designed for investment in the foreign exchange market.

The Elatus strategy is unique in that it analyses big data from some of the world's largest retail brokers to understand the global FX market trends, it then places trades based on the analysis. The strategy has a strong focus on G8 country pairings and the execution of the strategy takes place after key indicators are met based on historical performance of trading patterns in line with current market conditions. According to historical data from March 2017 to October 2018, the strategy on average managed around 90 positions per month. Although some positions may be held over a month, the majority of positions were closed within two weeks. The Elatus strategy is appropriate for assertive or aggressive investors that are willing to accept a high amount of risk and volatility offset by potential increases in investment returns.

Investment Structure	Managed Discretionary Account
Drawdown Level Notification	30% of High Water Mark at which point existing positions are actively monitored and no new positions will be open until the investor is informed and consent granted to continue.
MDA Provider	HLK Group Pty Ltd
MDA Investment Manager	Aleda Capital Pty Ltd
Executing Broker & Custodian	Pepperstone
Account Type at Executing Broker	Standard Account at Pepperstone
Investment Universe	Margin FX Majors, Margin FX Minors
Leverage	Yes, 25:1
Minimum Investment	\$20,000
Suitable Investor Profile	<p>This strategy suits Assertive and Aggressive risk profiles. You should only consider investing in this strategy if:</p> <ul style="list-style-type: none"> • You have carefully read all of this Investment Program; • You are an Assertive or Aggressive investor with a 2-4 year investment horizon; • You understand and are comfortable with the risks involved in this investment strategy, in particular the volatility of performance – refer to SIGNIFICANT RISKS for further details; • You have considered personal financial product advice to determine whether an investment in this strategy is appropriate for you; • You have considered the potential benefits and risks involved in this strategy having regard in particular your investment needs and financial circumstances.

FEES & CHARGES

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

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

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from your assets held under our MDA service.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise stated, the fees quoted in this IP are inclusive of tax.

Aleda Capital Managed Discretionary Account			
Type of fee or cost charged by Aleda Capital	Amount		How and when paid
	Utilis/Edulis	Elatus	
Fees when your money moves in or out of the MDA account			
Advice fee The fee on any Statement of Advice (SOA) or Record of Advice (ROA) issued by Aleda Capital	Nil	Nil	N/A
Establishment fee The fee to open your investment	Nil	Nil	N/A
Contribution fee The fee on each amount contributed to your investment	Nil	Nil	N/A
Withdrawal fee The fee on each amount you take out of your investment	Nil	Nil	N/A
Exit fee The fee to close your investment	Nil	Nil	N/A
Management costs			
Management fee	1% p.a. of account equity	2% p.a. of account equity	Charged Monthly
The other fees and costs charged by Aleda Capital for managing your investment	Nil	Nil	N/A
Service fees			
Switching fee The fee for changing investment options	Nil	Nil	N/A
Additional Fees and Costs^A			
Performance Fee	Nil	20% of performance in excess of the high water-mark	Performance Fee is calculated monthly and charged monthly on profits using a high water-mark.

<p>Brokerage/ Commission The remuneration and benefits received from trading to HLK Group and its authorized representatives including Aleda Capital as introducing brokers</p>	<p>0.34% of transaction value increased from 0.08% with a minimum of \$8 increased from \$6</p>	<p>Aleda Capital receives 0.5 pips per standard lot round turn traded without spread or commission mark up.</p>	<p>Per transaction</p>
<p>Other Costs charged by executing brokers</p>	<ol style="list-style-type: none"> 1. Buy-Sell Spread which is the difference between the amount required to acquire a financial product at the relevant time and the amount that would be obtained on its disposal at that time; 2. Swap which could be a revenue or cost based on the interest rates of the countries involved in each currency pair and whether the position is short or long; 3. Account Service Fee charged by executing brokers such as costs for executing trade transactions. <p>The above fees or costs will be automatically deducted from client account as they are incurred. For details, please refer to Product Disclosure Statement provided by the executing brokers.</p>		

A. For further explanation, see “Additional Explanation of Fees and Costs” below.

Example of MDA fees – Utilis and Edulis Strategy

This table gives an example of how the fees for the MDA service can affect your investment over a 1 year period implementing *Utilis or Edulis Strategy*. You should use this table to compare this product with other MDA services.

EXAMPLE		EQUITY OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will not be charged.
PLUS Management Fee	1% p.a. calculated and charged monthly	For every \$50,000 equity you have in the investment you will be charged \$500 ^A each year as a management fee, assuming average equity is \$50,000 for the period. Management fee will be applied monthly which is \$41.67 per month.
AND Commission	Cost of buying or selling securities including ETFs	Estimated commission of 0.05% p.a. for every \$50,000 equity you have in the investment you will be charged \$25.5 each year as commission due to periodical rebalancing ^B . \$6 out of \$25.5 is commission charged by the executing brokre and the rest is commission mark up charged by Aleda Capital.
EQUALS Fees charged by Aleda Capital and executing broker		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you will incur a total cost of \$525.5 each year comprising a management fee of \$500 and a commission of \$25.5 ^C . What it costs you will depend on the investment option you choose and the fees you negotiate.

A The example assumes management fee are calculated on an equity of \$50,000 with the \$5,000 contribution occurring at the end of the year. Thus management fee is calculated using the \$50,000 equity.

B The example includes an estimation of commission of 0.05% p.a. based on an assumption that 15% of portfolio value is rebalanced each year. However, the actual commission (if any) will depend on a number of factors such as when you start your investment and if rebalance occurs in an year. Aleda Capital requests a commission of 0.34% of transaction value increased from 0.08% with a minimum of \$8 increased from \$6. Estimation of commission provided may not be a reliable indicator of future commission of

the MDA. As of 14th of November 2018, MDAs implementing Utilis or Edulis Strategy haven't been rebalanced since last 18 months.

C The exact amount of fees charged by the MDA Investment Manager may differ and are dependent on a number of factors, particularly the timing and actual performance of the MDA. Generally, the greater the performance of the MDA, the greater the management fee.

Example of MDA fees – Elatus Strategy

This table gives an example of how the fees for the MDA service can affect your investment over a 1 year period implementing *Elatus Strategy*. You should use this table to compare this product with other MDA services.

EXAMPLE		EQUITY OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will not be charged.
PLUS Management Fee	2% p.a. calculated and charged monthly	For every \$50,000 equity you have in the investment you will be charged \$1,000 ^A each year as a management fee, assuming average equity is \$50,000 for the period. Management fee will be charged monthly which is \$83.33 per month.
AND Performance Fee	20% of performance in excess of the high water-mark	Estimated performance fee of 1.96% p.a. for every \$50,000 equity you have in the investment you will be charged \$982 each year as a performance fee ^B
AND Swap	Revenue or cost for holding a position overnight	Estimated swap of 3.41% p.a. for every \$50,000 equity you have in the investment you will be charged \$1,706 each year as a swap ^C .
EQUALS Fees charged by Aleda Capital and executing broker		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you will incur a total cost of \$3,688 each year comprising a management fee of \$1,000, a performance fee of \$982 and a swap of \$1,706 ^D . What it costs you will depend on the investment option you choose and the fees you negotiate.

A The example assumes management fee are calculated on an equity of \$50,000 with the \$5,000 contribution occurring at the end of the year. Thus management fee is calculated using the \$50,000 equity.

B The example includes an estimation of performance fee of 1.96% p.a. based on performance during the period 1 July 2017 to 30 June 2018. However, the actual performance fee (if any) will depend on the performance of the MDA. Estimation of performance fee provided may not be a reliable indicator of future performance fees of the MDA.

C The example includes an estimation of swap of 3.41% p.a. based on account activities during the period 1 July 2017 to 30 June 2018. However, the actual swap (if any) will depend on a number of factors such as the length of position and whether the position is short or long. Swap could also be revenue paid by Pepperstone. Aleda Capital does not receive any part of swap. Estimation of swap provided may not be a reliable indicator of future swap revenue or cost of the MDA.

D The exact amount of fees charged by the MDA Investment Manager may differ and are dependent on a number of factors, particularly the timing and actual performance of the MDA. Generally, the greater the performance of the MDA, the greater the management fee and performance fee.

* Additional fees may apply:

Brokerage or commission for transactions made at Aleda Capital and HLK Group's discretion as part of the MDA service will affect your returns. Please refer to the executing broker's PDS and your account statement for more details.

Additional Explanations of Fees and Costs

Performance Fee

Performance fees will be charged monthly at a rate of 20% on profits using a high water-mark. The high-water mark is calculated from the highest Net Asset Value ("NAV") after a performance fee has been charged. NAW is equivalent to Equity which takes into account any floating profit or loss from open positions. The high water-mark is updated whenever

- A deposit or withdrawal is made
- A performance fee is calculated

If you continue your MDA(s), performance fee is calculated at the end of each month. If you terminate or cease your MDA(s) during the month, performance fee is calculated after your MDA(s) is fully converted back to cash and that should take around 2 business days.

Date	1st of March	31st of March	30th of April	31st of May
Net Asset Value (NAV)	\$100,000	\$110,000	\$105,000	\$118,000
Profit (Loss)	-	\$10,000	-\$3,000	\$13,000
Performance Fee	-	\$2,000	-	\$2,000
NAV After Performance Fee	\$100,000	\$108,000	\$105,000	\$116,000
High-water Mark	\$100,000	\$108,000	\$108,000	\$116,000

Above is an example how Aleda Capitals' performances fees are calculated and charged. The above example assumes that \$100,000 was invested. If the Managed Account had achieved a return of 10% for the month, your account would now be at \$110,000. The performance fee for the first month would be calculated on the profit (the performance fee is 20%) therefore \$2,000 is charged to the account. This now leaves the high water-mark at \$108,000.

If in the second month of trading, the managed account made a net loss of \$3,000, there would be no performance fee paid. However the high-water mark would remain at \$108,000 as this remains the highest level after a performance fee has been taken.

In the third month the Managed Account returns to profitability, and returned \$13,000 for the month, the equity would now be at \$118,000. However since the high-water mark is at \$108,000, the performance fee is only charged on the profit above the high water mark. i.e. 20% of \$10,000 instead of 20% of \$13,000.

All fees and charges are including GST. Performance fees are separate from and additional to management costs. Management fee will not affect the calculation of high water-mark. If you need further clarification of how the performance fee works, please speak to us for additional clarification.

Management Fee

Aleda Capital has a management fee of 1% p.a. on Utilis MDA and Edulis MDA, and 2% p.a. on Elatus MDA. Management fee is charged monthly. The account management fee is calculated from the Net Asset Value (NAV). Net asset value is the book value or equity in your account. Aleda Capital calculates this based on monthly average NAW and charges that monthly. An example can be found below.

Management Fee Calculation	
Average Net Asset Value (NAV) of the month	\$100,000
Annual Management Fee	2% p.a.
Monthly %	0.16667%
Monthly Management Fee	\$166.67

Commission Mark Up – Utilis Strategy and Edulis Strategy

Aleda Capital requests additional commission mark-up on Utilis Strategy and Edulis Strategy, HLK Group, its authorised representative – Aleda Capital and referrers, the Introducing Broker indicated on your account, earn a part of the commission you are charged by Interactive Brokers Australia. The commission is conflicted remuneration and is considered as indirect cost of your investment. “Indirect Costs” means any amount that the MDA Investment Manager knows will directly or indirectly reduce the return on the MDA. Aleda Capital requests a commission mark-up of 0.26% (i.e. an increase from 0.08% to 0.34% with minimum amount increased from \$6 to \$8) per order on your account. That reduces the return on the MDA and is an indirect cost.

For instance, the commission is paid when your MDA implements Utilis Strategy. If Aleda Capital buys 400 units of ETFs at \$50 share price in your account, you will be charged $\$50 \times 400 \times 0.34\% = \68 as total commission. \$52 out of \$68 will be paid to Aleda Capital due to commission mark up and the rest is charged by Interactive Broker Australia as commission. The \$52 commission will be split and paid to HLK Group as the licensee and your referrer that introduced you to Aleda Capital.

Estimating and Quantifying the Impact of Commission Mark Up as a cost of MDA – Utilis Strategy and Edulis Strategy

Estimated Annualised Percentage of Investment*

Utilis Strategy	Edulis Strategy
0.34% of transaction value increased from 0.08% with a minimum of \$8 increased from \$6	0.34% of transaction value increased from 0.08% with a minimum of \$8 increased from \$6
0.04%*	0.04%*
<p>*For instance, MDA implements Utilis Strategy investing \$50,000 will approximately incur a cost of \$19.5 due to commission mark up in a year of rebalancing.</p> <p>An estimation of commission mark up of 0.04% p.a. is based on an assumption that 15% of portfolio value is rebalanced each year. However, the actual commission (if any) will depend on a number of factors such as when you start your investment and if rebalance occurs in an year. Aleda Capital requests a commission of 0.34% of transaction value increased from 0.08% with a minimum of \$8 increased from \$6. Estimation of commission provided may not be a reliable indicator of future commission of the MDA.</p>	

Commission – Elatus Strategy

Although Aleda Capital does not request additional spread mark-up or commission mark-up on Elatus Strategy, HLK Group, its authorised representative – Aleda Capital and referrers, the Introducing Broker indicated on your account, earn a part of the commission you are charged by Pepperstone. Although the commission is not earned via mark-up, it is still

considered as conflicted remuneration. Please refer to Remuneration Consent for more details. The commission rate on each MDA has been stated clearly.

For instance, the commission is paid by Pepperstone when your MDA implements Elatus Strategy. If Aleda Capital closes a position that trades a standard lot of EURAUD (i.e. \$100,000) in your account, Aleda Capital receives \$5 AUD from Pepperstone. The \$5 commission will be split and paid to HLK Group as the licensee and your referrer that introduced you to Aleda Capital.

Fees charged by executing brokers

As Aleda Capital has chosen to partner with Interactive Brokers Australia and Pepperstone to execute investment positions, all clients are required to open an account(s) depending on the investment strategy you wish to proceed. Interactive Brokers Australia and Peppestone charges fees on the accounts such as commission, swap and buy-sell spread. We strongly encourage clients to read Product Disclosure Statements provided by them when you submit your account application.

Taxation

WARNING: Investing in a managed investment scheme such as MDA service may have tax consequences. Aleda Capital does not provide any tax advice and you are strongly advised to seek professional tax advice. The taxation implications of investing in MDAs can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes.

SIGNIFICANT RISKS

While the risks described below are not exhaustive, they are some of the most significant risks involved in investing in MDAs. Discussions, as well as the management of these risks, are detailed below:

Market Risk

Market risks refer to the changes in the price (market) of the assets held within the MDA that result in fluctuations in the value of your invested MDA.

Factors that drive price changes in invested assets include economic conditions, business confidence, government fiscal and monetary policies, etc.

In addition, asset classes may be impacted by specific risk factors, for example:

Equities – company earnings, industry outlook, analyst ratings, etc.;

Fixed Income – credit ratings, interest rates, etc.;

Currency – investor domicile currency vs. security denominated currency.

Two the four MDAs, Utilis and Edulis, are designed to be well-diversified across asset classes. The broad diversification of invested assets aims to provide a reduction in volatility of a specific MDAs' value.

Also, the individual ETFs for each asset class are broad-based securities with holdings spread across wide spectrums of companies, industries, sector and geographical regions.

Additionally, the chosen universe of ETF's for each MDA is filtered to represent only those instruments issued by the most reputable and largest providers (e.g. iShares, SPDR, Vanguard etc.). These securities have been chosen because of their history of delivering proven performance against their benchmarks.

Counterparty Risk

Counterparty risk is the risk of losses resulting from a counterparty defaulting on a financial commitment to one's investment. Counterparties include brokers, banks and fund managers, etc.

Invested assets are segregated in custody accounts designated for the exclusive benefit of the client by Pepperstone and Interactive Brokers Australia Pty Ltd.

Strategy Risk

Strategy risks refer to the risk that the investment processes of the MDAs do not successfully reproduce historical or intended results. This may have an adverse effect on the performance of the invested MDAs. The asset allocation process involved in the MDAs is entirely driven by the underlying quantitative model. The investment decisions are implemented via a strict framework of rules and limits.

The inputs to the model are continually updated and the dynamic nature of the investment strategy prevents any irrelevant or obsolete application of the underlying model.

The asset allocation model remains an intellectual property of the firm. The model is constantly being enhanced and updated.

Liquidity Risk

The Aleda Capital MDAs eschew illiquid and opaque securities in order to avoid liquidity traps present in similar structures. We include in our investment universe only ETFs issued by reputable providers, trading on major global stock exchanges.

While the MDA only invests in listed assets, under certain conditions the liquidity of a particular market or security may be restricted, thus affecting the performance of the MDA.

Lack of liquidity or market depth can affect the valuation of the MDA's assets if it was required to reduce exposure at quoted prices

Key Employee Risk

Aleda Capital employs specialist investment personnel who have responsibility for implementing the investment process. If key investment staff were to leave this would be destabilising to Aleda Capital and could lead to falls in the value of the MDA and in extreme circumstances could lead to the termination of the MDA. Aleda Capital actively develops alternative MDA strategies and is continually seeking new specialist investment personnel to mitigate key employee risk.

Business Continuity

Aleda Capital views Business Continuity Management (BCM) as a fundamental part of its ability to protect its staff and fulfil its fiduciary responsibilities to clients.

Aleda Capital maintains Crisis Response and Business Recovery Plans to facilitate the management of any incident which has the potential to harm our staff, damage our premises or disrupt our business.

Currency Risk

In respect of currency risk the Edulis and Utilis MDAs employ only securities that are listed on the ASX and as such are denominated in Australian Dollars.

For the Elatus MDAs, the MDAs' assets are exposed to currencies other than Australian dollars. The value of such investments may be affected favourably or unfavourably by fluctuations in exchange currencies.

In all cases, back-testing for quantitative efficiency for each strategy was conducted by normalizing returns for currency fluctuations.

Leverage Risk in relation to Non-Limited Recourse Products

The Elatus MDAs involve a high degree of leverage. These strategies enable clients to outlay a relatively small amount to secure an exposure to the underlying currency or financial product. The use of leverage can lead to large losses as well as large gains.

An adverse movement in the price can not only quickly result in the loss of the entire Margin, but may also lead to additional loss and end up a negative account balance.

Aleda Capital sets a drawdown level notification for the Elatus MDAs at which point existing positions are actively monitored and no new positions will be open until the investor is informed and consent granted to continue.

You should closely monitor all of your open positions. If the market moves against you and your initial margin deposit is diminished, we may automatically close out your position. Any remaining balance will be returned to you and any resulting liabilities will be your responsibility.

Legal Regulatory & Tax Risk

Change in laws or their interpretations including, but not limited to, taxation and corporate regulatory laws, practice and policy may have a negative impact on the returns to investors.

Inflation risk

The risk that the prices of goods and services will rise faster than the value of the investments.

Company specific risk

Investment in a company's securities is subject to risk of that particular company's performance due to factors that are relevant and applicable to the company, the sector of the market to which the company belongs, or the equity market generally. Where it has exposure to that security it may affect the performance of the MDA.

Investment objective risk

The risk that an investor's objectives will not be met by the MDA. Authority may be used to invest in assets which may not suit your objectives, needs and risk level or may be unsuitable from a social or ethical position.

Manager risk

The risk that the manager will not achieve its performance objectives or not produce returns that compare favourably against its peers. Past performance results are not necessarily indicative of future performance.

Concentration risk

The reliance on a group of securities, instruments or asset class that may significantly affect the performance of your portfolio.

Product Risk

The risks for clients in utilising the MDA service also include those existent in non-discretionary dealings in exchange traded and over-the-counter securities and derivatives transactions. These risks are referred to in the Product Disclosure Statement (PDS) of the relevant financial product. The PDS should be carefully read and reviewed before acquiring the product. Derivatives carry a high level of risk to your capital and you should only trade with money you can afford to lose.

Volatility risk

The potential for the price of your portfolio to vary sometimes distinctly over a short period of time. The greater the volatility of the returns the more likely it is the returns will differ from those expected over a given time period. Since Elatus use over-the-counter derivatives, the short term volatility is expected to be much higher compared to Utilis and Edulis.

OPENING & FUNDING of ACCOUNTS / WITHDRAWAL FUNDS

Opening an Account

The first step for both retail and wholesale investors is to complete an online MDA Application with Aleda Capital. We will review and contact you directly with the appropriate application process taking into account your financial circumstances, investment goals and objectives.

Each MDA strategy has a minimum initial investment. The minimum investment requirement may be waived at our discretion. We may also, at our discretion, establish higher minimum investment amounts or reject applications for investment in Aleda Capital MDA Service.

As we cater for both retail and wholesale clients, we are required under the Corporations Act to follow a process specific to the type of investor. If you are a retail investor for example, we are required to assess the suitability of this service to your personal needs and objectives and provide you with a Statement of Advice (SOA), or potentially a Record of Advice (ROA), taking into account your financial situation and objectives. The SOA will contain an opinion from HLK Group or Aleda Capital that the MDA client agreement (the "MDA Contract") is suitable for your relevant circumstances and the basis for that opinion. The SOA will be provided to you with this IP and the MDA Contract. Your investment objectives of the MDA will be contained in the SOA.

Once you are presented the SOA or ROA you may elect to proceed by signing the authority to proceed (ATP), Consent to Non-Limited Recourse Products, remuneration consent and the MDA Contract.

If you are a wholesale investor, SOA is not applicable and you only need to complete a Wholesale Client Certificate (WCC) and a Client Agreement to proceed.

You will also be required to complete the relevant application forms to open an account with our executing brokers. Once the account is opened, you will be provided instruction on how to fund your account.

Aleda Capital does not hold your funds. All funds are held by the executing broker under your application name or entity.

Should you wish to add more funds to your account, you can do this directly with the executing broker at any time.

Under clause 6.6 of the MDA Contract, the MDA Provider will, on an annual basis being at the end of each financial year, review the MDA Contract and Investment Program and

provide advice to you about whether the MDA Contract continues to be suitable for you in light of your personal objectives, needs and relevant personal circumstances.

Under clause 4 of the MDA Contract, the MDA Provider's discretion to trade on your behalf is unlimited. However, you may at any time by written notice to the MDA Provider limit the trading by reference to the markets to be traded, cash size of each position, number and type of shares, warrants or options traded per day, and other limitations as agreed in writing, except that you cannot limit the MDA Manager's discretion to trade on your behalf to merely the time or price at which transactions may be effected. The MDA Provider has the right not to accept your instructions and if that is the case, your MDA account will be closed. Giving instructions in this way may result in losses to your assets under the MDA service.

Withdrawals of Funds / Closing Account

At Aleda Capital we strongly believe that your investment account is your property and that you should have the right to withdraw any or all of your funds at any time that you wish. With this being one of our core beliefs, and unlike many other managed investment funds, we don't place restrictions on your right to withdraw your funds at any time (subject to you maintaining sufficient funds to satisfy your margin obligations). We do not charge any exit penalties or fees.

You are able to withdraw your funds directly through the executing broker's funds withdrawal process. The broker will advise you of the time required to process the transaction(s) and any associated fees. Please refer to the PDS provided to you by the executing broker for more details.

In order to protect client accounts from exposure to open positions during a withdrawal process, we require our clients to notify us via email, prior to requesting the withdrawal from the broker, to allow



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