Key Principles
The underlying principles of the assessment process are to:

- identify the long term commercial potential of the Responsible Entity;
- evaluate management’s capabilities, previous performance in the specific industry and the stability of the organisation;
- evaluate identified markets (domestic and international – existence, stability and growth potential);
- benchmark key performance assumptions and variables against industry peers;
- weigh up the relevant risks of the Responsible Entity;
- assess structure and ownership;
- determine if the Responsible Entity is structured in such a way as to protect investor’s interests; and
- allow an opinion to be formed regarding the investment quality of the Responsible Entity.

Site Assessment
SQM Research conducts a detailed site inspection of the projects/properties within the Responsible Entity’s managed funds.

The site assessment considers the following areas:

- suitability of the site for the purpose intended;
- management skills, qualifications, capabilities and experience; and
- associated property risks and their management.

Star Rating*
Investment products are awarded a star rating out of a possible five stars and placed on the following websites:

www.sqmratings.com.au
www.vaneyk.com.au

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Relationship with Partner Companies
van Eyk Research
SQM Research is affiliated with van Eyk whereby van Eyk provides administrative and IT resources to the team. In return, all property, infrastructure and structured products research is provided back to van Eyk and its client base.

The relationship between the parties is a close one which initially commenced in 2006, whereby Louis Christopher was recruited to start research on property funds as a joint venture between Adviser Edge and van Eyk.

Fees charged for Report
SQM Research has received a fee from the fund manager for this report and rating.

General Financial Product Advice
This advice will not take into account your, or your clients, objectives, financial situation or needs and will not be provided in respect of any other financial products. Accordingly, it is up to you and your clients to consider whether specific financial products are suitable for your objectives, financial situation or needs.

Report Date
3 September 2014

* Following are descriptions for each of the star ratings, which have been developed as a guide for dealer group research teams and investment committees:

- 4.5 + stars – Outstanding. Highly suitable for inclusion on APLs.
- 4 stars to 4.25 stars – Superior. Suitable for inclusion on most APLs.
- 3.75 stars – Favourable. Consider for APL inclusion.
- 3.5 stars – Acceptable. Consider for APL inclusion, subject to advice restrictions.
- 3.25 stars – Caution required. Not suitable for most APLs.
- 3 stars – Strong caution required. Not suitable for most APLs.
- Below 3 stars – Avoid or redeem. Not suitable for APL inclusion.
**SQM Rating**

Favourable. Consider for APL inclusion.

<table>
<thead>
<tr>
<th>Fund Details</th>
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<tbody>
<tr>
<td><strong>Fund Name</strong></td>
<td>Global Wealth Partners Fund Limited</td>
</tr>
<tr>
<td><strong>ASX Code (proposed)</strong></td>
<td>GWP</td>
</tr>
<tr>
<td><strong>Investment Manager(s)</strong></td>
<td>Moelis Australia Asset Management (MAAM)</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>Level 27, Governor Philip Tower, 1 Farrer Place, Sydney NSW 2000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Details</th>
<th></th>
</tr>
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<tbody>
<tr>
<td><strong>Fund Listing Date</strong></td>
<td>26 September 2014</td>
</tr>
<tr>
<td><strong>Fund Size</strong></td>
<td>Expected to raise up to a maximum of $300 million (before Offer costs)</td>
</tr>
<tr>
<td><strong>Fund Type</strong></td>
<td>To be listed via IPO, closed-ended</td>
</tr>
<tr>
<td><strong>Return Objective</strong></td>
<td>To exceed the total returns of the stated benchmark</td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
<td>MSCI Total Return Index (AUD)</td>
</tr>
<tr>
<td><strong>Number of Investments Partners (at inception)</strong></td>
<td>4</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Specifications Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro forma Net Asset Value (NAV) backing per Share</strong></td>
<td>Minimum Subscription</td>
</tr>
<tr>
<td></td>
<td>AU$1.215</td>
</tr>
<tr>
<td><strong>Offer Price per Share</strong></td>
<td>General Offer – AU$1.25</td>
</tr>
<tr>
<td></td>
<td>Broker Firm Offer – AU$1.25 (including Service Fee of AU$0.021 inclusive of GST payable to the Broker)</td>
</tr>
<tr>
<td><strong>Loyalty Offer</strong></td>
<td>Shareholders who continue to hold their shares attained via the IPO till the 26th of March 2015 will be entitled to receive two Loyalty Options for every three shares, exercisable at AU$1.25 on or before a maximum of 24 months from the date of admission of GWP on the ASX</td>
</tr>
<tr>
<td><strong>Minimum application (primary market)</strong></td>
<td>$2,500 to receive 2,000 shares. Above that, in multiples of 500 shares</td>
</tr>
<tr>
<td><strong>Redemption Policy</strong></td>
<td>Investors will be able to buy and sell the shares on the ASX (secondary market)</td>
</tr>
<tr>
<td><strong>Management Fee</strong></td>
<td>1.0% of the Net Asset Value</td>
</tr>
<tr>
<td><strong>Performance Fee</strong></td>
<td>10.0% of the outperformance of the MSCI Total Return Index (AUD) subject to high water mark</td>
</tr>
<tr>
<td><strong>Currency Hedging</strong></td>
<td>Unhedged</td>
</tr>
</tbody>
</table>
Investment Summary

The Global Wealth Partners Fund Limited (“the Fund” or “GWP” or “the Company”) is a closed-ended Fund that will be listed on the Australian Securities Exchange (ASX) as a listed investment company (LIC) under the proposed ASX code – GWP. GWP has been established to offer its investors a listed vehicle that provides diversification with global asset exposure and a focus on capital growth to build wealth.

At inception, the Fund will invest in four Underlying Funds (collectively referred to as the Investment Portfolio) managed by four unique Investment Partners who are alternate investment managers that predominantly invest in global equities. Each of the Investment Partners chosen displays a track record of providing capital growth to their investors over the longer-term. The investment objective of the Fund is to outperform the MSCI Total Returns Index (in AUD).

The Underlying Funds within GWP will be denominated in US Dollars (USD) and will be initially offered to investors in Australia as an unhedged offering. The Fund will be listed on the ASX via an IPO on the 26th of September 2014. The Fund aims to raise a minimum of $100 million and a maximum of $300 million via the IPO to amass funds for investments into the Investment Portfolio (comprised of the four Underlying Funds) as well as for working capital purposes.

The investors of GWP may also be entitled to receive two Loyalty Options for every three shares allocated to them under the Offer, provided the investors continue to hold their shares until 26th of March 2015. The Loyalty Option will be exercisable at AU$1.25 on or before a maximum of 24 months from the date of admission of GWP on the ASX.

The Fund has received a 3¾-star rating.

SQM Research’s Review

GWP is structured as a Fund of Hedge Funds and will be listed on the Australian Securities Exchange (ASX). GWP is seeking to raise a minimum of AU$100 million and a maximum of AU$300 million under the IPO. The investors of GWP may also be entitled to receive two Loyalty Options for every three shares allocated to them under the Offer, provided the investors continue to hold their shares until 26th of March 2015. The Loyalty Option will be exercisable at AU$1.25 on or before a maximum of 24 months from the date of admission of GWP on the ASX. At inception, the Fund will make equal investments into four individual Investment Partners as chosen by the Fund’s Investment Committee via an intensive due diligence process. SQM Research has been informed that up to a maximum of 10% of the proceeds from the IPO (after all Offer-related costs) will be kept aside for working capital purposes and the remaining 90% will be invested equally into the four Underlying Funds managed by the Investment Partners.

The Fund is a unique offering for retail investors as it provides them with a liquid exposure to US-based hedge fund managers. Typically, such hedge fund managers have been accessible only to wealthy and sophisticated institutional investors. For the four Underlying Funds selected for GWP, the minimum investments amount for direct investments varies between US$1 and US$5 million.

Via a Management Agreement GWP has appointed Moelis Australia Asset Management (MAAM) as the Investment Manager to oversee the operations and capital allocation decisions of GWP. As the Investment Manager, MAAM will also be responsible for ensuring that GWP’s investments are in line with its key investment criteria and risk management guidelines.

MAAM is an upcoming asset manager that was setup in 2012 with the aim to offer its investors asset management capabilities in alternate asset classes including real estate and infrastructure. As at 31st August 2014, MAAM managed roughly $84.0 million in funds under management. Furthermore, MAAM has advised SQM Research that as at 14th August 2014, it had entered into signed equity commitments (excluding the GWP investments) worth $210.0 million that were to be received by MAAM by 31st December 2014. MAAM is a wholly owned subsidiary of Moelis Australia Group. Moelis Australia Group is 50% owned by Moelis & Co and the remaining 50% by key executives within the Australian management team. As at August 2014, Moelis Australia Group employed a total of 56 employees across its three business units – MAAM, Moelis Australia Advisory Pty Ltd and Moelis Australia Securities Pty Ltd. SQM Research notes that GWP is the first investment vehicle of its kind being launched by MAAM.

The Investment Committee, which is responsible for driving the investment decisions for GWP, is comprised of three highly experienced members. Andrew Martin, who holds the position of Managing Director at MAAM and CIO at GWP, brings to the team over 20 years of experience in the real estate and infrastructure sectors as principal investor and advisor. Prior to joining Moelis, Mr Martin held the position of Managing Director at UBS Global Asset Management in Infrastructure and Private Equity and was the founding member of UBS’ International Infrastructure Fund. Mr Martin joined Moelis Australia in 2012 with the aim to setup its asset management business. Committee members – Simon Scott and John Garrett together head the Australian Equities business at Moelis Australia Securities (a sister concern of MAAM). Mr Garrett brings the team over 18 years of experience across property investment sales, equity research, sales trading, risk arbitrage, long/short and special situations strategies. Mr Garrett has spent over seven years specialising in hedge fund. Prior to joining Moelis, Mr Garrett was the Head of Hedge Fund Sales at UBS Investment Bank. Within GWP’s
Investment Committee, Mr Garrett plays an integral role given his extensive understanding of the hedge funds industry. Mr Scott’s background is in equity research where he began his career over 18 years ago. Prior to Moelis, Mr Scott operated his own company where he provided advisory services. SQM Research understands that within the Investment Committee, Mr Martin will be responsible for the investment/asset management and the performance reporting on the Underlying funds while Mr Garrett and Mr Scott will primarily be responsible for monitoring the risk profile of the Underlying Funds. Mr Garrett will also serve as the point of contact between GWP and the Investment Partners and he will be supported in his duties by Mr Scott.

The Investment Committee of the Fund is further supported by the investment team which is comprised of six members from Moelis Australia Group. Senior Investment Managers of MAAM – Denise Cosmetatos and Enda Stankard will provide assistance to the Investment Committee in the investment decision process and continually monitor the performance and risk profile of the Underlying Funds. Managing Director of Moelis Australia – Hugh Thompson has been appointed the Company Secretary for GWP and he will be responsible for ensuring that GWP meets its ASX and ASIC reporting obligations. Senior Finance Officer at Moelis – Karen Frketic will be responsible for reporting on the accounts for GWP. The Manager has advised that they are in the process of hiring a replacement for Ms Frketic who will be solely focussed on the accounting and reporting for GWP. General Counsel – Georgia Anastosopoulos and US representative – Matthew McCloghry will provide support to the GWP investment team as and when required. SQM Research notes that all team members of the Investment Committee as well as the broader investment team, bring abundant experience having had worked in the industry for numerous years for various well-established organisations.

Investors should note that members of the Investment Committee and the broader investment team are also responsible for other products managed by Moelis Australia Group and they are not solely responsible for the Fund under review. That being said, SQM Research has observed that while the investment team members within GWP will maintain an oversight over the selected Investment Partners, the respective fund managers of the Underlying Funds will have the final authority with respect to the portfolio construction decisions. As such, the investment team at GWP will have no say in the buy/sell decisions or the portfolio construction process of the Underlying Funds of the Investment Partners.

The Investment Committee has also appointed an independent third-party – Aksia LLC to assimilate and provide on-going performance, fund reporting and risk analysis reports on each of the Underlying Funds’ investments on a monthly basis. The performance reports prepared by Aksia LLC will be utilised by GWP’s Investment Committee as well as the Board of Directors to monitor the performance and portfolios of the Underlying Funds. Consolidated performance, attribution and allocations reports will also be prepared and lodged by GWP with the ASX on a monthly basis.

The Manager has advised SQM Research that the Board of Directors of GWP will maintain an oversight on the performance and functioning of the Underlying Funds as well as GWP’s investment team. To assist with this, the Board will receive reporting on the key metrics and performance of the Underlying Funds each month. In addition, the Board will also be responsible for ensuring that GWP meets all its regulatory and governance compliance requirements and meets its key investment criteria. SQM Research understands that the Board of Directors of GWP will be comprised of five directors. Three out of the five Directors will be independent and non-executive. The Chairman of the Board – David Koch will also be an independent and non-executive Director.

While the Fund is a new entity with no performance history, SQM Research has analysed the historical performance of each of the Underlying Funds selected by GWP. SQM Research observes that all the Underlying Funds have been able to record strong performance since their respective inception, especially when compared to the MSCI Total Return Index (USD).

Under the terms of the Management Agreement, MAAM as the Investment Manager, will be paid a management fee of 1.0% per annum (plus GST) of the Investment Portfolio’s Net Asset Value (NAV). The management fee charged by MAAM has been recorded marginally below the peer average comprised of LICs investing in international equities. However, investors should note that GWP will not be making direct investments into equities. Rather it will be selecting Investment Partners who in turn will make investments in securities across the capital structure. In addition, MAAM will also be entitled to a performance fee equalling 10.0% of the outperformance of the Fund to its benchmark – the MSCI Total Returns Index (AUD). The performance fee charged by the Investment Manager is also recorded below the peer average. However, investors should also be aware that each Underlying Fund will charge a management fee and performance fee (if applicable). SQM Research notes that the cumulative management fee charged will be marginally higher than what the individuals would have paid for direct investments into investment vehicles similar to the Underlying Funds. However, GWP investors will be privy to the added benefit of liquidity, via the ASX-listed vehicle.

Moelis Australia Advisory Pty Ltd (a related entity of MAAM) has been appointed the Lead Manager and Arranger for the Offer. As a result, Moelis Australia Advisory will receive a gross management fee of 1.50% (exclusive of GST) of the total proceeds of the Offer received by GWP. If the Offer is fully subscribed, Moelis Australia Advisory will receive a gross fee of AU$4.5 million (exclusive of GST).
Costs associated with the Offer including the legal, accounting, Arranger and Lead Manager fees and other costs associated with the production of the Prospectus were estimated at AU$2.8 million (net of GST receivable and assuming minimum subscription) and AU$6.1 million (net of GST receivable and assuming maximum subscription). These costs will be covered from the proceeds of the IPO.

SQM Research understands that GWP does not intend to pay dividends to its shareholders during the initial investment period of three years from inception. Any dividends earned from the Underlying Funds during the three-year period will be reinvested into the same Underlying Fund. SQM Research has been advised that this will result in deferred taxes for GWP for the first three years. After the three year period, GWP may commence paying dividends. GWP has specified that all future dividends that are paid to the shareholders will be fully franked or franked to the maximum extent possible.

Overall, GWP offers retail investors with a unique and liquid exposure to alternate investment managers. Moreover, the Fund is being led by an experienced investment team. While the Fund is new and presents with no performance history, the historical performance of the Underlying Funds since their inception has been strong.

| Investment Partners' Performance as at 30 June 2014* | 1-Year | 3-Year | 5-Year | 7-Year | Since Inception
<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>JHL Capital Group LLC (%)</td>
<td>1.0</td>
<td>4.8</td>
<td>8.8</td>
<td>11.2</td>
<td>12.3</td>
</tr>
<tr>
<td>Orange Capital LLC (%)</td>
<td>26.6</td>
<td>12.6</td>
<td>14.0</td>
<td>10.8</td>
<td>12.7</td>
</tr>
<tr>
<td>Locust Wood Capital Advisers LLC (%)</td>
<td>17.5</td>
<td>13.9</td>
<td>13.9</td>
<td>8.4</td>
<td>10.9</td>
</tr>
<tr>
<td>Manikay Partners LLC (%)</td>
<td>8.8</td>
<td>12.5</td>
<td>11.6</td>
<td>N/A</td>
<td>12.2</td>
</tr>
<tr>
<td>MSCI Total Return Index (USD) (%)</td>
<td>24.0</td>
<td>11.8</td>
<td>15.0</td>
<td>3.4</td>
<td>7.7</td>
</tr>
</tbody>
</table>

* Inception date vary depending on the individual Underlying Funds' start date. Returns net of Underlying Fund fees but before Investment Manager fees.

Strengths of the Fund

- The Fund’s Investment Committee is comprised of experienced members who have displayed solid experience working in the hedge fund and asset management industries.
- Each of the selected Underlying Funds of the Investment Partners have been able to produce strong returns compared to the MSCI Total Returns Index (in US$).
- The Fund provides retail investors with a unique and liquid exposure to US-based hedge funds.

Weaknesses of the Fund

- The cumulative management fee charged will be marginally higher than what the individuals would have paid for direct investments into investment vehicles similar to the Underlying Funds. However, GWP investors will be privy to the added benefit of liquidity, via the ASX-listed vehicle.
- The Investment Partner selection process adopted by GWP’s Investment Committee entails a certain degree of subjectivity, given that prior existing relationships maintained by Investment Committee members played an integral role in initially shortlisting potential Investment Partners for investments by GWP.

Other considerations

- The Manager has informed that the Fund has been received well, with it receiving indicative commitments amounting to roughly AU$100 million prior to IPO.
- The Underlying Funds adopt sophisticated investment strategies which may not be easily understood by retail investors to whom the Fund is being offered. As such, investors must be comfortable with the risk/return profile of GWP’s underlying investments.
- At inception, the Fund will be an unhedged offering. As such, investors should be aware that returns will vary with movements in the AUD/USD exchange rate.
- The Fund adopts a multi-manager approach to portfolio construction wherein the final portfolio of GWP will essentially be an amalgam of four individual portfolios managed by the four Investment Partners.
- The Fund is listed and will be traded on the ASX. While that provides liquidity, market sentiment and volatility may have an adverse impact on the share price when compared to the underlying NAV.
- The fund managers of the Underlying Funds have material co-investments in their own funds, thereby aligning their interests with those of their investors. Moreover, Moelis Australia Group, its employees and associates have committed between AU$10 and AU$20 million of co-investment in GWP.
Global Wealth Partners Fund Limited

Global Wealth Partners Fund Limited ("GWP" or "the Fund" or "the Company") is an investment management organisation to be listed on the Australian Securities Exchange (ASX) as a listed investment company (LIC) on 26th September 2014. GWP has been setup to offer its investors diversification with global asset exposure and focus on capital growth over the longer-term via its investments into the Underlying Funds. GWP will aim to gain this exposure by initially partnering with four global alternate investment managers (US-based hedge fund managers), each of who have displayed a track record of protecting and growing capital.

Through the initial public offering (IPO) GWP aims to raise between AU$100 million and AU$300 million (before costs and broker fees) to amass funds for investments into the Investment Portfolio comprised of the four Underlying Funds as well as for working capital purposes.

The Manager has advised SQM Research that up to a maximum of 10% of the total funds received via the IPO (after deducting offer-related costs) will be kept aside to meet working capital requirements and the remaining 90% will be equally invested across the four Investment Partners.

GWP has entered into a Management Agreement with Moelis Australia Asset Management (MAAM) to manage the relationships with the US-based Investment Partners.

Board of Directors
The Board of Directors of GWP will be comprised of five Directors, three of whom will be classified as non-executive, independent Directors. The Chairman of the Board – David Koch will be independent. Warwick Negus and Alexandra Preistley will be the two independent non-executive Directors while Andrew Pridham and Amelia Salter will be the two non-executive Directors. Both Mr Pridham and Ms Salter are employed by Moelis Australia Group.
SQM Research has observed the skills and experience of the Board of Directors of GWP. SQM Research further notes that the independence of the Board of Directors of GWP is in accordance with recommendation 2.1 of the ASX Corporate Governance Principals.

Parent Entity of the Investment Manager

Moelis & Company (Moelis & Co) is a US-based investment bank that provides strategic advice and solutions to its client base which includes corporations, governments and financial sponsors. Moelis & Co was founded in July 2007 by Chairman and Chief Executive Officer (CEO) – Ken Moelis. Moelis & Co has over 600 employees across 14 offices spread across the United States, Europe, the Middle East, Asia and Australia.

Moelis & Co was listed on the New York Stock Exchange (NYSE) in April 2014 and as at July 2014 had a market capitalisation of approximately US$1.8 billion.

Investment Manager

Moelis Australia Asset Management Pty Ltd (MAAM) has been appointed the Investment Manager of the Fund under the Management Agreement. MAAM has entered into a Management Agreement with GWP for a period of ten years (extendable upon agreement by both entities) to oversee the investments of GWP and to maintain the relationships with the Investment Partners of GWP.

MAAM is an upcoming asset manager that was setup in 2012 with the aim to offer its investors asset management capabilities in alternate asset classes including real estate and infrastructure. As at 31st August 2014, MAAM had roughly $84.0 million in funds under management. Furthermore, MAAM has advised SQM Research that as at 14th August 2014, it had entered into signed equity commitments (excluding the GWP investments) worth $210.0 million that were to be received by MAAM by 31st December 2014.

MAAM is a wholly owned subsidiary of Moelis Australia Group. Moelis Australia Group provides financial advisory, institutional equities, capital markets and asset management services to a broad client base including corporations, institutions and governments. Moelis Australia Group is a part of Moelis & Co and 50% owned by Moelis & Co and the remaining 50% by key executives within the Australian management team. As at August 2014, Moelis Australia Group employed a total of 56 employees across three business units – MAAM, Moelis Australia Advisory Pty Ltd and Moelis Securities Pty Ltd.

MAAM has been appointed to manage the investment portfolio in accordance with the terms of the Management Agreement.

Management Agreement

GWP has entered into a Management Agreement with MAAM with respect to the management of the Investment Portfolio. Under the Agreement, MAAM has been exclusively appointed to manage the Investment Portfolio and manage and supervise all investments of GWP in accordance with the terms and conditions. For its services, MAAM will be entitled a management fee. MAAM will also be entitled to a performance fee if the Investment Portfolio exceeds certain set performance criteria over each calculation period.

The key on-going responsibilities of MAAM include:

- Providing assistance and support to the Board of Directors in shaping GWP’s strategy and direction;
- Performance management and risk monitoring of the Investment Partners;
- Facilitating the on-going reporting requirements; and
- Providing general administration, compliance and legal support for GWP.

The initial term of the Management Agreement is up to ten years from the date of admission of the shares on the ASX, unless terminated earlier in accordance with the terms and conditions. The Management Agreement will be automatically extended for further rolling terms of five years upon the expiry of the initial term (or extended term).

After the expiry of the initial term, the Management Agreement may be terminated three months after an ordinary resolution of shareholders is passed to end the Management Agreement. MAAM is entitled to terminate the Management Agreement on three months’ notice at any time after the first anniversary of the Management Agreement.

If the Management Agreement is terminated by GWP after the initial term, the Investment Manager will be entitled to a termination payment which will equal 1.0% per annum multiplied by the number of calendar years (or part thereof) remaining in the relevant extended term and multiplied by the Net Asset Value Backing of each share in each class of shares. If the Management Agreement is terminated by MAAM due to the change of control of GWP, MAAM will be entitled to a termination payment which will equal the management fee for the 12-month period ending on the termination date.

Lead Manager and Arranger

Moelis Australia Advisory Pty Ltd – a related entity of MAAM, has been appointed the Lead Manager and Arranger for the Offer. As a result, Moelis Australia Advisory will receive a gross management fee of 1.50% (exclusive of GST) of the total
proceeds of the Offer received by GWP. If the Offer is fully subscribed, Moelis Australia Advisory will receive a gross fee of AU$4.5 million (exclusive of GST).

**Investment Partners**

At inception, MAAM will make equal investments in four US-based hedge fund managers (Investment Partners) which will collectively constitute the Investment Portfolio of GWP. The investments made by GWP into the Underlying Funds will be locked-in for a period of three years. During the initial lock-in period, only “bad boy” acts could trigger an early redemption request, in which case GWP will not be charged any early redemption fees. However, a notice period of 30 days will need to be given to the Investment Partner from whom the redemption is requested. The Investment Partners selected for the initial investments of GWP are:

**Locust Wood Capital Advisers LLC**

Locust Wood Capital was founded in July 2002 by Stephen Errico. Locust Wood is based in New York and has 11 employees. At 1st August 2014, it managed over US$ 914 million in assets under management.

Locust Wood employs an opportunistic value investment strategy and does not utilise leverage in the portfolio. The Fund aims to identify and invest in mispricings that occur due as a result of company-specific events such as mergers, acquisitions, spin-offs or management shake-ups.

**Orange Capital LLC**

Orange Capital LLC was founded in 2005 by Daniel Lewis and Russell Hoffman. Orange Capital is based in New York and employs 13 employees. As at 1st August 2014, Orange Capital had approximately US$1.1 billion in assets under management.

Orange Capital adopts an opportunistic strategy and invests across the capital structure. It typically holds a concentrated portfolio of 15 to 20 positions with the aim to focus on the best ideas. The Fund also aims to minimise the use of leverage in the portfolio.

**JHL Capital Group LLC**

Founded by James Litinsky in 2006, JHL is based in Chicago and has 25 employees. As at 1st August 2014, JHL has approximately US$2.0 billion in assets under management.

JHL Capital adopts a fundamental-driven opportunistic value investment strategy that focuses on risk-adjusted investment results. The Fund operates with a broad and flexible mandate and is able to invest across the capital structure, security type, industry and geography. Since its inception the Fund has typically held on average 30 positions.

**Manikay Partners LLC**

Founded in 2008 by Shane Finemore, Manikay has offices in New York and Sydney and has 20 employees. As at 1st August 2014, Manikay has approximately US$1.7 billion of assets under management.

Manikay Partners operate an opportunistic fund that is able to invest globally and across the capital structure. The portfolio is designed with the aim to diversify and deliver strong risk-adjusted returns to their investors. The Fund operates one portfolio, however the portfolio contains three complementary strategies – market neutral strategy, arbitrage strategy and a long/short investment strategy.
Investment Committee – Moelis Australia Asset Management (MAAM)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Qualifications</th>
<th>Years with Firm</th>
<th>Investment Experience</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Martin</td>
<td>Managing Director of MAAM and CIO</td>
<td>LLB</td>
<td>2</td>
<td>27</td>
<td>UBS Global Asset Management, Norton Rose Fulbright Australia, Aliens Business Solution</td>
</tr>
<tr>
<td>John Garrett</td>
<td>Managing Director</td>
<td>BBus, GDipAppFin</td>
<td>4</td>
<td>18</td>
<td>UBS Investment Bank, Jones Lang Wootton</td>
</tr>
<tr>
<td>Simon Scott</td>
<td>Managing Director</td>
<td>BCom, MCom</td>
<td>4</td>
<td>18</td>
<td>CorVal Partners, Goldman Sachs JB Were, Citigroup, Credit Suisse</td>
</tr>
</tbody>
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Investment Team – Moelis Australia Asset Management (MAAM)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Qualifications</th>
<th>Years</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denise Cosmetatos</td>
<td>Senior Investment Manager</td>
<td>BCom, CPA, DipFinMarkets</td>
<td>&lt;1</td>
<td>ING Real Estate Investment Management, Lend Lease</td>
</tr>
<tr>
<td>Enda Stankard</td>
<td>Senior Investment Manager</td>
<td>BBusStud and French</td>
<td>2</td>
<td>ING Real Estate Investment Management, JP Morgan</td>
</tr>
<tr>
<td>Hugh Thomson</td>
<td>CEO and Managing Director</td>
<td>CA</td>
<td>1</td>
<td>ING Real Estate Investment Management</td>
</tr>
<tr>
<td>Georgia Anastasopoulous</td>
<td>General Counsel</td>
<td>BLaw (Hons)</td>
<td>3</td>
<td>BBY, Mallesons Stephen Jaques, Piper Alderman</td>
</tr>
<tr>
<td>Karen Frketic</td>
<td>Senior Finance Officer</td>
<td>BEng, Dip Applied Finance &amp; Investments, FSIA, CA</td>
<td>4</td>
<td>AllianceBernstein, JP Morgan</td>
</tr>
<tr>
<td>Matthew McCloghry</td>
<td>US representative</td>
<td>BBus, DipFinMarkets</td>
<td>7</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Location of Team | Sydney | Team Size | 9

Investment Process

The Investment Committee responsible for the overall management of GWP’s Investment Portfolio is comprised of three members: Managing Director of MAAM and CIO of GWP – Andrew Martin and Managing Directors at Moelis Australia – John Garrett and Simon Scott. The three members of the Investment Committee are primarily responsible for evaluating the overall strategic direction of the Fund, which includes making the capital allocation decisions for GWP as well as for reviewing prospective alternative investment managers prior to allocation of capital.

Andrew Martin who holds the position of Managing Director at MAAM, brings to the team over 20 years of experience in the real estate and infrastructure sectors as principal investor and advisor. Prior to joining Moelis, Mr Martin held the position of Managing Director at UBS Global Asset Management in Infrastructure and Private Equity and was the founding member of UBS’ International Infrastructure Fund. Mr Martin joined Moelis Australia in 2012 with the aim to setup its asset management business.

Investment Committee members Simon Scott and John Garrett together head the Australian Equities business at Moelis Australia Securities (a related entity of MAAM). Mr Garrett brings to the team over 18 years of experience across property investment sales, equity research, sales trading, risk arbitrage, long/short and special situations strategies. Mr Garrett has spent over seven years specialising in hedge fund advisory. Prior to joining Moelis, Mr Garrett was the Head of Hedge Fund Sales at UBS Investment Bank. Within the Investment Committee, Mr Garrett plays an integral role given his extensive understanding of the hedge funds industry. Mr Scott’s background is in equity research which is where he began his career over 18 years ago. Prior to Moelis, Mr Scott operated his own company where he provided advisory services.

SQM Research understands that within the Investment Committee, Mr Martin will be responsible for the investment/asset management and the performance reporting on the Underlying Funds while Mr Garrett and Mr Scott will primarily be responsible for monitoring the risk profile of the Underlying Funds. Mr Garrett will also serve as the point of contact between GWP and the Investment Partners and he will be supported in his duties by Mr Scott.
SQM Research notes the skills and experience of GWP’s Investment Committee. It is also observed that the Investment Committee places a high degree of responsibility with Mr Garrett, given his past experiences and understanding of hedge funds industry. That being said, both Mr Martin and Mr Scott have also gained extensive experience with alternative investment managers over the past 15 years.

The Investment Committee of the Fund is further supported by the investment team, which is comprised of six members from Moelis Australia Group. Senior Investment Managers of MAAM – Denise Cosmetatos and Enda Stankard provide assistance to the Investment Committee in the investment decision process and continually monitor the performance and risk profile of the Underlying Funds. Managing Director of Moelis Australia – Hugh Thompson has been appointed the Company Secretary for GWP and he will be responsible for ensuring that GWP meets its ASX and ASIC reporting obligations. Senior Finance Officer at Moelis – Karen Frketic will be responsible for reporting on the accounts for GWP. The Manager has advised SQM Research that they are in the process of hiring a replacement for Ms Frketic who will be solely focussed on the accounting and reporting for GWP. General Counsel – Georgia Anastasopoulos and US representative – Matthew McCloghry will provide support to the GWP investment team as and when required. SQM Research notes that all team members of the Investment Committee as well as the broader investment team bring abundant experience having had worked in the industry for numerous years for various well-established organisations.

The three Investment Committee members – Mr Martin, Mr Garrett and Mr Scott along with Senior Investment Managers – Ms Cosmetatos and Mr Stankard together form the key investment personnel of the Fund.

Investors should note that members of the Investment Committee and the broader investment team are also responsible for other products managed by Moelis Australia Group and they are not solely responsible for the Fund under review.

The Fund is structured such that at inception GWP, via its Investment Manager – MAAM, will invest equally in four US-based Investment Partners - Locust Wood Capital LLC, Orange Capital LLC, Manikay Partners LLC and JHL Capital LLC. Out of the total proceeds raised from the IPO (after deducting offer costs), up to a maximum of 10% of the funds will be kept aside to meet the working capital requirements while the remaining 90% will be invested equally across the four Investment Partners.

While the investment team members within GWP will maintain an oversight over the selected Investment Partners, the fund managers of the Underlying Funds will be responsible for the portfolio construction process of the Underlying Funds of the Investment Partners.

The Investment Committee adopted an intensive due diligence process to shortlist and select suitable Investment Partners for GWP’s investments. SQM Research understands that the Investment Committee members, based on their prior existing relationships with alternate investment managers and prime brokers, initially shortlisted approximately 100 hedge fund managers for consideration for investments by GWP. The Committee members subsequently conducted thorough due diligence by analysing historical performance and portfolio holdings. The Committee also undertook interviews with the fund managers based in the US to further expunge funds that were deemed unsuitable for investment by GWP. Some of the important factors considered to find suitable Investment Partners included the level of leverage, portfolio concentration, portfolio liquidity, correlation with market indices and other potential Investment Partners and also the investor base of the Underlying Funds.

The Investment Manager appointed an external third-party – Aksia LLC, a US-based operational due diligence organisation, to conduct the operational due diligence function during the shortlist process. Further to this, going forward, MAAM has kept Aksia on a retainer contract to conduct due diligence on GWP’s future investments as and when required. SQM Research has sighted the operational and infrastructure due diligence reports prepared by Aksia LLC on the four Investment Partners and is comfortable with the depth of research undertaken on each of the four Investment Partners.

Going forward, Aksia will also be responsible for liaising with the Investment Partners on an on-going basis to assimilate their on-going performance, fund reporting and risk analysis reports which will be sent to GWP’s Investment Committee as well as the Board of Directors each month. Consolidated performance, attribution and allocations reports will also be prepared and lodged by GWP with the ASX on a monthly basis.

The Board of Directors of GWP will be responsible for maintaining an oversight on the investment decisions made by the Investment Committee as well as the performance and functioning of the Underlying Funds. SQM Research understands that the Board will receive monthly reporting on the key metrics of the Underlying Funds.

SQM Research believes that the investment team within GWP is well equipped to perform its duties as the Investment Manager of GWP. However, it should be noted that members of the Investment Committee and the investment team are also responsible for other products managed by MAAM and they are not solely responsible for the Fund under review.
Remuneration and Incentives

The remuneration of the investment team of the Fund under review is comprised of base salary plus cash bonus and equity offers in the firm. Most senior executives in the company hold material equity positions in Moelis Australia, which is owned 50% by Moelis & Co in the US and 50% by key executives in Australia.

Annual cash bonuses and equity offers are primarily determined with reference to the performance of the business divisions in which the incumbent has responsibilities. SQM Research understands that GWP will form an imperative part of the MAAM business and as such, its performance will be an important determinant of the cash bonuses and equity offers paid out to the investment team members each year.

In addition, Moelis executives will also be making significant personal investments in the Fund under review and as a result, their interests will be closely aligned with the performance of the Fund under review.

SQM Research has reviewed the staff incentive and remuneration policies and believes that the remuneration structure appears to provide an efficient way to align staff performance with the on-going performance of the Fund under review.

Audit and Risk Committee

GWP has also set up an Audit and Risk Committee, which will be comprised of three members. SQM Research understands that two of the members will be independent while the third member will be a non-executive director. The Audit and Risk Committee has been set up with the purpose of advising on the establishment and maintenance of a framework of internal controls for GWP’s management and also to assist the Board of Directors with policies on the quality and reliability of the financial information prepared. The Committee will also be responsible for reviewing GWP’s risk management framework and policies and monitoring their implementation.

Investment Partners’ Investment Teams

A brief description of the investment teams of each of four Investment Partners’ is detailed below.

Orange Capital LLC

<table>
<thead>
<tr>
<th>Portfolio Manager(s)</th>
<th>Responsibility</th>
<th>Qualifications</th>
<th>Years with Firm</th>
<th>Investment Experience</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Lewis</td>
<td>Managing Partner &amp; Chief Investment Officer</td>
<td>BSc</td>
<td>9</td>
<td>18</td>
<td>Citigroup</td>
</tr>
<tr>
<td>Russell Hoffman</td>
<td>Partner &amp; President</td>
<td>BCom (Hons), MBA</td>
<td>9</td>
<td>12</td>
<td>Casey, Quirk and Associates, MBNA America Bank, Arthur Anderson</td>
</tr>
</tbody>
</table>

Orange Capital LLC was co-founded by Daniel Lewis and Russell Hoffman in 2005. It is based in New York and registered in the Cayman Islands. The Fund operates as a global event-driven value investor that invests across the capital structure. The Fund looks to find mispriced securities triggering from company-specific events, with Mr Lewis being ultimately responsible for identifying and allocating securities to be examined. The research for the Fund is conducted by the in-house research team which is comprised of four Research Analysts. The Analysts are generalists and research responsibilities are not segregated by industry or geography. Mr Lewis is ultimately responsible for the portfolio construction process.

JHL Capital Group LLC

<table>
<thead>
<tr>
<th>Portfolio Manager(s)</th>
<th>Responsibility</th>
<th>Qualifications</th>
<th>Years with Firm</th>
<th>Investment Experience</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Litinsky</td>
<td>Managing Member &amp; Chief Investment Officer</td>
<td>BA (Eco), cum laude, JD/ MBA</td>
<td>8</td>
<td></td>
<td>Fortress Investment Group, Omnicom Group, Allen &amp; Company</td>
</tr>
</tbody>
</table>

JHL Capital Group LLC was founded by James Litinsky in August 2006. It is based in New York and is a Delaware limited liability company. JHL has a team of 26 full-time employees, 11 of whom are investment professionals. The Fund was established with an
opportunistic, value-driven investment approach focussed on delivering superior risk-adjusted returns. Prior to JHL, Mr Litinsky gained extensive experience evaluating investment opportunities at all levels of the capital structure. Mr Litinsky is ultimately responsible for the portfolio construction process while the fundamental research is conducted in-house by the investment research team of the Fund which is comprised of eight members – four Senior Analysts and four Analysts.

**Manikay Partners**

<table>
<thead>
<tr>
<th>Portfolio Manager(s)</th>
<th>Responsibility</th>
<th>Qualifications</th>
<th>Years with Firm</th>
<th>Investment Experience</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shane Finemore</td>
<td>Managing Partner, CIO</td>
<td>BCom (Acc &amp; Fin), CFA</td>
<td>6</td>
<td>24</td>
<td>UBS</td>
</tr>
<tr>
<td>Russell Aboud</td>
<td>Partner, Chairman</td>
<td>MBBS (Syd)</td>
<td>6</td>
<td>28</td>
<td>UBS</td>
</tr>
</tbody>
</table>

Manikay Partners LLC was founded in 2008 by Shane Finemore. The Fund is primarily based in New York but also has an office in Sydney. The Fund operates a single portfolio with three opportunistic underlying strategies – a market neutral trading strategy focussed on short-term market mispricings, an arbitrage strategy to capitalise on security mispricings resulting from M&A, restructuring, management changes etc. and a long/short investment strategy which is a long-term, fundamental, value investing approach. The investment ideas within the Fund are identified by Mr Finemore and researched by the investment team, which is comprised of four Analysts. Mr Finemore is ultimately responsible for the portfolio construction process.

**Locust Wood Capital Advisers LLC**

<table>
<thead>
<tr>
<th>Portfolio Manager(s)</th>
<th>Responsibility</th>
<th>Qualifications</th>
<th>Years with Firm</th>
<th>Investment Experience</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Errico</td>
<td>Founder and Portfolio Manager</td>
<td>BA (Eco)</td>
<td>12</td>
<td>29</td>
<td>Morgan Stanley</td>
</tr>
</tbody>
</table>

Locust Wood Capital Advisers LLC was founded by Stephen Errico in 2002. The Fund is based in New York. The Fund operates an opportunistic value investing strategy that seeks to identify mispricings in the market resulting from company-specific events or broad market movements. Mr Errico holds the final decision-making authority for the portfolio of the Fund. He is further supported Head of Research – William D. Gibbons Jr. and three full-time Analysts.
### Fee Structure

<table>
<thead>
<tr>
<th>Fees</th>
<th>Fund</th>
<th>Peer Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fee (% p.a.)</td>
<td>1.00</td>
<td>1.06</td>
</tr>
<tr>
<td>Performance fee (% p.a.)</td>
<td>10.00</td>
<td>12.50</td>
</tr>
</tbody>
</table>

1 From a sample of listed investment companies (LICs) investing in international equities as determined by SQM Research.

### Management Fee

As the Investment Manager – MAAM will be paid a management fee of 1.0% per annum (plus GST) of the portfolio’s Net Asset Value for overseeing the investments of GWP. The fee charged by MAAM is slightly below the peer average comprised of listed investment companies (LICs) listed on the ASX that invest in international equities. However, investors should make note that GWP will not be making direct investments into equities. Rather it will be selecting Investment Partners that in turn will make investments across the capital structure.

### Performance Fee

MAAM will also be entitled to a performance fee of 10% (plus GST) of the outperformance of the MSCI Total Return Index (AUD) which will be calculated and accrued monthly on a pre-tax basis. The fee will be paid six monthly in arrears. Any negative performance will be carried forward into subsequent periods. Moreover, the performance will also be subject to a high water mark.

### Early Termination Fee

GWP has engaged MAAM via a Management Agreement for an initial term of ten-years from the date the shares are registered on the ASX. If the Management Agreement is terminated by GWP after the initial term, the Investment Manager will be entitled to a termination payment which will equal 1.0% per annum multiplied by the number of calendar years (or part thereof) remaining in the relevant extended term and multiplied by the Net Asset Value Backing of each share in each class of shares. If the Management Agreement is terminated by MAAM due to the change of control of GWP, MAAM will be entitled to a termination payment which will equal the management fee for the 12-month period ending on the termination date.

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### Investment Partners’ Fees

Due to restrictions surrounding the level of disclosure permitted for the Investment Partners, SQM Research is unable to report the fees charged by each individual Investment Partner. However, SQM Research has provided below a summary of the fees charged.

Each of the Investment Partners will charge a fee that will be deducted from the NAV of the respective Fund. The management fee payable on the investment interest will vary between the individual Investment Partners and will range between 1.0% and 1.5% per annum. The fee will be payable out of the assets or income of the Underlying Fund managed by the Investment Partner.

Each Investment Partner will also be allocated a performance-based payment that will be a percentage of the increase in the growth of the Net Asset Value referable to GWP’s investment with the Investment Partner, subject to satisfying certain high water mark provisions. The high water mark provisions have been designed to avoid rewarding the Investment Partner in inappropriate scenarios. The percentage of performance fee paid will vary between the individual Investment Partners and may be up to a maximum of 20% per annum of the outperformance achieved by the individual Investment Partner. The fee will be payable out of the assets or income of the Underlying Fund managed by the Investment Partner.

The management fees and performance-based fees payable to the Investment Partners will be deducted from the Net Asset Value of the Investment Interest.

---

*SQM Research*
**GWP is a new Fund and does not present investors with a performance history. The analysis in the ensuing section contains the historical performance of the Underlying Funds in which GWP will invest. Investors should note that past performance should not be considered as an indicator of the future performance of the Underlying Funds.**

The Underlying Funds chosen by GWP have varied inception dates. Manikay Partners LLC has the shortest investment history, as it began its operations in August 2008. Therefore, the comparison analysis contained in the section below has been calculated since August 2008 (unless otherwise specified). Investors should note that the analysis contained in the section below is denominated in US Dollars. Moreover, the figures are net of fees charged by the Underlying Fund but before the Investment Manager fees.

### Statistical Overview as at 30th June 2014

<table>
<thead>
<tr>
<th></th>
<th>JHL Capital Group</th>
<th>Locust Wood Capital Advisers</th>
<th>Manikay Partners</th>
<th>Orange Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception date</td>
<td>1st August 2006</td>
<td>1st July 2002</td>
<td>1st August 2008</td>
<td>1st July 2005</td>
</tr>
<tr>
<td>Total Return (%)</td>
<td>12.3</td>
<td>10.9</td>
<td>12.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Standard Deviation (%)</td>
<td>10.1</td>
<td>8.5</td>
<td>6.4</td>
<td>11.2</td>
</tr>
</tbody>
</table>

1 Since inception, compounded annually.

### 12-Month Detailed Statistics as at 30th June 2014

<table>
<thead>
<tr>
<th></th>
<th>JHL Capital Group</th>
<th>Locust Wood Capital Advisers</th>
<th>Manikay Partners</th>
<th>Orange Capital</th>
<th>MSCI Total Return Index (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return (%)</td>
<td>1.0</td>
<td>17.5</td>
<td>8.8</td>
<td>26.6</td>
<td>24.0</td>
</tr>
<tr>
<td>Benchmark Tracking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Return (%)</td>
<td>-23.0</td>
<td>-6.6</td>
<td>-15.3</td>
<td>2.5</td>
<td>N/A</td>
</tr>
<tr>
<td>Beta</td>
<td>0.06</td>
<td>0.55</td>
<td>0.30</td>
<td>0.62</td>
<td>N/A</td>
</tr>
<tr>
<td>Risk Measures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharpe Ratio</td>
<td>-0.43</td>
<td>2.55</td>
<td>1.38</td>
<td>2.48</td>
<td>2.20</td>
</tr>
<tr>
<td>Standard Deviation (%)</td>
<td>3.9</td>
<td>5.8</td>
<td>4.4</td>
<td>9.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Sharpe ratio contained in this summary section and in the charts proceeding provides no reliable comparison in periods where the Fund record negative results.

### Quantitative Insight

The historical data on the Underlying Funds managed by the four Investment Partners highlights the strong long-term performance especially when compared to the chosen benchmark – the MSCI Total Return Index. Importantly, it is observed that all of the Underlying Funds were able to sustain their performance even through the tumultuous period of the global financial crisis (GFC). This is further explained by the rolling three-year returns charts which highlights that the Underlying Funds that operated through the GFC were able to outperform the MSCI Total Returns Index (USD) the returns for which trended into the negative.

Even though the four Underlying Funds present with different operating history, they have all been able to record double-digit annualised returns since their respective inception.

Even on a risk-adjusted basis, majority of the four Underlying Funds have been able to record positive Sharpe ratios as measured over rolling three-year periods. Interestingly however, the Sharpe ratio recorded by the JHL Capital Advisers LLC, while positive, has been following a downward trajectory in the recent periods.

**While SQM Research acknowledges the performance of the Underlying Funds, it also notes the lack of disclosure surrounding the portfolio holdings of the Investment Partners. While it is common for institutional or sophisticated investors to invest in vehicles such as the Investment Partners, retail investors have not typically been privy to such investment vehicles.**
SQM Research strongly advises the investors in GWP to read through the Prospectus thoroughly in order to understand the risks of investing in such vehicles.

**Returns**

**Growth of $10,000 (July 2008 onwards)**

<table>
<thead>
<tr>
<th>JHL</th>
<th>Orange</th>
<th>Locust Wood</th>
<th>Manikay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$5,000</td>
<td>$10,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>$20,000</td>
<td>$25,000</td>
<td>$30,000</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

**Three-year rolling returns**

**Risk-Return & Efficiency**

**Three-year rolling Sharpe ratio**

<table>
<thead>
<tr>
<th>JHL</th>
<th>Orange</th>
<th>Locust Wood</th>
<th>Manikay</th>
</tr>
</thead>
<tbody>
<tr>
<td>-20%</td>
<td>-15%</td>
<td>-10%</td>
<td>-5%</td>
</tr>
<tr>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>20%</td>
<td>25%</td>
<td>30%</td>
<td>35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<tr>
<td>$20,000</td>
<td>$25,000</td>
<td>$30,000</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

**Portfolio Snapshot**

<table>
<thead>
<tr>
<th>Portfolio Snapshot as at 30th June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHL Capital Group</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Average gross long position</td>
</tr>
<tr>
<td>Average gross short position</td>
</tr>
<tr>
<td>Average gross exposure</td>
</tr>
<tr>
<td>Average net exposure</td>
</tr>
<tr>
<td>Leverage</td>
</tr>
</tbody>
</table>

Source: Moelis Australia Asset Management, SQM Research. 1 Since inception.
Process Description

Universe

GWP will be invested across alternate asset investment managers. At inception, GWP will make equal investments into four individual Investment Partners.

Investment Partners

The Investment Partners are able to invest in a range of financial products. These could include equities and equity related instruments, including taking short positions, cash and cash equivalents. The Investment Partners are also able to invest in debt-related instruments and have the flexibility to invest across the capital structure. Over-the-counter derivatives (including put/call options, currency and interest rate swaps and credit) may also be used to hedge their exposure to individual securities, extreme market events and currency fluctuations.

Investors should be aware that due to the nature of the Investment Partners fund structure, the specific asset allocation ranges within each of the Underlying Funds are not generally publicly available. Each Investment Partner determines the allocations on a confidential basis given the proprietary nature of their investment strategies. However, the Manager has advised that the Underlying Funds will be reporting their allocations to GWP on a regular basis (via Aksia).

Investment Process

The investment process followed by GWP is split into the following stages:

• **Initial shortlist:** Investment Committee members, based on their prior existing relationships with alternate investment managers and prime brokers, initially shortlisted approximately 100 hedge fund managers for consideration of investments by GWP.

• **Internal due diligence:** The Investment Committee members conducted thorough due diligence by analysing historical performance and portfolio holdings. The Committee also undertook interviews with the fund managers based in the US to further expunge funds that were deemed unsuitable for investment by GWP. Some of the important factors considered to find suitable Investment Partners included the level of leverage, portfolio concentration, portfolio liquidity, correlation with market indices and other potential Investment Partners and also the investor base of the funds.

• **Outsourced operational due diligence:** GWP appointed an independent entity - Aksia LLC to conduct operational due diligence on the shortlisted potential Investment Partners. GWP has advised SQM Research that they have a retainer contract with Aksia to conduct due diligence on any future GWP investments.

• **Final selection:** The final selection for GWP’s investments was based on the Investment Committee members.

• **Portfolio Monitoring:** The Fund’s underlying investments will be monitored and assessed on a regular basis by the Fund’s Investment Committee. The Committee also received monthly reporting from Aksia on each of the Underlying Funds’ performance, fund reporting and risk analysis. Formally, the Fund’s Investment Committee will meet once each month to go over the portfolio and risk metrics of GWP’s investments.

Investment Criteria

The key investment criteria used to select the Investment Partners by GWP are as follows:

• Value-based investment strategies
• Demonstrated track-record
• None to modest level of portfolio leverage
• Low to moderate correlation to global equity benchmarks
• Knowledge of local markets in which the investments are made
• Alignment of interests of fund managers via material co-investments into the fund
**Investment Constraints**

All investments within GWP will need to comply with the following constraints:

- A minimum of four individual global alternative investment managers
- Each individual Investment Partners would need to adopt complementary investment strategies. This would be determined by GWP’s Investment Committee
- No investment amount into a single Investment Partner, at the time of investment, would exceed 35% of GWP’s total capital.

**Sell Discipline**

The initial investments made by GWP are locked-in for a period of three years at inception. However, there exist situations that may trigger a redemption request from the underlying investments of GWP. These could include:

- Departure of a key person from the investment team of the Underlying Fund
- Breach of regulatory compliance by an Underlying Fund
- Investments deemed ‘bad decisions’ by GWP’s Investment Committee, such as investments into illiquid assets.

During the initial lock-in period, only “bad boy” acts could trigger an early redemption request during the initial lock-in period, in which case GWP will not be charged any early redemption fees. However, a notice period of 30 days will need to be given to the Investment Partner from whom the redemption is requested.

**Trading/Implementation**

**Agents and processes**

The functions of accounting, financial and risk analysis, performance monitoring, investment partner oversight, capital management, on-going compliance and overall management of GWP will be conducted in-house by MAAM. GWP has outsourced some functions, these are as below:

- Aksia LLC – on-going performance, fund reporting and risk analysis (produced monthly)
- Trust Company – Custodian for options

**Hedging**

GWP

While GWP will initially adopt an unhedged US$ currency exposure, the Manager may use over-the-counter and exchange-traded derivatives to manage currency risk to reflect the Manager’s current view that the AU$ is overvalued and is likely to weaken against the US$ over time.

**Investment Partners**

The Investment Partners may utilise over-the-counter derivatives (including put/call options, currency and interest rate swaps and credit) to hedge their exposure to individual securities, extreme market events and currency fluctuations.
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