



PROGRESSIVE THINKING
INTELLIGENT SOLUTIONS

PRODUCT DISCLOSURE STATEMENT

ARSN 623 182 605
APIR SLT1639AU
Issue Date 7th February 2025

Special Opportunities Fund No. 1

Fund Manager

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Administrator and Custodian

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Trustee

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This Product Disclosure Statement ("PDS") was issued on 7th February 2025. This PDS is for the offer of interests in the Special Opportunities Fund No. 1 ARSN 623 182 605, APIR SLT1639AU (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Melbourne Securities Corporation Limited (ACN 160 326 545), Australian Financial Services Licence ("AFSL") No. 428289) in its capacity as the responsible entity and trustee of the Fund (referred throughout this PDS as "MSC Trustees" or the "Trustee"). The fund manager is Riviera Capital Pty Ltd ACN 102 982 605 AFSL 338 550 (referred to throughout this PDS as the "Fund Manager" or "Riviera").

The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read these terms and conditions before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. MSC Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by MSC Trustees or to withdraw the PDS from circulation if required by MSC Trustees.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Trustee, Fund Manager, any associate, employee, agent or officer of the Trustee, Fund Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial situation and needs and you may want to seek professional financial advice before making an investment decision.

MSC Trustees, the Fund Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of MSC Trustees, the Fund Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Trustee on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in the Fund.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, MSC Trustees, the Fund Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in [section 7](#).

This PDS does not constitute a direct or indirect offer of securities in the United States of America ("US") or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act").

MSC Trustees may vary its position and offers may be accepted on merit at MSC Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by MSC Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this PDS electronically, you will need to print and read this document in its entirety. A paper copy of this PDS can be provided on request by contacting the Fund Manager.

Certain information in this PDS is subject to change and information may be updated from time to time. You can obtain any updated information or request a paper copy of the PDS from the Fund Manager:

- by contacting Riviera on +61 2 8078 0888; or
- by visiting the Riviera website at www.rivieracapital.com.au

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in Australian dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

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1.

Fund at a glance

Fund details

Name of Fund

Special Opportunities Fund No. 1

Scheme number

ARSN 623 182 605

Fund Manager

Riviera Capital Pty Ltd

Trustee

Melbourne Securities Corporation Limited

Administrator, registry and custodian

Apex Fund Services Pty Limited
ACN 118 902 891 AFSL 303253

How the Fund invests

Investment strategy

The Fund Manager aims to use its network to source and invest the Fund's capital into a diversified portfolio of opportunistic investments that are not freely available in the general investment marketplace, investments that are traditionally the domain of the institutional and family office market.

See [section 4](#) for more information.

Investment objective

The Fund targets 8% p.a. year on year returns, after the management fees and expenses (including the fees payable to MSC Trustees). The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve. The Fund may not achieve its investment objective. Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money.

See [section 4](#) for more information.

Assets

The Fund has a very broad investment mandate with few geographical, sector, asset type or liquidity constraints. The Fund's investments are predominantly unlisted and generally have maturities ranging from 1 year up to 5–7 years+. Investment exposure could therefore include:

- Private Equity; across various sub asset classes or sectors.
- Private Credit; primarily senior secured corporate credit (rated or unrated) and registered first mortgage credit, secured by real property assets and or land.
- Australian and Global stock exchange listed investments: including Initial Public Offerings.
- Property investments across: Residential, Office, Industrial; Health, Aged Care, Affordable Housing, Agriculture, Student Accommodation and Multifamily (Purpose built rental housing).
- Property Development.
- Cash and Term Deposits.

See [section 4](#) for more information.

Nature

This product is likely to be suitable for an investor seeking capital growth and income distributions, to be used within or part of a diversified portfolio, where the consumer has a medium to long investment timeframe, 5–7 years or longer. Distribution is only suitable to investors who have received personal advice. See [section 4](#) for more information.

Borrowing

For the most part, direct borrowing is expected to be limited. Underlying funds through which the Fund invests may borrow. If the Fund invests in real property, then borrowing may be determined to be a useful tool to fund acquisition and and/or development but again, would only be undertaken if the borrowing is considered to be prudent and in the best interests of all

investors, and such borrowing would not usually exceed 65% of the relevant acquisition or development costs. See [sections 3 and 7](#) for more information.

Derivatives

The Fund does not directly use sophisticated financial instruments such as derivatives, however to the extent that the Fund invests through any underlying fund, the Fund Manager of underlying funds may use these to manage risk and/or gain exposure to asset classes.

Return and risk

Returns

The Fund targets 8% p.a. year on year returns, after fees and expenses. This is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve. Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money. See [section 4](#) for more information.

Risk

All investments involve risks. As a stand-alone investment, this is a high-risk investment, but potentially reduces overall portfolio risk when included appropriately in an investor's investment portfolio. This product is only suitable for distribution to consumers who have received personal advice. The Fund is a non-liquid managed investment scheme which means investors will not be able to withdraw their investment in the Fund unless a Withdrawal Offer is made. The Trustee intends to reserve cash to facilitate the making of a Withdrawal Offer to investors each quarter. See [section 7](#) for more information.

Investment timeframe

5–7 years or longer

Investing, withdrawing and distributions

Applications

The Fund will remain open for investment until the Trustee withdraws this PDS is withdrawn from the market. It is intended for the Fund to be able to accept applications at least on a monthly basis but the Fund may accept applications more regularly. The Fund distributor, Alteris Financial Group Pty Limited ACN 133 479 115 (AFSL 402 370) ("Alteris Financial Group" or the "Distributor"), will manage this process. Your Alteris Financial Group adviser can provide details. See [section 6](#) for more information.

Minimum initial investment

\$100,000 or a lesser sum at the Trustee's discretion. See [section 6](#) for more information.

Minimum additional investment

\$50,000 or a lesser sum at the Trustee's discretion. See [section 6](#) for more information.

Withdrawals

The Fund is a non-liquid managed investment scheme which means investors will not be able to withdraw their investment in the Fund unless a Withdrawal Offer is made. The Trustee intends to reserve cash or ASX listed investments to facilitate the making of a Withdrawal Offer to investors each quarter. The cash will be generated from funds from investors, realisation of the Fund's cash and cash-like products or a combination of these. See [section 6](#) for more information.

Neither the Trustee nor the Fund Manager guarantee that Withdrawal Offers will be made each quarter. Further, if a Withdrawal Offer is made, do not guarantee that you will be able to withdraw the full amount requested. This is because if the amount of withdrawal requests exceeds the amount available under the Withdrawal Offer, withdrawal requests from investors will be satisfied on a pro rata basis.

Minimum account balance

\$50,000 or a lesser sum at the Trustee's discretion.

Income/Distributions/Return of capital

Although the goal is to pay distributions each 6 months, distribution ability and frequency will depend on the particular assets acquired. Funds may be retained (at Fund and/or underlying level) to assist in the management of various underlying properties. Investors should be prepared for periods during which no income is paid.

From time to time the Fund may also return capital to investors, and again the ability of the Fund to do this will depend on the particular assets acquired, and when they can be realised in part or whole.

See [section 6](#) for more information.

Cooling off

Yes, available. See [section 6](#) for more information.

Available through administration platforms?

Check with your operator. See [section 6](#) for more information.

2.

ASIC benchmarks

The Fund may technically be a 'hedge fund' under the Australian Securities and Investments Commission ("ASIC") Regulatory Guide 240 ("RG 240"). This section sets out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of RG 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from www.asic.gov.au.

The information summarised in the relevant tables and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with the detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in [section 7](#) of this PDS.

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Benchmark 1: Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	No	<p>The Fund primarily invests in special purpose vehicles such as various unit trusts that ultimately hold the underlying assets. The Trustee has no control over the valuation of the underlying assets of the Fund. However, this risk is mitigated by the valuation policy employed by the Trustee and Fund Manager of the unit trusts that control the valuation policy for the underlying assets of the Fund.</p> <p>The Fund does not meet this benchmark because at the Fund level, the Constitution permits valuations to be the Trustee's best estimate of market value. See 'Valuation, location and custody of assets' disclosure below for further information.</p>	Section 6
Benchmark 2: Periodic reporting			
This benchmark addresses whether the Trustee will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	No	<p>The Trustee will provide periodic disclosure of certain key information on an annual and quarterly (instead of monthly) basis. The Fund intends to make Withdrawal Offers on a quarterly basis. The quarterly (instead of monthly) disclosure of certain key information has been set in order to align this information becoming available at least as often as it is anticipated investors are able to lodge a Participation Notice in respect of a quarterly Withdrawal Offer.</p>	Section 10

ASIC disclosure principles

ASIC disclosure principle	Summary	Section (for further information)
<i>Investment strategy</i>	<p>The Fund Manager intends to target 8% p.a. year on year returns, after fees and expenses. It does this by using its network to source and invest the Fund into a diversified portfolio of assets that are not freely available in the general investment market place, investments that are traditionally the domain of the institutional and family office market.</p> <p>The Fund utilises a variety of assets and opportunities to achieve its investment outcomes including initial public offerings, mezzanine finance, unrated corporate debt and real property assets.</p>	Section 4
<i>Fund Manager</i>	<p>The Trustee, has appointed Riviera Capital Pty Ltd, a part of the Alteris Financial Group as the Fund Manager.</p> <p>Under the management agreement between the Fund Manager and the Trustee, the Trustee can terminate the Fund Manager's appointment where the Fund Manager goes into liquidation, materially breaches the agreement, ceases to carry on its business in relation to its activities as a Fund Manager or in certain other circumstances. In the event that the Trustee terminates the Fund Manager following one of these events, the Fund Manager's appointment would cease upon any termination date specified in the notice, and the Fund Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination including potentially a termination fee.</p>	Section 4

ASIC disclosure principle	Summary	Section (for further information)
<i>Fund structure</i>	<p>The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme.</p> <p>The Trustee is Melbourne Securities Corporation Limited. The Trustee may appoint service providers to assist in the ongoing operation, management and administration of the Fund.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> — Riviera Capital Pty Ltd, the Fund Manager of the Fund; and — Apex Fund Services Pty Ltd, the administrator and custodian of the assets of the Fund. 	<p>Section 1, Section 5, and Section 11</p>
<i>Valuation, location and custody of assets</i>	<p>Apex Fund Services Pty Ltd is the administrator and custodian of the Fund and provides administrative, accounting, registry and transfer agency services. The Administrator and Custodian is responsible for calculating the Fund's NAV.</p> <p>The Fund primarily invests in special purpose vehicles such as various unit trusts that ultimately hold the underlying assets. At the Fund level, the Constitution permits valuations to be the Trustee's best estimate of market value. Market value of an asset means:</p> <ul style="list-style-type: none"> a. in the case of an asset that is cash or a deposit with an Australian authorised deposit-taking institution, its face value plus any accrued interest; b. in the case of an asset that is a financial product traded on a financial market, the latest closing price on that market that is readily available to the Trustee, unless: <ul style="list-style-type: none"> a. applicable accounting standards require the value to be a different amount (such as the bid price gross of transaction costs) in which case the value is that other amount; or b. the Trustee reasonably believes that the closing price or the value under applicable accounting standards does not represent the true value of the asset, in which case the value will be as determined by a valuer (which must be reasonably current and determined in accordance with ordinary commercial practice, have regard to the type of assets involved and prevailing market conditions) at the expense of the Fund; c. in the case of an asset that is an interest in a fund that is not listed or quoted for dealing on any financial market, the redemption price of the interest as last quoted by the manager, trustee or Trustee of the fund plus any income entitlements accrued at that date as last advised by the manager, trustee or Trustee; 	<p>Section 4, Section 5, and Section 6</p>

ASIC disclosure principle	Summary	Section (for further information)
Valuation, location and custody of assets (continued)	<p>d. in the case of any other asset, the value of the asset determined in accordance with relevant accounting standards or, if the Trustee is of the opinion that such valuation does not truly reflect the value of the asset, such value as last determined by a valuer (which must be reasonably current and determined in accordance with ordinary commercial practice, having regard to the type of assets involved and prevailing market conditions) at the expense of the Fund.</p> <p>In respect of real property assets held by the various underlying funds, external experts will be engaged by the underlying funds to revalue assets as and when necessary and so valuations would usually be independent of the Trustee and the Fund Manager, although 'curb side' valuations of real property assets may be considered appropriate from time to time.</p>	Section 4 , Section 5 , and Section 6
Liquidity	<p>The Fund will hold a diversified portfolio of investments. These investment are generally expected to be illiquid investments, realised by the Fund when the appropriate exit opportunity arises. The holding period for each investment is expected to be between 1–7 years although could be shorter or longer. It follows that the Fund does not offer any regular withdrawal facility. The Fund should generally be seen as illiquid. An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.</p> <p>The Constitution and the Corporations Act permit deferral of redemptions in certain circumstances.</p>	Section 4 , Section 6 , and Section 7
Leverage	Please refer to section 1 under the heading 'Borrowing' and the 'Borrowing or leverage risk' disclosure in section 7 'Risks'.	Section 1 and Section 7
Derivatives	The Fund does not use itself sophisticated financial instruments such as derivatives, however to the extent that the Fund invests through any underlying fund, the Fund Manager of underlying funds may use these to manage risk and/or gain exposure to asset classes.	Section 7
Short selling	The Fund does not intend to engage in short selling.	Section 4
Withdrawals	You can only withdraw from the Fund in response to a Withdrawal Offer made. Withdrawal Offers are intended to be made each quarter on a limited basis (March, June, September and December). The amount available to meet withdrawal requests for the quarter is up to 2.5% of the NAV of the Fund, as calculated in accordance with the Constitution as at the last Business Day before the withdrawals are processed, and is capped at 10% p.a. However, Trustee may in its discretion increase the amount available in a given quarter. There is no guarantee Withdrawal Offers will be made each quarter, as this will be dependent on having sufficient funds available which is primarily determined by investor subscriptions and the Fund's holdings of cash and cash-like products.	Section 4 and Section 6

4.

The Special Opportunities Fund No. 1

An opportunistic investor

This Fund is an opportunistic investor, seeking to give investors exposure to investments not usually available to the broader investment market.

The Fund Manager aims to use its network to source and invest the Fund into a small portfolio of assets that are not freely available in the general investment market place, investments that are traditionally the domain of the institutional and family office market. In 'special' opportunities. The Fund seeks to be diversified but investment risk may be more concentrated than other funds.

Mandate

The Fund has a very broad investment mandate.

It has very few geographical, sector, asset type or liquidity constraints and should be considered high risk and relatively illiquid, suitable for patient long term investors and only as part of the higher risk portion of a balanced portfolio.

For example, the Fund Manager sees opportunities where changing demographics in Australia have left shortages in various 'social services' such as aged

care, retirement living and student accommodation. Food security, health and the global energy transition also present opportunities for the broad investment mandate and allow the manager to be unconstrained in its investment mandate and adapt to changing investment cycles.

Fund size and structure

The Fund is likely to be diversified within its portfolio as it matures.

The holding period for each asset is expected to be between 1–7 years although could be shorter or longer.

The Fund may invest directly or indirectly and may be the sole holder of an investment or could invest alongside others.

Types of investments

The Fund Manager has a very flexible approach to opportunities but may concentrate assets in a particular type of investment.

However, it is expected that most opportunities taken up would comprise assets from the following asset classes:

Private equity	The Fund may invest in private companies directly or through a fund structure for further diversification.
Private credit	The Fund may lend, seeking competitive income returns and always with security, from senior secured corporate credit (rated or unrated) and registered first mortgage credit, secured by real property assets and or land.
Australian and global stock exchange listed investments, including initial public offerings	Both on Australian and offshore exchanges, including unlisted companies expected to list within a timeframe the Fund Manager considers reasonable.

Real property assets	<p>The Fund may seek to invest in or be exposed to the real property sector, in Australia and offshore. There are no sector limits, and exposure could for example be to residential, office, industrial; health, aged care, affordable housing, agriculture, student accommodation or multifamily (purpose built rental housing).</p> <p>The investment could be at any stage of the property cycle, from the various stages of property development through to completed properties.</p>
Cash and term deposits	<p>The fund may hold cash or invest in term deposits as the Fund Manager deems appropriate and in order to aid with the intention of being able to make Withdrawal Offers.</p>

The Fund intends to hold some cash or cash-like products in order to facilitate its intention of being able to make the Withdrawal Offers detailed in [section 6](#). The Fund does not intend to engage in short selling.

Where does the Fund invest?

There are no restrictions on geographical location of where the Fund invests.

That said, it is expected that the majority, if not all, direct real property assets will be domiciled in Australia, with no purposeful bias to any particular State or Territory.

Similarly, other investments are likely to be located in or have a strong association with Australia.

However, investors may also have direct or indirect exposure to global markets, and if so, it would generally be expected that there would be a bias to sophisticated markets and selected developing markets (for example China) and little exposure to emerging economies.

Liquidity profile

The Fund should generally be seen as illiquid.

The Fund is expected hold a range of investments over time. They are generally expected to be longer term illiquid investments, realised by the Fund when the appropriate exit opportunity arises.

It follows that the Fund does not offer any regular withdrawal facility. The Fund should generally be seen as illiquid. An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.

Although the goal is to pay distributions each 6 months, distribution ability and frequency will depend on the particular assets acquired. Investors should be prepared for periods during which no income is paid.

The Fund aims to return capital to investors when appropriate exit opportunities arise for its investments, but again the ability of the Fund to do this will depend on the particular assets acquired, and when they can be realised in part or whole.

Investment objective

The goal is to manage the Fund to achieve the Fund's objectives.

The Fund targets 8% p.a. year on year returns, after the management fees and expenses (including the fees payable to MSC Trustees). The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve. The Fund may not achieve its investment objective.

Remember that investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

Nature of the fund

As a stand-alone investment, investors should consider the Fund as a high-risk investment. The Fund could be used to smooth an investor's overall portfolio returns, and be used to balance risk, return and volatility over time but investment in the Fund would be expected to form part of a wider advice strategy and it is very unlikely for clients to have large positions, relative to their overall wealth.

An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.

Remember that investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

Environment social governance

No labour standards or environmental, social or ethical considerations are taken into account in selection, retention or realisation of any underlying fund.

5.

The Trustee and Fund Manager

The Alteris Financial Group

The Fund Manager is part of the Alteris Financial Group, an Australian boutique wealth advisory and investment management group based in Sydney.

Alteris Financial Group has a well-defined philosophy which guides investment decisions, aiming to deliver sustainable investment returns while preserving capital and managing downside risk. This ensures that they maximise the balance between risk and return.

More information on Alteris Financial Group can be found at www.alteris.com.au.

The Trustee

The Trustee is part of MSC Group Co Pty Ltd ACN 640 870 962, a professional trustee firm licensed by ASIC.

As the Trustee, the main responsibilities of MSC Trustees are to operate the Fund and ensure compliance as legislated by the Corporations Act and governed by ASIC.

In exercising its powers and duties, the Trustee will:

- act honestly and in the best interests of unitholders at all times;
- appoint and monitor the performance of the Fund Manager;
- exercise a reasonable degree of care and diligence;
- treat each class of unitholders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to unitholders;
- comply with the Fund's compliance plan and governing documentation and all applicable laws;
- ensure Fund property is separated from the property of and other schemes operated by the Trustee or Fund Manager;
- ensure the Fund is conducted in accordance with the Constitution, the Corporations Act and all other applicable legislation.

Investment management

Under the guidance of its directors, day to day management of the Fund is made by an experienced investment management team, who are responsible for investment selection, the ongoing review of all assets, and operational management of the Fund. The investment management team is also responsible for the presentation of new investment recommendations, which are scrutinised and passed or failed in conjunction with a Fund Investment Committee ("IC"). The IC also meets for the ongoing overview of all assets.

The IC's input includes expert experience and or opinion on new investments. Recommendations are also reviewed for compliance with mandate.

The IC is part of a series of checks and balances designed to ensure the utmost integrity in all aspects of the Fund's investments.

If approved, an investment will then move to form part of the portfolio of the Fund.

Custody, registry and fund administration

Apex Fund Services Pty Limited ("Apex", or "Administrator" or "Custodian" or "Registry") is the custodian and also the registry provider and provider of fund administration services appointed by the Trustee for the Fund.

As Administrator, Apex provides services which include unit price calculations and applications and withdrawals processing. As Custodian, Apex is responsible for holding title to the Fund's assets but may use sub-custodians. As Registry, Apex processes application and withdrawal requests and maintains the unit register.

The administration agreement with Apex includes a service level agreement and has certain limits on its liability. Under this agreement Apex are subject to periodic review of their performance. Apex is not responsible for the Fund nor has it caused the issue of this PDS. More information about Apex can be found can be found at its website.

Audit

EY Australia ("EY") has been appointed as the independent auditor of the Fund's financial statements and compliance plan. EY is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS.

6.

How to invest and withdraw

Investing for the first time

To make an initial investment, simply complete an Application Form attached to this PDS. Post the original Application Form, together with the required identification documents, to the Registry. The minimum initial investment amount for the Fund is \$100,000.

Investing more

To make an additional investment, simply complete an additional investment form available free from the Manager. Post, fax or email your form to the Registry. The minimum additional investment amount for the Fund is \$50,000.

How you pay

You can pay using electronic funds transfer ("EFT") or Australian cheque. Instructions are included in the forms. Cash is not accepted. Please use your investor name or number as the reference when using EFT.

When you can invest

The Fund will remain open for investment until the PDS is withdrawn from the market. Investors should read this PDS in its entirety and make independent enquiries prior to making a decision to invest in the Fund.

It is intended for the Fund to be able to accept applications at least on a monthly basis but the Fund may accept applications more regularly. The Fund Distributor will manage this process. Your Alteris Financial Group adviser can provide details.

Moneys raised will generally be used to fund new investments and/or needs relating to existing investments from time to time.

Completed applications with cleared application monies which are received by 2pm on the last Business Day of each month will be processed with a unit price determined with reference to NAV as at that date. Applications may at the Trustee's discretion also be processed and accepted during the month with reference to unit prices determined with reference to NAV as at the date they are accepted. If an application is incomplete, you will receive the next unit price applicable after the completed documentation is received and application monies in cleared funds. Any applications monies received without a completed application will be held on trust in a designated trust account held with an Australian ADI.

Once lodged, applications cannot generally be withdrawn. Applications are almost always accepted, however the Trustee has discretion to refuse any application and does not need to give a reason.

Unit prices are based on the NAV of the Fund and will vary as the market value of the assets of the Fund fluctuates.

There can be processing delays, for example because your forms are incomplete. If the Trustee refuses or is unable to process your request, your money will be returned to you. Law also requires that application moneys are returned to you if units are not issued within one month receiving them. Any interest earned on lodged application monies is credited to the Fund and not to the individual applicant. Refunds are made generally less any taxes and transactions (such as bank) fees, and if money is being sent back overseas, the exchange rate applicable at the time will be used.

You will receive confirmation when your application is processed.

Cooling off

If you are a Retail Client (as defined in the Corporations Act) who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

- confirmation of the investment being received; and
- the end of the fifth Business Day after the units are issued.

A Retail Client may exercise this right by notifying the Trustee in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant application price between the time your application is processed and the time the notification is received from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14 day period. This could include selling part of your investment or switching it to another product.

Your promises when you invest

When you apply to invest, you (the applicant) are representing:

- you have received, read and understood the current PDS,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing
- nor will monies received from your account have any such association,
- you are not bankrupt or a minor, and
- you agree to be bound by the Constitution and the PDS

as supplemented, replaced or re-issued from time to time.

Withdrawals

The Fund will hold a diversified portfolio of investments. These investments are generally expected to be illiquid investments, realised by the Fund when the appropriate exit opportunity arises. The holding period for each investment is expected to be between 1–7 years although could be shorter or longer.

An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.

The Fund is a non-liquid scheme and you can only withdraw from the Fund in response to a withdrawal offer made by the Trustee. ("Withdrawal Offer"). The Trustee cannot guarantee the offer or payment of withdrawals at any particular time. It is intended Withdrawal Offers will be made each quarter on a limited basis (March, June, September and December) where investors express an interest in such.

It is intended Withdrawal Offers will be made where the amount available to meet withdrawal requests for the quarter is up to 2.5% of the NAV of the Fund, as calculated in accordance with the Constitution as at the last Business Day before the withdrawals are processed, and is capped at 10% p.a. However, the Trustee may in its discretion alter the amount available.

If you are interested in participating in a Withdrawal Offer for a particular quarter, you may lodge a notice of your intention to participate in the Withdrawal Offer ("Participation Notice") on or prior to the last Business Day of the previous quarter. The form of notice is available at www.rivieracapital.com.au or for investors through a platform, contact your platform operator. The Trustee does not intend to make a Withdrawal Offer for a quarter, if no Participation Notices have been received for that Withdrawal Offer. The Participation Notice requires investors to identify the amount they are seeking to withdraw from the Fund. This information assists the Manager and the Trustee to budget the amount to make available under the Withdrawal Offer. However, neither the Manager nor the Trustee represent or guarantee that the amount available under a Withdrawal Offer will be equivalent to the total amount which investors have indicated in the Participation Notices that they are seeking to withdraw from the Fund. This is because the amount available for a Withdrawal Offer will primarily depend upon investor subscriptions and the Fund's holdings of cash and cash-like products. A Withdrawal Offer will specify:

- a. the period during which the offer will remain open which will be at least 21 days after the offer is made ("Offer Period");
- b. the assets that will be used to satisfy withdrawal requests;
- c. the amount of money that is expected to be available when those assets are converted into cash; and
- d. the method of dealing with withdrawal requests if the money available is insufficient to satisfy all requests.

Investors may request written withdrawal of part or all of their eligible units by completing the withdrawal form attached to the Withdrawal Offer and returning it to the Administrator no later than 2pm Sydney time on the last Business Day of the Offer Period.

Each Withdrawal Offer provides a specific amount of money for that offer. Depending on the total amount requested by all investors, the Withdrawal Offer may require scaling back. In this instance all investors who requested to withdrawal will be proportionately scaled back. Investors are welcome to submit a new withdrawal request as part of the next Withdrawal Offer.

Details of each Withdrawal Offer will be emailed to investors and will also be made available on the Fund's website, www.rivieracapital.com.au. Direct investors should use the withdrawal form included within the Withdrawal Offer. Indirect Investors should contact their platform operator or financial adviser.

Whilst the Trustee endeavours to make Withdrawal Offers each quarter, they are not able to be guaranteed. The ability to make Withdrawal Offers is dependent on having sufficient funds available which is primarily determined by investor subscriptions and the Fund's holdings of cash and cash-like investments. No withdrawals can be made outside of an Offer Period.

Distributions

Although the goal is to pay distributions each 6 months, distribution ability and frequency will depend on the particular assets acquired. Investors should be prepared for periods during which no income is paid.

The Fund aims to return capital to investors when appropriate exit opportunities arise for its investments, but again the ability of the Fund to do this will depend on the particular assets acquired, and when they can be realised in part or whole.

There can also be delays in payment – see below.

Unit prices are based on the NAV of the Fund and will vary as the market value of the assets of the Fund fluctuates.

Deductions are made for any money you owe relating to your investment. Unit prices are based on the NAV of the Fund and will vary as the market value of the assets of the Fund fluctuate.

Distributions are paid by transfer to your nominated account. Distributions will not be paid by cheque or cash.

Unit prices and valuation

Ask your professional financial adviser or the operator of your administration platform, or visit www.rivieracapital.com.au, for the latest prices. Remember that quoted unit prices will be historical and are unlikely to be the price you will receive when applying or withdrawing – that price could be higher or lower.

Unit prices are determined at least at the end of each month, based on the information most recently available. They vary as the market value of the net assets of the Fund goes up and down.

Unit prices are calculated in 3 steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted – this gives the NAV,
- this is divided by the number of units on issue, and
- an adjustment can be made for transaction costs (or spread), see [section 8](#) of this PDS for further details.

Due to the expected nature of the assets of the Fund, only a highly illiquid secondary market is likely to exist for their sale, and so there is no ready market based valuation of assets available.

At the Fund level, the Constitution permits valuations to be the Trustee's best estimate of market value. Market value of an asset means:

- a. in the case of an asset that is cash or a deposit with an Australian authorised deposit-taking institution, its face value plus any accrued interest;
- b. in the case of an asset that is a financial product traded on a financial market, the latest closing price on that market that is readily available to the Trustee, unless:
 - a. applicable accounting standards require the value to be a different amount (such as the bid price gross of transaction costs) in which case the value is that other amount; or
 - b. the Trustee reasonably believes that the closing price or the value under applicable accounting standards does not represent the true value of the asset, in which case the value will be as determined by a valuer (which must be reasonably current and determined in accordance with ordinary commercial practice, have regard to the type of assets involved and prevailing market conditions) at the expense of the Fund;

- c. in the case of an asset that is an interest in a fund that is not listed or quoted for dealing on any financial market, the redemption price of the interest as last quoted by the manager, trustee or Trustee of the fund plus any income entitlements accrued at that date as last advised by the manager, trustee or Trustee;
- d. in the case of any other asset, the value of the asset determined in accordance with relevant accounting standards or, if the Trustee is of the opinion that such valuation does not truly reflect the value of the asset, such value as last determined by a valuer (which must be reasonably current and determined in accordance with ordinary commercial practice, having regard to the type of assets involved and prevailing market conditions) at the expense of the Fund.

In respect of real property asset held by the various underlying funds, external experts will be engaged by the underlying funds to revalue assets as and when necessary and so valuations would usually be independent of the Trustee and the Fund Manager, although 'curb side' valuations of real property assets may be considered appropriate from time to time.

Returning your invested money

Sometimes the Trustee can withdraw from your account or close your account without asking you first: if you breach your legal obligations to the Trustee, to satisfy money you owe the Trustee or to anyone else relating to your investment, you fail to meet any minimum account balance the Trustee may set from time to time, where law allows or where law stops you from legally being an investor.

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from the Trustee and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Risk

All investments are subject to varying risks, and the value of your investment will rise and fall over time. Changes in value can be significant, and for many investments they can happen quickly (although this fund is expected to have lower volatility) – the greater and faster the changes the greater the volatility. Volatility refers to the degree to which returns may fluctuate around their long-term average.

As a general rule, the higher the potential returns, the higher the level of risk.

Different strategies and types of investments have different risk characteristics which will affect investment performance.

Investing in this fund involves risk, and you can lose as well as make money.

As risk cannot be entirely avoided when investing, the philosophy employed for the Fund is to identify and manage risk as far as is practicable. Neither the Trustee nor the Fund Manager can promise that the ways in which risks are aimed to be managed will always be successful. Neither returns nor the money you invest in the Fund is guaranteed.

Your professional financial adviser can identify the impact of an investment in this Fund upon your overall portfolio and investment objectives.

The significant risks of the Fund include the following.

Investment risk

This is the risk that the value of an investment may change or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in government policies, the Fund Manager's operations or management, the business environment or in perceptions of the risk of an investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure. Since the Fund's individual managers may employ leverage, derivatives and short-selling techniques, these risks may be further amplified and losses worse than those experienced in investments that do not use leverage, derivatives or short-selling.

Market risk

This is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that the country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of currency changes (either through inflation or deflation), and/or other market-wide factors, like economic growth or the unemployment rate, deteriorate, which can cause a reduction in the value of the Fund and increase its volatility. This may be because, amongst many other things, there are adverse changes in economic, financial, technological, climate, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment.

Real property risk

Individual investments change in value for many reasons and these include:

- the ability to buy, enhance, redevelop and sell the property on favourable terms at the right time,
- downturn in the property, commercial and other investment sectors generally,
- competing properties coming on-stream,
- supply of and demand for properties and leases,
- actions of competing Fund Managers and funds,
- lessee default,
- damage to the building such as by fire, storm or water,
- re-imaging, refurbishment and development costs,
- unanticipated costs or cost over runs,
- changes in regulations,
- the ability to negotiate increased rentals on rent reviews and lease renewals,
- the ability to obtain needed regulatory approvals,
- the need to reduce rents and make payment to tenants during property work,
- changes in pricing or competition policies of any competing properties, tenants and markets,
- reliance on the opinions of others such as for valuations and in due diligence, and
- changes in operating costs such as insurance premiums, maintenance and capital expenditure, and transaction costs.

Property development and construction risks

Development of real property involves additional property type risk, which include:

- delays or the inability to secure timely government approvals or changes needed,
- increases in construction costs including because of increases in the cost of building materials or labour,
- increases in the cost of or the unavailability or withdrawal of bank finance,
- changes in regulations, councils and interpretation including case officers changing,
- civil works taking longer or costing more,
- Land contamination or the presence of hazardous materials or other contaminants.

Lending and corporate debt risk

The Fund may buy corporate debt from Australian and offshore issuers, in effect a form of lending, and seeking good returns.

Corporate bonds can offer a higher yield compared to some other investments. However, many corporate bonds are not secured against company assets. With such an investment, there is higher risk: not only interest rate risk but also credit risk: the chance that the corporate issuer will default on its debt obligations, and corporate borrowers are subject to all the risks associated with their businesses, including the risks discussed in this section.

The Fund Manager carefully assess credit and other risk because while rising interest rate movements can reduce the value of a bond investment, a default can almost eliminate it.

International risk

There are no restrictions on geographical location of where the Fund can invest.

That said, investments are expected to have a strong association with Australia.

However, investors may also have direct or indirect exposure to global markets, and if so, it would generally be expected that there would be a bias to sophisticated markets and selected developing markets (for example China) and little exposure to emerging economies.

Investing internationally in one of the major asset categories will include all the risks associated with that asset class, but will also include risks not associated with holding Australian investments such as currency risk. For example, international investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets.

Currency risk

Any international investment exposure can give rise to foreign currency exposure. The value of investments will vary depending on changes to the exchange rate.

The Fund does not itself manage currency risk.

However, to the extent that the Fund invests through any underlying fund, the Fund Manager of underlying funds may use various strategies to either reduce the impact of movements in currency or interest rates or use them to advantage. Hedging is an investment made with the goal of reducing the risk of loss, but which might also reduce the potential gain from changes in the exchange rates. Unfortunately hedging is not perfect.

It is not always successful, is not always used to offset all currency risk, and is sometimes not cost effective or practical to use.

Unhedged or partially hedged international investments are fully or partially (as the case may be) exposed to the impact of currency movements in the Australian dollar.

Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and Reserve Bank of Australia policies. Higher interest rates can result in declines in the value of leveraged investments, including equities products like those held by the Fund.

Derivatives risk

The Fund does not use itself sophisticated financial instruments such as derivatives, however to the extent that the Fund invests through any underlying fund, the Fund Manager of underlying funds may use these to manage risk and/or gain exposure to asset classes.

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in the Fund or expose the Fund to additional risks.

Risks include the possibility that the derivative position is difficult or costly to reverse, that there is an adverse movement in the asset or index underlying the derivative or that the parties do not perform their obligations under the contract.

Derivatives used in an underlying fund may result in leverage: the effective exposure to an asset, asset class or combination of asset classes exceeding the value of that portfolio. The effect of using derivatives to provide leverage may not only result in capital losses but also an increase in the volatility and magnitude of the returns (both positive and negative) for the Fund.

As financial instruments, derivatives are valued regularly and movements in the value of the underlying asset or index should be reflected in the value of the derivative.

Derivatives could include instruments such as futures, options, forward currency contracts and swaps, and these may be exchange-traded or over-the-counter.

Borrowing or leverage risk

This is the risk associated with borrowing (often called leveraging or gearing). Direct leverage refers to borrowing money. Indirect leverage arises mostly from the use of sophisticated financial instruments such as derivatives.

For the most part, direct borrowing is expected to be limited. Underlying funds through which the Fund invests may borrow. If the Fund invests in real property, then borrowing may be determined to be a useful tool to fund acquisition and and/or development but again, would only be undertaken if the borrowing is considered to be prudent and in the best interests of all investors, and such borrowing would not usually exceed 65% of the relevant acquisition or development costs. To the extent that the Fund invests through any underlying fund, the underlying fund may borrow. Both direct and indirect leverage magnifies returns and magnifies losses. By way of a simple example, assume the Fund's investments were \$10m and leverage represented a further \$10m. A 1% increase in the return on the assets of the Fund results in a 2% increase in return to investors. But 1% decrease in the return on the assets of the Fund results in a 2% loss to investors. On the assumption borrowing through underlying funds would not usually exceed 65% of the relevant acquisition or development costs and if for example, the Fund's exposure to leveraged assets is approximately 39.9%, then the total exposure of the Fund will be approximately 39.9%.

The Fund does not use itself sophisticated financial instruments such as derivatives, however to the extent that the Fund invests through any underlying fund, underlying funds may borrow and may also use derivatives to both manage risk and gain exposure to investments. This will increase leverage. Any underlying funds are likely to have different approaches to the way they use leverage. Some underlying funds will be more leveraged than others. Underlying managers often do have their own leverage limit for their individual underlying funds.

Riviera would carefully assess underlying leverage management as an essential part of any underlying fund selection. Riviera would also carefully assess overall leverage in deciding the optimal mix of investments from time to time.

It is not practicable to give investors the maximum anticipated level of direct and indirect leverage of the Fund because underlying levels vary, some funds use leverage whilst others do not, techniques can be used to offset the impact of leverage and the underlying fund mix changes from month to month.

Liquidity risk

The Fund is expected to hold a diversified portfolio of investments over time. They are generally expected to be longer term illiquid investments, realised by the Fund when the appropriate exit opportunity arises.

It follows that the Fund does not offer any regular withdrawal facility. The Fund should generally be seen as illiquid. An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.

Although the goal is to pay distributions each 6 months, distribution ability and frequency will depend on the particular assets acquired. Investors should be prepared for periods during which no income is paid.

The Fund aims to return capital to investors when appropriate exit opportunities arise for its investments, but again the ability of the Fund to do this will depend on the particular assets acquired, and when they can be realised in part or whole.

Although you may sell your units privately, you may not find a buyer or a buyer at the price you want.

You should view an investment in the Fund as an illiquid investment.

Valuation

Valuations, whether external or by the Trustee, may not accurately reflect the actual market value.

Accurately valuing assets can be difficult. Assumptions can fail.

Due to the expected nature of the assets of the Fund, no secondary market is likely to exist for their sale, and so there is no ready market based valuation of assets available.

At the Fund level, the Constitution permits valuations to be the Trustee's best estimate of market value. Refer to [section 6](#) for the definition of 'market value'.

In respect of real property assets held by the various underlying funds, external experts will be engaged by the underlying funds to revalue assets as and when necessary and so valuations would usually be independent of the Trustee and the Fund Manager, although 'cub side' valuations of real property assets may be considered appropriate from time to time.

Markets can move quickly and significantly, and remember that any valuation can date quickly. Remember: valuations on which unit values are based are historical and may not reflect true value: true value could be more or could be less.

Fund structure risk

This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include that the Fund could be closed, and your money returned to you at the prevailing valuations at that time, the Trustee or the Fund Manager could be replaced, or the manager of the underlying funds could change. Key people can also change (for example key individuals involved in managing the Fund or underlying funds).

There is also the risk that someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail, or insurance may be inadequate.

Investment decisions by the Fund Manager or the managers of underlying funds, although taken carefully, are not always successful. Investing through an IDPS also brings some risks that the operator of the IDPS may not perform its obligations properly.

Investing in the Fund may give different results compared to investing directly where, for example, you avoid the impact of others coming and going and may be able to manage your tax situation better. The value of the Fund's underlying investments, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments.

Information risk

The Trustee and the Fund Manager are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. Internet is used in operating the Fund and records may be stored in a cloud system. If stored overseas, different privacy and other standards may apply there.

The internet does not however always result in a secure information environment and although the Trustee take steps they consider reasonable to protect your information, the Trustee cannot absolutely guarantee its security.

Managing risk

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable. Whenever investments are made, the potential for returns considering the likely risks involved are assessed.

Risk is considered throughout the investment process. As far as is practicable, risk is managed at the Fund level in selection of the underlying funds.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond the Trustee's, the Fund Manager's, and any underlying fund manager's control altogether.

Remember, investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund is guaranteed.

Concentration risk

When the Fund's investment portfolio is mature, the Fund will benefit from some level of diversification through its investments. The ability to invest into further opportunities depends on a number of factors including fund inflows and the availability of appropriate investment opportunities, as well as ensuring that the mix of investments is optimal having regard to the objectives of the Fund.

Depending on the nature of an investment of the Fund, it may in turn be exposed to further individual investments.

As the portfolio builds however, the Fund is generally subject to the risk that a large loss in an individual fund will cause a greater loss for the Fund. The fewer the underlying investments, the greater this risk. If the Fund does not raise sufficient moneys from investors, this risk could be ongoing.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Fund Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

Risk generally

Schemes generally include the risks that:

- the value of investments will vary,
- the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed and investors may lose some or all of their money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, you should consult a professional financial adviser.

Further information about the risks of investing in managed investment schemes can be found on the ASIC's MoneySmart website at www.moneysmart.gov.au.

Risk measure

The Fund Manager considers that the 'standard risk measure' for this Fund is a high risk rating, which means that the estimated number of negative annual returns over any 20 year period is 4 to less than 6. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 6.

The standard risk measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. It is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of fees and taxes on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

8.

Fees and costs

Did you know?

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

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

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

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

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

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

Special Opportunities Fund No. 1

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Management fees and costs</i> The fees and costs for managing your investment	2.33% p.a. of the NAV of the Fund	The management fees component of management fees and costs are accrued monthly and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see 'Differential fees' in the 'Additional Explanation of Fees and Costs' for further information.

Special Opportunities Fund No. 1		
Type of fee or cost	Amount	How and when paid
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	1.40% p.a. of the NAV of the Fund ²	<p>Performance fees at the Fund level are calculated monthly and paid annually in arrears from the Fund and reflected in the unit price. An accrual for any potential performance fee is incorporated in the monthly unit price.</p> <p>Performance fees at the interposed vehicle level are reflected in the value of the Fund's investment in the relevant interposed vehicle, and therefore reflected in the unit price.</p>
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.00% p.a. of the NAV of the Fund	<p>Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the Buy/Sell Spread.</p> <p>Any transaction costs at the interposed vehicle level are reflected in the value of the Fund's investment in the relevant interposed vehicle, and therefore reflected in the unit price.</p>
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.00% upon entry and 0.10% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and currently arise when funding withdrawals from the Fund and are not separately charged to the investor. The Sell Spread is left in the Fund as part of a redemption.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable
<i>Switching fee</i> The fee for changing investment options	Not applicable	Not applicable

- 1 All fees quoted above are inclusive of GST and net of any RITC. See below for more details as to how the relevant fees and costs are calculated.
- 2 This represents the performance fee of the Fund which is payable as an expense of the Fund to the Fund Manager, as well as the performance fee in respect of interposed vehicles in which the Fund invests. See 'Performance fees' below for more information.

Additional Explanation of Fees and Costs

Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The Fund Manager fee and direct ordinary expenses component of management fees and costs are 1.33% p.a. of the NAV of the Fund.

The management fees and costs component is accrued monthly and paid from the Fund monthly in arrears and reflected in the unit price. The ordinary expenses component includes the Trustee fees, Fund Manager fees, Custodian fees, and Administration and audit fees. The management fees and costs shown above do not include extraordinary expenses (if they are incurred in the future), such as litigation costs and the costs of convening investor meetings.

The indirect costs and other expenses component of management fees and costs are 1.00% p.a. of the NAV of the Fund and may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Trustee or Fund Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2024.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on the Fund Manager's website at www.rivieracapital.com.au where they are not otherwise required to be disclosed to investors under law.

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund, as well as the performance of interposed vehicle(s) through which the Fund invests.

The performance fee figure that is disclosed in the Fees and Costs Summary is generally based on an average of the performance fees over the previous five financial years, where each performance fee relevant to the

Fund is averaged and totalled to give the performance fees for the Fund.

In terms of the performance fees payable to the Fund Manager, a performance fee is payable where the investment performance of the Fund exceeds 8% p.a. ("Hurdle Rate") after fees and expenses (including the fees payable to the Trustee). The performance fee is calculated as 20% of this outperformance and is not negotiable.

The Hurdle Rate is not intended to be a forecast. It is only an indication of the minimum return the Fund Manager aims to achieve to earn a performance fee. The Fund may not perform as intended. Returns are not guaranteed.

Investors have the protection of a 'high-water mark'. For a performance fee to be paid, the value of the Fund at the end of the relevant period must also be higher than the highest historical Fund value at the end of any prior period where a performance fee has been paid. Put another way, the Fund must make up any underperformance from previous periods before a performance fee is payable.

If payable, the performance fee is paid shortly after the end of each calendar year in arrears out of the Fund. The fee accrues in the unit price through the relevant period. When calculating any entitlement, adjustments are made for applications and redemptions and valuations are before any distributions for the period.

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Trustee cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as the performance of the Fund cannot be forecasted. Information on current performance fees will be updated from time to time and available at www.rivieracapital.com.au.

Performance fee example

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. Neither the Trustee nor the Fund Manager provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this example in determining whether to invest in the Fund.

The following is an example of the performance fee expense for a 12-month period ending 30 June ("Performance Fee Period") payable on units of the Fund.

Assumptions:

- The Hurdle Rate for the Performance Fee Period is 8%.
- The Fund's investment return after fees and expenses (including the fees payable to the Trustee), but before any performance fee accrual for the Performance Fee Period is 10%.
- There is no negative performance fee amounts for previous Performance Fee Periods to be carried forward.

On the basis of the above assumptions and if the Fund NAV (after fees and expenses (including the fees payable to the Trustee), but excluding any performance fee accrual) attributable to an investor's units was \$100,000, the performance fee expense in respect of those units would be approximately \$400 (10% Fund net return less 8% Hurdle Rate = 2% outperformance x 20%).

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to the Trustee or the Fund Manager. The estimated Buy/Sell Spread is 0.00% upon entry and 0.10% upon exit. The dollar value of these costs based

on an application or a withdrawal of \$100,000 is \$0 or \$100 for each individual transaction. The Buy/Sell Spread can be altered by the Trustee at any time and www.rivieracapital.com.au will be updated as soon as practicable to reflect any change. The Trustee may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Trustee.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.00% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2024.

However, actual transaction costs for future years may differ.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which the Trustee is entitled is 2.00% p.a. (excluding GST) of the NAV of the Fund. However, the Trustee does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. The Trustee also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Fund Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Fund Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Wholesale Clients. Please contact the Fund Manager on +61 2 8078 0888 for further information.

Taxation

Please refer to [section 9](#) of the PDS for further information on taxation.

Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – SPECIAL OPPORTUNITIES FUND NO. 1		
BALANCE OF \$150,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	2.33% p.a.	And , for every \$150,000 you have in the Special Opportunities Fund No. 1 you will be charged or have deducted from your investment \$3,495 each year
Plus Performance fees	1.40%	And , you will be charged or have deducted from your investment \$2,100 in performance fees each year
Plus Transaction costs	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
Equals Cost of Property and Income Opportunities Fund		If you had an investment of \$150,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$5,595* What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$150,000 balance only.

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the statement of advice or financial services guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for the Fund and interposed vehicles through which the Fund invests, over the previous five financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

9.

Tax

Tax implications

This information is a general guide only for Australian resident investors who hold their investment on capital account for income tax purposes and is based on our interpretation of the Australian taxation laws and Australian Taxation Office ("ATO") administrative practices as at the date of the publication of this PDS.

Tax can be complex and this guide is not intended to be a complete statement of all relevant tax laws. Investing through a trust can also mean different things for you from a tax perspective. It is important that you seek timely professional tax advice concerning the particular tax implications before making investment decisions.

Distributions

The Fund usually distributes income annually effective at the end of June each year, however distribution frequency can be changed by the Trustee without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date. The Fund's policy is to distribute all cash income of the Fund unless the Trustee and the Fund Manager considers it in the best interests of investors as a whole to do otherwise.

The Australian Government has enacted a regime for the taxation of managed investment trusts ("MITs"), referred to as the Attribution Managed Investment Trust ("AMIT") rules which may impact how the Fund's tax calculations are prepared (refer below). Where the Fund is a MIT it will make/rely on an election to apply deemed capital account treatment for gains and losses on disposal of eligible investments (including equities and units in trust).

Attribution Managed Investment Trusts ("AMITs")

Where the Fund is subject to the AMIT tax regime:

- The taxable income of the Fund is attributed to you by the Trustee on a fair and reasonable basis and in accordance with the Constitution. You have rights in

limited circumstances to object to any such decision however, it is expected that for the most part, all investors of each class will be treated the same.

- Subsequent to its annual distribution, the Fund may discover that it under or over distributed its determined trust components (e.g. where actual amounts differ to the estimates of income used in the distribution calculation). If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be entitled to a decrease in the tax cost base of their units. Estimates of these net cost base increase or decrease amounts will also be provided to investors through the AMIT Member Annual Statement.
- Unders and overs of trust components will generally be carried forward and included as an adjustment in the calculation of distributions in the year of discovery.

Non-Attribution Managed Investment Trusts ("non-AMIT")

Where the Fund does not qualify or elect to be an AMIT, it will be subject to ordinary trust taxation provisions in the tax legislation.

Investors in the Fund will be made 'presently entitled' to and distributed all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

Taxation of Australian resident investors

Australian resident investors will be required each year to include in their own tax calculations and tax return filings the assessable income, exempt income, non-assessable income and tax offsets allocated to them by the Fund.

The Australian tax law may impact the time that income is brought to account as assessable and included in an investors taxable income. Broadly, the Taxation of Financial Arrangements rules may affect the time at which gains and losses from financial arrangements held by the Fund are recognised for income tax purposes,

including whether the gains and losses are recognised on an accruals or realisation basis. Certain foreign income may also be recognised on an accruals basis.

You may be entitled to tax offsets (such as franking credits attached to dividend income and credits for tax paid on foreign income) which may reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains. The ability to utilise these tax offsets and concessional rates of tax may be subject to certain requirements being satisfied.

Withdrawals

Australian investors may be liable for tax on any gains realised on the disposal of units when they make a withdrawal from the Fund or when ownership of their units' changes. In calculating any capital gain or capital loss under the capital gains tax ("CGT") provisions, any taxable capital gain arising on disposal of your units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their units if the units are held of a period of more than 12 months, and certain other requirements are satisfied. You should always obtain professional tax advice about the availability of the CGT discount provisions.

Offshore tax rules

The Australian tax treatment of offshore investments is complex. The type of offshore investment held by the Fund may impact the nature of the income and gains derived, as well as the timing of when these amounts are recognised. For example, gains in respect of certain offshore investments may be treated as deemed dividends for Australian tax purposes and capital account treatment not available.

Under Australia's offshore tax rules, the ATO also expects that tax be paid by Australian investors on some gains made on an accruals basis even though those gains realised offshore are not yet received by investors in Australia. This can mean there could be a cash flow issue for investors where there is a liability with no matching payment to fund the liability. If Fund distributions are insufficient, you will need to independently fund any such tax liability.

The Fund's offshore investments may also be subject to foreign income and withholding taxes. Investors may be eligible for tax offsets in respect of these foreign taxes where certain requirements are satisfied.

Foreign investors

If you are a non-resident of Australia for tax purposes, the Trustee may be required to withhold tax from taxable income distributions allocated to you.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard' which is designed to be a global standard for collection and reporting of tax information. Generally, the Trustee reports report this to the ATO, who then shares this with relevant foreign authorities.

TFNs and ABNs

You do not have to disclose your tax file number ("TFN") or any Australian Business Number ("ABN") you may have, but most investors do. If you choose not to and you do not have an exemption, the Trustee must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

What else should you know?

You will receive information after the end of each financial year (June) to help you to complete your tax return, including details of taxable income allocated to you for the year and any net cost base adjustment amount by which the cost base of your units in the Fund should be increased or decreased.

At the time of your initial or additional investment in the Fund there may be accrued income or unrealised capital gains included in the unit price which, if later realised, may be included in the taxable income of the Fund allocated to you. There may also be realised but undistributed income or capital gains in the Fund which may be included in the taxable income allocated to you.

Sometimes during administration of the Fund new information about past tax matters becomes available and adjustments need to be made. Where these matters cannot be treated as under and over distributions, it is possible that you will be asked to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

Indirect Investors

Tax outcomes can be different for Indirect Investors. It is strongly recommended that you seek timely professional advice before making investment decisions.

Tax reform

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

Keeping you informed

How to find out more

Contact details are on the back cover.

The Fund has regular reporting and disclosure obligations. Copies of documents which may be lodged with ASIC (such as any half-year and annual financial reports) may be obtained from or inspected at an ASIC office or distributor. You can request copies of any documents which are lodged free of charge.

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely affected by not receiving notice of it, the PDS may be updated by notice at www.rivieracapital.com.au and you can request a paper copy free from the Fund Manager or your professional financial adviser. Otherwise, this PDS will be replaced or a supplementary PDS issued.

Keeping you informed

To help keep you informed of your investment, the following information will be provided:

- every transaction you make is confirmed,
- you are sent a tax report as soon as possible after the end of each financial year,
- an annual report detailing each of the following:
 - the actual allocation to each asset type;
 - the liquidity profile of the Fund assets as at the end of the period;
 - the maturity profile of the liabilities as at the end of the period;
 - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period; and
 - the key service providers if they have changed since the latest report given to investors, including any change in their related party status, and
- a quarterly report detailing each of the following:
 - the current total NAV of the Fund and the unit price as at the date the NAV was calculated;
 - the key service providers if they have changed since the last report given to investors, including any change in their related party status,
 - the net return on the Fund's assets after fees, costs and taxes, and
 - certain other material changes.

Each October, the Fund's audited accounts will be available on the Fund Manager's website. Investors can also request a copy be emailed to them by contacting the Fund Manager/Administrator.

Remember, however, that if you are an indirect investor then reporting will come from the operator of that IDPS.

Neither the Trustee nor the Fund Manager, and none of their employees, officers, agents, contractors or associates is responsible for any mis-delivery or non-receipt of any facsimile or email from or on behalf of any investor. Facsimiles or emails sent by or for investors are only effective when actually received.

If you received this PDS electronically, a paper copy can be provided upon request.

Additional information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Investors would then have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and

- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

The Trustee will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required. Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

Your privacy

The Australian Privacy Principles contained in the *Privacy Act 1988* (Cth) ("Privacy Act") regulate the way in which the Trustee collects, uses, discloses, and otherwise handles your personal information. The Trustee is committed to respecting and protecting the privacy of your personal information, and their privacy policy details how they do this.

It is important to be aware that, in order to provide our products and services to you, the Trustee may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, it may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to the Trustee is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise the Trustee of the changes in writing. While personal information will generally be collected from you, your broker or adviser or the Fund Manager and Administrator directly, information about you may also be obtained or confirmed from publicly available sources in order to meet regulatory obligations.

In terms of how the Trustee deals with your personal information, the Trustee will use it for the purpose of providing you with their products and services and complying with their regulatory obligations. The Trustee may also disclose it to other members of their corporate group, or to third parties who they work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however the Trustee takes reasonable steps to ensure that the third parties will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that the Trustee may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to the Trustee disclosing your information to, or to whom the Trustee is required or permitted by law to disclose information to.

The Trustee or the Fund Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to 'opt out' of such communications by contacting the Fund Manager using the contact details on the cover page of this PDS.

In addition to the above information, the Trustees' privacy policy contains further information about how they handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of the MSC Trustees privacy policy are available at www.msc.group. You can also request a copy by contacting MSC Trustees at enquiries@msc.group.

Keep your details up to date

It's important to keep your details with up to date – please contact the Registry to correct them when required.

You must in a timely way and in such way as required by the Trustee provide all information that the Trustee reasonably requests or which you suspect the Trustee should know to perform their functions for example, your contact details and regarding your identity or the source or use of invested moneys.

Indirect Investors do not need to update their details: no personal information about them is held.

Complaints resolution

Both the Trustee and Fund Manager have established complaints handling processes.

All complaints should be directed to the Fund Manager who has appropriate procedures to ensure complaints are acknowledged in writing within 1 Business Day or as soon as practicable after receiving the complaint.

Fund Manager
Riviera Capital Pty Ltd
Level 11, 60 Carrington Street
Sydney NSW 2000

If investors are not satisfied with the handling of their complaint by the Fund Manager, they may contact the Trustee by phone on 1300 798 790 or in writing at:

The Complaints Officer
Melbourne Securities Corporation Limited
Level 2, 395 Collins Street
Melbourne VIC 3000

The Trustee will act in good faith to ensure your complaint is investigated and resolved. If your issue has not been satisfactorily resolved within 30 days, you can lodge a complaint with the Australian Financial Complaints Authority ("AFCA"). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA at:

Website: www.afca.org.au
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au
In writing to: Australian Financial Complaints
Authority, GPO Box 3,
Melbourne VIC 3001

The dispute resolution process described in this PDS is only available in Australia.

If you are an indirect investor, you may either contact your IDPS operator or the Trustee with complaints relating to the Fund. Complaints regarding the operation of your account with the IDPS should be directed to the IDPS operator. If you have first raised a complaint with your IDPS operator and are not happy with how the complaint has been handled, you should raise that with the IDPS operator or the IDPS operator's external dispute resolution service.

What else should you know?

Distributions

The Fund is expected to hold a diversified portfolio of investments over time. They are generally expected to be longer term illiquid investments, realised by the Fund when the appropriate exit opportunity arises.

It follows that the Fund does not offer any regular withdrawal facility. The Fund should generally be seen as illiquid. An investment in the Fund should be regarded as long term, and investors should look to invest for 5–7 years or longer.

Although the goal is to pay distributions each 6 months, distribution ability and frequency will depend on the particular assets acquired. Investors should be prepared for periods during which no income is paid.

The Fund aims to return capital to investors when appropriate exit opportunities arise for its investments, but again the ability of the Fund to do this will depend on the particular assets acquired, and when they can be realised in part or whole.

An investor's entitlement is generally based on the number of units held by the investor at the end of the distribution period. See the [section 9](#) for more details.

Distributions are automatically paid as cash.

Communications

Subject to relevant law, communications from to you may be in any form determined by the Trustee. Communication is often via email. Communication will be sent to the last physical or electronic address you have provided.

The Constitution sets out the details of the rules for how and when communications are given and received for example, emails are taken to be received by you an hour after sending (or the next morning if not a Sydney business day) provided there is no reason to doubt successful sending, and communications from you to the Trustee or to someone on their behalf are taken to be received only when actually received.

You should check your mail, emails and other communications regularly. If you suspect something you have sent has not been received (for example, an email), please check with the intended recipient.

Appointing someone else to operate your account

You can use the Application Form to appoint someone to operate your account.

They can do everything you can do, including withdrawing money and changing your bank account details.

The Trustee, Administrator or Fund Manager can act on their instructions unless and until you tell them to stop. If you no longer want them to be able to operate your account, it is very important that you let the Administrator or Fund Manager know in writing.

Your rights and other important issues

The Trustee's legal relationship with investors is governed by the Constitution together with this PDS and certain laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of the Fund – all units of each class are identical,
- the Trustees powers and how and when they can exercise them,
- when the Fund terminates – the Trustee can terminate the Fund at any time and eligible investors share the net proceeds on a pro-rata basis,
- when the Trustee can retire and what happens if occurs – usually another trustee will be appointed, and
- changing the Constitution – typically investors' approval is required for any changes which are adverse to their rights.

A copy of the Constitution is available on request and free of charge by contacting the Fund Manager.

Transferring your units

To transfer units, complete a transfer form available at www.rivieracapital.com.au or contact the Administrator. Send the original to:

Special Opportunities Fund No. 1
Apex Fund Services Pty Limited
GPO Box 4968
Sydney NSW 2001

You will receive confirmation when your transfer is processed. You may need to pay stamp duty on the transfer.

Changes in ownership affecting Indirect Investors should be directed to the operator of your administration platform.

Meetings and changes of Trustee

Changes of Trustee are uncommon. They too are largely regulated by the Corporations Act. Investors can requisition a meeting as law allows.

Investor meetings are also uncommon. Investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 investors present in person or by proxy together holding at least 10% of all units in the Fund or relevant class.

If there is any proposal to remove the Trustee or seek its retirement, then the quorum is at least 3 investors present in person or by proxy together holding at least 50% of all units.

If a quorum is not present within 15 minutes after the scheduled time for the meeting, the meeting is dissolved if it was to consider any proposal to remove the Trustee or seek its retirement, else adjourned to such place and time as the Trustee decides.

Terminating the fund

The Trustee may terminate the Fund anytime. If this occurs, generally all investments will be sold and all monies owing will be paid (including fees and expenses). Any net proceeds will then be distributed to investors. It can take some time to finalise this process: winding up must be completed as soon as is practicable.

Limits on the Trustee's responsibility

The Constitution has some limits on when the Trustee is liable to investors for example, subject to any liability which the Corporations Act might impose on it which cannot be excluded, the Trustee may take and may act (or not act, as relevant) on any advice, information

and documents which it has no reason to doubt is authentic, accurate or genuine. The Trustee is not liable in contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund except to the extent that the Corporations Act imposes such liability.

The Constitution also contains a provision that the Constitution is the source of the Trustee's relationship with direct investors and not any other laws, except those laws which cannot be excluded.

Limits on your responsibility

The Constitution includes provisions designed to protect investors. The Constitution limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the Trustee and/or any creditor of the Trustee in the event that the liabilities of the Fund exceed the assets of the Fund. However, an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from the Trustee and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Legal structure

The Fund is an Australian unit trust regulated as a managed investment scheme under the Corporations Act.

It is available to both Retail Clients and Wholesale Clients as the Corporations Act defines these. Although it is registered by the ASIC under the Corporations Act and falls within ASIC's policy governing 'hedge funds', the ASIC takes no responsibility for the Fund or this PDS.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the US, which requires all Australian financial institutions to comply with the FATCA Act enacted by the US in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify US residents and US controlling persons that invest in assets through non-US entities. This information is reported to the ATO. The ATO may then pass that information onto the US Internal Revenue Service.

In order to comply with the FATCA obligations, certain information may be requested from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of US income or gross proceeds from the sale of certain US investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, the Trustee will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Legal Matters

The offer made in this PDS is only available to persons receiving this PDS in Australia, electronically or otherwise. It is not an offer to issue, or a solicitation of an offer to issue, any units in any place where it is unlawful to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither the Trustee nor the Fund Manager conducts any business other than in Australia.

Unless otherwise stated, all figures in this PDS are in Australian dollars inclusive of GST after allowing for any RITC.

Your investment in the Fund is governed by the terms and conditions described in the PDS as well as the Constitution, as those documents are supplemented, replaced or re-issued from time to time. Copies of those documents are available free by contacting the Administrator.

Consent

The Fund Manager has given and, as at the date of this PDS, has not withdrawn:

- its written consent to be named in this PDS as the Fund Manager; and
- its written consent to the inclusion of the statements made about it which are specifically attributed to it, in the form and context in which they appear.

The Fund Manager and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Fund Manager, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to the Trustee for inclusion in this PDS.

Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, certain information may be requested from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

The Constitution

The Fund is governed by a constitution that sets out the Fund's operation ("Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate the Trustee's legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge from the Fund Manager. Please read these documents carefully before investing in the Fund.

The Trustee may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

Glossary of important terms

AFSL

Australian Financial Services Licence.

AML/CTF Act

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), as amended from time to time.

Application Form

The Application Form that accompanies the PDS.

APRA

Australian Prudential Regulation Authority

ASIC

Australian Securities and Investments Commission

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Business Day

A day other than Saturday or Sunday on which banks are open for general banking business in Melbourne or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the administrator performs such functions.

Buy/Sell Spread

The difference between the application price and Withdrawal Price of units in the Fund, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Trustee in relation to the Fund, as amended from time to time.

Corporations Act

The *Corporations Act 2001* and *Corporations Regulations 2001* (Cth), as amended from time to time.

Derivative

A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common Derivatives include options, futures and forward exchange contracts.

GST

Goods and Services Tax.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Fund Manager

Riviera Capital Pty Ltd ACN 102 982 605.

Net Asset Value (NAV)

Value of the investments of the Fund after deducting certain liabilities including income entitlements and contingent liabilities.

PDS

This Product Disclosure Statement, issued by the Trustee.

Trustee

Melbourne Securities Corporation Limited.

Retail Client

Persons or entities defined as such under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. The Trustee will apply for reduced input tax credits where applicable to reduce the cost of GST to a Fund.

US Person

A person so classified under securities or tax law in the US including, in broad terms, the following persons:

- a. any citizen of, or natural person resident in, the US, its territories or possessions; or
- b. any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- c. any agency or branch of a foreign entity located in the US; or
- d. a pension plan primarily for US employees of a US Person; or
- e. a US collective investment vehicle unless not offered to US Persons; or
- f. any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- g. any Fund of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- h. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or
- i. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

Wholesale Client

Person or entity which is not a Retail Client.

Withdrawal Offer

Means the withdrawal offers referred to in the sub-section titled 'Withdrawals' in [section 6](#).

RIVIERACAPITAL.COM.AU

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Riviera Capital Pty Ltd ABN 58 102 982 605 holder
of AFSL No. 338550 is a fully owned subsidiary of
Alteris Financial Group Pty Ltd ABN 59 133 479 115
holder of AFSL No. 402370