

BENJAMIN
HORNIGOLD
LIMITED

“mors inimicus”

REPLACEMENT
PROSPECTUS

BENJAMIN HORNIGOLD LTD ACN 614 854 045



For the offer of Shares at an Issue Price of \$1.00 per Share with attaching Options on a 1 for 1 basis to raise a minimum of \$15.6 million and up to \$20 million.

DIRECTORY

COMPANY

Benjamin Hornigold Ltd
Level 9, Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

www.benjaminhornigold.com.au

LAWYERS

Mills Oakley
145 Ann Street
BRISBANE QLD 4000

www.millsoakley.com.au

DIRECTORS

Stuart McAuliffe
Executive Chairman

Peter Aardoom
Non-executive Director

Simon Richardson
Non-executive Director

Vince Gordon
Non-executive Director

AUDITOR

HLB Mann Judd (SE Qld Partnership)
Central Plaza Two, 66 Eagle Street
BRISBANE QLD 4000

www.hlb.com.au

COMPANY SECRETARY

Jody Wright

MANAGER

John Bridgeman Limited
Level 9, Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

www.johnbridgeman.com.au

REGISTRY

Link Market Services Limited
Level 15, 324 Queen Street
BRISBANE QLD 4000

www.linkmarketservices.com.au

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IMPORTANT NOTICES

LODGMET AND LISTING

This replacement Prospectus is dated 29 March 2017 and a copy of this Prospectus was lodged with ASIC on that date. It replaces the Original Prospectus lodged with ASIC on 15 March 2017 (**Original Prospectus**).

A summary of the material difference between the Original Prospectus and this replacement Prospectus is as follows:

- changes throughout the replacement Prospectus to further explain the Company's proposed investment strategy including asset classes, method of generating investment returns, diversification guidelines and proposed use of funds;
- changes to Sections 3 and 4 containing references to rates of return achieved by other listed investment companies;
- clarification regarding the HML Priority Offer and JBL Priority Offer, and conditions of the Offer;
- changes to the summary of the Management Services Agreement;
- changes to the financial information to include audited information; and
- further explanation regarding arrangements with JB Markets.

The Company has applied for admission to the official list of the ASX and for the quotation of its Shares and Options on ASX within seven days of this Prospectus. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Neither ASIC or ASX take any responsibility as to the contents of the Prospectus. Admission to the Official List is in no way an indication of the merits of the Offer or of the Company.

OFFER

This Prospectus contains an invitation to apply for Shares (together with one Option for every one Share issued). The Options are issued for nil consideration and are exercisable at \$1.00 each. The Company reserves the right to accept subscriptions for Shares and Options to raise a minimum of \$15.6 million and up to \$20 million. No Shares and Options will be issued until the Minimum Subscription amount of \$15.6 million has been received.

No person is authorised to provide any information, or to make any representation, about the Company or the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by the Company in connection with the Offer. Except as required by law, and only to the extent required by such law, neither the Company nor any person named in this Prospectus or any other person guarantees the performance of the Company, the repayment of capital or the payment of dividends on the Shares.

Before deciding to invest in the Company, investors should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares or Options offered under this Prospectus. The Offer does not take into account the investment objectives, financial situation

or particular needs of individual investors. An investment in the Company should be considered speculative. You should carefully consider the risks (including those set out in Section 5) that impact on the Company in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your stockbroker, solicitor, accountant or other professional advisor prior to deciding to invest in the Company. No cooling-off regime (whether provided by law or otherwise) applies in respect of the acquisition of Securities under this Prospectus.

FOREIGN INVESTMENTS

The Offer is being made in Australia and New Zealand. No offer will be made in any overseas jurisdiction where it would not be lawful to do so.

ELECTRONIC PROSPECTUS

The Offer pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia or New Zealand via the Company's website at www.benjaminhornigold.com.au. The Company is entitled to refuse an application for Securities under this Prospectus if it believes the Applicant received the Offer outside Australia and New Zealand in non-compliance with the laws of the relevant foreign jurisdiction.

Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia, or any jurisdiction outside Australia where distribution of the electronic version of this Prospectus is not restricted by law.

Persons may obtain additional paper copies of the Prospectus (free of charge) during the life of this Prospectus by contacting the Manager. Securities to which this Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus. Applications for Securities may only be made on the Application Form attached to the Prospectus in its paper copy form or as downloaded in its entirety from www.benjaminhornigold.com.au.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a hard copy of this Prospectus or accompanies the complete and unaltered electronic version of this Prospectus.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this Prospectus is subject to an exposure period of 7 days after the date of lodgement with ASIC of this Prospectus, which period has been extended by ASIC by a further period of 7 days. The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, the Company will:

- return any Application Monies that the Company has received; or
- provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency, and give each Applicant the option to withdraw the Application within 1 month and be repaid the subscription amount. If an Application is not withdrawn Shares and Options will be issued to each respective Applicant.

IMPORTANT NOTICES

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

INFORMATION ABOUT THE MANAGER

This Prospectus contains certain information about the Manager, its directors, senior executives and business. It also contains details of its investment approach, strategy and philosophy. To the extent that the Prospectus includes statements by the Manager or includes statements based on any statement of, or information provided by, the Manager, the Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

PRIVACY

By completing an Application Form, you are providing personal information to the Company and Link Market Services Limited, as the Registry, which is contracted by the Company to manage Applications, and you consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected, held and used both in and outside of Australia by the Company, and the Registry on its behalf, to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a security holder, the Corporations Act requires information about you (including your name, address and details of the Shares and Options you hold) to be included in the Company's public Share and Option registers. This information must continue to be included in the Company's public Share and Option registers even if you cease to be a security holder.

The Company and the Registry on its behalf may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- the Registry for ongoing administration of the Company's public Share and Option registers;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's Shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Securities and for associated actions.

Under the Privacy Act, you may request access to your personal

information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Registry, details of which are set out elsewhere in the Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Manager or the Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder and Option holder registers will be accessible by the public.

INTERPRETATION

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary in section 13. Currency, as expressed in this Prospectus, is in Australian Dollars, unless indicated otherwise.

Diagrams used in this Prospectus are illustrative only.

APPLICATIONS

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Detailed instructions on completing the Application Form can be found on the back of the Application Form. The acceptance of an Application Form and the allocation of Shares and Options are at the discretion of the Company.

COMPANY WEBSITE

This Prospectus can be downloaded from the Company's website. Any references to documents included on this website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

KEY DATES

DATE	
Lodgement of this Replacement Prospectus with ASIC	29 March 2017
Record Date for Priority Offer	22 March 2017
Offer opens	29 March 2017
HML Priority Offer closes	26 April 2017
JBL Priority Offer closes	26 April 2017
General Offer closes	28 April 2017
Broker Firm Offer closes	28 April 2017
Anticipated Allotment Date for Securities	4 May 2017
Expected date for despatch of holding statements	5 May 2017
Expected date of Official Quotation of Securities on ASX	10 May 2017
Exercise period for Options	The period from the date of issue of the Options until 28 April 2020

All dates are subject to change and, accordingly, are indicative only. The Company reserves the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Application Forms as soon as possible after the Offer opens.

OFFER SUMMARY

ITEM	DETAILS
Issuer	Benjamin Hornigold Ltd ACN 614 854 045
Proposed ASX Codes	BHD (Shares) BHDO (Options)
Securities	Fully paid Shares with one attaching Option for nil consideration for every Share allotted
Issue Price per Share	\$1.00 per Share
Exercise Price per Option	\$1.00 per Option
Minimum number of Shares available under the Offer	15,600,000 Shares
Maximum number of Shares available under the Offer	20,000,000 Shares

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Benjamin Hornigold Ltd (**Company**).

The Company has been established to provide investors with the opportunity to invest in a portfolio that our investment manager, John Bridgeman Limited (**Manager**) determines utilising the Manager's high conviction investment strategy. The Manager, John Bridgeman Limited, is a specialist funds manager listed on the National Stock Exchange of Australia (**NSX**).

I am a director and shareholder of both the Manager and the Company. As at the date of this Prospectus, I hold all the Shares in the Company, and have an interest in John Bridgeman Limited of 29.98%.

The Company is seeking to raise a minimum of \$15.6 million and a maximum of \$20 million through the Offer, and to obtain a listing on the ASX.

Benjamin Hornigold Ltd will focus on building a concentrated portfolio of the Manager's most compelling investment ideas. This may include equities, currencies, bonds, derivatives and commodities.

The Manager will implement a high conviction investment style, which aims to identify equities and other opportunities which are viewed as high growth prospects and are reasonably valued. Capital will be allocated to high conviction ideas from a global universe of international equities, currencies, bonds, derivatives and commodities.

The Manager's role is to advise, implement and actively manage the Portfolio for the Company. It is anticipated that the Manager will construct a relatively concentrated Portfolio targeting between 5 and 10 ideas over an initial period of between three and six months. These investment ideas may be implemented via several investments with the same underlying theme. For example, the Manager may determine to invest in global equities, and implement this idea by holding long position in European, Japanese and Chinese equities. This would be regarded as three high conviction "investment ideas".

The Manager is entitled to a management fee of 3.0% per annum plus GST based on the net tangible assets of the Company, payable monthly in arrears. The Manager is also entitled to a performance fee of 27% plus GST based on the investment return calculated and payable quarterly in arrears and will be subject to high water mark hurdles. The method of calculating this fee as well as an explanation of investment return and high water mark hurdles is outlined in Section 11.2 of this Prospectus.

The Manager has indicated that it may subscribe for up to 19.9% of Shares available under the Minimum Subscription and the Maximum Subscription. The implications of this are set out in Section 12.9. In addition, the Company may invest in, or enter into joint ventures with, entities associated with John Bridgeman Limited. Further information is set out in Section 12.10 of this Prospectus.

This Prospectus contains detailed information about the Company's operations, financial performance, experienced management team and future plans. It also outlines the potential risks associated with the Offer which are set out in section 5 of this Prospectus. Investors should regard an investment in the Company as a long-term proposition.

I encourage you to read this Prospectus carefully before making your investment decision. I look forward to welcoming you as a shareholder.

Yours sincerely



Stuart McAuliffe
Executive Chairman



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INVESTMENT OVERVIEW



1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
What is the Company's business model?	<p>Benjamin Hornigold Ltd is a newly formed Australian company which has not yet commenced operations. It was formed specifically for the purposes of the Offer.</p> <p>On successful completion of the Offer and admission to the Official List, the Company will be a listed investment company which seeks to implement a high conviction investment style strategy to generate superior returns for Shareholders.</p> <p>The Company's Portfolio will be constructed using the Manager's high conviction, benchmark-independent style of investing, which aims to identify between 5 and 10 investment ideas which are undervalued and provide growth opportunity.</p>	Section 3
What is the Company's investment objective?	<p>The Company's key investment objectives are to:</p> <ul style="list-style-type: none"> • seek to increase the value of the Portfolio by allocating capital to a limited number of investments in which the Manager has the highest conviction; • provide investors with exposure to global markets as well as domestic investment opportunities in the listed and unlisted sectors, to which investors may not otherwise have access; • provide investors with moderate to high Portfolio appreciation over the medium to long-term through active management of investment assets. 	Section 3.2
What is the Company's investment strategy?	<p>The Company's investment strategy is to create a Portfolio of investments with potential for providing returns to Shareholders, as assessed by the Manager using its high conviction investment approach. The Manager will focus on identifying and capitalising on opportunities which the Manager believes are undervalued and provide growth potential. This approach will be supported by detailed analysis using the Manager's conviction matrix.</p> <p>The Manager will utilise its experienced investment team to implement this strategy.</p> <p>The potential investment universe in which the Manager may identify investment opportunities is broad, and will not be restricted to particular sectors, geographical regions, financial products or benchmarks. Instead, investment decisions will be based on the level of conviction.</p>	Section 3

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
Who will be responsible for managing the investments of the Company?	<p>The Company has appointed John Bridgeman Limited to manage the Portfolio in accordance with the terms and conditions of the Management Services Agreement.</p> <p>The Manager and its investment team have considerable experience in investment management across different geographies, sectors and industries.</p> <p>Stuart McAuliffe, Managing Director and Chief Investment Officer of John Bridgeman Limited, has primary responsibility for the investment decisions of the Manager. He is supported by a team of investment professionals who have skills and expertise across Australian and global markets.</p>	Sections 4 and 11.2
What are the key terms of the Management Services Agreement?	<p>Under the Management Services Agreement, the Manager will provide investment management, as well as accounting and company secretarial services to the Company. The primary services of the Manager include:</p> <ul style="list-style-type: none"> • managing the investment of the Portfolio and complying with the investment policy of the Company; • providing investment performance reporting and investor relationship services. <p>The Manager is entitled to a management fee of 3.0% per annum plus GST based on the net tangible assets of the Company, payable monthly in arrears.</p> <p>The Manager is also entitled to a performance fee of 27% (plus GST) of the investment return calculated and payable quarterly in arrears and will be subject to high water mark hurdles. The method of calculating this fee as well as worked examples of the potential fees payable, and an explanation of the investment return and high water mark hurdles, is outlined in Section 11.2 of this Prospectus.</p> <p>The initial term of the Management Services Agreement is five years unless terminated earlier in accordance with its terms, with further renewals of five years.</p> <p>The Company may terminate the agreement immediately by written notice to the Manager to that effect in the event of any material and substantial breach of this agreement by the Manager, which the Manager has failed to remedy. In addition, after the initial five year term, the Company at general meeting may resolve by ordinary resolution to terminate the Agreement on three months' notice after the resolution is passed.</p>	Section 11.2

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
	<p>The Agreement automatically terminates if either party ceases to carry on business, goes into liquidation, passes a resolution to voluntarily wind up or a receiver is appointed.</p> <p>The Manager may only terminate the Agreement if it has given at least three months' notice to the Company.</p> <p>If the Management Services Agreement is terminated, other than because of those circumstances set out above, the Manager is entitled to a termination payment. The termination payment will be equal to 5% of the net tangible asset backing of each share in each class of shares in the Company as calculated under the Listing Rules multiplied by the number of shares on issue in that class of shares as at the termination date. The percentage of net tangible asset backing in respect of the calculation of the termination payment will be reduced on a pro-rata basis in accordance with the length of time served under the agreement. Further detail regarding the termination fee is outlined in Section 11.2 of this Prospectus.</p>	Section 11.2
Does the Board approve investments?	Board approval by the Company is not required for investments undertaken by the Manager in accordance with the Company's investment objectives, strategies and guidelines, which are detailed in the Management Services Agreement.	Section 11.2
What are the key strengths of the Company?	<p>The key strengths of the Company may be summarised as follows:</p> <ul style="list-style-type: none"> • the Manager of the Company (John Bridgeman Limited) has strong experience in Australian and global markets. The investment team, led by Chief Investment Officer, Stuart McAuliffe, will be able to apply their experience and skills to identifying high conviction ideas and actively managing the Portfolio; • the investment universe of the Portfolio is very broad, with the flexibility to also invest in unlisted financial products providing the Company with the opportunity to take advantage of undervalued securities with the potential for significant increase in value; • the Board consists of skilled individuals with investment and funds management experience across both the listed and unlisted environments, with a strong focus on risk management. 	Section 3

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
What risks are involved with an investment in the Company?	<p>An investment in the Company is subject to certain risks, both general and specific, including stock market and economic conditions, and specific risks associated with trading derivatives contracts. Key risks associated with an investment in the Company are described in detail in Section 5. Prospective investors should read this entire Prospectus, including Section 5, before deciding whether or not to invest.</p> <p>Key risks specific to the Company's business model include:</p> <p>LIQUIDITY RISK</p> <p>This is the risk the Portfolio's underlying investments may not be easily sold when the Manager decides it is an appropriate time for them to be sold. A lack of liquidity could result in a loss if the delay in the sale of the investment results in the decline in value of the investment. This will be especially relevant to any investments in products which are not exchange traded such as unlisted equities.</p> <p>Liquidity risk also applies to the ability of a Shareholder or Option holder to sell their Securities on the ASX in a timely manner.</p> <p>RISKS ASSOCIATED WITH THE MANAGER</p> <p>The success and profitability of the Company will significantly depend on the ability of the Manager to manage the Portfolio and make investments that increase in value over time. The engagement of the Manager and its key personnel is an investment risk. If the Manager fails to perform well, this could have a negative impact on the net asset value of the Company, profitability, Share price, and the ability to pay dividends.</p> <p>The Company does not have the ability under the Management Services Agreement to terminate the Manager for poor investment performance during the initial five year term. This may result in the Company being exposed to an underperforming Portfolio for an extended period of time.</p>	Section 5

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
	<p>In addition, the historic performance of various other entities previously managed by the Chief Investment Officer of the Manager cannot be relied on as a guide to the future performance of the Company. Investment under-performance by the Manager is a significant risk of investing in the Company.</p> <p>In addition, the ability of the Manager to continue to manage the Portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the Manager's status as authorised representative under an appropriate Australian Financial Services Licence (AFSL) and its continued solvency.</p> <p>Further, if the Manager were to stop managing the Portfolio, the Company would need to identify and engage an appropriately qualified and experienced replacement investment manager.</p> <p>PERFORMANCE FEE INCENTIVE</p> <p>The Management Fee and Performance Fee may create an incentive for the Manager to select investments that are riskier or more speculative than in circumstances where a performance based fee were not in place.</p> <p>INVESTMENT RISK</p> <p>There is a risk that the trading price of the Securities or the value of the Portfolio may decline. Shares may trade on the ASX at a discount to the net tangible asset value of the Portfolio on a per Share basis, and the performance of the Shares may not correspond with the performance of the Portfolio. In particular, the Company may invest in small listed companies, which are often subject to greater movements upward and downward in price than other investments, and this may translate into fluctuations in the Company's net asset value.</p>	Section 5

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
	<p>RISKS ASSOCIATED WITH DERIVATIVES</p> <p>There are various risks associated with investing via instruments such as exchange traded futures contracts. Risks associated with investing in futures contracts include the potential gains or losses may be larger than traditional investments due to the inherent leverage associated with futures contracts (refer Section 3.3 for details of leverage inherent in futures contracts), potential illiquidity of the futures contract, failure of the Company to meet payment obligations as they arrive, regulatory and counterparty risk.</p> <p>In relation to short-selling, although the Company does not engage in short selling physical assets, it may hold short futures positions. In taking short positions, the Company bears the risk of an increase in price of the underlying investment under which the short position is taken. Such an increase could lead to a substantial loss.</p> <p>Changes in the prices of futures positions held by the Company may result in loss of principal or large movements in the share price of the Company within short or long periods of time.</p> <p>CURRENCY AND HEDGING RISK</p> <p>The Portfolio is likely to be invested in various foreign currencies. The Manager may use foreign exchange hedging to reduce the effects of currency movements in the return profile of the Portfolio. It may not always be possible to hedge all foreign exchange exposures and there is no guarantee that any hedging will be successful. The Manager may decide not to hedge all or part of the Portfolio to certain foreign exchange movements.</p> <p>The Manager may elect to hedge the exposure of other investments of the Portfolio against investment loss. There is no guarantee that any hedging, if implemented, will be successful. The cost of hedging may be high, depending on the circumstances.</p> <p>RELIANCE ON KEY PERSONNEL</p> <p>The Company depends on the talent and experience of its key management personnel, particularly Stuart McAuliffe, as its primary asset. Should any of its key personnel leave, this may have a negative impact on the Company's performance.</p>	Section 5

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
	<p>FINANCIAL MARKET VOLATILITY</p> <p>A fall in global or local equity markets, global or local bond markets or a lack of change in the value of the Australian dollar against other major currencies may discourage investors from moving money in and out of equity markets. This may have a negative effect on the price at which the Company's securities trade.</p> <p>NO OPERATING OR PERFORMANCE HISTORY OF THE COMPANY</p> <p>The Company has only recently been incorporated and to date has undertaken little business activity. There is a risk that the Company's investment objectives will not be achieved.</p> <p>CONCENTRATION RISK</p> <p>Concentration risk is the risk that poor performance in a particular market may significantly affect the Company because of a lack of diversity within the Portfolio.</p> <p>Although the Company has the ability to invest in many markets at any given time, it may in fact be invested in only a small number of markets from time to time. Generally, the fewer markets in which the Company invests, the greater the overall volatility of the Portfolio. This may result in large movements in the Share price of the Company within short periods of time.</p> <p>ADDITIONAL RISKS</p> <p>There are various additional risks associated with the Company and an investment in the Shares, including in connection with:</p> <ul style="list-style-type: none">• potential conflicts of interest;• adverse currency movements;• counterparty and service provider risk;• deterioration in global economic or market conditions;• risks associated with derivatives;• investment valuation risks;• interest rate risk;• risk of delay in deploying investment capital and constructing the Portfolio;• risk of no guaranteed dividends or capital returns to Shareholders.	Section 5

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION
	<p>Prospective investors should take the above risks into consideration, and those risks more fully outlined in this Prospectus, when making a decision whether or not to invest in the Company.</p> <p>Any investment in the Company should be regarded as a long-term proposition, and investors should be aware that substantial fluctuations in the value of their investment may occur during the term of their investment.</p>	Section 3
Who are the Directors and key personnel?	<p>The Board consists of:</p> <ul style="list-style-type: none"> • Stuart McAuliffe (Executive Chairman) • Vince Gordon • Simon Richardson • Peter Aardoom. <p>Each member of the Board has experience in the funds management/ investment industry. Sections 3 and 4 set out further details regarding the background of the Directors.</p>	Sections 3 and 4
Are there any related party transactions?	<p>The Company has entered into a Management Services Agreement with the Manager for the provision of investment management services to the Company in return for certain fees. Stuart McAuliffe is a director and shareholder of both the Manager and the Company. As at the date of this Prospectus, Stuart holds all the Shares in the Company, and has an interest in John Bridgeman Limited of 29.98%.</p> <p>Peter Aardoom is a director of the Company and a director of JB Markets Pty Ltd, which will provide broking services to the Company on arm's length, commercial terms. JB Markets will also be entitled to 0.5% of funds raised under the Offer for management of the trust account, and may be paid fees on arm's length, commercial terms for providing clearing services. Peter has an interest in the Manager of 4.98%.</p> <p>As at the date of this Prospectus, John Bridgeman Limited intends to make an application for up to 19.9% of Shares available under the Minimum Subscription and the Maximum Subscription. In other words, the Manager may subscribe for up to 3,104,400 Shares if the Minimum Subscription is raised. If the Maximum Subscription is raised, the Manager may hold up to 3,980,000 Shares. John Bridgeman Limited will therefore be a substantial shareholder of the Company for the purposes of the Corporations Act and the Listing Rules.</p> <p>The Manager provides various investment management services to several different clients. Some of these clients, as well as shareholders, directors and employees of the Manager and the Company may apply for Securities under this Prospectus on the same terms as other Applicants under the Offer.</p>	Section 11

1.1 OVERVIEW OF THE COMPANY

QUESTION	ANSWER	SECTION			
	<p>In addition, the Company may enter into joint ventures with, or take equity stakes in other entities managed by, or which are wholly or partly owned subsidiaries of, John Bridgeman Limited. As at the date of this Prospectus, the Company does not have any particular intentions in this regard.</p> <p>However, it may from time to time enter into such arrangements or make such investments on commercial arm's length terms and in accordance with the requirements of the Corporations Act and Listing Rules.</p>				
How is income of the Company derived?	The Company’s principal business is an investment company. The Company expects to receive trading income from investment of its capital.	Section 3			
What is the financial position of the Company?	The Company is yet to commence trading. However, Pro Forma Statements of Financial Position as at 29 March 2017 and as at completion of the Offer (assuming Minimum Subscription and Maximum Subscription are reached), are set out in section 7.2.	Section 7.2			
Pro-forma Statements of Financial Position	The Pro Forma Statements of Financial Position have been prepared for illustrative purposes only to show the financial position of the Company following completion of the Offer and may not actually reflect the position of the Company as at the date of the Prospectus or at the conclusion of the Offer.			Section 7.2	
	Assuming 100% of the subscription amount is raised under the Offer:				
			Unaudited Pro-Forma Statements of Financial Position as at 29 March 2017		
		Audited Historical Statement of Financial Position as at 31 Dec 2016	Minimum Subscription \$15.6 million		Maximum Subscription \$20 million
	Assets	0	0		0
	Cash	1,000	15,023,800		19,349,000
	Deferred tax asset	0	161,438		182,348
	GST receivable	0	21,900		27,000
	Total Assets	1,000	15,207,138		19,558,348
	Liabilities	0	0		0
	Net Assets	1,000	15,207,138		19,558,348
	Equity				
	Issued shares	1,000	15,601,000		20,001,000
	Less costs of fundraising	0	(392,862)		(442,652)
	Retained earnings	0	0		0
	Total equity	1,000	15,207,138		19,558,348
	NTA per share	\$1.000	\$0.975		\$0.978

1.2 OVERVIEW OF THE OFFER

TOPIC	SUMMARY	FOR MORE INFORMATION
Does the Company have any borrowings?	<p>The Directors do not currently intend to use borrowings.</p> <p>However, the Company may invest in, or enter into joint ventures with, other entities who use borrowings. In addition, the Company may enter into joint ventures with, or take equity stakes in other entities managed by, or which are wholly or partly owned subsidiaries of, John Bridgeman Limited. As at the date of this Prospectus, the Company does not have any particular intentions in this regard. However, it may from time to time enter into such arrangements or make such investments on commercial arm's length terms and in accordance with the requirements of the Corporations Act and Listing Rules.</p>	Section 7.5
What is the Company's dividend policy?	<p>The Company intends to pay dividends out of available cash flow which will be franked to the maximum extent possible. The quantum of dividend to be paid will be subject to the Board's complete discretion, and will depend on a number of factors, including the Company's financial position, expectation of future earnings, future prospects, and related matters. The quantum of dividend is expected to be above 50% of net operating profit after tax.</p> <p>It is anticipated the initial dividend will be paid at the end of the Company's first financial year and then annually thereafter. Any dividend paid will be franked to the maximum extent possible.</p> <p>The Company gives no assurances about the payment of dividends or the extent of payout ratios.</p>	Section 7.7
What is the Offer?	The Company is offering Shares (and the same number of Options) for issue to raise a minimum of \$15.6 million and up to a maximum of \$20 million (prior to the exercise of any Options).	Section 2.1
Who is the issuer?	Benjamin Hornigold Ltd, a public limited liability company registered in Queensland.	Section 3
What is the purpose of the Offer?	The Company is offering the Securities to raise funds to undertake investments consistent with the investment objectives and guidelines outlined in this Prospectus, to pay the costs of the Offer and to be admitted to the Official List of the ASX.	Section 3
What is the Minimum Application size?	\$2,000 for 2,000 Shares (with attaching Options on a 1 for 1 basis), with incremental multiples of 1,000 Shares and Options	Section 2.5

1.2 OVERVIEW OF THE OFFER

TOPIC	SUMMARY	FOR MORE INFORMATION												
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • HML Priority Offer to Eligible Shareholders in Henry Morgan Limited; • JBL Priority Offer to Eligible Shareholders in John Bridgeman Limited; • Broker Firm Offer; and • General Offer. 	Section 2.5												
What if the Minimum Subscription is not achieved?	<p>If the Minimum Subscription of \$15.6 million is not obtained within 4 months after the date of this Prospectus, the Company will either repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus. In the event a supplementary prospectus is issued, the Company will if required by law, allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest or otherwise proceed under the terms of the supplementary prospectus.</p>	Section 2.3												
How can I apply?	<p>Eligible Shareholders in Henry Morgan Limited and John Bridgeman Limited may apply for Securities under the HML Priority Offer and JBL Priority Offer, respectively, by following the instructions set out in Section 2.5.</p> <p>Separately, the Broker Firm Offer is open to those persons who have received a firm allocation from their Broker, and who have a registered address in Australia or New Zealand. Applicants should contact their Broker for instructions on how to apply.</p> <p>In addition, Applications under the General Offer may be made by Applicants who have a registered address in Australia or New Zealand, by submitting completed Application Forms which either accompany this Prospectus or are available online at www.benjaminhornigold.com.au.</p>	Section 2.5												
How will the funds raised under the Offer be used?	<p>The funds raised under the Offer will be used to pay the expenses of the Offer, and to invest in accordance with the Company's business plan and investment strategy.</p>	Sections 2.7 and 3												
What is the capital structure of the Company following completion of the Offer?	<p>On completion of the Offer, the capital structure of the Company, before the exercise of any Options, will be as set out below:</p> <table> <tr> <th></th><th>Minimum Subscription (\$15.6 million)</th><th>Maximum Subscription (\$20 million)</th></tr> <tr> <td>Shares</td><td>15,601,000</td><td>20,001,000</td></tr> <tr> <td>Options</td><td>15,600,000</td><td>20,000,000</td></tr> <tr> <td>Total Shares on fully diluted basis</td><td>31,201,000</td><td>40,001,000</td></tr> </table>		Minimum Subscription (\$15.6 million)	Maximum Subscription (\$20 million)	Shares	15,601,000	20,001,000	Options	15,600,000	20,000,000	Total Shares on fully diluted basis	31,201,000	40,001,000	
	Minimum Subscription (\$15.6 million)	Maximum Subscription (\$20 million)												
Shares	15,601,000	20,001,000												
Options	15,600,000	20,000,000												
Total Shares on fully diluted basis	31,201,000	40,001,000												

1.2 OVERVIEW OF THE OFFER

TOPIC	SUMMARY	FOR MORE INFORMATION
Is the Offer underwritten?	The Offer is not underwritten.	Section 2.4
What do Applicants pay when applying under the Offer?	Applicants under the Offer will pay an Application Amount of \$1.00 per Share with attaching Option on a 1 for 1 basis.	Section 2
What is the allocation policy?	In allocating the Securities, it is the intention of the Board to ensure that the Company has an adequate spread of Shareholders in order to meet Listing Rules requirements. The allocation of the Securities is at the absolute discretion of the Directors.	Sections 2.5 and 2.6
What fees and costs are payable to the Brokers?	The Company may use JB Markets and other external brokers to assist with the raising of funds under this Offer. Any brokerage fees payable to brokers will range from 0%-3% of the Application Amount and will be paid by the Company.	Section 2.10
Will the Shares and Options be listed?	<p>The Company will make an application to be admitted to the Official List and will seek Official Quotation of the Shares and Options on the ASX within seven days of the date of the Original Prospectus. Subject to ASX approval and the quotation of the Shares and Options, Shareholders will be able to trade their Securities on ASX.</p> <p>Admission of the Company to the Official List of the ASX is conditional upon satisfaction of a number of requirements, including raising of the Minimum Subscription and the required number of Shareholders by spread.</p> <p>If the approval is not given within three months after this application is made (or any longer period permitted by law), the Offer will be withdrawn, and all Application Monies received will be refunded without interest as soon as practical in accordance with the requirements of the Corporations Act. There is no guarantee that the ASX will admit the Shares and Options of the Company to the Official List of ASX.</p>	Section 2.8
What are the terms attaching to the Options?	Applicants will receive one Option for nil consideration for every Share allotted to them. The exercise period for the Options is the period from the date of issue of the Options until 28 April 2020. The terms of the Options are set out in Section 10.7 of this Prospectus.	Section 10.7

1.2 OVERVIEW OF THE OFFER

TOPIC	SUMMARY	FOR MORE INFORMATION
What rights and liabilities attach to the Shares?	The Shares will rank equally in all respects with the shares held by the existing shareholder in the Company. The rights and liabilities attaching to all shares are detailed in the Company's constitution.	Section 10.2
What are the tax implications of investing in the Securities?	The tax implications of an investment in the Shares and Options will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.	Section 9
What are the implications of the Company's proposed status as a LIC?	It is intended that the Company will qualify as a listed investment company (LIC). Where the Company qualifies as a LIC, certain types of shareholders may qualify for income tax deductions in respect of dividends paid out of certain profits which represent capital gains on the disposal of a permitted investment that the Company has held for over 12 months. The taxation implications are discussed in further detail in Section 9.	Section 9
When will I receive confirmation that my Application has been successful?	The Company anticipates that holding statements will be sent by standard post on or around 5 May 2017.	Not applicable
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares and Options to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any refunded Application Monies.	Section 2.2
Is there a cooling-off period?	There is no cooling-off period.	Important Notices
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, please contact the Manager on 1300 155 396. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, lawyer, accountant or other professional adviser.	Important Notices

1.3 EXPENSES OF THE OFFER

The expenses of the Offer will be paid from the funds raised under this Prospectus. These expenses include legal, accounting and advisory fees and other costs associated with the marketing of the Offer and the production of Offer documentation.

The expenses to be paid by the Company have been estimated at \$577,200 assuming the Minimum Subscription is achieved, and \$652,000 assuming the Maximum Subscription is achieved, inclusive of any taxes. A summary of these expenses for both the Minimum Subscription of \$15.6 million and the Maximum Subscription of \$20 million is provided below (including GST). Further details are provided in Section 2.7:

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
	\$15.6 million	\$20 million
ASX listing fees	187,000	187,000
Investigating accountant and tax	33,000	33,000
Legal fees	33,000	33,000
ASIC lodgment fee	3,000	3,000
Broker commissions & other expenses	321,200	396,000
Total estimated expenses of the offer	577,200	652,000

The Company has sufficient working capital to carry out its objectives.

1.4 BENCHMARKS

It is anticipated the Company will be classified as a 'hedge fund' in accordance with ASIC Regulatory Guide 240. The following table sets out a summary of the disclosure required for hedge funds, the key features of the Company and a guide to where more detailed information can be found in this Prospectus.

BENCHMARKS	
Valuation of non-exchange traded assets	<p>This benchmark addresses whether valuations of the Company's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.</p> <p>For non-exchange traded assets, such as unlisted equities and OTC derivatives, valuations will generally be provided by either internal management or, where appropriate, an independent administrator.</p>
Periodic reporting	<p>This benchmark addresses whether the Company provides periodic disclosure of certain key information on an annual and monthly basis. This benchmark is not met as the Company is not able to provide all the information specified by this benchmark. The table in Section 6.9 of this document sets out the information that will be provided, how often it is available, where it can be accessed and the information that will not be provided.</p> <p>The Company will provide information regarding the derivatives counterparties engaged by the Company to investors on an annual basis.</p> <p>The Company will provide the following information to investors on a monthly basis:</p> <ul style="list-style-type: none"> • current total net asset value of the Company (subject to indicative tax estimates); • any changes (including changes in related party status) to any of the Company's key service providers; and • any material change in the Company's risk profile, strategy and any change in the individuals playing a key role.
Investment strategy	<p>The Company's Portfolio will be managed in accordance with certain investment objectives and strategy. Refer to Sections 3 and 4 of this Prospectus for further information.</p>
Investment Manager	<p>John Bridgeman Limited has been appointed as Manager for the Company to manage the Company's Portfolio. Refer to Section 4 of this Prospectus for further information.</p>
Company structure	<p>The Company may appoint service providers to assist in the ongoing operation, management and administration of the Company. The key service providers to the Company are:</p> <ul style="list-style-type: none"> • John Bridgeman Limited, the Manager; • JB Markets Pty Ltd, Broker; and • HLB Mann Judd (SE Qld Partnership), the auditor of the Company. <p>Refer to Sections 11.2 and 12.7 of this Prospectus for further information.</p>

1.4 BENCHMARKS

BENCHMARKS	
Valuation, location and custody of assets	<p>Valuation of the Company's assets</p> <p>The Company's assets will normally be valued at their most recent market settlement price, using independent pricing sources where available for the particular asset type and in accordance with industry standards. Cash balances are valued at Australian dollar equivalent of its face value with the addition of accrued interest.</p> <p>For unlisted assets, fair value will be determined by reference to:</p> <ul style="list-style-type: none">• latest third party investment value;• cost plus accrued interest with reverse multiple cross-checks; or• where there has not been a third party transaction in the preceding 12 months, at valuations consistent with industry valuation techniques and industry benchmarks. <p>Location and custody of the Company's material assets</p> <p>The Company will invest in various financial products, including listed and unlisted equities, derivatives, futures and cash. The Company intends to trade in global derivatives markets worldwide, across categories such as equity market indices, fixed income, currencies and commodities, subject to market conditions. The material assets of the Company may be located in any jurisdiction worldwide.</p> <p>The cash holdings of the Company may only be invested in bank accounts with Australian authorised deposit taking institutions or such other cash or cash equivalent investments as determined by the Company from time to time.</p> <p>Westpac Banking Corporation will be the Company's banking partner.</p>
Liquidity of assets	<p>As at the date of this Prospectus, the Company reasonably expects that, once the Portfolio has been established it will be able to realise at least 90% of the Portfolio's assets under normal market conditions, at the value ascribed to those assets in calculating the Company's net asset value, within 5 trading days.</p>

1.4 BENCHMARKS

BENCHMARKS	
Leverage	<p>Trading in futures is one element of the Company's investment strategy. Leverage is inherent in futures trading as futures contracts generally provide a much larger exposure to the underlying assets with a relatively small initial outlay. The buyer and seller of a futures contract is only required to pay an initial cash deposit, known as initial margin when entering into a futures contract. The amount of the initial margin is generally set by the futures exchange, and may vary from time to time according to the volatility of the market. Variation margin is an amount that is paid to cover an unfavourable move in the futures position, or an amount that is received for a favourable move in the futures position.</p> <p>The Company does not have a maximum anticipated or allowed level of leverage. The Manager will manage risk by analysing volatility across markets, diversifying across futures markets and by taking a mixture of long and short positions.</p> <p>Investors should note that there are risks associated with the use of leverage similar to those set out in section 6. Refer to section 6 of this Prospectus for further information.</p>
Derivatives	<p>The Company may use any type of derivatives, including exchange-traded derivatives such as futures and options, and OTC derivatives such as swaps, options and forward contracts (for example, over currencies).</p> <p>All of the Company's derivatives counterparties will be subject to regulations governed by relevant exchanges. However, investments made by the Company will be subject to counterparty risks. For example, if a counterparty to a contract with the Company fails to perform its contractual obligations, then the Company may suffer a loss that will reduce the net asset value of the Company. The Company will seek to minimise counterparty risk by selecting counterparties that in the Company's reasonable opinion are appropriate for the transactions being undertaken.</p>
Short-selling	<p>The Company will not engage in short-selling physical assets but may hold short futures positions. Long and short positions in futures are key to the Company's investment strategy.</p> <p>In taking short positions, the Company bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.</p> <p>The Company's strategy to manage the risks of short positions is to:</p> <ul style="list-style-type: none"> • control the futures position sizes in each market; • diversify across futures markets; and • take a mixture of long and short positions.
Withdrawals and redemptions	<p>This benchmark is not relevant to the Company as the Constitution of the Company does not provide for Shareholders to withdraw from the Company or redeem their Shares.</p>

1.5 SUMMARY ONLY

This summary is not intended to provide full details of the investment opportunity. Investors must read this Prospectus in full to make an informed investment decision.

If you have questions in relation to the Offer, please contact the Company on 1300 155 396.

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DETAILS OF OFFER



2.1 WHAT IS THE OFFER?

The Company is offering Shares for issue (together with one Option to acquire one Share for every Share issued) to raise a minimum of \$15.6 million, and up to \$20 million. The Options will be issued for nil consideration and are exercisable at \$1.00 each for the period from the date of issue of the Options until 28 April 2020.

The rights attaching to the Shares are set out in Section 10.2 and the terms and conditions of the Options are set out in Section 10.7.

Applicants under the Offer will be required to pay an Application Amount of \$1.00 per Share comprising solely the subscription price of \$1.00 per Share payable to the Company.

2.2 DISCRETION UNDER THE OFFER

The Company reserves the right not to proceed with the Offer at any time before the allotment of Securities under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Manager or brokers until these are received by the Company.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares and Options specified in the Application or any lesser amount without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

The Company also reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

2.3 MINIMUM SUBSCRIPTION

The Minimum Subscription required for the Offer to proceed is \$15.6 million.

If the Minimum Subscription is not obtained within 4 months after the date of this Prospectus, the Company will either repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus. In the event a supplementary prospectus is issued, the Company will if required by law, allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest or otherwise proceed under the terms of the supplementary prospectus.

2.4 IS THE OFFER UNDERWRITTEN?

No, the Offer is not underwritten.

2.5 HOW DO I APPLY UNDER THE OFFER?

What is the minimum and maximum application under the Offer?

Applications must be for a minimum of 2,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 1,000 Shares.

There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

The Company reserves the right to reject any Application or to allocate a lesser number of Securities than that for which application is made.

Who can apply for Securities under the HML Priority Offer or JBL Priority Offer?

Registered holders of HML Shares or JBL Shares at 7.00pm (Sydney time) on 22 March 2017 with an address in Australia or New Zealand (Eligible Shareholders) will be given a priority allocation of 5 million Shares (in aggregate) under the HML Priority Offer, and 5 million Shares (in aggregate) under the JBL Priority Offer.

Who can apply for Shares under the General Offer?

The General Offer is open to Retail Applicants and Wholesale Applicants resident in Australia or New Zealand. The Company reserves the right in its absolute discretion to issue no Securities to Applicants under the General Offer. All Applicants under the General Offer must have an eligible residential address in Australia or New Zealand.

Who can apply under the Broker Firm Offer?

The Broker Firm Offer is open to Retail Applicants resident in Australia or New Zealand and to Wholesale Applicants in Australia or New Zealand who have received a firm allocation from their Broker. Up to \$6 million has been allocated to the Broker Firm Offer.

How do I apply under the HML Priority Offer or JBL Priority Offer?

If you are applying under the HML Priority Offer or the JBL Priority Offer, you should complete and lodge your HML Priority Offer Application Form or JBL Priority Offer Application Form (as the case may be) that is included in or accompanies this Prospectus or apply online at www.benjaminhornigold.com.au. These forms must be completed in accordance with the instructions set out on those reverse of the forms.

If you are an Eligible Shareholder and paying by cheque or bank draft, you must return your completed HML Priority Offer Application Form or JBL Priority Offer Application Form (as the case may be), and payment to the address on your personalised Application Form so that it is received by the Registry before 5.00pm (Sydney time) on the 26 April 2017.

Eligible Shareholders who wish to pay by BPAY® (registered to BPAY Pty Ltd ABN 69 079 137 518) must complete their Application online at www.benjaminhornigold.com.au using the unique Customer Reference Number and Biller Code on their Priority Application Form.

2.5 HOW DO I APPLY UNDER THE OFFER?

How do I apply under the General Offer?

In order to apply for Securities under the General Offer, Applicants must complete the Application Form that is included in or accompanies this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus) or apply online at www.benjaminhornigold.com.au. Application Forms must be completed in accordance with the accompanying instructions.

Any Applicants applying online must personally complete the online Application Form and pay the Application Monies via BPAY® only. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

Those Applicants who prefer to complete their Application via hardcopy should print and complete the Application Form, and lodge it with the relevant Application Monies so that it is received at the address set out below by the Closing Date of 28 April 2017.

By mail to:

Mailing address

Benjamin Hornigold Ltd
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Hand delivery (NOT for mailing purposes)

Benjamin Hornigold Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

How do I apply under the Broker Firm Offer?

If you are applying for Securities under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with your Broker. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with their Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

The allocation of Securities to Brokers will be determined by the Company in consultation with the Manager. Securities that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Securities from those Brokers.

It will be a matter for the Brokers how they allocate Securities among their clients, and they (and not the Company nor the Manager) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Securities.

The Company, Registry and the Manager take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your Broker if you have any questions.

2.6 FEES, COSTS AND TIMING FOR APPLICATIONS

When does the Offer open?

The Offer is expected to open for Applications on 29 March 2017. However, this may be earlier or later depending if ASIC extends the Exposure Period for the Prospectus.

What is the deadline to submit an Application under the Offer?

It is your responsibility to ensure that your Application Form and Application Monies are received by the Company before 5.00pm (AEST) on the Closing Date.

The Company takes no responsibility in respect of an Application Form or Application Monies in connection with your Application until such time as your Application Form and Application Monies are received by the Company.

When will I receive my Securities and when can I trade my Securities?

The Company will proceed to allot Securities as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the Securities. The Company reserves the right to allot to any Applicant a lesser number of Securities than that applied for, or to decline any Application. Where no allotment is made to a particular Applicant or the number of Securities allotted is less than the number applied for by the Applicant, surplus Application Monies will be returned to that Applicant within 30 days of the Closing Date. Interest will not be paid on refunded Application Monies.

Successful Applicants will be notified in writing of the number of Securities allotted to them as soon as possible following the allotment being made after the Closing Date.

It is the responsibility of Applicants to confirm the number of Securities allotted to them prior to trading in Securities. Applicants who sell Securities before they receive notice of the number of Securities allotted to them do so at their own risk. No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares will be allotted and issued pursuant to the exercise of Options on the terms and conditions on which the Options are issued (see Section 10).

If admission to the ASX is denied, or for any reason the Offer does not proceed, all Application Monies will be refunded in full without interest.

2.7 EXPENSES OF THE OFFER

The expenses of the Offer will be paid by the Company from the funds raised under this Prospectus. These expenses will include legal, accounting and advisory fees and other costs associated with the marketing of the Offer and the production of Offer documentation.

The expenses to be paid by the Company have been estimated at \$577,200 assuming the Minimum Subscription is achieved, and \$652,000 (net of tax) assuming the Maximum Subscription is achieved inclusive of any taxes. A breakdown of these expenses for both the Minimum Subscription of \$15.6 million and the Maximum Subscription of \$20 million is provided below:

	MINIMUM SUBSCRIPTION \$15.6 MILLION	MAXIMUM SUBSCRIPTION \$20 MILLION
Expenses of the Offer		
Legal fees	33,000	33,000
Accounting and tax fees	33,000	33,000
ASX listing fees	137,000	187,000
ASIC lodgement fees	3,000	3,000
Broker commissions and other expenses*	321,200	396,000
Total estimated expenses of the Offer (cash paid)	577,200	652,000
Total funds raised	15,600,000	20,000,000
Receivable/cash on hand	1,000	1,000
After expenses of the Offer	15,023,800	19,349,000
Working capital available for investment purposes of the Company	15,023,800	19,349,000

* These estimates have been calculated on the following assumptions:

- Up to 50% of the Minimum Subscription or Maximum Subscription (as the case may be) is raised through brokers, including JB Markets;
- Although less than 3% brokerage may be payable to some brokers, the Company has assumed 3% is payable on the funds raised by brokers;
- 0.5% of funds raised are payable to JB Markets for managing the trust account;

2.7 EXPENSES OF THE OFFER

The balance funds are used for marketing and promotional costs.

The Company has sufficient working capital to carry out its objectives as detailed in this Prospectus. The Company does not currently intend to raise additional funds within the first two years following quotation of the Company's Shares on ASX.

No stamp duty is payable by Applicants on the acquisition of Securities under the Offer.

2.8 ASX LISTING

The Company will make application for listing and Official Quotation of its Securities on the ASX within seven days of the date of the Prospectus. Subject to ASX approval and the quotation of the Shares and Options, quotation of the Securities will commence as soon as practicable after allotment of Securities to Applicants.

Admission of the Company to the Official List of the ASX is conditional upon satisfaction of a number of requirements, including raising of the Minimum Subscription and the required number of Shareholders by spread.

If approval is not given within three months after this application is made (or any longer period permitted by law), the Offer will be withdrawn, and all Application Monies received will be refunded without interest as soon as practical in accordance with the requirements of the Corporations Act. There is no guarantee that the ASX will admit the Shares and Options of the Company to the Official List of ASX.

2.9 CHESS

The Company has applied to the ASX to participate in the Securities Clearing House Electronic Subregister System, known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of the ASX) in accordance with the ASX Listing Rules and ASX Operating Rules. The Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the principal register of securities. Under CHESS the Company will not be issuing certificates to successful investors following allotment, the Company will provide each Shareholder with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted and Options granted to each Shareholder pursuant to this Prospectus. If applicable, the holding statement will also advise Shareholders of their Holder Identification Number (**HIN**) or Security Reference Number (**SRN**).

If a Shareholding changes during a month, the Shareholder will receive a statement at the end of that month. Shareholders may also request statements at any other time (although the Company may charge an administration fee). It is the responsibility of Applicants to determine their allocation prior to the trading of the Shares and Options. Applicants who sell Shares or Options before they receive notice of their allocation do so at their own risk.

2.10 BROKER FEES

JB Markets will be entitled to 0.5% of funds raised under the Offer for management of the trust account.

The Company may use JB Markets and other external brokers to assist with the raising of funds under this Offer. Any brokerage fees payable to brokers will range from 0%-3% of the Application Amount and will be paid by the Company.

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OVERVIEW OF BENJAMIN HORNIGOLD LTD



3.1 INVESTMENT OVERVIEW

This section provides a summary of the investment objectives, strategy and investment asset classes of the Company.

The Company is a recently incorporated Australian public company which seeks to provide investors with the opportunity to gain exposure to a Portfolio which is actively managed by a Manager with experienced and skilled personnel. The Portfolio will be constructed using the Manager's high conviction, benchmark-independent style of investing, which aims to identify between 5 and 10 investment ideas which are undervalued and provide significant growth opportunity.

The Manager will not be constrained by any benchmark comparisons, and will allocate capital in accordance with its highest conviction ideas.

3.2 INVESTMENT OBJECTIVE

The Company's key investment objectives are to:

- seek to increase the value of the Portfolio by allocating capital to a limited number of investments in which the Manager has the highest conviction;
- provide investors with exposure to global markets as well as domestic investment opportunities in the listed and unlisted sectors, to which investors may not otherwise have access;
- provide investors with moderate to high Portfolio appreciation over the medium to long-term through active management of investment assets.

There is no guarantee that the Company will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers.

3.3 INVESTMENT STRATEGY

The Company's investment strategy is to create a Portfolio of investments with the most potential for providing returns to Shareholders, as assessed by the Manager using its high conviction, active investment approach. The Manager will focus on identifying and capitalising on opportunities which the Manager believes are undervalued and provide significant growth potential. This approach will be supported by detailed analysis using the Manager's conviction matrix.

The Manager will utilise its experienced investment team to implement this strategy, and will adopt a staged investment process in selecting appropriate investments.

Investment Returns

The Company believes by allowing the Manager to adopt a high conviction philosophy, it will be able to identify and capitalise on opportunities it considers undervalued and with the potential for growth in both the listed and unlisted environments.

3.3 INVESTMENT STRATEGY

It is anticipated investment returns will be generated by following four key decision making stages:

Investment idea generation	<ul style="list-style-type: none">• Determine the appropriate valuation of an investment, compared to similar products and within the context of existing investment trends and market conditions• Identify where there is a fundamental undervaluation or over valuation, and a favorable trend
Investment decision making	<ul style="list-style-type: none">• Taking into consideration the absolute valuation, relative valuations, diversification strategies and risk management processes, select the investment opportunity most likely to result in an increase in valuation and performance
Monitoring the investment	<ul style="list-style-type: none">• Monitor fundamental valuations and macroeconomic factors affecting the investment• Take into consideration the impact of government policy changes, key data regarding inflation and employment, political events and elections, geopolitical concerns including war and terrorism
Exiting the investment	<ul style="list-style-type: none">• Sell or otherwise liquidate the investment if the investment is no longer favourably priced to deliver an expected reward versus risk, or if the value of the investment has increased and exiting the investment would provide a return to the Portfolio

For listed assets, returns will be generated upon the sale of those assets on market. For unlisted assets such as unlisted equities, the Company anticipates realising returns through a future sale or the potential listing of such equities, depending on the circumstances of the investment. The Company will only make investments where the Manager assesses the prospects for growth are reasonably high and the investment is reasonably valued.

Diversification guidelines

The Company will invest in various financial products, including listed and unlisted equities, derivatives, futures and cash.

The potential investment universe in which the Manager may identify investment opportunities is broad, and will not be restricted to particular sectors, geographical regions, financial products or benchmarks. Instead, investment decisions will be based on the level of conviction.

Notwithstanding the breadth of the potential investment universe, the Manager will take into consideration the need for risk management when constructing the Portfolio, so that the Portfolio will generally be spread across different geographical markets as well as asset types creating diversity and a natural hedge against adverse movements in any particular investment.

Section 3.4 below summarises the types of assets in which the Manager may invest on behalf of the Company, and Section 3.5 describes the typical portfolio construction.

See section 4 for further details regarding the Manager's investment strategy.

3.4 ASSET CLASSES

The Manager is authorised to invest in the following assets:

- listed and unlisted equity securities
- cash and cash-like investments
- derivatives, including OTC products
- currencies
- structured products.

Location of material assets

The Company intends to trade in domestic and global financial markets, across categories such as listed equities, derivatives and currencies, subject to market conditions. In those circumstances, the material assets may be located in the financial market through which the Company invests, which may include the Chicago Mercantile Exchange, ASX, ASX24 and Eurex.

The cash holdings of the Company may only be invested in bank accounts with Australian authorised deposit taking instructions or such other cash or cash equivalent investments as determined by the Company from time to time.

Short selling assets

The Company will not engage in short-selling physical assets but may hold short futures positions.

In taking short positions, the Company bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.

The Company's strategy to manage the risks of short positions is to:

- control the futures position sizes in each market;
- diversify across futures markets; and
- take a mixture of long and short positions.

3.5 PORTFOLIO CONSTRUCTION

The table below sets out the various asset classes in which the Manager may invest, and the expected overall allocation ranges. These ranges may change from time to time as the opportunities arise:

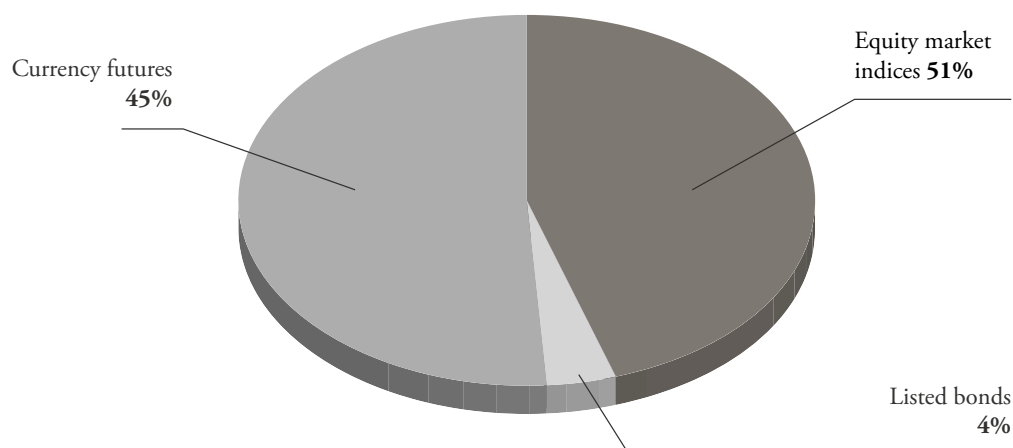
ASSET TYPE	ANTICIPATED ALLOCATION RANGE
Equity securities	
• Listed global equities	0% - 50%
• Unlisted global equities	0% - 50%
Cash and fixed interest products	
• Cash	20% - 95%
• Interest products	0% - 50%
• Listed bonds and debt instruments	0% - 50%
• Unlisted bonds and debt instruments	0% - 30%
Derivatives & foreign currency	
• Foreign exchange contracts	20% - 80%
• Global exchange traded futures contracts including equity market indices, currency and interest rate futures	10% - 85%
Structured products	0% - 20%

The investment parameters are set widely in order to allow the Company flexibility to invest as opportunities arise. While the Company will generally maintain between 5 to 10 investment ideas, these may be implemented via several investments with the same underlying theme. For example, the Manager may determine to invest in global equities, and implement this idea by holding long positions in European, Japanese and Chinese equities. This would be regarded as three high conviction "investment ideas".

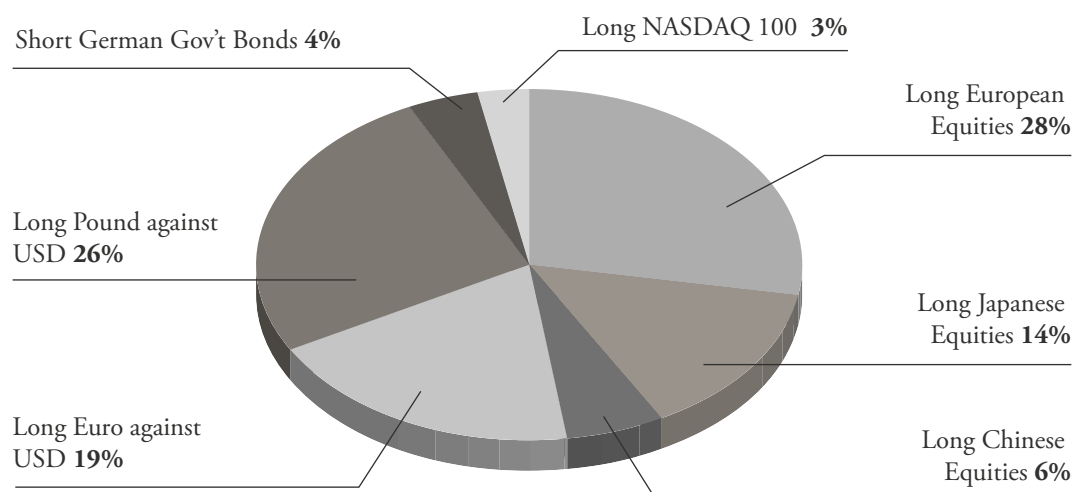
3.5 PORTFOLIO CONSTRUCTION

Model Portfolio

Based on the Company's investment guidelines, the construct of the Portfolio, had it be invested as at the date of this Prospectus, would likely reflect the weightings across the asset classes outlined below.



The investment ideas selected above would then have been implemented by the Manager taking the following positions:



From time to time, the composition of the Company's Portfolio may vary materially from the weightings shown above depending on market movements.

A more detailed description of the different types of asset classes is set out below:

3.6 EQUITY SECURITIES

The Company may invest in listed and unlisted securities either domestically or internationally, which the Manager believes are undervalued and hold significant growth potential.

The Company does not intend to place limits or ranges on the geographical location, industry sector or currency of denominations of equity investments. The Manager is authorised to identify prospective investments on an opportunistic basis, subject to robust investment analysis.

The currency denomination of investments will generally follow the location of the investments.

3.7 DERIVATIVES

The Company may use derivatives as part of its overall investment strategy. Derivatives may be used in a variety of different ways, including short term portfolio management purposes, for example obtaining economic exposure to a market while physical exposures are being bought, hedging (portfolio or individual investment risk), or to increase or decrease overall portfolio and country exposure.

The Company may use any type of derivatives, including exchange-traded derivatives such as futures and options, and OTC derivatives such as swaps, options and forward contracts (for example, over currencies).

Derivatives may have similar effects to leverage as they increase the level of investable assets.

Exchange-traded derivatives will be used by the Manager for the dominant purpose of more efficiently gaining or reducing an economic exposure to the underlying reference assets of those derivatives. The Manager's practice is to use derivatives only on a temporary basis, so that they are generally closed out within a 90 day period. Long positions may be held at certain times.

It is the aim of the Company to provide a mixture of capital growth with income. This aim is not a forecast. It is merely an indication of what the Company aims to achieve on the assumption that markets remain relatively stable through the term of the investment. The Company may not be successful in meeting this objective. Returns are not guaranteed.

3.8 FOREIGN CURRENCY

The Manager may use foreign exchange instruments in order to reduce or increase the effective currency movements on the return profile of the Company. It is not always possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to foreign exchange movements.

3.9 FUTURES CONTRACTS

Futures contracts are legally binding agreements to buy or sell a commodity or financial instrument in a designated future month at a price agreed upon at the initiation of the contract by the buyer and seller. Futures contracts are standardized according to the quality, quantity, and delivery time and location for each commodity. A futures contract differs from an option in that an option gives one of the counterparties a right and the other an obligation to buy or sell if that right is exercised. A futures contract, however, represents an obligation to both counter parties, one to deliver and the other to accept delivery. A futures contract is part of a class of securities called derivatives, so named because such securities derive their value from the worth of an underlying investment.

Futures contracts are traded on futures exchanges. Futures exchanges depend on clearing members to manage the payments between buyer and seller. They are usually large banks and financial services companies with strict capital adequacy requirements. Clearing members guarantee each trade and thus require traders to make good-faith deposits (margins) in order to ensure that the trader has sufficient funds to handle potential losses and will not default on the trade. The risk borne by clearing members lends further support to the strict quality, quantity and delivery specifications of futures contracts.

The Company will invest in exchange traded futures contracts across global markets. There are four key categories of futures contracts in which the Company will invest, being equity indices futures, currency futures, interest rate futures and commodities futures. Outlined below are further explanations of these futures contracts as well as specific examples of the exchange traded futures contracts that the Company is likely to invest in within each of these categories:

(a) EQUITY INDEX FUTURES

Stock market index futures are futures contracts used to replicate the performance of an underlying equity index futures. They can be used for hedging against an existing equity position or speculating on future movements of the index. Some well-established equity index futures include indices such as S&P 500, FTSE 100, DAX, CAC 40 and other G12 country indices. Examples of potential equity index futures in which the Company may invest include:

S&P 500

S&P 500 futures are based on the underlying Standard & Poor's 500 stock index. Made up of 500 individual stocks representing the market capitalizations of large companies, this index is the leading indicator of large-cap U.S. equities.

NASDAQ 100

Based on the underlying Nasdaq 100 stock index, NASDAQ 100 futures offer liquid benchmark contracts to manage exposure to the 100 leading non-financial U.S. large-cap companies that make up the Nasdaq 100. The index is frequently used to manage technology exposure due to its heavy technology sector weighting.

Nikkei 225

Nikkei 225 includes the top 225 blue-chip companies listed on the Tokyo Stock Exchange.

Euro-Stoxx 50

This index comprises the 50 largest companies by way of market capitalisation from the Eurozone region.

DAX

The German equity index comprises 30 blue chip shares which are incorporated into the index based on their trading volume and market capitalisation.

3.9 FUTURES CONTRACTS

FTSE 100

The FTSE 100 is a market-capitalisation weighted index of 100 UK-listed blue chip companies.

Hang Seng China Enterprises Index

The Hang Seng China Enterprises Index (**HSCFI**) is the major index that tracks the performance of China enterprises listed in Hong Kong in the form of H shares.

(b) CURRENCY FUTURES

A currency futures contract is a contract to exchange a certain amount of a particular currency at a specific exchange rate on a specified date. Currency futures are standard contracts often used by international traders to hedge against currency risk. The Company may make long or short positions in a variety of currencies including Australian Dollar, Euro, US Dollar, Canadian Dollar, Japanese Yen and British Pound.

(c) INTEREST RATE FUTURES

Interest rate futures are based on a basket of deliverable bonds (ie. debt instruments issued generally by governments with a fixed maturity and interest rate). Interest rate futures contracts contain bonds with a range of different coupon levels and maturity dates.

Examples of types of interest rate futures in which the Company may invest include:

Eurodollar

Eurodollar futures are a cash-settled futures contract based on the 3-month LIBOR rate.

10-Year T-Note

U.S. Treasury notes with a remaining term to maturity of at least six and a half years but not more than 10 years.

Euro-Bund

Euro-bund is a government bond issued by the Federal Republic of Germany with 8.5 - 10.5 years to maturity and a (notional) 6% coupon.

(d) COMMODITY FUTURES

Commodity futures are futures contracts with the underlying assets being a range of different commodities. Common commodity futures include oil, gold, electricity, natural gas and beef. Examples of types of commodity futures contracts that the Company may invest in include:

West Texas Intermediate (WTI) Crude Oil

WTI Crude oil is the most liquid benchmark oil futures contract. WTI crude oil is a blend of several U.S. domestic streams of light sweet crude oil and will be the main oil futures contract traded by the Company.

Gold

The price of a gold futures contract is quoted in US Dollars and represents 100 troy ounces of Gold (Troy ounce is a unit of measure for precious metals equivalent to approximately 31 grams).

3.9 FUTURES CONTRACTS

(e) OTHER INVESTMENTS

The Company may also have limited investments in futures options. A futures option is a contract giving the holder the right (but not the obligation) to buy (if a call) or sell (if a put) a futures contract. In other words, the underlying asset of a futures option is a futures contract (which itself has a separate underlying asset). The key difference between options and futures lies in the obligations they put on their buyers and sellers. A futures contract gives the buyer the obligation to purchase a specific asset, and the seller to sell and deliver that asset at a specific future date, unless the holder's position is closed prior to expiration.

The Company will invest in futures options primarily as a hedge to other investments and will not make up a material percentage of the overall Portfolio of the Company.

3.10 LEVERAGE

Leverage is inherent in futures trading as futures contracts generally provide a much larger exposure to the underlying assets with a relatively small initial outlay. The buyer and seller of a futures contract is only required to pay an initial cash deposit, known as initial margin when entering into a futures contract. The amount of the initial margin is generally set by the futures exchange, and may vary from time to time according to the volatility of the market. Variation margin is an amount that is paid to cover an unfavourable move in the futures position, or an amount that is received for a favourable move in the futures position.

The Company will not have a maximum anticipated or allowed level of leverage. The Company will manage risk by analysing volatility across markets, diversifying across futures markets and by taking a mixture of long and short positions.

Investors should note that there are risks associated with the use of leverage similar to those set out in section 5. Refer to section 5 of this Prospectus for further information.

Outlined below are examples of how leverage inherent in a futures contract can impact on investment decisions.

EXAMPLE 1 ASSUMPTIONS

The example below uses the E-Mini S&P 500 futures contract. The E-Mini S&P 500 is the futures contract that represents the widely-quoted S&P 500. A US stock market index that is derived from 500 listed companies based upon their market capitalisation. This example assumes the following:

- The Company's net asset value (NAV) is US\$1,000,000
- The Company wishes to allocate 10% of its NAV as margin to purchase an E-mini S&P 500 position.
- Therefore US\$100,000 of the US\$1,000,000 funds will be used as margin to purchase E-mini S&P 500 contracts which expire in December 2015
- The initial margin for a December E-mini S&P 500 contract is US\$5,060
- Therefore 19 contracts will need to be purchased to satisfy the funds desired allocation
(100,000 / 5,060)
- Each point in the E-mini S&P 500 is worth US\$50.
- The December E-Mini S&P 500 contract is trading at 1950

3.10 LEVERAGE

- Therefore the notional value of each contract is worth US\$97,500 ($1950 \times \text{US\$}50$) and the total notional value of the position is US\$1,852,500 which exceeds the fund's total NAV.

Impact of leverage on the Company from an increase in the price of the S&P 500:

Assume that the Company fulfilled its portfolio allocation to the S&P 500 by purchasing 19 December E-mini S&P 500 contracts at the current market price of 1950. The following week the December contract has risen in line with the Manager's expectation and is now trading at 1969.5 (1% increase).

The Company's profit on this position would be US\$18,525 ($1969.5 - 1950 = 19.5 \times 19 \text{ contracts} \times \text{US\$}50$). This represents a 1.8525% return on the Company's NAV.

Impact of not using leverage on the Company from an increase in the price of the S&P 500:

If the Company was not able to utilise leverage, the maximum position that could be held would be 10 contracts ($1,000,000 \text{ USD} / \text{US\$}97,500$).

Following the same example but with no leverage the profit on the position would be US\$9,750 ($1969.5 - 1950 = 19.5 \times 10 \text{ contracts} \times \text{US\$}50$) which represents a return of 0.975%.

Impact of leverage if the price of the S&P 500 decreases:

If instead of the increase in the price of the S&P 500 as shown above, the price fell to 1930.5 (1% decrease) over the following week the Company would have made a loss of US\$18,525 ($1930.5 - 1950 = -19.5 \times 19 \text{ contracts} \times \text{US\$}50$) on the leveraged position. This would represent a loss of 1.8525% on the Company's NAV.

If the same negative scenario is followed with the un-leveraged position the Company's loss would be US\$9,750 ($1930.5 - 1950 = -19.5 \times 10 \text{ contracts} \times \text{US\$}50$) representing a 0.975% loss.

EXAMPLE 2 ASSUMPTIONS

The example below uses the Australian Dollar futures contract. The price of the contract represents the amount of US dollars required to purchase an Australian dollar.

- The Company's net asset value (NAV) is US\$1,000,000
- The Company wishes to allocate 10% of its NAV as margin to sell the Australian Dollar against the US Dollar (AUD/USD rate)
- Therefore US\$100,000 of the Company's US\$1,000,000 will be used as margin to sell Australian Dollar futures contracts which expire in December 2017
- The initial margin for a December Australian Dollar contract is US\$2,200
- Therefore 45 contracts will need to be sold to satisfy the funds desired allocation ($100,000 / 2,200$)
- Each Australian dollar futures contract represents the cost in USD of AUD\$100,000 and the minimum price move is US\$10 per .0001 increment in price
- The December Australian dollar contract is trading at .7100

3.10 LEVERAGE

- Therefore, the notional value of each contract is worth US\$71,000 ($.7100 / .0001 \times \text{US\$}10$) making the total notional value of the position is US\$3,195,000 ($\text{US\$}71,000 \times 45$).

Impact of leverage from a decrease in the price of the AUD against the USD

Assume that the Company fulfilled its portfolio allocation by selling 45 December Australian Dollar contracts at the current market price of .7100. The following week the December contract has fallen in line with the Manager's expectation and is now trading at .7050.

The Company's profit on this position would be US\$22,500 ($.7100 - .7050 = .0050 / .0001 = 50 \times 45$ contracts $\times \text{US\$}10$).

This represents a 2.25% return on the Company's NAV.

Impact of not using leverage from a decrease in the price of the AUD against the USD

If the Company was not able to utilise leverage, the maximum position that could be held would be 14 contracts ($\text{US\$}1,000,000 / \text{US\$}71,000$).

Following the same example but with no leverage the profit on the position would be US\$7,000 ($.7100 - .7050 = .0050 / .0001 = 50 \times 14$ contracts $\times \text{US\$}10$) which represents a return of 0.7%.

Impact of leverage from an increase in the price of the AUD against the USD

If instead of the decrease in the price of the Australian Dollar against the USD as shown above, the price rose to .7150 over the following week the Company would have made a loss of US\$7,000 ($.7100 - .7150 = -.0050 / .0001 = -50 \times 45$ contracts $\times \text{US\$}10$) on the leveraged position. This would represent a loss of 2.25% on the Company's NAV.

If the same negative scenario is followed with the un-leveraged position the funds loss would be US\$7,000 ($.7100 - .7150 = -.0050 / .0001 = -50 \times 14$ contracts $\times \text{US\$}10$) representing a 0.7% loss.

As the examples above demonstrate, the use of leverage that is available when trading futures contracts can magnify the potential gains and losses of any positions the Company may hold.

The examples given are for illustrative purposes only and do not reflect any trades or position sizing used by the Company.

Leverage risks arise when the Company takes on positions that are greater in size than its assets. The Company may employ significant leverage which may result in notional value of the investments exceeding the size of the Company's net assets. This process may result in gains or losses and may result in a loss of some or all of the Company's assets.

3.11 CHANGES TO INVESTMENT STRATEGY

The Manager intends to implement the investment objectives, strategies, and anticipated investment portfolio described in this Section following the listing of the Company on the ASX. The Board does not anticipate that any of these investment objectives, strategies, and anticipated investment portfolio will be modified. The Board will consult with the Manager before deciding to implement any modification to these investment objectives, strategies and investments. The Company will notify Shareholders via ASX announcement of any material changes to the Company's investment objectives, strategies, and investments.

If the Company's Portfolio ceases to comply with the investment objectives, objectives, strategies, and investments outlined in this Section, the Manager must use its reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance.

3.12 CLEARING SERVICES

The Company and the Manager intend to use JB Markets for its clearing services. A portion of the Company's funds will be held by JB Markets at any point in time to cover margin requirements. In the event that JB Markets does not become the clearer, the Manager will use a similar clearing participant regulated under various exchanges.

3.13 STATUS AS A LISTED INVESTMENT COMPANY

It is intended that the Company will qualify as a Listed Investment Company (LIC) under Australian tax law.

An LIC is an Australian closed-end investment company that is listed on the ASX allowing investors to buy and sell existing shares. An LIC focussed on global markets may provide diversification and access to international markets that may provide attractive risk adjusted returns. An LIC may also provide stability of funds under management allowing the investment manager to take a long-term approach to investment performance.

The growth in superannuation and increased savings rates in Australia, coupled with the Future of Financial Advice (FoFA) reforms of 2016, has contributed to an overall growth in financial investments, including investments in LICs, which can provide investors both capital growth and dividend income. This is reflected in the ASX Funds Monthly Update from February 2017, with the market capitalisation of LICs listed on the ASX ranging in size from \$1 million to \$6.5 billion.


The 95 LICs on the ASX collectively have a market capitalisation of \$31 billion with a market cap growth of 11.3% over the last year, and the number of listings are up 8% over the same period. Many LICs concentrate on Australian equities (84%), with exposure to international shares at approximately 14%.

Strategies vary from passive index following strategies to active management. By buying shares in an LIC, an investor gains exposure to an investment strategy for what can be a small capital outlay. By investing in a variety of LICs an investor gains exposure to multiple investment strategies and is able to diversify their portfolio. Further, shares can be purchased or sold through a broker on the ASX, allowing an investor to vary their portfolio quickly and at low brokerage cost.

3.14 CAPITAL MANAGEMENT POLICY

The Company intends to pay dividends out of available cash flow and franked to the maximum extent possible. The quantum of dividend to be paid will be subject to the Board's discretion however is expected to be above 50% of net operating profit after tax. It is intended that a dividend will be paid at the end of the Company's first financial year and then annually thereafter, depending on the financial performance of the Company. Any dividend paid will be franked to the maximum extent possible.

The Company gives no assurances about the payment of dividends or the extent of payout ratios.



- 04 -

THE MANAGER



4.1 ABOUT THE MANAGER

The Manager has been engaged by the Company as the investment manager of the Portfolio. The Manager operates a specialist investment management business, and is listed on the National Stock Exchange of Australia under the ticker “JBL”.

John Bridgeman Limited focuses on two principal business activities:

- funds management; and
- direct investments.

The Company believes Shareholders will benefit from the appointment of the Manager to the Portfolio because of the following:

- the Manager specialises in equities and derivatives trading;
- the Manager operates independently of benchmark standards, and is therefore able to allocate capital to those opportunities which provide optimal growth potential;
- the investment parameters of the Portfolio will be based on the Manager's highest conviction ideas.

4.2 INVESTMENT STRATEGIES

The Manager's investment philosophy is to invest either directly, jointly or on behalf of clients in:

- listed and unlisted companies with attractive business characteristics and the potential for future growth, with the investment at a discount to the Manager's assessment of their intrinsic value; and/or
- capital market products, including Australian and international equities, government and corporate bonds, share indices, currencies, commodities and derivatives.

The Manager adopts a number of strategies including global macro, large and small capitalisation Australian equities and derivatives, when building portfolios and managing funds for its clients.

As part of its overall investment approach, the Manager believes that an effective way to generate returns, remain liquid and protect downside risk is to employ a global macro investment strategy, and to identify imbalances in valuations across domestic and global markets.

Global macro investment strategies utilise fundamental information and economic theory on key inputs including economic growth, inflation, interest rates, currency movements, global imbalances and changes in commodity prices to formulate forecasts and trends for different investment markets. The Manager believes that an effective investment strategy requires a global approach because markets are interdependent with the actions of investors, central bankers, consumers and policy makers in one market having flow on effects, actions and reactions across many markets.

A global macro strategy can be a very effective strategy providing the following benefits:

- provides a more effective means of identifying both opportunity and risk on a global basis as markets are interrelated with changes often flowing from currency and bond markets to equities and commodities;
- allows for a fundamental view of a market to be expressed broadly through a range of futures contracts including equity market indices, fixed income, currencies and commodities;

4.2 INVESTMENT STRATEGIES

- allows for speed of action as investments are made in deeply liquid markets. Speed is critical in a volatile market when news is moving swiftly around the globe and sentiment can change quickly;
- allows the investment strategy to utilise market volatility to attempt to capture greater profits by entering and exiting positions over short time frames as markets move up and down around a trend;
- enables diversity for investor portfolios largely limited to Australian markets due to difficulty in accessing global markets;
- seeks to benefit from market inefficiency in investment classes not readily available to Australian investors; and
- is very scalable and liquid as themes are expressed in deeply liquid markets including equity market indices, fixed income, currencies and commodities.

4.3 INVESTMENT PROCESS

The Manager implements an investment process which is structured to provide a careful, robust and considered analysis and identification of opportunities for investments. The key elements of this process are outlined below:

INVESTMENT PROCESS	
Identification of value based upon fundamental analysis	The Manager's fundamental analysis utilizes an assessment of macroeconomic trends covering key economic measures including inflation, economic growth, employment, international money flow, credit spreads and business and consumer sentiment. The fundamental analysis also uses assessment of valuation using comparisons of valuations over similar historical periods including price earnings ratios, price to book ratios, purchasing power parity, inflation adjusted commodity prices and the relationship between bond prices and inflationary expectations.
Identification of existing trends	The Manager identifies trends utilising a technical approach considering key markets to identify where clear bull and bear market trends appear. The Manager then identifies situations where a fundamental under-valuation or over-valuation may exist and where a trend may be favourable.
Identification of prevailing conditions and the actions of policy makers	The Manager considers prevailing conditions including importantly the actions of key policy makers. In recent times the primary influences over prevailing market conditions have been either or both central bank action or government actions or reforms.

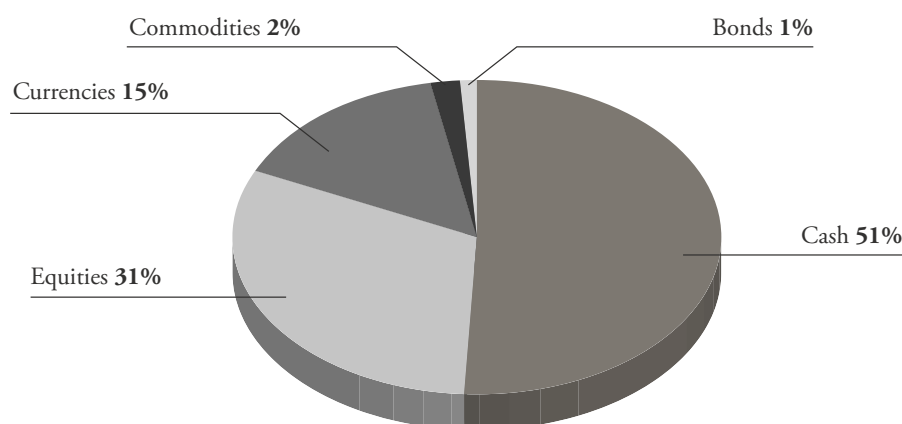
4.3 INVESTMENT PROCESS

INVESTMENT PROCESS	
Analysis of international money flow	International money flow refers to the movement of funds or capital from one country to another in what are usually short to medium term profit seeking ventures. The flow of funds is usually based upon differentials in exchange and interest rates as well as perceived levels of risk between markets. Quite often these flows can cause instability and have drastic impacts on markets and their underlying values.
Portfolio allocation	Capital will be allocated to assets where the Manager believes there is a clear imbalance between the Manager's underlying valuation of the asset and the current market price. Portfolios will generally be spread across different geographical markets as well as asset types creating diversity and a natural hedge against adverse movements in any particular investment.

The Manager will manage its various investment portfolios depending on market circumstances. In relation to Benjamin Hornigold Ltd, a model Portfolio is set out in section 3.5. The Manager may adapt the Portfolio as market circumstances change in order to achieve returns for Shareholders in the manner set out in the following examples:

In an environment characterised by reasonable levels of economic growth and a generally bullish stock market, the Portfolio may comprise 50% in cash with the balance in, for example, a portfolio of currencies, particularly high yield currencies.

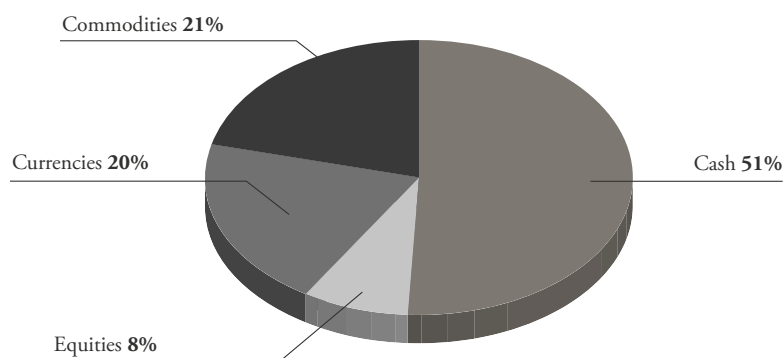
STABLE TO BULLISH ECONOMIC ENVIRONMENT



4.3 INVESTMENT PROCESS

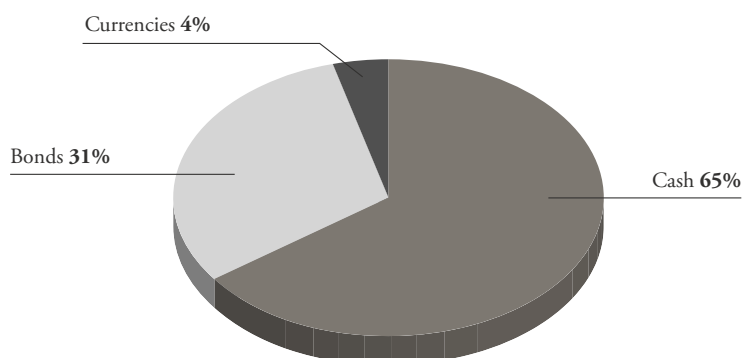
The Manager will maintain flexibility and monitor situations. A higher inflationary environment may result in significant portfolio changes with greater allocation to commodities and less to equities, which may not perform well if interest rates were to rise.

RISING INFLATIONARY ENVIRONMENT



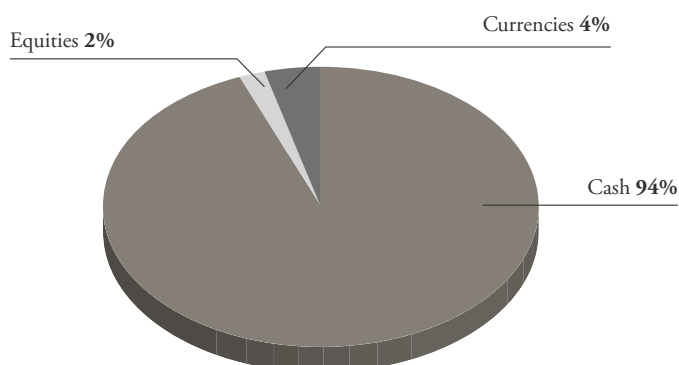
A recessionary environment or a time of acute financial stress, if recognised by the Manager, may result in a portfolio which comprises:

RECESSIONARY ENVIRONMENT



Where the economic environment is unclear, for example where volatility is rising and asset valuations are full, a large cash portion (up to 95%) is held until appropriate opportunities are identified. In this environment, a portfolio may include:

UNCLEAR ECONOMIC ENVIRONMENT



4.4 PORTFOLIO MANAGEMENT

Once investments are made, the Manager undertakes detailed monitoring of the Company's investments to determine whether to maintain, allocate further capital to or exit the investment. This includes consideration of the following factors:

FACTORS	
Assessment of changes in market dynamics	The Company recognises that the investing landscape is changing and will continue to be very different from historical dynamics. The long credit cycle and expanding populations have been replaced with contracting credit and ageing / contractionary demographics in key markets. This has significantly changed the risk reward profile across equities, fixed income, currencies and commodities.
Consideration of key events	Markets are often driven by investor expectations leading into anticipated important events. From monetary policy changes to manufacturing, how markets are positioned before, during and after a key event can result in large moves in all asset classes. By monitoring these events and the markets positioning, investments may be impacted if the markets response differs significantly from the Manager's own fundamental view.
Changes in leading indicators	Over time global markets will respond differently and place varying importance on economic releases and other fundamental and technical data. The Manager believes that changes in leading market indicators and the markets weighting of these will provide warning signs of market stress and risk appetite.
Market extremes	During market extremes where high levels of volatility are displayed, the Manager seeks to hedge risk by exiting positions or alternatively hedging core positions.

4.5 INVESTMENT TEAM

The investment team at John Bridgeman Limited comprises a number of experienced investment professionals made up of derivatives and equities specialists with expertise in Australian and global markets.

With significant industry experience as described below, the members of the investment team are able to draw on their skills and experience in the markets to identify, assess and select investment opportunities. The Manager considers that each member of the team will be available to devote the amount of time required to properly perform the functions required of the Manager in managing the investment portfolio of Benjamin Hornigold Ltd.

Stuart McAuliffe

Stuart McAuliffe has overall responsibility for, and plays a key role in the Manager's investment decisions. He leads a team of investment professionals, each of whom have considerable experience and expertise across global markets.

Stuart brings multi-strand skills in investment strategy, systems development, valuation and forecasting modelling and high level trading techniques. Stuart has an academic background specialising in index design and assessment, and in the development of complex short and medium term valuation and forecasting models and indicators. Stuart's profile is described more fully in section 6.1.

Daren Markisic

Daren Markisic joined the John Bridgeman Group in 2016 as chief executive officer of the group's broking operations. Prior to John Bridgeman, Daren spent 17 years in a variety of investment and broking roles. Daren joined the John Bridgeman Group from Bell Potter Securities, where he was Head of Private Clients and Professional Services, with responsibility for creating and leading global futures and options broking coverage.

Daren has extensive experience dealing across Asian, European and US markets. He has worked at Ord Minnett Jardine Fleming, in roles from Back Office Support and Front Office Support, to Futures Nightdesk. He was also engaged on the Futures Nightdesk with JP Morgan, and subsequently on the Futures Nightdesk then as Futures Advisor (day desk) at Man Financial. Daren was formerly the Head of Retail – Australia and Head of Marketing at MF Global.

Daren holds a Bachelor of Economics (Business and Finance), and is RG146 compliant.

Michael Martin

Michael Martin is one of the leading traders within the John Bridgeman Group, with over 23 years' experience working in financial markets.

Michael has previously worked in the money market operations team, trading in foreign exchange, futures, and interest rates at Colonial State Bank, and was also a trader on SFE trading floor for Colonial State Bank before the trading floor was closed.

He has held broking positions within the retail and institutional broking arms of FIMAT (now known as NewEdge and owned by Societe Generale), trading options and futures globally.

4.5 INVESTMENT TEAM

Michael also gained experience through his position as broker at Man Financial managing his own client base and growing the investment portfolio across all Asian, European and US markets. Prior to joining the John Bridgeman Group, Michael was a broker at Bell Potter's European shift.

Michael holds a Diploma of Financial Markets with SIA/AFMA, and is RG146 compliant.

Jay Grauf

Jay is responsible for the generation and execution of trades across numerous asset classes with a particular focus on fixed income and foreign exchange markets. He joins the John Bridgeman Group from Aliom Pty Ltd, a privately owned proprietary trading and futures broking company, where his primary role was the facilitation and execution of institutional, high net worth and retail client orders in established futures and futures option markets.

Jay is highly proficient in trading and executing a variety of order types, including complex options and futures spread strategies on global futures markets as well as pre-arranged custom market trades. He has daily involvement in the reconciliation and management of trades and allocations, as well as risk management.

He has demonstrated extensive quantitative analysis and research used to track trading performance and manage the risk of key investments.

Jay holds a Master of Commerce (Advanced) Applied Finance, a Bachelor of Business, and is RG146 compliant.

4.6 HISTORICAL PERFORMANCE OF FUNDS UNDER MANAGEMENT

The information of the historical performance of funds under the management of the Manager should not be considered as a reliable indication of future performance of the Company. The strategies of funds for which the Manager acted as investment manager as described in this section may be different from the proposed investment strategy from Benjamin Hornigold. Differences in the features in existing strategies from that proposed for the Company are summarised in the table in section 4.2.

The Company believes that the disclosure of the historical performance of funds under the management of the Manager or the Manager's key staff is useful to prospective investors as it describes the knowledge, experience and track record of the Manager in constructing and managing investment portfolios over a period of time. The Company therefore believes it is appropriate that the disclosure be made to investors and their advisors to assist them in deciding whether or not to invest in the Company which has engaged the Manager to undertake the same task in relation to the Company's investment portfolio.

As set out above, the investment strategy proposed for Benjamin Hornigold Ltd is similar to that of a high conviction fund. It differs from the investment strategies applied to the funds outlined below in the following manner:

- the high conviction philosophy is based on a limited number of investment ideas, which may lead to a more concentrated portfolio than other LICs;
- there is no specified geographical location or investment range for different assets classes for Benjamin Hornigold Ltd;
- investments may be made in both the listed and unlisted environment, resulting in a less liquid portfolio.

In addition, the legal structure, tax treatment, and fee structures of the funds below are different from those applicable to the Company.

For example, in some instances, the fund managed by an investment team led by Stuart McAuliffe was a managed investment scheme, which is different from a LIC. Alion Management Future Fund No. 1 was a wholesale managed investment scheme which was not listed on any exchange. In contrast, Benjamin Hornigold Ltd will seek to be listed on the ASX. In addition, other LICs managed by the Manager are listed on the ASX, including Henry Morgan Limited.

The tax treatment of units issued under a managed investment scheme is different from that of LICs. LICs are usually subject to tax on their assessable income while many managed investment schemes are able to distribute income to unit holders which is then taxed in the hands of those unit holders.

The Manager has confirmed that it has the appropriate resources to manage Benjamin Hornigold Ltd, including the appropriate investment strategies, personnel, compliance, operational and risk management procedures. In addition, the Manager has well established risk management, and compliance structures in place.

4.7 RISK MANAGEMENT

The Manager has systems and processes in place to help manage the business' operational risks, including those related to investments in global markets. These include:

- diversifying across differing markets;
- investing in a mixture of long and short positions;
- controlling the futures positions in each market to reflect the Company's assessment of volatility risk;
- 24 hour monitoring of positions;
- use of external brokers reducing the Manager's execution risk (note, some execution may be performed directly by the Manager).

There is no guarantee the above measures will mitigate all of the risks associated with futures trading. Refer to Section 5 for other specific risks related to the business of the Company.

Along with the risk measures outlined above, a significant aspect of the risk management strategy comes from the Manager's investment philosophy. This philosophy is based on understanding an investment opportunity's investment metrics, knowledge of the operating market and the risk associated with the investment. This information is cross checked via unlisted and listed market participants, competitors and industry experts, to gain a diverse information base to assist make informed and well timed decisions. Effective risk management depends on a range of factors including diversification of investments and other factors as outlined above.

Many factors can negatively impact on the Manager's ability to generate returns from its investment process (for example, loss of key personnel). There is significant competition among quantitative investment managers (i.e. those that use mathematical models to attempt to identify attractive investment opportunities). The Manager's ability to deliver returns that have a low correlation with global aggregate equity markets and other market participants is dependent on its ability to employ an investment system that is simultaneously profitable and differentiated from those employed by other managers.

To the extent that the Manager is not able to develop a sufficiently differentiated investment system, the Company's investment objective may not be met. The growth in assets managed in accordance with similar investment strategies may result in the Company and other market participants inadvertently buying and selling the same or similar investments simultaneously, which may reduce liquidity and exacerbate market movements. The Company may then be subject to an increased risk of suffering substantial losses.



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RISKS



5.1 INTRODUCTION

Investing in the Shares involves a high degree of risk. You should carefully consider the risks involved in acquiring the Shares, as well as any Shares acquired as a result of the exercise of Options described below.

If any of the events or developments described below occurs, the Company's business, financial condition or results of operations could be negatively affected. In that case, the market price of the Shares (and therefore the value of any Options you hold) could decline, and you could lose all or part of your investment.

You should note that on quotation of the Shares on the Official List, the market price may differ significantly to the Issue Price paid for the Shares and/or may not reflect the fair value of the Portfolio calculated by the Manager and the Company.

While not exhaustive, this section identifies the risks that the Directors regard as the major risks associated with an investment in the Company. You should read the whole of this Prospectus (with particular emphasis on this Section 5) in order to fully appreciate the risks of an investment in Shares and the manner in which the Company intends to operate before any decision is made to subscribe for Securities.

While prudent management and investment techniques may be effective in reducing the risks to Shareholders (and holders of Options), no assurances can be given by the Company as to the future success of the Company's investment strategies, any particular investment decisions or, importantly, the investment returns or the market price at which the Shares may trade on ASX. To that extent, investment in the Company ought to be regarded as speculative and, as with any equity investment, substantial fluctuations in the value of that investment may and often do occur.

If you are considering an investment in the Company, you are also strongly advised to consider whether the Securities are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this Section 5). If you are in any doubt about the suitability of an investment in the Company, you should consult with your financial adviser, stockbroker, solicitor, accountant or other professional adviser before deciding whether to apply for the Securities.

5.2 INVESTMENT RISKS

The operating results and profitability of the Company are sensitive to a number of factors including those set out below. This is not an exhaustive list and should be carefully considered in evaluating the Company and its prospects.

The Company should not be seen as a predictable, low risk investment. The Company and Manager do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Company.

TYPE OF RISK	DESCRIPTION OF RISK
Liquidity risk	<p>This is the risk the Portfolio's underlying investments may not be easily sold when the Manager decides it is an appropriate time for them to be sold. A lack of liquidity could result in a loss if the delay in the sale of the investment results in the decline in value of the investment. This will be especially relevant to any investments in products which are not exchange traded such as unlisted equities.</p> <p>Liquidity risk also applies to the ability of a Shareholder or Option holder to sell their Securities on the ASX in a timely manner. The ability of a Shareholder (or Option holder) to sell Securities on ASX will be a function of the turnover or liquidity of the Securities at the time of sale. Turnover is impacted by a range of factors including the size of the Company and the number of securities on issue and the depth of the pool of buyers and seller.</p> <p>If the Company is able to achieve only the Minimum Subscription, it is likely that there will be a low level of liquidity in trading of Securities. As a result, Shareholders (and Option holders) may not be able to sell their Securities at the time and in the volumes or at a price they desire.</p>
Manager risk	<p>The success and profitability of the Portfolio will depend upon the ability of the Manager to make investments that increase in value over time and the retention of the Manager as manager of the Portfolio (together with the retention of the Manager's investment team).</p> <p>The following factors may affect the Manager's performance:</p> <ul style="list-style-type: none">• poor investment strategy and securities selection in that the Manager may be unable to construct a portfolio in accordance with the Company's proposed investment objectives, strategy, guidelines and permitted investments and even if it does so, there can be no guarantee that the investment strategy will be successful or that the Manager will not make investment decisions that result in unprofitable outcomes;• changing market conditions such as negative changes in market sentiment;• loss of key clients and/or personnel;• market perception of the Manager and its funds management business; and• market and systemic risk.

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
	<p>If the Manager is unable to implement the investment strategy effectively, this could result in negative investment performance which could adversely affect the Company's net asset value, profits performance, Share price and/or ability to pay dividends. The Company does not have the ability under the Management Services Agreement to terminate the Manager for poor investment performance during the initial five year term. This may result in the Company being exposed to an underperforming Portfolio for an extended period of time.</p> <p>In addition, the historic performance of various other entities previously managed by the Chief Investment Officer of the Manager cannot be relied on as a guide to the future performance of the Company. Investment under performance by the Manager is a significant risk of investing in the Company.</p> <p>While the Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee the Manager will achieve any particular investment return within the Portfolio or that its future performance will match or exceed its past performance.</p> <p>In addition, the ability of the Manager to continue to manage the Portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the Manager's status as authorised representative under an appropriate Australian Financial Services Licence (AFSL) and its continued solvency.</p> <p>Further, if the Manager were to stop managing the Portfolio, the Company would need to identify and engage an appropriately qualified and experienced replacement investment manager. If the Management Services Agreement is terminated for any reason, the Company will need to identify and engage a suitably qualified and experienced investment manager.</p> <p>There can be no guarantee that the Company will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the Management Services Agreement to the standard required by the Company or to a level that matches or exceeds the performance of the Manager.</p>
Performance fee incentive	<p>Under its Management Services Agreement with the Company, the Manager is entitled to be paid both a Management Fee and a Performance Fee.</p> <p>The Performance Fee payable to the Manager, which is based on the market value of the Portfolio at the end of each financial quarter, may create an incentive for the Manager to make investments on behalf of the Company that are riskier and more speculative than would be the case in the absence of such a fee.</p> <p>The payment of the Performance Fee to the Manager, may therefore add to the risk and volatility of the Portfolio's underlying investments.</p>

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
Investment risk	<p>There is a risk that the Securities and/or the Company's investments will fall in value over the short or long term. Individual security prices may fluctuate and under perform other asset classes over time. In particular, the Company may invest in small listed companies, which are often subject to more price upward and downward movement than some investments and this may translate into fluctuations in the Company's net asset value. Investors in the Company are exposed to this risk through both their holding in the Securities and through the Company's investments.</p> <p>Further, given the Manager's investment process and high conviction investment style, the composition of the Portfolio and hence its returns may differ significantly from industry benchmarks.</p> <p>Also, the Shares in the Company may trade on ASX at a discount to the net tangible asset value of the Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Portfolio. To provide investors with greater transparency, within 14 days after the end of each month, the Company will release on ASX a statement of the net tangible asset backing of its Shares as at the end of that month.</p> <p>The Manager expects that the Portfolio will take approximately three months to construct. During this period the risk exists that movements in the market may result in a Portfolio with a cost base different to the cost base that would apply if the Company listed with a fully constructed Portfolio.</p>
Derivatives risk	<p>There is a risk that the use of derivatives can have a negative impact on the Portfolio due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain.</p> <p>Derivative instruments include futures, future options, over-the-counter products, exchange-traded options, swaps and forward contracts.</p> <p>The value of all derivatives is 'derived' from underlying assets, such as company shares, commodities and bonds.</p> <p>Derivatives such as futures and options may be used by the Company:</p> <ul style="list-style-type: none"> • to offset the risk of price variations of securities; • as an alternative to purchasing the underlying security; • to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and • in the management of currency and interest rate risk. <p>In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.</p>

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
	<p>Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the Company not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). The Company employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.</p> <p>General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on the Company. The Company manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If the Company enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.</p> <p>The use of derivatives potentially exposes the Company to counterparty, legal and documentation risks.</p>
Concentration risk	<p>Concentration risk is the risk that poor performance in a particular market may significantly affect the Company because of a lack of diversity within the Portfolio.</p> <p>Although the Company has the ability to invest in many markets at any given time, it may in fact be invested in only a small number of markets from time to time. Generally, the fewer markets in which the Company invests, the greater the overall volatility of the Portfolio. This may result in large movements in the Share price of the Company within short periods of time.</p>
Leverage risk	<p>The use of leverage may magnify the gains and losses achieved by the Company.</p> <p>Leverage risks arises when the Company takes on positions that are greater in size than its assets. The Company will employ significant leverage up to five times the size of its funds through long and short positions. This process may result in gains or losses and may result in a loss of some or all of the Company's assets.</p>
Short selling risks	<p>The Company does not engage in short-selling physical assets but may hold short futures positions. In taking short positions, the Company bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.</p>

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
Counterparty risk	<p>A loss may occur if the other party to a contract, such as a derivatives counterparty or a custodian, defaults on their obligations under the contract. The success of the Portfolio's investments relies on the performance of other parties to contracts entered into by the Company. There is a risk that these counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Company to the risk of loss. In the case of a default, the Company could also become subject to adverse market movements while replacement transactions are executed.</p> <p>The ability of the Company to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company.</p>
Valuation	<p>Investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisation value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets. Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals and accruals.</p>
Currency risk and hedging	<p>For investments in global assets which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Company's Portfolio.</p> <p>Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of the Company. The Company's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful.</p> <p>The Company may also hedge the exposure of the other investments in the Company against investment loss, but is under no obligation to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.</p>
Foreign jurisdiction risk	<p>For investments in global assets, the Company may be exposed to risks relating to its investment in the securities of entities located in foreign jurisdictions, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders from other jurisdictions, compared to laws in Australia.</p>
Regulatory risk	<p>The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p>

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
Reliance on key personnel	The Manager's performance is largely dependent on the skills and efforts of its investment team. The Manager's ability to perform effectively is dependent on its ability to retain and motivate its investment team. There can be no guarantee that the Manager will be able to retain its investment team or that the Manager will be able to attract and retain management personnel of sufficient experience and expertise to manage the Portfolio.
Potential conflicts of interest	The Manager is, and may continue to be, the manager or adviser to other funds and investment vehicles. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to the Company and consequently Shareholders.
Interest rate risk	Changes in short and long term interest rates can have a positive or negative impact on investment returns.
Dividend risk	The Company's ability to pay dividends depends on it achieving profitable returns on investments. There is no guarantee that the Company will achieve future earnings and/or capital appreciation. The Manager may make inappropriate investment decisions, which may result in the poor performance of the Portfolio, and insufficient returns to pay dividends to Shareholders.
Operational costs	Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of the Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.
Accounting policy risk	Changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.
No operating or performance history of the Company	<p>The Company is a new entity with no financial, operating or performance history and no track record. The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved</p> <p>The information in this Prospectus about the investment objectives of the Company does not constitute or include forecasts, projections or the result of any simulation of future performance.</p>
Size of Portfolio	The size of the Portfolio may affect its risk profile. The Company may not be able to manage its risks as efficiently if it achieves only the Minimum Subscription. However, the risk of loss of investments included in the Portfolio will not necessarily be reduced if the level of Applications under the Offer exceeds the Minimum Subscription.

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
Future capital requirements of the Company	<p>There can be no assurance that the Company will not need to raise additional capital to fully exploit business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.</p> <p>If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business, financial condition and results of operation.</p>
Market risk	<p>Investment returns are influenced by general market factors internationally and by factors specific to each security. In particular, the market prices of the shares in many listed entities have in recent times experienced wide fluctuations which in many cases reflect a diverse range of non-entity specific influences including:</p> <ul style="list-style-type: none"> • general economic conditions, including changes in inflation rates, short-term or long term interest rates, exchange rates and commodity prices; • variations in the local and global markets for listed securities; • domestic and international economic conditions; • changes in investor confidence generally and in relation to specific sectors of the market; • natural disasters, global hostilities and acts of terrorism; • changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and • the inclusion or removal of stocks from major market indices. The Manager proposes that the Portfolio will be constructed so as to reduce market risks but those risks cannot be entirely eliminated. In a strong equity market, the Portfolio may underperform the broader market, as the Portfolio will have limited exposure to market risk. <p>As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.</p>
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders. Tax liabilities are the responsibility of each individual investor. There may be tax implications arising from ownership of the Securities, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the Securities.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the Australian Taxation Office.</p> <p>The Company is not responsible for either taxation or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>

5.2 INVESTMENT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
Changes in global or domestic economic conditions	<p>This is the risk that returns may be adversely affected by instability in local or global market conditions. The following economic conditions may impact the performance of the Company and the Portfolio:</p> <ul style="list-style-type: none">• national economic growth;• industry change;• interest rates;• inflation;• exchange rates; and• changes to government economic policy.
Change in political and regulatory environment	<p>The following international or domestic political conditions (as well as others that are not listed here) may adversely affect the Company, or its Portfolio:</p> <ul style="list-style-type: none">• legislative changes;• regulatory changes;• taxation changes; and• foreign policy changes (including the status of trade agreements).

5.3 LONG-TERM INVESTMENT PROPOSITION

Investors should be aware that it may take approximately three to six months to fully construct the Portfolio, and regard any investment in the Company as a long term proposition. The Company also emphasizes that the above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities.

Neither the Company nor the Manager makes any guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Investors should consider that an investment in the Company is speculative and consult their professional advisers before deciding whether to apply for the Securities.



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MANAGEMENT & CORPORATE GOVERNANCE



6.1 BOARD OF DIRECTORS

Stuart McAuliffe BA, MEd, Grad. Dip. Legal Studies

EXECUTIVE CHAIRMAN

Stuart McAuliffe was appointed as Director in September 2016, and as Chairman in February 2017.

Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible for investments, he uses a 'layered' approach combining multiple time frame fundamental analysis with short term technical trading patterns to maximise returns while managing risk.

Stuart has been involved in two successful initial public offerings over the past two years, raising more than \$6 million for NSX listed John Bridgeman Limited (NSX: JBL), and over \$15 million for ASX listed Henry Morgan Limited (ASX: HML), as well as undertaking several capital raisings for unlisted companies.

He has been managing director of ASX listed Henry Morgan Limited (ASX: HML) since the company was admitted to the ASX in February 2016. Henry Morgan Limited is an ASX listed investment company, which is open for investment by both retail and wholesale investors through the purchase of its shares. The objective of the company is to provide its shareholders with moderate to high portfolio appreciation over the long-term by taking advantage of imbalances in global market valuations through the active management of investments in global exchange traded futures contracts including equity market indices, currency and interest rate futures.

It is important to note that the value of investments can go up and down. Past performance is not necessarily indicative of future performance. The fact that relatively high returns have been achieved in the past does not guarantee that the same or similar returns will be achieved in the future.

Stuart believes that great investment decisions are derived from an in-depth understanding of historical forces. Stuart's undergraduate degree was a Bachelor of Arts from University of Queensland with a double major in modern history and a major in ancient history. Courses focused on military strategy including the campaigns of Julius Caesar, Napoleon and General George Patton, and he credits this early training as the basis for his innovative future strategies and tactics in investment markets.

As an Associate Professor at Bond University, Stuart has lectured nationally and internationally in the fields of economic forecasting, valuation modelling, financial structures and risk management. His specialisations included the short to long term effects of central bank policy and the pricing of extreme valuations at market peaks and troughs.

6.1 BOARD OF DIRECTORS

Vince Gordon BA, LLB, MBA

NON-EXECUTIVE DIRECTOR

Vince Gordon is the Managing Partner of Reed Smith LLP's Middle East offices. Reed Smith LLP is one of the world's leading global law firms. He has substantial experience in all types of capital markets work, including banking and finance, debt capital markets, structuring and joint ventures, corporate finance and acquisitions, funds, trade finance, regulatory and project finance work.

He has advised on many significant transactions in Australia, the Middle East and Africa, particularly in respect of finance, infrastructure and projects transactions.

Vince is the Chair of the African and Australian business teams for Reed Smith, and previously Vice-Chair of the firm's business and finance department and on the management committee of the Global Financial Industry Group.

Vince has previously worked in top-tier Australian firms and spent 3 years in Reed Smith's London office.

He is rated as a leading lawyer in the field of Middle East banking and finance by independent legal directories, Chambers Global, Legal 500, IFLR, and PLC.

Simon Richardson BEcon, BComm

NON-EXECUTIVE DIRECTOR

Simon Richardson was appointed as a non-executive director in February 2017.

Simon has had over 20 years of diverse national and international business experience across a range of industries including hotels, property and media. He commenced his career in Brisbane with KPMG Chartered Accountants where he successfully attained membership into the Institute of Chartered Accountants and also completed a secondment to KPMG's operations in the United Kingdom.

Simon continued his career overseas where he joined a major international investment and education group listed on the London Stock Exchange. He served in a broad range of commercial and financial roles gaining experience in most major European and Asian markets while spending time living in London and Hong Kong. Upon returning to Australia he served in roles with Lend Lease Australia as well as a leading structured finance & investment firm.

In 2006, Simon was a founding partner in establishing the Sydney based Aliom group, which became one of the leading proprietary futures trading business in Australia. The Aliom group consisted of broking and funds management operations providing 24 hour global access for traders and clients. Simon had overall responsibility for business operations and strategy, compliance and risk management functions across the Aliom group and extensive experience with regulatory requirements of the ASX, ASIC and other regulatory authorities.

6.1 BOARD OF DIRECTORS

Simon is a former director of John Bridgeman Limited and Henry Morgan Limited.

His current roles include:

- Director and founding shareholder of Genesis Proprietary Trading Pty Ltd, one of Australia's largest futures trading operations;
- Principal of Certa Hospitality Group, a diversified hotel management business;
- Director of Gravityfit Pty Ltd, an international physiotherapy and sports product / training business.

Peter Aardoom

NON-EXECUTIVE DIRECTOR

Peter Aardoom was appointed as a Non-executive Director in February 2017.

Peter is a highly skilled and experienced financial markets executive. He has excellent technical skills and in-depth knowledge of equity, debt, commodity, foreign exchange and fixed income markets. He has over 30 years' experience in Australian and international equity and derivatives broking and trading, portfolio management, general corporate and financial advisory services, and company promotion.

Peter commenced his career in Rotterdam in the physical energy markets with Petroned, a subsidiary of Vitol Trading. With the expansion of the oil futures markets, he moved to London to further his career with Itochu and Shearson Lehman Hutton where he worked on one of the largest oil trading desks in the world, servicing predominantly US hedge funds.

Since then, Peter has held multiple senior positions with some of the largest international and Australian financial services companies in the world, including Lehman Brothers, Bell Commodities, Ord Minnett Jardine Fleming, JP Morgan and MF Global, and has built and managed successful and professional teams within these organisations.

In more recent years, Peter was the Brisbane manager of Aliom Pty Ltd, a derivatives investment, broking and trading company which managed Aliom Managed Futures Fund No. 1. In the past 18 months, he has been involved in general corporate activity, capital raising, and the successful listings of John Bridgeman Limited and Henry Morgan Limited.

Peter is RG146 qualified to deal in and give advice on securities, derivatives, managed funds and foreign exchange and holds various UK industry qualifications. His extensive network provides access to fund managers, institutions, local and international broking firms and high net worth individuals. His experience extends to institutional investor presentations, marketing, and promotion.

Peter is currently a director of JB Markets, a financial services company operating as a securities and derivatives broker and dealer for wholesale and retail clients. As director and responsible manager, he has direct responsibility for all day to day business decisions about the provision of financial services by the company.

6.2 CORPORATE GOVERNANCE

The Board is responsible for the overall operation of the Company, its long-term growth and corporate governance. The Board will act in the best interests of Shareholders to ensure the business of the Company is properly managed.

The Board has formally adopted corporate governance policies which are designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct.

The Board has adopted a number of corporate governance policies (to take effect upon commencement of trading on the ASX), each having been prepared having regard to the ASX Recommendations and which are available on the Company's website at www.benjaminhornigold.com.au.

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Group, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance process are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Group's conduct and activities; and
- (c) ensure compliance with the Group's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Group on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

BOARD COMPOSITION

The election of Board members is subject primarily to the wishes of Shareholders in general meeting. However, subject to that consideration, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Group and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Group and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership. However, an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

6.2 CORPORATE GOVERNANCE

INDEPENDENT PROFESSIONAL ADVICE

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

REMUNERATION ARRANGEMENTS

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of Non-executive Directors is the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-executive Director.

The Board may award additional remuneration to Non-executive Directors who are called upon to perform extra services or make special exertions on behalf of the Company.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

6.3 EXTERNAL AUDIT

The Company in general meeting is responsible for the appointment of the external auditors of the Group, and the Board from time to time will review the scope, performance and fees of those external auditors.

6.4 AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has adopted an audit committee charter. Due to the size and nature of activities, the function of the audit and risk management committee will be undertaken by the full Board.

6.5 ETHICAL STANDARDS

The Board is committed to the establishment and maintenance of appropriate ethical standards.

6.6 TRADING POLICY

The Board has adopted a policy which sets out the circumstances in which Directors and employees of the Company may deal in:

- (a) the Company's securities, which includes any Shares in the Company, debentures (including convertible notes) issued by the Company, units of Shares in the Company and options to acquire or subscribe for Shares in the Company; and
- (b) other financial products, which includes any shares, options, derivatives (including market index derivatives), debentures any other financial product able to be traded of any company, trust or other organisation, local domestic and international, in which the Company invests or proposes to invest,

with the objective that no Director or employee will contravene the requirements of the Corporations Act, the ASX Listing Rules or any other applicable law.

The purpose of this policy is designed to protect the reputation of the Company and to ensure that such reputation is maintained or perceived to be maintained by persons external to the Company.

An overriding principle of the policy is that following admission to ASX, Directors and employees who possess non-public price sensitive information must not deal in the Company's securities.

6.7 PROFESSIONAL STANDARDS

The Board will endeavour to ensure that the Directors, officers and employees of the Company perform their duties with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. All are expected to:

- comply with the law;
- act in the best interests of the Shareholders;
- act in the best interest of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts of interest.

6.8 BUSINESS RISK MANAGEMENT

The Board's collective experience will enable accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Board considers that the frequent review of the Manager's performance provides an effective review of investment strategies. The Board is aware of the disclosure requirements of the ASX and any major changes in its investment strategy will be first put to Shareholders for their approval.

The Board is also responsible for identifying and monitoring areas of significant business risk through internal control measures such as quarterly financial and operational reporting to the Board and regular reporting by the Manager and/or independent advisers.

6.9 SHAREHOLDER COMMUNICATION POLICY

The Company's objective is to promote effective communication with its Shareholders at all times. The Company is committed to:

- (a) ensuring that Shareholders and the financial markets are provided with full and timely information;
- (b) complying with continuous disclosure obligations contained in the Listing Rules and the Corporations Act in Australia; and
- (c) communicating effectively with its Shareholders and making it easier for Shareholders to communicate with the Company.

To promote effective communication with Shareholders and encourage effective participation at general meetings, information will be communicated to Shareholders:

- (a) through the release of information to the market via the ASX;
- (b) through the distribution of the annual report and notices of annual general meeting;
- (c) through Shareholder meetings and investor relations presentations;
- (d) through letters and other forms of communications directly to Shareholders; and
- (e) by posting relevant information on the Company's website at *www.benjaminhornigold.com.au*.

6.10 REPORTING

To keep Shareholders up to date on their investment in the Company, the Company will provide or make available:

- transaction confirmations;
- transaction statements at least annually;
- an annual tax statement for Australian resident investors to assist in completing tax returns; and
- an annual financial report.

For the purposes of ASIC Regulatory Guide 240, the following will be made available or distributed to Shareholders:

TYPE OF INFORMATION	IS THE INFORMATION AVAILABLE?	HOW OFTEN THIS INFORMATION WILL BE AVAILABLE?	WHERE CAN THIS INFORMATION BE ACCESSED?
The actual allocation to each asset type	<p>The actual allocation to each asset type will be available (for example currencies, equity indices, cash bond allocations).</p> <p>The allocation to each product within an asset class is considered proprietary to the Company and public disclosure of such information could adversely impact the performance of the Company. Accordingly, it will not be made publicly available.</p>	Monthly	The Company website <i>www.benjaminhornigold.com.au</i>
The liquidity profile of the Company's assets (that is, the estimated time required to sell an asset at the value ascribed to that asset in the Company's most recently calculated net asset value)	<p>The liquidity profile will not be available.</p> <p>The liquidity profile of the Company's assets is considered proprietary to the Company.</p> <p>The Company expects to realise at least 90% of the Portfolio's assets under normal market conditions at the value ascribed to those assets within 5 trading days.</p>	Not applicable	Not applicable

6.10 REPORTING

TYPE OF INFORMATION	IS THE INFORMATION AVAILABLE?	HOW OFTEN THIS INFORMATION WILL BE AVAILABLE?	WHERE CAN THIS INFORMATION BE ACCESSED?
The maturity profile of the Company's liabilities	Not applicable.	Not applicable	Not applicable
The Company's leverage ratio (after taking into account the leverage embedded in the assets of the Company)	<p>The leverage ratio will not be available.</p> <p>The margin to equity ratio will be made available to investors.</p>	Monthly	The Company website <i>www.benjaminhornigold.com.au</i>
The derivatives counterparties engaged by the Company	Yes	Annually	The Company's annual financial statements.
Any changes (including changes in related party status) to any of the Company's key service providers	Yes	Monthly	The Company website <i>www.benjaminhornigold.com.au</i>
The Company's current total net asset value (indicative pending finalisation of annual tax advice)	Yes	Monthly	<p>The Company website <i>www.benjaminhornigold.com.au</i></p> <p>Any material change in net asset value will be updated on the Company's website</p>
The redemption value of a Share in the Company	Not applicable.	Not applicable	Not applicable.
The net return of the Company's assets after fees, costs and taxes (indicative pending annual tax advice)	Yes	Monthly	The Company website <i>www.benjaminhornigold.com.au</i>
Any material change in the Company's risk profile, strategy and change in the individuals playing a key role	Yes	Monthly	ASX and the Company website <i>www.benjaminhornigold.com.au</i>

6.11 ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance council has developed and released its ASX Corporate Governance Principles and Recommendations (ASX Recommendations) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptions, but guidelines.


Under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations during each reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

The Company intends to comply with the ASX Recommendations from the time of its listing, with the following exceptions:

RECOMMENDATION	REASON
Recommendation 2.1 – Nomination Committee	<p>Due to the size of the Board the Company has not established a Nomination Committee at this stage.</p> <p>The Company has adopted processes to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively (as set out in the Company's Corporate Governance Statement and any other relevant policies).</p>
Recommendation 2.4 – Majority independent directors	<p>The Board does not have a majority of independent directors, although Simon Richardson and Vince Gordon (ie 50% of the Board), are regarded as independent. The Board will consider the composition of the Board annually.</p>
Recommendation 4.1 – Audit Committee	<p>The Company has adopted an Audit and Risk Management Committee Charter prior to admission of the Company to the Official List. However, due to the size of the Board, the Company has not established an Audit Committee at this stage. Rather, the functions of the Audit Committee will be exercised by the full Board.</p> <p>The Company has established processes to independently verify and safeguard the integrity of its corporate reporting (as set out in the Audit and Risk Management Committee Charter).</p>

6.11 ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

RECOMMENDATION	REASON
Recommendation 7.1 – Risk Management Committee	<p>The Company has adopted an Audit and Risk Management Committee Charter. However, due to the size of the Board, the Company has not established a Risk Management Committee at this stage. Rather, the functions of the Risk Management Committee will be exercised by the full Board.</p> <p>The Company has established rigorous processes for overseeing the Company's risk management framework (as set out in the Audit and Risk Management Committee Charter).</p>
Recommendation 7.3 – Internal Audit	<p>Due to the size of the Company the Board has not established an internal audit function.</p>
Recommendation 8.1 – Remuneration Committee	<p>The Company has adopted a Remuneration Committee Charter. However, due to the size of the Board, the Company has not established a Remuneration Committee at this stage. Rather, the functions of the Remuneration Committee will be exercised by the full Board.</p> <p>The Company has established processes for setting the level and composition of remuneration for Directors and senior executives and ensuring that the remuneration is appropriate and not excessive (as set out in the Remuneration Committee Charter).</p>



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FINANCIAL INFORMATION



7.1 PROCEEDS OF THE OFFER

The proceeds of the Offer (net of the Offer costs) will be used for investment opportunities that meet the Company's investment objectives and in accordance with its investment strategies as set out in Section 3 of this Prospectus.

The Company will have relatively low ongoing operational costs. Its major expenditure will be the management fees payable to the Manager as summarised in Section 11.2.

The Company's ongoing expenditure (excluding management fees) will include printing costs associated with the annual report, annual audit fees, Directors' fees, administration fees, share registry services fees, accounting fees and legal fees. The Company will also incur minor office expenses including stationery and postage costs. The Company does not expect that these costs will vary or increase significantly from year to year as these costs relate mainly to fulfilling its ongoing compliance and reporting obligations.

The Company has, and will have, enough working capital to carry out its stated objectives.

7.2 HISTORICAL AND PRO FORMA STATEMENTS OF FINANCIAL POSITION

The historical statement of financial position has been extracted from the audited financial statements of the Company as at 31 December 2016 (**Historical Financial Information**). The Directors are responsible for the preparation and presentation of the financial information included in this Section.

The pro forma statements of financial position (**Pro Forma Financial Information**) set out below have been prepared to illustrate the effects of the pro forma adjustments described below for the different subscription amounts as if they occurred on 29 March 2017.

- Completion of the Offer based on each of the amounts indicated being raised; and
- Payment of the Offer related expenses, as deducted from the cash amount, in accordance with Section 7.6 below.

The Pro Forma Financial Information comprises:

- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the minimum subscription of \$15.6 million of ordinary shares; and
- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the maximum subscription of \$20 million of ordinary shares.

The Historical Financial Information and Pro Forma Financial Information are collectively referred to as the **Financial Information**.

7.2 HISTORICAL AND PRO FORMA STATEMENTS OF FINANCIAL POSITION

The pro forma statements of financial position have been prepared on the basis of the following assumptions:

- All subscribers for Shares are either Australian residents or New Zealand residents, or are investing through an Australian or New Zealand resident entity.
- The Company will derive future income of a sufficient nature to enable the recognition of a deferred tax asset in relation to the costs of the Offer.
- The Company is registered for GST in Australia and is eligible to claim reduced input taxed credits on eligible expenses incurred in relation to the Offer in accordance with the Goods and Services Tax Act 1999.
- Calculations are inclusive of costs of the Offer including fees payable to the Manager.

The tax benefit is applied to the expenses net of any GST refundable. The tax benefit is calculated at the prevailing company tax rate which currently 30%. For example, a cash outlay of \$110 dollars (GST inclusive) which the Company can claim a 75% reduced input tax credit on, is presented in these statements as follows:

	\$
Expenses (net of tax)	71.75
GST receivable	7.50
Deferred tax asset	30.75
	110.00
Calculated as follows:	
Cash Outlay (GST inclusive)	110.00
Less: input tax credit	(7.50)
Net Expense (pre DTA)	102.50
DTA (30% of net expenses)	30.75

The above table assumes Expenses are GST eligible.

If you do not understand the unaudited pro forma statements of financial position and related notes you should seek professional guidance from your professional adviser before deciding whether to invest in the Securities.

7.2 AUDITED STATEMENTS OF FINANCIAL POSITION

Audited Historical and Pro Forma Statements of Financial Position
(Assuming 100% of the subscription amount is raised under the Offer)

UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 29 MARCH 2017			
	AUDITED HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
		\$ 15,600,000	\$20,000,000
Assets	0	0	0
Cash	1,000	15,023,800	19,349,000
Deferred tax asset	0	161,438	182,348
GST receivable	0	21,900	27,000
Total Assets	1,000	15,207,138	19,558,348
Liabilities	0	0	0
Net Assets	1,000	15,207,138	19,558,348
Equity			
Issued shares and options	1,000	15,601,000	20,001,000
Less costs of fundraising	0	(393,862)	(442,652)
Retained earnings	0	0	0
Total Equity	1,000	15,207,138	19,558,348
NTA per Share	1.000	0.975	0.978

Note: The figures in the above table are calculated assuming that 100% of the subscription amount is raised under the Offer. The Directors have prepared the financial information on a going concern basis and note that the historical net liability position is related to incorporation costs. The Directors believe the Offer will be successful.

7.3 CAPITAL STRUCTURE

The anticipated capital structure of the Company on completion of the Offer is set out below.

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Cash raised	\$15,600,000	\$ 20,000,000
Current shares on issue	1,000	1,000
Shares following the Offer	15,601,000	20,001,000
Options following the Offer	15,600,000	20,000,000

7.4 PROPOSED ACCOUNTING POLICIES

A summary of significant accounting policies, which have been adopted in the preparation of the Proforma Statements of Financial Position, as set out in Section 7.2, and will be adopted and applied in preparation of the Financial Statement of the Company for the year ended 30 June 2017 and subsequent years, is set out below:

BASIS OF PREPARATION OF ACCOUNTS

The historical statement of financial position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

The pro forma statements of financial position have been prepared in a manner consistent with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7.2 of the Prospectus, as if those events or transactions had occurred as at 29 March 2017.

Australian Accounting Standards set out an accounting framework that the Australian Accounting Standards Board have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with the recognition and measurement requirements of Australian Accounting Standards ensures that the historical and pro forma statements of financial position also comply with the recognition and measurement requirements of International Financial Reporting Standard.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards. The unaudited pro forma statements of financial position have been prepared on the basis of assumptions outlined in Section 7.2.

7.4 PROPOSED ACCOUNTING POLICIES

The costs incurred by the Company in relation to the Offer are presented net of deferred tax assets (DTA) and input tax credits in accordance with Australian accounting standards and the accounting policies described in this Section 7.4. The historical and pro forma statements of financial position have been prepared on an accrual basis and are based on historical cost.

INVESTMENTS CLASSIFICATION

The Company classifies financial assets and financial liabilities into the following categories: Financial assets at fair value through profit or loss (**FVTPL**)

- Held for trading; derivative financial instruments;
- Financial liabilities at FVTPL;
- Held for trading; derivative financial instruments;
- A financial instrument is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - On initial recognition, it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking; or
 - It is a derivative.

The Company designates all debt and equity instruments at FVTPL on initial recognition because it manages these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis.

FAIR VALUE MEASUREMENT

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

When available, the Company measures the fair value of an instrument using the quoted market bid price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market based upon the market settlement price at the period end.

For unlisted assets, fair value will be determined by reference to:

- latest third party investment value;
- cost plus accrued interest with revenue multiple cross-checks; or
- where there has been a third party transaction in the preceding 12 month, at valuation consistent with industry valuation techniques and industry benchmarks.

7.4 PROPOSED ACCOUNTING POLICIES

NET GAIN OR LOSS FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain or loss from financial instruments at FVTPL includes all realised and unrealised fair value changes including foreign exchange gains or losses.

Investments are valued as follows:

- **Securities and rights to them listed on a financial market** – valued at the market value as quoted on relevant exchange.
- **Derivative financial instruments** – all derivatives are brought to account at market value and the resulting profit or loss is recognised in the Statement of Financial Performance.

REVENUE RECOGNITION

- **Trading income** – profits and losses realised from the sale of investments and unrealised gains and losses on investments held at market value are included in the Statement of Financial Performance in the year they are incurred.
- **Dividend income** – dividends and distributions are brought to account on the date that the shares or units are traded 'ex-dividend'.
- **Interest income** – interest income is recognised as it accrues, taking into account the effective yield on the financial asset.
- **Other income** – other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.
- **Realised foreign exchange gain or losses** - Realised foreign exchange gains or losses will be recognised in the Statement of Financial Performance as incurred.

INCOME TAX

- Under current legislation, the Company is subject to income tax at 30% on taxable income. A capital gains tax concession may be available to investors where certain requirements are met. Refer to Section 9 for further information.
- The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in profit or loss.

7.5 BORROWINGS

The Directors do not intend to use borrowings.

However, the Company may invest in, or enter into a joint venture with, other entities who use borrowings.

7.6 EXPENSES OF THE OFFER

The expenses to be paid by the Company in relation to the Offer have been estimated at \$577,200 (net of tax) assuming the Minimum Subscription of \$15.6 million is achieved and \$652,000 (net of tax) assuming a Maximum Subscription of \$20 million is achieved.


A breakdown of these expenses (net of claimable GST and deferred tax asset) is provided below:

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
	\$ 15,600,000	\$ 20,000,000
Legal fees	33,000	33,000
Accounting and tax fees	33,000	33,000
ASX listing fee	187,000	187,000
ASIC lodgement fees	3,000	3,000
Broker commissions and other expenses	321,200	396,000
Total estimated expenses of the Offer	577,200	652,000
less: GST receivable	(21,900)	(27,000)
less: Deferred tax asset	(161,438)	(182,348)
Total estimated expenses of the Offer (net of claimable GST and Defined Tax Asset)	393,862	442,652

7.7 DIVIDEND POLICY

The Company intends to pay dividends out of available cash flow and subject to franking credits. The quantum of dividend to be paid will be subject to the Board's discretion however is expected to be above 50% of net operating profit after tax. The dividend will be paid at the end of the Company's first financial year and then annually thereafter. Any dividend paid will be franked to the maximum extent possible.

The Company gives no assurances about the payment of dividends or the extent of payout ratios.

A dark, moody photograph of a hand holding a hammer over a workbench. The hammer is positioned as if about to strike a piece of metal held in a vise. The background is dark and out of focus, showing various workshop tools and equipment.

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INDEPENDENT LIMITED
ASSURANCE REPORT ON PRO-FORMA
FINANCIAL INFORMATION



8.1 INDEPENDENT LIMITED ASSURANCE REPORT ON PRO-FORMA FINANCIAL INFORMATION

29 March 2017

The Directors
Benjamin Hornigold Ltd
Level 9 Riverside Centre
123 Eagle Street
Brisbane, QLD 4000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON AUDITED HISTORICAL FINANCIAL INFORMATION AND PRO FORMA FINANCIAL INFORMATION

1. INTRODUCTION

We have been engaged by Benjamin Hornigold Ltd (“the Company”) to report on the historical financial information and pro forma financial information of the Company for inclusion in the replacement prospectus (“Prospectus”) to be dated on or about 29 March 2017, and to be issued by the Company, in respect of the offer of shares, together with an entitlement to one Option for every one share issued under the offer, to raise a minimum of \$15.6 million and up to an aggregate of \$20 million (“the Proposed Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. SCOPE

Audited Historical Financial Information

You have requested HLB Mann Judd to review the following audited historical financial information of the Company as set out in Section 7.2 the Prospectus:

- the Audited Historical Statement of Financial Position as at 31 December 2016.

(Hereafter the ‘Audited Historical Financial Information’)

The Audited Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards issued by the Australian Accounting Standards Board. The Historical Financial Information has been derived from the audited financial statements of the Company as at 31 December 2016. The audited financial statements of the Company as at 31 December 2016 were audited by HLB Mann Judd.

Pro Forma Financial Information

You have requested HLB Mann Judd to review the following pro forma financial information of the Company as set out in Section 7.2 of the Prospectus:

- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the minimum subscription of \$15.6 million of ordinary shares;
- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the maximum subscription of \$20 million of ordinary shares; and

8.1 INDEPENDENT LIMITED ASSURANCE REPORT ON PRO-FORMA FINANCIAL INFORMATION

(Hereafter the 'Pro Forma Financial Information')
(Collectively, the 'Financial Information')

The Pro Forma Financial Information has been derived from the Audited Historical Financial Information of the Company, and adjusted for the effects of pro forma adjustments described in Section 7.2 of the Prospectus.

The stated basis of preparation used in the preparation of the Pro Forma Financial Information is, in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7.2 of the Prospectus, as if those events or transactions had occurred as at 29 March 2017.

Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose audited financial reports prepared in accordance with the Corporations Act 2001.

3. DIRECTORS' RESPONSIBILITY

The directors of the Company are responsible for the preparation and presentation of the Audited Historical and Pro Forma Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Audited Historical Financial Information and included in the Pro Forma Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Audited Historical and Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error.

4. OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on *Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

8.1 INDEPENDENT LIMITED ASSURANCE REPORT ON PRO-FORMA FINANCIAL INFORMATION

5. CONCLUSIONS

Audited Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Audited Historical Financial Information, as set out in Section 7.2 of the Prospectus and comprising:

- the Audited Historical Statement of Financial Position as at 31 December 2016.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.4 of the Prospectus.

Pro Forma Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, as set out in Section 7.2 of the Prospectus and comprising:

- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the minimum subscription of \$15.6 million of ordinary shares; and
- the Pro Forma Statement of Financial Position as at 29 March 2017 based on the raising of the maximum subscription of \$20 million of ordinary shares,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 7.4 of the Prospectus.

6. RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 7.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. CONSENT


HLB Mann Judd has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. INDEPENDENCE OR DISCLOSURE OF INTEREST

HLB Mann Judd does not have any interests in the outcome of the Proposed Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

HLB Mann Judd



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TAXATION



9.1 TAX REPORT



29 March 2017

The Directors
Benjamin Hornigold Ltd
Level 9, Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

Dear Directors

BENJAMIN HORNIGOLD LTD – TAX REPORT

INTRODUCTION

We have been requested to prepare this Taxation Report (“the Report”) on the taxation issues arising for investors in Benjamin Hornigold Ltd (“the Company”). The Report has been prepared for inclusion in a replacement prospectus (Prospectus) to be dated on or about 29 March 2017 under which the Company will offer shares at an issue price of \$1.00 per share, with attaching options on a one for one basis, to raise a minimum of \$15.6 million and up to \$20 million.

The Report is based on taxation legislation in force as at the date of the Report and contains a broad overview of the taxation issues relevant to the investors. Individual investors should seek independent taxation advice regarding the offer based on their own particular facts and circumstances.

SUMMARY OF AUSTRALIAN TAXATION IMPLICATIONS

The following is a summary of the Australian taxation implications of the Offer for investors who are residents of Australia for taxation purposes and who hold their Shares and Options on capital account. The Report does not consider the taxation implication for investors who are foreign residents (except where expressly stated) or those investors who hold their Shares and Options as trading stock or on revenue account.

Status of the Company

As stated at Paragraph 3.13 of the Prospectus, it is intended that the Company will qualify as a listed investment company (LIC). Where the Company qualifies as a LIC, certain types of shareholders may qualify for income tax deductions in respect of dividends paid out of certain profits which represent capital gains on the disposal of a permitted investment that the Company has held for over 12 months. This referred to as a “LIC capital gain”.

HLB Mann Judd (SE Qld) Pty Ltd ABN 97 114 097 648
Level 15, 66 Eagle Street, Brisbane QLD 4000 | GPO Box 5225 Brisbane QLD 4001
Telephone +61 (0)7 3001 8800 | Facsimile +61 (0)7 3221 0812 | Email: infobne@hlbqld.com.au | Website: www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (SE Qld) Pty Ltd is a member of  International. A world-wide network of independent accounting firms and business advisers.

9.1 TAX REPORT

Where the capital profit of the Company would have qualified as a discount capital gain if the underlying asset had been held directly by a shareholder, the benefit of the discount capital gain flows through to the shareholder such that the dividends paid out of those profits are effectively taxed in the hands of the shareholder at the same rate as a discount capital gain

Income Tax Implications for Investors

Issue of Shares and Options

The issue of shares and options to the investors does not give rise to a CGT event and involves the acquisition of two capital gains tax (CGT) assets being a Share (cost price \$1.00) and an Option (cost price \$0.00 excluding incidental costs).

Any fees incurred for broker services or any other incidental cost of acquisition incurred by an investor will be included in the cost base of their Shares and Options for the purposes of determining any capital gain or capital loss on the future disposal of the Shares and Options.

Disposal of Shares

The disposal of Shares by an Investor is a CGT event. A capital gain will arise where the capital proceeds that are received as a result of the disposal exceeds the cost base of the shares. Alternatively, an investor will incur a capital loss where the reduced cost base of the Shares exceeds the capital proceeds.

Where an investor (other than a corporate Shareholder) has held their Shares for more than 12 months prior to the disposal, the CGT discount will be available in relation to any capital gain arising as a result of the disposal. Where the discount applies, any capital gain will be reduced (after applying any capital losses) by the following discount percentages:

- (a) 50% for an individual or trust; or
- (b) 33.33% for a complying superannuation fund.

Exercise of Options

The exercise of an Option by an investor should not give rise to a CGT event. The cost base of the Shares acquired by the Investor upon the exercise of the Options will be the consideration paid to exercise the Option plus any incidental costs. Any future disposal of the Shares acquired upon the exercise of the Options will be taxed as detailed above.

Disposal of Options

The disposal of the Options will give rise to a CGT event. An investor will derive a capital gain where the capital proceeds received as a result of the disposal of the Options exceed their cost base. A capital loss will be incurred where the reduced cost base of the Options exceeds the capital proceeds.

Provided an investor (other than a corporate investor) has held the Options for more than 12 months prior to the disposal, the CGT discount may be available. Where the discount applies, the capital gain is reduced (after applying any capital losses) by the following discount percentages:

- (a) 50% for an individual or trust; or

HLB Mann Judd (SE Qld) Pty Ltd
Chartered Accountants

9.1 TAX REPORT

(b) 33.33% for a complying superannuation fund.

Where an investor's ownership of the Options ends by the Options being redeemed, cancelled or by expiry (a CGT event), an investor may derive a capital gain if the capital proceeds received from the CGT event is greater than the cost base of the Options. A capital loss may be incurred where the reduced cost base of the Options exceeds the capital proceeds from the CGT event.

Dividends Paid by the Company

General

As stated in Paragraph 3.14 of the Prospectus, the Company intends to pay dividends out of available cash flow and subject to available franking credits.

Assessable Dividends

Dividends received by an investor (either directly or indirectly through a partnership or trust) are included in the assessable income of the shareholder.

To the extent that the dividend received is franked, the franking credits attached to the dividend are included in the Investor's assessable income. An investor will then be entitled to a franking tax offset equal to the amount of the franking credit.

In order for investors to qualify for franking credits and the franking tax offset, investors must satisfy the "holding period" rules which require a shareholder to hold their Shares "at risk" for a period of 45 days, not counting the day of acquisition or disposal. The "holding period" rules do not apply to investors who are individuals who are entitled to franking tax offsets (for all franked distributions received in a particular year) of not greater than \$5,000.

Dividends Attributable to LIC Capital Gains

On the basis that the Company will be a LIC, the CGT provisions in the income tax law provide that a LIC may make a "LIC capital gain" where it disposes of an asset it has held for more than 12 months.

Based on the current company tax rate, the LIC capital gain will be taxable to the LIC at 30%.

The dividend attributable to the LIC capital gain is frankable and subject to the franking rules outlined above. Certain shareholders are entitled to a tax deduction for a percentage of their share of the "attributable part" of the dividend. Investors in the Company that are:

- (a) Individuals and trusts should be allowed a deduction equal to 50%; and
- (b) Complying superannuation funds should be allowed a deduction equal to 33.33%

Corporate investors do not benefit from any deduction.

The LIC must retain records that show the balance of LIC capital gains available for distribution. A dividend subsequently paid by the Company that is attributable to a LIC capital gain will be entitled to the taxation treatment outlined above.

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9.1 TAX REPORT

Investors will be advised by the Company of their share of the “attributable part” (which is that part of the dividend calculated by a formula which effectively determines the pre-tax capital gain amount included in the dividend).

Goods and Services Tax (GST)

GST should not be payable on the acquisition of Shares or the issue or exercise of Options, nor should there be any GST liability arising from the receipt of dividends in respect of the Shares. An investor that is registered or required to be registered for GST seeking to claim input tax credits on related transaction costs should seek their own independent taxation advice.

Stamp Duty

No Australian stamp duty should be payable in respect of the subscription for the Shares and Options under the Prospectus.

SUMMARY OF NEW ZEALAND TAXATION IMPLICATIONS

The following is a summary of the New Zealand taxation implications of the Offer for investors who are residents of New Zealand for taxation purposes and who hold their Shares and Options on capital account. The Report does not consider the taxation implication for investors who are foreign residents (except where expressly stated) or those investors who hold their Shares and Options as trading stock or on revenue account.

This summary also assumes that the Company will not be a controlled foreign company (CFC) for New Zealand taxation purposes.

Income Tax Implications for Investors

Issue of Shares and Options

New Zealand investors will need to consider whether the Shares and Options are attributing interests in a foreign investment fund (FIF) and give rise to FIF income for New Zealand tax purposes. A FIF includes a foreign company.

It should be noted that the Options are not of themselves an attributing FIF interest in a FIF. The Shares will likely be an attributing interest under the FIF rules, unless an exemption applies.

Australian Share Exemption

There is an exemption from the FIF rules where an investor holds Shares in a company that is:

- listed on an approved index under the ASX market rules (we note that from 1 April 2017, this exemption is widened to “Shares included in the official list of the ASX);
- is an Australian resident (and not treated as a resident in another country under any agreement between Australia and that other country);
- maintains a franking account; and

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- isn't stapled stock.

These shares should meet that exemption from being an attributing interest and are not treated as FIF's. Where the shares are held on capital account, the only income to be returned is dividend income.

New Zealand \$50,000 Exemption

A further exemption applies to New Zealand investors who are individuals or certain types of trusts if their total FIF interests have a total cost of less than NZ\$50,000.

Attributing Interest in a FIF

If no exemption from the FIF rules apply and the Shares in the Company are attributing interests in a FIF, New Zealand investors should be liable for New Zealand tax on the attributed income as calculated under the FIF rules.

There a number of methods to calculate an investor's FIF income and an investor should seek specific advice as to the method to apply. Generally, the fair dividend rate (FDR) method is the primary method to apply to income interests less than 10%. This method taxes investors on 5% of the opening market value of the Shares at the beginning of the income year (adjusted for any interests bought and sold during the income year).

Dividend

If the FIF rules apply, dividends are not taxed separately. If the FIF rules do not apply, New Zealand investors should be liable for New Zealand tax at the applicable marginal rate on dividends from the Company. A New Zealand investor that is a New Zealand company will generally not be exempt from New Zealand tax on dividends received from foreign companies if the exclusion from the FIF rules is due to an exemption discussed above.

Where Australian withholding tax is deducted from a dividend received by a New Zealand investor, a tax credit may be allowed against a New Zealand investor's income tax liability. The credit allowed is the lesser of the New Zealand tax payable on the dividend, and the Australian withholding tax paid.

Disposal of Shares or Options

FIF Rules Apply

New Zealand investors should seek advice as depending on the calculation method used under the FIF rules, adjustments to the income attributable under the FIF rules can arise to reflect a disposal of Shares during the income year.

FIF Rules Do Not Apply

If the FIF rules do not apply, a New Zealand investor should not be subject to New Zealand income tax on any profits arising on the sale of Shares or Options where they are held on capital account.

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Issue and Exercise of Options

The issue and exercise of Options should not have any New Zealand tax implications for New Zealand investors.

Goods and Services Tax

Goods and services tax will not apply to dividends received from the Company, on the issue or disposal of the Shares or Options nor on the exercise of the Options.

Stamp Duty

New Zealand does not have a stamp duty regime.

Yours sincerely



James Henderson

Partner

HLB Mann Judd (SE Qld) Pty Ltd

Direct Line: (07) 3001 8000

Email: jhenderson@hlbqld.com.au

HLB Mann Judd (SE Qld) Pty Ltd
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SECURITIES



10.1 ISSUE OF SECURITIES

For every one Share allotted to an investor, one Option for nil consideration will also be allotted.

Detailed provisions relating to the rights attaching to Shares are set out in the Constitution, the Corporations Act and are summarised below. A copy of the Constitution can be inspected during office hours at the registered office of the Company.

10.2 RIGHTS ATTACHING TO THE SECURITIES

Subscribers under this Prospectus will receive Securities consisting of a Share and an Option. The terms of those Options are set out in Section 10.7 of this Prospectus.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive notice of and to attend general meetings; and
- the right to receive dividends. The Directors may fix the amount of the dividend and the method or time for payment of the dividend.

Subject to any special rights for the time being attached to any class of Share, if, on a winding-up of the Company, there remains a surplus, the Shareholders will be entitled to that surplus.

Subject to the Corporations Act and the Listing Rules, the Securities are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

10.3 REDUCTION IN SHARE CAPITAL

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital if the reduction is fair and reasonable to the Shareholders, and does not materially prejudice the Company's ability to pay its creditors and is approved by its Shareholders.

The Constitution does not preclude the Company from buying back its own Shares or impose restrictions on the exercise of the Company's power to buy back its own Shares under the Corporations Act.

The Directors may allot, issue or otherwise dispose of Shares subject to any restrictions on the allotment of Shares imposed by the Constitution, the Listing Rules or the Corporations Act.

10.4 ALTERATION OF CONSTITUTION

The Constitution may only be altered by special resolution at a general meeting. The Company must give at least 28 days' written notice of any general meeting.

10.5 ENTITLEMENT TO OPTIONS

The Company will issue Options at the same time as the issue of Shares under the Prospectus to each allottee of Shares in the amount of one Option for every Share allotted to that allottee.

Subject to these terms, each Option entitles the Option holder to subscribe for and be allotted and credited for fully paid one Share at an exercise price of \$1.00.

The Company will issue Shares on the exercise of an Option. These will be listed on the ASX and governed in accordance with the Listing Rules of the ASX.

Shares issued on the exercise of the Option will rank pari passu with all existing ordinary Shares in the capital of the Company from the date of issue.

10.6 REGISTER OF OPTIONS

Following granting of the Options, the Company will establish and maintain a register of Options in accordance with the Corporations Act (**Register**).

The Register will be altered accordingly on receipt of details of any change of name and address of an Option holder notified in writing to the Registry and accompanied in the case of a change of name by any evidence which may reasonably be required.

Notice of any trust expressed or implied or constructive will be entered in the Register. The Company may delegate any of its powers and obligations in respect of the Register.

10.7 TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of an Option are as follows:

EXPIRY DATE

The Options expire approximately three years after the date of issue, being 28 April 2020.

OPTION PERIOD

The period from the date of issue of the Options until 28 April 2020.

SHARES ISSUED ON OPTION EXERCISE

Shares issued on the exercise of the Options rank equally in all respects with the then existing issued shares in the capital of the Company. From the date of issue, Shares are subject to the provisions of the Constitution.

EXERCISE PRICE

The Exercise Price is \$1.00 per Option.

EXERCISE OF OPTIONS

The Options are exercisable wholly or in part by execution and lodgement with the Company of a notice of exercise and payment of the Exercise Price during the Option Period.

The notice of exercise must set out the number of Options which the Option holder wishes to exercise.

QUOTATION

The Options will be quoted on ASX.

TRANSFERABILITY

The Options may be transferred at any time in accordance with the Corporations Act, the Listing Rules, ASX Market Rules and ASTC Settlement Rules.

HOLDING STATEMENT

A holding statement will be issued for the Options and a copy of the terms and conditions will be forwarded to the Option holder. On the reverse side of the terms and conditions there will be a notice of exercise that is to be completed when exercising the Options. If there is more than one Option on a holding statement and those Options are exercised in part, the Company will issue another holding statement for the balance of the Options held and not yet exercised.

NO PARTICIPATION IN NEW ISSUES

An Option holder does not have the right to participate in new issues of securities offered to Shareholders prior to the exercise of the Options.


10.7 TERMS AND CONDITIONS OF OPTIONS

REORGANISATION

In the event of any reconstruction of the issued capital of the Company the number of Options or the Exercise Price or both are to be reconstructed (as appropriate) in accordance with the Listing Rules and in a manner which does not result in any benefits being conferred on Option holders which are not conferred on Shareholders and (subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of the Shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of Options remain unchanged.

NON-RECOGNITION OF EQUITABLE INTERESTS

The Company is entitled to treat the registered holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered by a Court of competent jurisdiction or as required by statute.



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MATERIAL CONTRACTS



11.1 OVERVIEW

The Directors consider that the material contracts described below and elsewhere in this Prospectus are the contracts which an investor would reasonably regard as material and which an investor and their professional advisors would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

This section only contains a summary of the material contracts and their substantive terms. To obtain a complete understanding of the contracts it is necessary to read them in full.

Full copies of material contracts will be available for inspection without charge during normal office hours at the Company's registered office for a period of 12 months after the lodgement of this Prospectus with ASIC.

11.2 MANAGEMENT SERVICES AGREEMENT

The Company has appointed the Manager to manage the Company and the Portfolio for a term of five years. Subject to the parties agreeing to the management fee for a further term, the Agreement will continue for a further period of five years.

The agreement includes the capacity for the initial five-year term to be extended subject to the ASX granting an appropriate waiver.

SERVICES TO BE PROVIDED BY THE MANAGER

Subject to the terms of the agreement, the Manager is empowered and required to do all things it reasonably considers necessary or desirable for the administration, management and conduct of the Company.

The primary services that the Manager will provide are:

- managing the investment of the Portfolio, including reviewing the investments on a regular basis;
- ensuring investments by the Company are only made in authorised investments as part of the Manager's investment mandate;
- complying with the investment policy of the Company;
- identifying, evaluating and implementing the acquisition and disposal of authorised investments;
- providing the Company with quarterly investment performance reporting;
- promoting investment in the Company by the general investment community; and
- providing investor relationship services.

Other services which the Manager may elect to provide in the future include:

- financial accounting; and
- company secretarial.

The Manager may not subcontract the provision of the services to be provided under the Management Services Agreement at any time for any reason whatsoever without the prior consent of the Board.

11.2 MANAGEMENT SERVICES AGREEMENT

TERMINATION

The Company may terminate the Management Services Agreement by written notice to the Manager in the event of any material and substantial breach of the Agreement by the Manager, provided that before termination the Manager has failed to remedy the breach within 14 days of receiving notice from the Company.

The Manager may terminate the Agreement on three months' notice in the event of any material and substantial breach of the Agreement by the Company, provided that before termination the Company has failed to remedy the breach within 14 days of receiving notice from the Manager.

After the initial term, the Company at general meeting may resolve by ordinary resolution to terminate the Agreement on three months' notice after the resolution is passed to end it.

The Agreement automatically terminates if either party ceases to carry on business, goes into liquidation, passes a resolution to voluntarily wind up or a receiver is appointed.

If the Management Services Agreement is terminated, other than because of those circumstances set out above, the Manager is entitled to a termination payment. The termination payment will be equal to 5% of the net tangible asset backing of each share in each class of shares in the Company as calculated under the Listing Rules multiplied by the number of shares on issue in that class of shares as at the termination date:

The above percentage of net tangible asset backing in respect of the calculation of the termination payment will be reduced on a pro-rata basis in accordance with the length of time served under the agreement, specifically it will be reduced by $(1/Y)$ for each whole calendar month that has elapsed between the commencement of the agreement and the termination date during the initial term (where Y is the number of calendar months in the initial term).

Set out below are two examples of the way in which the termination fee would be calculated:

EXAMPLE 1

Scenario assumptions:

- Initial term of the agreement is 5 years (equivalent of 60 months);
- Management Services Agreement is terminated at end of Year 1 (12 months) for any reason apart from a breach of the Management Services Agreement by the Manager outlined in the Management Services Agreement;
- Net Tangible Assets at end of Year 1 is \$20 million.

The termination fee would be calculated at 5% of the net tangible assets reduced by $1/5$ (being one year served out of the 5 year term) as follows:

$$(5\% - (12/60 \times 5\%)) \times \$20,000,000 = \$800,000$$

11.2 MANAGEMENT SERVICES AGREEMENT

EXAMPLE 2

Scenario assumptions:

- Initial term of the agreement is 5 years (equivalent of 60 months)
- Management Services Agreement is terminated at end of Year 3 (36 months) for any reason apart from a breach of the Management Services Agreement by the Manager outlined in clauses 11.1 - 11.3 of the Management Services Agreement
- Net tangible assets at end of Year 3 is \$20 million

The termination fee would be calculated at 5% of the Net Tangible Assets reduced by 3/5 (being 3 years served out of the 5 year term) as follows:

$$(5\% - (36/60 \times 5\%)) \times \$20,000,000 = \$400,000$$

MANAGEMENT FEE

The Manager will be paid a Management Fee of 3% per annum (plus GST) calculated and paid monthly in arrears based on the Net Tangible Assets of the Company on the last day of the month in which the monthly instalments of the Management Fee is paid.

The Net Tangible Assets of the Company will be calculated based on the net liquidation value of the Company's trading and bank accounts on the last day of the month adjusted for known items not yet paid or received including GST, professional fees, performance fees, any other Portfolio costs that may arise. Any open trading positions are marked to market on the last day of the month to calculate the net liquidation value.

11.2 MANAGEMENT SERVICES AGREEMENT

PERFORMANCE FEE

The Manager will be entitled to receive a performance fee (**Performance Fee**) of 27% of the investment return (represented by an increase in Net Tangible Assets subject to adjustments as noted below) at the end of the last day of the relevant quarter from the Company. The payment of a Performance Fee in any quarter is subject to the Company achieving a high water mark hurdle. That is, the Net Tangible Assets of the Company on the last business day of the quarter must exceed the previous highest Net Tangible Assets achieved by the Company before any Performance Fee becomes payable.

The terms of the Performance Fee are outlined below:

The Performance Fee is calculated and accrued quarterly using the following formula and is payable quarterly in arrears:

$$.27 \times [\text{CNTA} - \text{ONTA} + \text{D} - \text{NC}]$$

Where:

‘CNTA’ is the Net Tangible Assets of the Company on the last Business day of the relevant quarter;

‘ONTA’ is the higher of:

- (a) the Net Tangible Assets of the Company on the last Business Day of the quarter immediately preceding the relevant quarter (and the period from and including that day to and excluding the last Business Day of the relevant quarter is referred to in this formula as the relevant period); and
- (b) the previous highest Net Tangible Assets of the Company calculated under this formula; ‘D’ is the aggregate of all dividends or other distributions in respect of all Shares paid or payable to Shareholders, or the value of entitlements other than cash dividends or distributions where those other entitlements are given or due to Shareholders, on a pre-tax basis, where the Shares were quoted ‘ex’ dividend, distribution or other entitlement on the ASX in respect of such dividend, distribution or other entitlement at any time during the Relevant Period;

‘NC’ is the aggregate dollar value of any new capital subscribed for Shares during the Relevant Period (including dividend reinvestments and exercise of options), calculated at the subscription price for that new capital less the costs incurred in raising that new capital less the aggregate dollar value of any buy-back of Shares or capital reduction or capital return during the Relevant Period.

Below are some examples of the way in which the performance fee would be calculated under various scenarios. These examples are indicative only and the performance fee and management fee to be paid in the future are not known. These are hypothetical figures provided to assist you to understand the way in which the performance fee and management fee will be calculated and paid. The Company has no trading history. These figures are not forecasts or representations in relation to the Net Tangible Assets of the Company, its distributable profits or dividends or any future capital raising by the Company.

11.2 MANAGEMENT SERVICES AGREEMENT

SCENARIO 1

Assuming:

- (a) the Company commences operations on the last Business Day of September 2016 with net tangible assets of \$20 million;
- (b) the Company does not pay any dividends or raise any new capital during the quarter; and
- (c) on the last Business Day of December 2016 the net tangible assets of the Company has increased to \$20.5 million.

The performance fee for the December Quarter 2016 is calculated as follows:

$$.27 \times [(20,500,000) - (20,000,000)] = \$135,000$$

The management fee for December 2016 is:

$$.03 \times [20,500,000] \times 31/365 = \$52,233$$

SCENARIO 2

Assuming:

- (a) on the last Business Day of December 2016, the Company's net tangible assets were \$20,500,000;
- (b) the Company pays a dividend of \$500,000 during the quarter; and
- (c) on the last Business Day of March 2017, the Company's net tangible assets were \$19,500,000;

The performance fee for March Quarter 2017 is:

$$.27 \times [19,500,000 - 20,500,000 + 500,000] = \$0^*$$

*The performance fee is \$0 because the investment return was a negative number.

The management fee for March 2016 is:

$$.03 \times [19,500,000] \times 31/365 = \$49,684$$

SCENARIO 3

Assuming:

- (a) on the last Business Day of March 2016, the Company's net tangible assets were \$19,500,000;
- (b) the Company raises new capital (net of costs) of \$1,000,000 from the issue of Shares and exercise of options and does not pay any dividends during the quarter; and
- (c) on the last Business Day of June 2016 the Company's net tangible assets were \$22,000,000;

11.2 MANAGEMENT SERVICES AGREEMENT

Given the Company's high water mark was in December 2015 at \$20,500,000, the Performance Fee for June Quarter 2016 is calculated as:

$$.27 \times [22,000,000 - 20,500,000 - 1,000,000] = \$135,000$$

The management fee for June 2016 is:

$$.03 \times [22,000,000] \times 30/365 = \$54,247$$

PORTFOLIO COSTS

The direct costs payable by the Company in relation to the Portfolio such as distribution, registry, custody, accounting and audit fees, will be paid by the Company.

INDEMNITY

The Company indemnifies the Manager against any losses, liabilities, costs, charges and expenses reasonably incurred by the Manager (including without limitation, all reasonable legal costs incurred on a solicitor and own client basis) arising out of, or in connection with the Manager, its officers or any supervised agents which it has properly appointed in accordance with its authority under the Management Services Agreement acting under, and in accordance with, the agreement, except insofar as any loss, liability, cost, charge or expense is caused by the gross negligence, wilful default, bad faith, recklessness, wilful misconduct, fraud or dishonesty of the Manager or its officers or supervised agents or material breach of the agreement by the Manager.

The Manager indemnifies the Company against any losses, liabilities, costs, charges or expenses reasonably incurred by the Company (including without limitation all reasonable legal costs incurred on a solicitor and own client basis) arising out of, or in connection with any negligence, default, fraud or dishonesty of the Manager or its officers or employees or supervised agents or any breach of the Management Services Agreement by the Manager.

11.3 AUTHORISED REPRESENTATIVE AGREEMENT

The Manager, John Bridgeman Limited, is appointed as Corporate Authorised Representative of JB Markets under an Appointment of Corporate Authorised Representative Agreement. Pursuant to this agreement, the Manager is authorised to provide a series of financial services, including providing financial product advice for, and dealing in a financial product on behalf of another person in respect of, foreign exchange contracts, derivatives, interests in managed investment schemes, and securities, to wholesale and retail clients.

The agreement may be terminated by the Corporate Authorised Representative on 30 days' notice at any time, or by JB Markets if the Manager goes into liquidation, ceases to carry on business, or breaches any material provision of the agreement and fails to correct it within 10 business days of receiving notice specifying such breach.

As Corporate Authorised Representative, John Bridgeman Limited is required to indemnify JB Markets from any breach of the terms and conditions of the agreement, or any negligent or fraudulent act or omission by it or its representatives.

11.4 VOLUNTARY RESTRICTION AGREEMENTS


ASX Listing Rules require certain holders of Shares and Options as at the date of this Prospectus to enter into restriction agreements in a form consistent with the Listing Rules, which restrict the ability of those Shareholders to dispose of, create any security interest in or transfer effective ownership or control of, the restricted Shares.

A summary of the anticipated restriction arrangements is set out below:

Holder	No. of Shares subject to escrow	% of escrowed Shares after completion of the Offer at Minimum Subscription	No. of Options subject to escrow (estimated)	% of fully diluted Securities after completion of the Offer at Minimum Subscription
Stuart McAuliffe	1,000	0.006%	0	0.003%

Restrictions will terminate on the second anniversary of the date of admission of the Company to the Official List of the ASX. However, these restrictions may be released early to enable a Shareholder to accept an offer under a takeover bid in relation to their Shares, provided holders of not less than 50% of the Shares not subject to the restrictions then on issue have accepted the takeover bid or to enable the Shares of the Shareholder to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

The execution of the restriction agreement may give the Company a 'relevant interest' in these Shares for the purposes of the Corporations Act. ASIC has made a declaration modifying Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described above do not give rise to a relevant interest for the Company in respect of the escrowed Shares for the purposes of the takeover provisions in Chapter 6.



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ADDITIONAL INFORMATION



12.1 INCORPORATION

Benjamin Hornigold Ltd was incorporated in Queensland on 28 September 2016.

12.2 BALANCE DATE

The financial statements of the Company will be made up to 30 June annually.

12.3 ACCESS TO DOCUMENTS

The Company will make available at its registered office during normal business hours a copy of any of the following documents free of charge during the period of 12 months from the date of issue of this Prospectus:

- the Constitution of the Company;
- the material contracts referred to in Section 11; and
- the consents of each of the parties referred to in Section 12.7.

12.4 EXPENSES OF THE OFFER

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, accounting fees, legal fees, share registry fees, printing costs, broker commissions and other miscellaneous expenses are estimated to be approximately \$577,200 (inclusive of GST) at the Minimum Subscription level, and \$652,000 (inclusive of GST) at the Maximum Subscription level.

12.5 ASX LISTING

An application will be made to ASX within seven days after the date of this Prospectus for the Company to be admitted to ASX, and for official quotation of the Shares and Options. Acceptance of the application by ASX is not a representation by ASX about the merits of the Company, the Shares or Options. Official quotation of Shares and Options, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants.

12.6 EXPERTS AND ADVISERS

Except for the fees and amounts paid or agreed to be paid relating to the interests set out in this section, no expert or firm in which any expert is a partner has, or has had in the two years before lodgement of this Prospectus, any interest in the promotion of, or in any property proposed to be acquired by, the Company and no amounts whether in cash or shares or otherwise, have been paid or agreed to be paid to any expert or to any firm in which he or she is or was a partner for services rendered by the expert or the firm in connection with the promotion or for the formation of the Company.

No form of payment of any kind will be made, or be agreed to be made, to any such expert or firm other than in cash.

12.6 EXPERTS AND ADVISERS

MILLS OAKLEY

Mills Oakley has acted as legal advisor to the Company in relation to the Offer. The Company has paid or agreed to pay Mills Oakley approximately \$30,000 (GST exclusive) for those services to the date of this Prospectus. Subsequently, fees will be charged in accordance with normal charge-out rates.

HLB MANN JUDD (SE Qld Partnership)

HLB Mann Judd (SE Qld Partnership) has acted as Independent Accountant and taxation advisor to the Company. HLB Mann Judd (SE Qld Partnership) will be paid an estimated fee of \$20,000 (GST exclusive) in respect of the review of the historical financial information and pro-forma financial information contained in sections 7 and 8 of this Prospectus, and \$10,000 (GST exclusive) in respect of the taxation report contained in Section 9 of the Prospectus. Further amounts may be paid to HLB Mann Judd (SE Qld Partnership) in accordance with their normal time-based charges.

12.7 CONSENTS

The following persons have given, and have not, before the issue of this Prospectus, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named. Those persons have not authorised or caused the issue of this Prospectus and do not make, or purport to make, any statement in this Prospectus save for the references to its name.

PERSON	CAPACITY
HLB Mann Judd (SE Qld Partnership)	Independent Accountant and tax adviser
Mills Oakley	Lawyers
Link Market Services Limited	Registry
John Bridgeman Limited	Manager
JB Markets Pty Ltd	Broker

Except as noted above, each person named in this Section, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

12.8 INDEMNITY

The Company has entered a Deed of Access and Indemnity with each Director and the Company Secretary.

The Deed sets out the basis for the Company to indemnify the Directors and the Company Secretary for personal liability and associated legal costs which result from their role as a Director or Company Secretary.

The Company, to the extent permitted by law, indemnifies every person who is, or has been a Director or Company Secretary of the Company against a liability incurred by that person in their capacity as such a Director, secretary or officer of the Company, to another person (including but not limited to, liability for costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted) provided that the liability does not arise out of conduct involving a lack of good faith or prohibited under the Corporations Act.

The Deed also deals with matters such as access to documents and insurance.

12.9 INTERESTS OF DIRECTORS

The Board is not aware of any actual or potential conflicts of interest which may impact on the Directors' abilities to carry out their duties in the best interest of investors other than as set out below:

- (a) Stuart McAuliffe is managing director and Chief Investment Officer of the Manager and is also a director of the Company. He currently holds 100% of the Shares in the Company and has an interest in 29.98% of the Shares in John Bridgeman Limited; and
- (b) Peter Aardoom is a director of the Company and is also a director of JB Markets, which will provide broking services to the Company on arm's length, commercial terms. JB Markets will also be entitled to 0.5% of funds raised under the Offer for management of the trust account, and may be paid fees for providing clearing services. Peter has an interest in John Bridgeman Limited of 4.98%.

Other than set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of the Company has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer of Shares, or in any property proposed to be acquired by the Company in connection with information or promotion of the Offer of the Shares; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of the Company either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of the Company or the Offer of Shares.

The Directors will be entitled to receive the following benefits:

- the maximum total remuneration of the Directors has been set at \$200,000 per annum to be divided amongst them in such proportions as they agree; and
- the current remuneration is \$48,000 per annum for each non-executive Director.

In addition, the Directors will be reimbursed for reasonable travelling and other expenses.

12.9 INTERESTS OF DIRECTORS

SHAREHOLDINGS

The Directors of the Company or their associates have a beneficial interest in the following Shares and Options in the Company at the date of this Prospectus:

DIRECTOR	SHAREHOLDER	SHARES	OPTIONS
Stuart McAuliffe	Stuart McAuliffe	1,000	0

The Directors intend to apply for further Shares under the Offer.

The Manager has also indicated that it may subscribe for up to 19.9% of Shares available under the Minimum Subscription and the Maximum Subscription. In other words, the Manager may subscribe for up to 3,104,400 Shares if the Minimum Subscription is raised. If the Maximum Subscription is raised, the Manager may hold up to 3,980,000 Shares. If more than the Minimum Subscription but less than the Maximum Subscription is raised, the Manager may subscribe for a number of Shares not exceeding 19.9% of the total Shares on issue. John Bridgeman Limited will therefore be a substantial shareholder of the Company for the purposes of the Corporations Act and the Listing Rules.

12.10 TRANSACTIONS WITH RELATED PARTIES

The Directors are entitled to receive the fees and benefits set out above, or elsewhere in this Prospectus. In addition, the Company has agreed to provide the indemnity referred to in Section 12.8 and has entered into the Management Services Agreement as set out in Section 11.2. Stuart McAuliffe is a director and shareholder of both the Manager and the Company. As at the date of this Prospectus, Stuart holds all of the Shares in the Company, and has an interest in John Bridgeman Limited of 29.98%.

Peter Aardoom is a director of the Company and a director of JB Markets Pty Ltd, which may provide broking services to the Company on arm's length, commercial terms. JB Markets will also be entitled to 0.5% of funds raised under the Offer for management of the trust account, and may be paid fees on arm's length commercial terms for providing clearing services. Peter has an interest in the Manager of 4.98%.

Vince Gordon is a director of the Company and a partner of Reed Smith LLP, which may provide legal services to the Company on arm's length, commercial terms.

The Manager provides various investment management services to several different clients. Some of these clients, as well as shareholders, directors and employees of the Manager and the Company may apply for Securities under this Prospectus on the same terms as other Applicants under the Offer.

In addition, the Company may enter into joint ventures with, or take equity stakes in other entities managed by, or which are wholly or partly owned subsidiaries of, John Bridgeman Limited. As at the date of this Prospectus, the Company does not have any particular intentions in this regard. However, it may from time to time enter into such arrangements or make such investments on commercial arm's length terms and in accordance with the requirements of the Corporations Act and Listing Rules.

12.11 LITIGATION AND CLAIMS

To the knowledge of the Directors, there is no material current, pending or threatened legal proceedings with which the Company is directly or indirectly involved.

12.12 DIRECTORS' STATEMENT

Each Director has authorised the issue of this Prospectus. Each Director has consented (and not withdrawn their consent) to the lodgement of this Prospectus with ASIC.

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

Stuart McAuliffe, Chairman, has signed this Prospectus on behalf of the Directors.

A handwritten signature in black ink, appearing to be 'Stuart McAuliffe', written in a cursive style.

Stuart McAuliffe
Executive Chairman



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GLOSSARY


13 GLOSSARY

Terms and abbreviations used in this Prospectus have the following meanings:

TERM	DEFINITION
AEST	Australian Eastern Standard Time.
Allotment Date	the date in which Shares and Options under the Offer are allotted.
Applicant	a person who submits an Application.
Application	an application for Shares and Options under this Prospectus.
Application Form	an application form in the form attached to this Prospectus.
Application Monies	the Application Amount multiplied by the number of Securities applied for during the Offer Period.
Application Amount	\$1.00 per Share.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning given by Division 2 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case required).
Board	the Board of Directors of the Company.
Broker Firm Offer	the offer described in Section 2.5
Broker Firm Application Form	the application form provided in respect of the Broker Firm Offer
Business Day	a day, other than a Saturday or Sunday or declared public holiday in Brisbane.
Chief Investment Officer	initially Stuart McAuliffe, or the Chief Investment Officer appointed by the Manager from time to time.
Closing Date	the date by which valid acceptances must be received by the Company being 28 April 2017 or such other date as determined by the Company.
Company	Benjamin Hornigold Ltd ACN 614 854 045
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
Director	a person appointed as a director of the Company from time to time.

TERM	DEFINITION
Eligible Shareholders	a person registered as a holder of JBL Shares or HML Shares at the relevant date, entitling them to participate in the JBL Priority Offer or the HML Priority Offer
Exposure Period	seven days after the date of lodgement of the Prospectus or if that period is extended by ASIC by notice in writing 14 days after the date of lodgement.
General Offer	the offer described in Section 2.5
HML Priority Offer	the offer described in Section 2.5
HML Priority Offer Application Form	the application form provided in respect of the HML Priority Offer
HML Shares	Ordinary shares in Henry Morgan Limited ACN 602 041 770
Issue	the initial issue of Securities consisting of Shares and Options in accordance with this Prospectus.
Issue Price	the price at which Shares are being offered under this Prospectus, being \$1.00 per Share with an attaching Option on a one for one basis.
JBL Priority Offer	the offer described in Section 2.5
JBL Priority Offer Application Form	the application form provided in respect of the JBL Priority Offer
JBL Shares	Ordinary shares in John Bridgeman Limited ACN 603 477 185
JB Markets	JB Markets Pty Ltd ACN 123 876 291
Listed Investment Company (LIC)	an Australian closed-end investment that is listed on the Australian Stock Exchange allowing investors to buy and sell existing shares.
Listing Rules	the official listing rules of ASX.
Management Services Agreement	the Management Services Agreement between the Company and the Manager.
Manager	John Bridgeman Limited ACN 603 477 185.
Maximum Subscription	\$20 million
Minimum Subscription	\$15.6 million
NAV or Net Asset Value	value of the Company's assets minus its liabilities

TERM	DEFINITION
NTA or Net Tangible Assets	net tangible assets as defined in Section 11.2.
Offer	an offer of up to 20 million Securities under the Prospectus.
Official List	the official list of entities that ASX has admitted and not removed.
Offer Period	the period between the opening of the Prospectus public offer on 29 March 2017 and the Closing Date.
Official Quotation	quotation on the Official List.
Opening Date	the date the Offer opens, expected to be 29 March 2017.
Option Expiry Date	the date by which the Options must be exercised, being 28 April 2020.
Options	options to subscribe for Shares in the Company.
Original Prospectus	the original prospectus dated 15 March 2017 which was lodged with ASIC on that date, and which has been replaced by this Replacement Prospectus.
Portfolio	the portfolio of investments of the Company.
Prospectus	this replacement Prospectus dated 29 March 2017 which replaces the Original Prospectus dated 15 March 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this Prospectus.
Register	the company register of the Company.
Registry	Link Market Services Limited ACN 083 214 537.
Retail Applicant	means an Applicant or investor who is a retail investor under section 761G or section 761GA of the Corporations Act, and who is not a Wholesale Applicant
Securities	the Shares and Options offered under this Prospectus.
Shares	ordinary shares in the capital of the Company.
Shareholders	the shareholders of the Company.
Wholesale Applicant	means an Applicant or investor who is (in either and in each case) not a retail client under section 761G or section 761GA of the Corporations Act



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APPLICATION FORMS



BENJAMIN HORNIGOLD LTD
ACN 614 854 045

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Benjamin Hornigold Ltd ("Benjamin Hornigold") Shares. Further details about the Shares are contained in the Replacement Prospectus dated 29 March 2017 (Prospectus) which replaces the original Prospectus dated 15 March 2017 issued by Benjamin Hornigold Ltd. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, Benjamin Hornigold Ltd will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

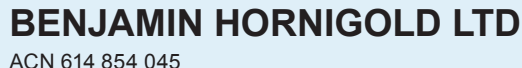
- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Benjamin Hornigold Ltd will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Benjamin Hornigold Ltd and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Benjamin Hornigold Ltd's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
- If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Benjamin Hornigold Ltd ("Benjamin Hornigold") Shares. Further details about the shares are contained in the Replacement Prospectus dated 29 March 2017 (Prospectus) which replaces the original Prospectus dated 15 March 2017 issued by Benjamin Hornigold Ltd. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, Benjamin Hornigold Ltd will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Benjamin Hornigold Ltd will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Benjamin Hornigold Ltd and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Benjamin Hornigold Ltd's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "**Benjamin Hornigold Ltd**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 28 April 2017 at:

Mailing Address

Benjamin Hornigold Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Benjamin Hornigold Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

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Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
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Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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“fortis in arduis”

BENJAMIN
HORNIGOLD
LIMITED