

Merchant Opportunities Fund
ARSN 111 456 387
Responsible Entity – CIP Licensing Limited
ACN 603 558 658

**NOTICE OF GENERAL MEETING AND
EXPLANATORY MEMORANDUM**

Date of Meeting
26 February 2016

Time of Meeting
2pm (Perth time)

Place of Meeting
Suite 43, 145 Stirling Highway,
Nedlands, Perth WA

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Resolution.

If you are in any doubt about how to deal with this document, you should contact your investment, tax, financial, legal or other professional adviser immediately.

KEY DATES

Date of this Notice of Meeting	29 January 2016
Latest date and time for receipt of Proxy Forms or powers of attorney for the Meeting	2.00pm, 24 February 2016
Record date for determining eligibility to attend and vote at the Meeting	29 January 2016
Meeting of Unitholders to consider the Resolution.	2pm, 26 February 2016

* This timetable is indicative only and subject to change.

IMPORTANT NOTICES

This Notice of Meeting and Explanatory Memorandum is dated 29 January 2016.

This document contains important information

This Notice of Meeting, including the Explanatory Memorandum and accompanying Proxy Form, should be read in its entirety before you decide whether or not to vote in favour of the Resolutions in the Notice of Meeting. The Explanatory Memorandum provides important additional information on the Resolutions to be considered at the Meeting.

Defined terms

A number of defined terms are used in this Notice of Meeting. These terms are capitalised and have their meanings set out in the Glossary of the Explanatory Memorandum.

All times referred to in this Notice of Meeting are references to the time in Perth, Australia, unless otherwise stated.

Investment decisions

This Notice of Meeting and the recommendations contained in it should not be taken as, and do not constitute, personal financial advice as they do not take into account your individual objectives, financial and tax situation or particular needs. As such, your directors encourage you to seek independent investment, tax, legal or other professional advice before making any investment decision and any decision as to whether or not to vote in favour of the Resolution.

Forward looking statements

Some of the statements appearing in the Explanatory Memorandum may be in the nature of forward looking statements. All

forward looking statements in the Explanatory Memorandum reflect views only as at the date of this Notice of Meeting. Forward looking statements may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'project', 'will', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of CIP are or may be forward looking statements.

Although CIP believes that there are reasonable grounds for making the statements, you should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, both known and unknown, and assumptions. Those risks and uncertainties include factors and risks specific to the industries in which the Fund operate, as well as general economic conditions, prevailing exchange rates and interest rates, the regulatory environment and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

Neither CIP, nor its directors, officers, employees, advisers and any other persons named in the Notice of Meeting with their consent or any person involved in the preparation of this Notice of Meeting, makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place reliance on forward looking statements.

Neither CIP, nor its directors, officers, employees and advisers, undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

NOTICE OF MEETING

CIP Licensing Limited (**CIP**) as the Responsible Entity of the Merchant Opportunities Fund (ARSN 111 456 387) (**Fund**) gives notice that a General Meeting of Unitholders of the Fund will be held at Merchant Group Pty Ltd, Suite 43, 145 Stirling Highway, Perth, Western Australia at 2pm (Perth time) on 26 February 2016.

PURPOSE OF THE MEETING

The purpose of the meeting is for Unitholders to consider the four (4) resolutions listed below. The resolutions all require amendments to the Fund's Constitution.

An Explanatory Memorandum containing information in relation to the Resolutions accompanies this Notice of Meeting. The Notice of Meeting and Explanatory Memorandum should be read in their entirety.

ITEMS OF BUSINESS

Resolution 1

To consider and, if thought fit, to pass the following special resolution:

“Effective 1 March 2016, to amend Clause 18.2 of the Constitution such that the Management Fee be increased from 1.00% including GST per annum to 1.35% plus GST per annum.”

Information about the Management Fee is contained within the documents attached to this notice of meeting.

Special approval threshold: In accordance with the Corporations Act and the Constitution of the Fund, Resolution 1 will only be passed if a special majority (by at least a 75%) of the total votes cast by eligible Unitholders are in favour of the Resolution.

Resolution 2

If Resolution 1 is not passed, then Resolution 2 is automatically withdrawn and will not be voted on.

To consider and, if thought fit, to pass the following special resolution:

‘Subject to Resolution 1 above being passed, then effective 1 March 2016, to amend Clause 18.3 of the Constitution such that the Performance Fee Hurdle be increased from RBA cash rate + 3.00% to RBA cash rate + 5.00%.’

Information about the Performance Fee is contained within the documents attached to this notice of meeting.

Special approval threshold: In accordance with the Corporations Act and the Constitution of the Fund, Resolution 2 will only be passed if a special majority (by at least a 75%) of the total votes cast by eligible Unitholders are in favour of the Resolution.

Resolution 3

To consider and, if thought fit, to pass the following special resolution:

‘Effective 1 March 2016, to amend Clause 18.1 of the Constitution to amend the Placement Fee for applications from 1.65% including GST to 0.00%.’

Information about the Placement Fee is contained within the documents attached to this notice of meeting.

Special approval threshold: In accordance with the Corporations Act and the Constitution of the Fund, Resolution 3 will only be passed if a special majority (by at least a 75%) of the total votes cast by eligible Unitholders are in favour of the Resolution.

Resolution 4

To consider and, if thought fit, to pass the following special resolution:

'That clause 10(h) of the constitution be replaced in its entirety to read as follows:

Calculating the Water Mark (required for the calculation of the Performance Fee for the Performance Month and determining the Annual Performance Fee).

- (i) Subject to clause 10(h)(ii), the Water Mark shall be calculated as the **higher of:**
- (A) The Net Portfolio Value as at the last Water Mark reset value (as calculated in clause 10(h)(ii)):
- or**
- (B) The Net Portfolio Value at the beginning of the financial year (1 July):
- plus any application money received by the Responsible Entity from the issue of new units (clause 5);
 - less funds paid by the responsible entity to satisfy redemption requests (clause 10(f));
 - less any performance fee paid to the Responsible Entity in the current performance year that accrued from a prior performance year;
 - less any funds transferred to the distribution account
- (ii) Notwithstanding anything contained in clause 10(h)(i), that every three (3) years commencing 1 March 2016 the Water Mark shall be reset and shall be deemed to be the Net Portfolio Value at that date.

Information about the Performance Fee is contained within the documents attached to this notice of meeting.

Special approval threshold: In accordance with the Corporations Act and the Constitution of the Fund, Resolution 4 will only be passed if a special majority (by at least a 75%) of the total votes cast by eligible Unitholders are in favour of the Resolution.

By adopting this resolution and resetting the high watermark on 1 March 2016 the Performance Fee accrued at this date will be carried as a liability in the Fund and paid to the Responsible Entity at the completion of the June 2016 Fund audit. Any Performance fee earned by the Responsible Entity from 1 March 2016 to 30 June 2016 will be subject to a higher Water Mark and also a higher performance requirement, should Unitholders adopt resolution 2, being the RBA cash rate + 5% instead of the RBA cash rate +3%.

MATERIAL ACCOMPANYING THIS NOTICE

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum. The Explanatory Memorandum contains important information to assist you in determining how to vote on the Resolutions.

Capitalised terms used in this Notice of Meeting, unless otherwise defined, have the same meaning as set out in the Glossary of the Explanatory Memorandum.

INFORMATION ON VOTING

The time for determining eligibility to vote at the Meeting is 5.00pm (Perth time) on 29 January, 2016. Only those Unitholders entered on the Register at that time will be entitled to attend and vote at the Meeting, either in person, by proxy or attorney, or in the case of a corporate Unitholder, by a body corporate representative.

The vote on the Resolutions will be decided on a poll. In conducting the poll, each Unitholder present in person has one vote for each dollar of the value of the total interests they have in the scheme. This value will be calculated in accordance with section 253F of the Corporations Act. Also, each Unitholder present as proxy, attorney or duly appointed corporate representative of a Unitholder has

one vote for each Unit held by the Unitholder that the person represents. If your Units are held jointly or more than one Unitholder votes in respect of that Unit, then only the votes of the person named first in the Register will be counted.

If you are a Unitholder entitled to vote at the meeting, you may vote by:

- ☐ attending and voting in person;
- ☐ appointing one or two proxies to attend and vote on your behalf, using the proxy form that accompanies this Notice of Meeting and Explanatory Memorandum;
- ☐ appointing one or two attorneys to attend and vote on your behalf, using a power of attorney; or
- ☐ in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf.

VOTING BY PROXY OR REPRESENTATIVE

Where a Unitholder is unable to attend the Meeting, we encourage that Unitholder to complete and return the enclosed Proxy Form. Each Unitholder is entitled to appoint not more than two proxies. A Unitholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

To be effective, duly completed Proxy Forms, together with any relevant power of attorney, must be received no later than 2.00pm (Perth time) on 24 February 2016. Please direct Proxy Forms and any relevant power of attorney to Suite 43, 145 Stirling Highway, Nedlands WA 6009 or PO Box 883, Nedlands WA 6909.

AUTHORISATION

Issued by CIP Licensing Limited (ACN 603 558 658) (AFSL 471728) as the Responsible Entity of the Merchant Opportunities Fund (ARSN 111 456 387).

By order of the Board

Richard Symons

**Company Secretary
CIP Licensing Limited**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide you with sufficient information to decide how to vote on the Resolution. The directors of the Responsible Entity, CIP Licensing Limited (**CIP**), recommend that you read this Explanatory Memorandum in its entirety before making any decision on how to vote on the Resolutions and if you are in any doubt you should consult your legal, financial or other professional advisor.

Background

The Merchant Opportunities Fund has performed exceptionally well since January 2013 with the Fund returning 116% to 31 December 2015 (based on unaudited management data). Post the write down of the Esplanade Property Fund to zero earlier in the year (May 2015), the Fund has performed well against its benchmarks and with the Investment Strategy beginning to yield superior results in the current climate. The Investment Manager wishes to open the Fund to other investors (thereby increasing liquidity for existing Unitholders) and in order to do so, requests that the resolutions noted below are approved by Unitholders to make the Merchant Opportunities Fund more aligned with the broader market and other products available in the sector.

Performance hurdles for the Fund are linked to the absolute return of the RBA Cash Rate + a margin. While this hurdle has been met for the 2015 Calendar Year, the Investment Manager believes that it is informative to provide a comparison with other commonly used benchmarks. To this end, the Merchant Opportunities Fund has performed well to 31 December 2015 (+116% since January 2013) against the following benchmarks:

Small Ordinaries Index	- 10.53%
Small Resources Index	- 67.66%
ASX 200	+ 5.67%

Resolution 1: Effective 1 March 2016, to amend Clause 18.2 of the Constitution such that the Management Fee be increased from 1.00% including GST per annum to 1.35% plus GST per annum.

According to MorningStar Research (www.morningstar.com.au) Small Cap Fund Managers whom generated returns above 25% in the last Calendar year, charge between 0.92% plus GST to 2.81% plus GST. The Investment Manager is proposing to increase the current Management Fee from 1% per annum including GST to 1.35% per annum plus GST to be more in line with the broader market for an Active Fund Manager and the associated costs of running the Merchant Opportunities Fund.

An example of the current management fee structure is calculated as follows (assumes an investment of \$50,000);

MOF Holding	\$50,000
Current Management Fee	\$454.54
Current GST Component (25% non-claimable)	\$11.37
Total Management Fee	\$465.91
Management Fee as a %	0.93% (inc non-claimable GST)

An example of the proposed management fee structure is calculated as follows (assumes an investment of \$50,000);

MOF Holding	\$50,000
Proposed Management Fee	\$675.00
Proposed GST Component (25% non-claimable)	\$16.88
Total Management Fee	\$691.88
Management Fee as a %	1.384% (inc non-claimable GST)

Resolution 2: Subject to Resolution 1 above being passed, then effective 1 March 2016, to amend Clause 18.3 of the Constitution such that the Performance Fee Hurdle be increased from RBA Cash Rate + 3.00% to RBA Cash Rate + 5.00%.

The Investment Manager is entitled to charge a Performance Fee calculated as 20% of the Fund's returns in excess of a hurdle based on the RBA cash rate + 3.00%. The Investment Manager wishes to increase the Hurdle from RBA Cash Rate + 3.00% to RBA Cash Rate + 5.00% thereby making it approximately 67% harder for the Investment Manager to receive a Performance Fee. The Investment Manager believes that this further aligns the interests of the Investment Manager (Merchant Funds Management) with the Unitholders of the Merchant Opportunities Fund.

An example of the current and proposed performance fee structure is calculated as follows;

MOF value at commencement of performance period:	\$22,000,000
MOF value at end of performance period	\$24,000,000
Performance over period	\$2,000,000
RBA cash rate:	2.00%
Current hurdle:	5.00%
Return in excess of current hurdle:	\$900,000
Current Investment Manager performance fee:	\$180,000
Proposed hurdle:	7.00%
Return in excess of hurdle under proposed hurdle:	\$320,000
Investment Manager performance fee under proposed hurdle:	\$64,000

Resolution 3: Effective 1 March 2016, to amend Clause 18.1 of the Constitution such that the Placement Fee for applications be decreased from 1.65% including GST to 0.00%.

In line with increasing the Performance Hurdle and Management Fee the Investment Manager (Merchant Funds Management) requests that unit holders approve reducing the application commission from the current 1.65% (including GST) of the upfront amount invested to nil (0%). The Investment Manager believes that the existing placement fee is not in line with market practice.

An example of the current application fee is calculated as follows (assumes an investment of \$50,000);

Initial Investment into MOF	\$50,000
Upfront Fee	\$825
Net Unit Holder Investment	\$49,175

An example of the proposed application fee is calculated as follows (assumes an investment of \$50,000);

Initial Investment into MOF	\$50,000
Upfront Fee	\$0
Net Unit Holder Investment	\$50,000

In Summary, the Investment Manager believes that amending these aspects of the Merchant Opportunities Fund brings it more in line with competing funds. Combined with the superior performance of the Merchant Opportunities Fund (since the write-down of the Esplanade Property Fund) the Investment Manager expects that this will be attractive to new and existing investors of the fund, thereby increasing liquidity and present more opportunities for the longer term investors to redeem units should they chose to do so.

Resolution 4: 'That clause 10(h) of the constitution be replaced in its entirety to read as follows:

Calculating the Water Mark (required for the calculation of the Performance Fee for the Performance Month and determining the Annual Performance Fee).

Clause 10:

- (i) Subject to clause 10(h)(ii), the Water Mark shall be calculated as the **higher of**:
 - (A) The Net Portfolio Value as at the last Water Mark reset value (as calculated in clause 10(h)(ii)):
 - or**
 - (B) The Net Portfolio Value at the beginning of the financial year (1 July):
 - plus any application money received by the Responsible Entity from the issue of new units (clause 5);
 - less funds paid by the responsible entity to satisfy redemption requests (clause 10(f));
 - less any performance fee paid to the Responsible Entity in the current performance year that accrued from a prior performance year;
 - less any funds transferred to the distribution account
- (ii) Notwithstanding anything contained in clause 10(h)(i), that every three (3) years commencing 1 March 2016 the Water Mark shall be reset and shall be deemed to be the Net Portfolio Value at that date.

The purpose of this resolution is to eliminate ambiguity in the current Constitution, ensuring that the Performance Fee Water Mark is reset every three years to meet the investment timeline of the Fund and to provide a greater alignment of the interests of the Investment Manager and Unitholders.

By adopting this resolution and resetting the high watermark on 1 March 2016 the Performance Fee accrued at this date will be carried as a liability in the Fund and paid to the Responsible Entity at the completion of the June 2016 Fund audit. Any Performance fee earned by the Responsible Entity from 1 March 2016 to 30 June 2016 will be subject to a higher Water Mark and also a higher performance requirement, (should Unitholders adopt resolution 2), being the RBA cash rate + 5% instead of the RBA cash rate +3%.

The current unaudited unit price of \$1.1626 (31 December 2015) NET of ALL FEES including the above Performance Fee - Please note the above performance fee is not an additional fee and the current unit price already reflects it.

OTHER MATERIAL INFORMATION

Except as set out in this Explanatory Memorandum, CIP is not aware of any information material to your decision regarding the amendments to the Fund's Constitution, being information that is within the knowledge of CIP and which has not previously been disclosed to Unitholders.

GLOSSARY

ASIC means the Australian Securities and Investment Commission.

Constitution means the Fund's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

CIP or Responsible Entity means CIP Licensing Limited ACN 603 558 658 as the Responsible Entity of the Fund.

Explanatory Memorandum means the explanatory memorandum attached to the Notice of Meeting.

Fund means Merchant Opportunities Fund ARSN 111 456 387.

Meeting means the meeting the subject of the Notice of Meeting.

Notice of Meeting means this notice of meeting dated 29 January 2016.

Proxy Form means the proxy form provided by the Unit registrar to Unitholders to vote at the Meeting by proxy.

Register means the register of Unitholders maintained by CIP.

Resolution means the resolution to be considered at the Meeting.

Unit means a unit in the capital of the Fund.

Unitholder means a holder of a Unit in the Fund.

SCHEDULE 1 – THE PROPOSED AMENDMENTS

THAT clause 10 of the Constitution as currently set out below:

Calculating the Water Mark (required for the calculation of the Performance Fee for the following Performance Month).

(i) Subject to clause 10(h)(ii), the Water Mark shall be calculated as the higher of:

- (i) the Net Portfolio Value as at the Valuation Time (as calculated in clause 10(e)); and
- (ii) the Net Portfolio Value as at the commencement of the Performance Year less any Performance Fee paid to the Responsible Entity during the Performance Year (in relation to its Performance Fee accrued for the previous Performance Year) less any funds transferred by the Responsible Entity to the Distribution Account,

plus any Application Money received by the Responsible Entity from the issue of Units in accordance with clause 5 less funds paid by the Responsible Entity in satisfaction of redemption requests, as effected pursuant to clause 10(f).

(ii) Notwithstanding anything contained in clause 10(h)(i), on the date that this provision is inserted into the Constitution and on the date every three (3) years from that date, the Water Mark shall be “reset” and shall be deemed to be the Net Portfolio Value at that date.

Be replaced with:

Clause 10:

(i) Subject to clause 10(h)(ii), the Water Mark shall be calculated as the **higher of**:

(A) The Net Portfolio Value as at the last Water Mark reset value (as calculated in clause 10(h)(ii)):

or

(B) The Net Portfolio Value at the beginning of the financial year (1 July):

- plus any application money received by the Responsible Entity from the issue of new units (clause 5);
- less funds paid by the responsible entity to satisfy redemption requests (clause 10(f));
- less any performance fee paid to the Responsible Entity in the current performance year that accrued from a prior performance year;
- less any funds transferred to the distribution account

(ii) Notwithstanding anything contained in clause 10(h)(i), that every three (3) years commencing 1 March 2016 the Water Mark shall be reset and shall be deemed to be the Net Portfolio Value at that date.

THAT clause 18 of the Constitution be amended as follows (as shown in revision marks):

18. REMUNERATION AND EXPENSES OF RESPONSIBLE ENTITY

1. Placement Fee

Subject to the Law, the Responsible Entity is entitled in respect of each Application which it accepts to a fee of ~~4.65%~~ nil 0% of the Application Money. ~~This fee is inclusive of GST payable, if any.~~

2. Management Fee

(a) Subject to the Law, the Responsible Entity is entitled to be paid out of the Fund a Management Fee of ~~4.0%~~ 1.35% per annum of the Portfolio Value at the Valuation Time and payable monthly in arrears from the Commencement Date to the date of final distribution in accordance with clause 12. This fee is ~~inclusive~~ **exclusive** of GST payable, if any.

- (b) If the Responsible Entity ceases to be the trustee of the Trust and Investment Manager of the Fund it will be entitled to the Management Fee calculated up to the date upon which it ceases to be the trustee and Investment Manager of the Fund as if that date was the last day of the month.

Subject to clause 11 (d), the Management Fee is to be paid to the Responsible Entity within 10 Business Days of the end of each month.

3. Performance Fee

- (c) Subject to this clause, the Responsible Entity is entitled to a Performance Fee calculated in accordance with the following formula (inclusive of GST if any):

$$\text{Performance Fee} = (\text{PV} - \text{WM}) - \text{BM} \times 20\%$$

Where:

PV means the Net Portfolio Value as at the end of the relevant Performance Month:

WM means the Water Mark as at the end of the performance Month (as calculated in clause 10(h));

BM means a return on initial invested capital of the prevailing Reserve bank of Australia Cash rate plus ~~300~~ 500 basis points for each Performance Period.

Cash rate means the cash rate as calculated and published by the Reserve Bank of Australia each day.

MERCHANT OPPORTUNITIES FUND

Appointment of Proxy

If appointing a proxy to attend the meeting on your behalf, please complete the form and submit it in accordance with the instructions on the following page.

I/We, _____,

of _____,

being a Unitholder/Unitholders of Merchant Opportunities Fund pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the
Meeting
[(mark with an "X")

OR

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the meeting to be held at 2.00pm on 26 February 2016 at Merchant Group, Suite 43, 145 Stirling Highway, Nedlands, Perth WA and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary units I/we hold.

Note that if you appoint the Chairman as your proxy, or he becomes your proxy by default, you expressly authorise the Chairman to exercise your proxy in respect of Resolution 1 below.

Voting directions to your proxy – please mark ☐ to indicate your directions

RESOLUTION	For	Against	Abstain*
1. Effective 1 March 2016, to amend Clause 18.2 of the Constitution such that the Management Fee be increased from 1.00% including GST per annum to 1.35% plus GST per annum.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Subject to Resolution 1 above being passed, then effective 1 March 2016, to amend Clause 18.3 of the Constitution such that the Performance Fee Hurdle be increased from RBA Cash Rate + 3.00% to RBA Cash Rate + 5.00%.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Effective 1 March 2016, to amend Clause 18.1 of the Constitution such that the Placement Fee for applications be decreased from 1.65% including GST to 0.00%.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That effective 1 March 2016 clause 10(h) of the constitution be replaced in its entirety with the revised clause 10(h) as set out in this Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act 2001:

Individual or Unitholder 1	Joint Unitholder 2	Joint Unitholder 3
<div></div>	<div></div>	<div></div>
Director	Director / Company Secretary	Sole Director

Dated this _____ day of _____ 2016

Contact Name	Contact Business Telephone / Mobile
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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Insert your name and address as it appears on your Unitholder statement. If unsure, please contact Margot Biggs on 08 9389 3609 or mbiggs@merchantfm.com.au
2. Completion of a proxy form will not prevent individual Unitholders from attending the meeting in person if they wish. Where a unitholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Unitholder is suspended while the unitholder is present at the meeting.
3. A Unitholder of the Fund entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Unitholder's voting rights. If the Unitholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a Unitholder of the Fund
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company Unitholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Fund.
7. If a representative as Power of Attorney of a Unitholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the meeting. Previously lodged Powers of Attorney will be disregarded by the Fund.

8. Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|---------------------------|--|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the Unitholders must sign. |
| Power of Attorney: | If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 48 hours before the scheduled commencement of the meeting, 2.00pm on 24 February 2016.

Any Proxy Form received after that time will not be valid for the scheduled meeting.

Postal address:	PO Box 883, Nedlands WA 6909
By Hand:	Suite 43, 145 Stirling Highway, Nedlands, WA 6009.
By Fax:	08 9389 3699
Email:	info@merchantgroup.com.au