PENGANA
ALPHA ISRAEL
FUND

INFORMATION MEMORANDUM

1 February 2025

PENGANA
ALPHA ISRAEL FUND

Issued: 1 February 2025

Issued by: Pengana Capital Limited AFSL 226566

ABN: 30 103 800 568

Pengana Alpha Israel Fund

Fund:	Pengana Alpha Israel Fund
Unit class:	Wholesale
Trustee and Investment Manager:	Pengana Capital Limited (ABN: 30 103 800 568, AFSL: 226566) referred to in this Information Memorandum as ‘Pengana’, ‘we’ or ‘us’
Fund Administrator:	Unity Fund Services Pty Ltd (ACN 146 747 122)
Fund Registry:	One Registry Services Pty Ltd (ABN 69 141 757 360)
Fund Advisor:	Alpha Investment Opportunities 2 Ltd (Company registration number 515137958) referred to in this Information Memorandum as Alpha
Custodians:	Bank Leumi Interactive Brokers
Prime Broker:	Bank Leumi or any other appointed Prime Broker

Important Information

The Fund

Pengana is the issuer of this Information Memorandum. Pengana Alpha Israel Fund (the **Fund)** is an unregistered managed investment scheme structured as a unit trust. This Information Memorandum is not a Prospectus or Product Disclosure Statement for the purposes of the *Corporations Act 2001* (Cth) **(Corporations Act)** and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission. Any information provided in this Information Memorandum and in any other document or communication is subject to the constituent documents for the Fund, including the trust deed. To the extent there is any inconsistency between this Information Memorandum and the constituent documents for the Fund, the latter prevail.

Exclusion of warranties

To the maximum extent permitted by law, no representation or warranty, express or implied, is made in relation to the accuracy, completeness or reliability of the information provided in this Information Memorandum or any other information concerning Pengana otherwise provided to recipients.

Limitation of liability

Pengana, its affiliates, agents and associates ("Relevant Persons") do not accept any responsibility for errors or omissions in this Information Memorandum. The Relevant Persons disclaim and exclude all liability for all loss, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information). The Relevant Persons do not have an obligation to advise any person upon becoming aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information).

Independent advice required

In preparing this Information Memorandum, Pengana has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Fund, prospective investors should:

- seek and rely on their own professional advice, in particular obtain appropriate tax, legal, financial and investment advice having regard to their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum or any other information provided or obtained in relation to the Fund.

Past performance not indicative of future performance

Certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Fund, any prior or other platform, fund or asset, represent Pengana's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Fund, any prior or other platform, fund or asset will be achieved.

Third party information

Certain information contained in this Information Memorandum has been obtained from published sources prepared by other parties and no responsibility is assumed for the accuracy or completeness of such information. All industry and market data has been sourced from research of Pengana, unless otherwise indicated.

Supplementary information

Pengana may in its absolute discretion update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

Jurisdictions outside Australia

This Information Memorandum is not intended to constitute an offer in any jurisdiction outside of Australia where, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the units in the Fund or the offer of units in the Fund, or otherwise to permit an offering of the units in any jurisdiction outside Australia. The distribution of this Information Memorandum (electronically or otherwise) in jurisdictions outside Australia is limited and may be restricted by law. Anyone coming into possession of this Information Memorandum should seek advice on its provision and distribution, and observe any relevant legal restrictions on using, providing or distributing it. Failure to comply with such restrictions may constitute a violation of applicable securities law. It is your responsibility to comply with any laws of any country relevant to your subscription for units in the Fund.

Consent

Alpha consents and, as at the date of this Information Memorandum, has not withdrawn its consent to the statements (in the form and context in which they are included) about it. Alpha has not otherwise issued or caused the issue of this Information Memorandum.

Contents

1. About Pengana

Pengana is an Australian funds management group, with a diverse range of International and Australian investment strategies, managed by distinct teams that aim to deliver superior long-term risk-adjusted returns to investors.

Pengana strives to provide investors access to superior global funds management strategies: strategies that will create an impact on portfolio returns. We do this through our in-house investment teams, and by partnering with differentiated investment managers around the world.

Pengana's premium investment products employ active strategies with non-benchmark mandates, giving our investment teams the freedom to invest in their best ideas.

Our unique business model also delivers centralised support from our corporate team, so our fund managers can focus on what they do best - managing investor money.

Our People

Russel Pillemer

Russel Pillemer co-founded Pengana in 2003. He has been the company's Chief Executive Officer since inception. Prior to founding Pengana, Russel worked in the Investment Banking Division of Goldman Sachs in New York where he specialised in providing advice to funds management businesses. Before moving to New York, he was responsible for leading Goldman Sachs' Australian Financial Institutions Group. Russel was previously Chairman of Centric Wealth Group and a Principal of Turnbull Pillemer Capital. He is a member of the Institute of Chartered Accountants in Australia and has a Bachelor of Commerce (Hons) from the University of New South Wales.

Nick Griffiths

Nick Griffiths is the Chief Investment Officer of Pengana. In this role he is responsible for manager monitoring, performance analysis and risk management across Pengana's investment strategies. He also chairs the Risk Management Committee. Nick is a strong advocate and regular commentator on the use of alternatives and absolute return funds in retail and wholesale portfolios. He has more than 20 years' experience in the actuarial and investment industries in the UK and Australia.

Prior to his current role Nick was Head of Investment Research within Aon's Investment Consulting Practice in Sydney. He managed the Australian based research team and was the regional representative within Aon's Global Research Unit. His educational background includes a Joint Honours degree in Law and Economics from the University of Durham, English and Australian actuarial qualifications and the completion of the Chartered Financial Analyst exams in 2002.

Keith McLachlan

Keith McLachlan is the Chief Operating Officer at Pengana responsible for operations, compliance, enterprise technology and client service. Keith is a member of Pengana's Risk Management and Compliance Committees.

Keith is an experienced financial service executive with over 20 years' experience across a diverse range of products, investors and regulatory regimes. Prior to joining Pengana in 2015, Keith was a General Manager at Perpetual where he led operational and technology teams supporting Perpetual Investments and Perpetual Private Wealth. Before joining Perpetual in 2001, Keith served in operational leadership roles in the Metropolitan Police Service in London. Keith has significant experience in operational leadership, risk management, project delivery and organisational change.

Keith has a BA(Hons) in Business Studies from the Bristol Business School and is Fellow of FINSIA.

2. About Alpha

Alpha, the Fund Advisor, was founded in 2005 and is one of the pre-eminent equity fund managers in Israel. Alpha's portfolio managers have established strong reputations and have many years of experience investing in equity markets.

Our People

Michael Weiss

Michael co-founded Alpha in 2005. In his previous roles he was the CEO of Tamir Fishman Mutual Funds from 2003 to 2005. From 1996 to 2003 Michael was the CEO of Evergreen Mutual Funds and founded the first High-Tech Mutual Fund in Israel. Prior to that, Michael was an Investment Manager specialising in technology and small companies at Analyst Investment Limited.

Michael has a B.Sc. in Electrical Engineering from Ben Gurion University and an MBA from Tel Aviv University and was a Lt. Colonel in the Israeli Air Force.

Gabi Dishi

Gabi Dishi co-founded Alpha in 2005. His prior experience includes being a portfolio manager at Tamir Fishman Asset Management; and a corporate and high net worth advisor in capital markets. Gabi is a Board Member of Babylon Technologies (Israeli public company).

Gabi has a BA from Tel Aviv College and an MBA from Bar Ilan University.

Sagi Ben Yosef

Sagi joined Alpha in 2017. His prior experience includes positions as Director of Marketing and Sales at Tamir Fishman Asset Management and founder and partner at Profound Investment House. In his last position from 2012 to 2017, Sagi was the Executive Director of the United Israel Appeal fundraising arm in Sydney Australia.

Sagi has a BA from the American University of Paris (AUP).

Aviran Revivo

Aviran joined Alpha in 2015. His prior experience includes a role as a senior analyst at Sphera Hedge Funds, a senior analyst at Clal Finance Investment House and as an analyst at Halman-Aldoubi Investment House.

Aviran has a B.A. in Business Administration and History from the Hebrew University of Jerusalem.

3. Overview of the Fund

At a glance:

Investment Objective	The Fund's investment objective is to maximise total returns via the long-term appreciation of its assets through investments and transactions involving securities or financial instruments of, or related to, primarily (but not necessarily exclusively) Israeli and Israel-related public companies.
Who Can Invest?	Wholesale clients as defined in the *Corporations Act*
Minimum Investment Amount	A$250,000 for the AUD class and the US$ equivalent of A$250,000 for the USD class *(Pengana, as trustee of the fund, reserves the right to accept lower investment amounts)*
Fee Structure	Management fee – 1.5% per annum paid monthly in arrears. Performance fee – 20% above the TA-125 Index paid semi-annually in arrears. No performance fee is payable if performance for the half year is not positive.
Buy/Sell Spread	0.25% / 0.25%
Applications and Redemptions	Monthly
Distribution Frequency	The Fund aims to pay distributions annually
Recommended Investment Term	5+ years

4. Fund Operation

Investment Objective

The Fund's investment objective is to maximise total returns via the long-term appreciation of its assets through investments and transactions involving securities or financial instruments of, or related to, primarily (but not necessarily exclusively) Israeli and Israel-related public companies.

Disciplined Investment Approach

The Fund expects to invest mostly in companies that are included in the Tel Aviv 125 Index ("TA-125 Index"), the residual index ("Madad Ha'yeter"), the NASDAQ or other exchanges or regulated markets.

The Fund may transact in a wide variety of securities or financial instruments, including those not registered for public trade, and securities or instruments which may be traded in private, off-exchange or off-market transactions. Investments in private companies (if any) will constitute up to 10% of the total investment of the Fund.

To meet its return objectives, the Fund may also short sell securities (see below), pledge securities to borrow additional funds for investment purposes, use leverage for investment and lend securities to third parties in return for interest on the loan.

The Fund will seek to exploit what the Fund Advisor considers to be valuation anomalies by identifying securities that the Fund Advisor believes are materially underpriced and by exploiting crises and market opportunities.

The Fund Advisor's investing approach recognises that, during periods of business difficulties in a company's life, economic and macro crises can cause a significant devaluation in the market capitalisation of companies, as a result of redemptions and panic in the market.

The Fund intends to own a focused portfolio, with a maximum single position of up to 15% (measured at the time the investment is made) of the Fund's Net Value (as of the close of the most recent valuation period). This percentage limitation will be measured and applied only at the time an investment is made by the Fund. By investing in such a manner, the Fund intends to maintain an intimate knowledge of each of the Fund's portfolio companies.

The Fund may obtain leverage through the short sale of "Makam," which are short-term one year State of Israel loans, or government bonds with a maximum duration of two years. Such short sales will represent no more than 15% of the Fund's Net Value. The purpose of the short sales is not to profit from the transactions but to obtain leverage on favourable terms relative to other forms of financing. The Fund will not short sell equities.

THE DESCRIPTION CONTAINED IN THIS SECTION 4 OF SPECIFIC STRATEGIES THAT ARE OR MAY BE ENGAGED IN BY THE FUND SHOULD NOT BE UNDERSTOOD AS IN ANY WAY LIMITING THE FUND'S INVESTMENT ACTIVITIES. THE FUND MAY ENGAGE IN ADDITIONAL INVESTMENT STRATEGIES NOT DESCRIBED IN THIS SECTION 4 THAT THE FUND ADVISOR CONSIDERS APPROPRIATE IN VIEW OF THE THEN PREVAILING OR EXPECTED MARKET, BUSINESS OR ECONOMIC CONDITIONS.

THE FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED OR SUCCESFUL OR THAT ANY OF THE FUND'S RISK MANAGEMENT OR HEDGING WILL PROTECT AGAINST LOSS.

Currency hedging

The Fund employs currency hedging at the Portfolio level and the Class level.

Portfolio Hedging is designed to hedge against FX movements in the Portfolio by hedging non AUD assets back to the portfolio currency – AUD. It is the intent to hedge all meaningful currency exposures however this is at the discretion of the Fund Advisor and any hedging may not provide complete protection against currency movements. Currency hedges will typically be implemented through currency forwards and adjusted as appropriate. Portfolio Hedging gains and losses are attributed to the Portfolio.

Class Hedging is designed to hedge against FX movements in the USD Class by hedging non-USD exposures back to USD. The unit values for the USD Class are based on a hedged AUD valuation. It is the intent to hedge all the non-USD exposure however the hedging may not provide complete protection against currency movements. Currency hedges will typically be implemented through currency forwards and adjusted as appropriate. Class Hedging gains and losses are attributed to the USD class.

Refer to Section 5 "Risks of Investing" for further information on currency risk.

Who can invest?

Investment in the Fund through this Information Memorandum can only be made by persons who are wholesale clients as defined in the Corporations Act. Refer to Section 8 "Applying for an investment" for information on who qualifies as a wholesale client.

How to invest

Applications may be made into the Australian Dollar class (AUD class) or the US Dollar class (USD class).

Investors in the AUD class should complete the application form accompanying the Information Memorandum and submit it to the Fund Administrator with their investment of at least A$250,000 payable by direct deposit (see the 'Applying for an investment' section of this Information Memorandum). Note, Pengana, as trustee of the Fund, reserves the right to accept lower investment amounts.

Investors wishing to invest into the USD class should contact Pengana for the USD class application form.

More detailed information about how to invest is provided in the 'Applying for an investment' section of this Information Memorandum.

Processing applications

Applications must be submitted before 2pm (AEST) two business days before the last business day of each month. **All funds, completed application forms and associated Anti Money Laundering identification documents are required to be received by 2pm (AEST)** two business days before the last business day of each month **in order to allow for processing of the application.** Pengana reserves the right to waive or change this deadline in its sole discretion.

Terms and conditions of investing

The offer to invest in the Fund is subject to the terms and conditions described in this Information Memorandum and as set out in the Fund's Trust Deed (see the 'Other important information' section).

Pengana reserves the right to change the terms and conditions and to refuse or reject an application. All application moneys must be deposited in the Fund's bank account by electronic means on or before 2 pm (AEST) two business days before the end of each month to allow for investments to be processed at the relevant unit price for the end of that month.

Issue and redemption price

The Fund Administrator calculates unit prices in three steps:

- first, they calculate the value of the investments of the Fund for the relevant class (AUD or USD) and take away the value of the liabilities for the class as defined in the Fund's Trust Deed;
- then they divide this result by the number of units on issue in the class to obtain the unit mid-price;
- finally, they make an adjustment (up for the issue price, to take account of the costs of buying investments or down for the redemption price to take account of the costs of realising investments) called a buy-sell spread. The buy-sell spread does not represent a fee to Pengana or Alpha and is discussed in more detail in Section 5 "Fees & Charges".

The issue price will be the unit price on the day the units are issued. The redemption price will be the unit price on the day the units are redeemed.

Cooling off rights

Wholesale investors do not have cooling off rights in relation to an investment in the Fund.

Valuation of Fund assets

The Fund Administrator calculates the value of the investments of the Fund in the relevant class (AUD and USD) and takes away the value of the liabilities for the class as defined in the Fund's Trust Deed. In line with market practice, Pengana may determine valuation methods and policies for each category of asset and may change these methods and policies from time to time. Unless determined otherwise, the value of a listed asset will be its last closing sale price. The values of liabilities include all significant accrued income and expenses that are due and payable to or from the relevant class. The valuation of each class of the Fund is calculated monthly on the last business day of the relevant month. The methodology and practice used is reviewed annually by the auditor as part of the annual Fund audit.

The value of the investment

Investments made through this Information Memorandum relate to units. Unit prices can rise and fall on a monthly basis. Consequently, investment value will vary from time to time. The investment value at any point in time is calculated by multiplying the number of units held in the class by the unit price. The unit price reflects the NAV and the NAV is determined monthly.

Distributions

Pengana intends to pay distributions annually. Investors should be aware that although Pengana's intention is to pay distributions annually, the amount of each distribution will vary depending on the performance of the Fund's assets.

The trustee has elected for the Fund to be an 'attribution managed investment trust' or 'AMIT'. Under the AMIT regime, a trustee can attribute all or any part of the income of the Fund This means that the trustee can allocate (but not pay) taxable income to unit holders. The Trustee does not anticipate attributing income and intends to pay all taxable income to unitholders.

Payment of distributions

Distributions will be paid directly into each investor's nominated bank account unless distribution reinvestment is requested. Please contact Pengana Client Service if you would like to reinvest your distributions.

Redemptions

Redemptions can be made on a monthly basis with one month's notice. Redemptions must be made via the redemption form available on request from Pengana and must be received by 2pm (AEST) on the last business day of the prior calendar month.

Transfer of units

Units can be transferred with the permission of Pengana and to those persons who qualify as a wholesale client within the meaning of the Corporations Act. Please contact Pengana for all transfer requests.

Investment information

Confirmation of each transaction will be sent by our Fund Administrator.

Fund information

The following information will be available electronically:

- The Fund's annual financial reports;
- Regular updates from Pengana about the performance and composition of the Fund's portfolio;
- Any replacement or supplementary Information Memorandum; and
- A copy of the Trust Deed (available in electronic form on request from Pengana).

Communications

Please note that Pengana intends to communicate with you by email. All reports, updates and other information that will be provided will be sent to the email address you specify in the application form accompanying this Information Memorandum. By investing in the Fund, you agree to receiving all communications electronically.

Retaining this Information Memorandum

Investors should keep this Information Memorandum and any replacement or supplementary Information Memorandum, as they may need to refer to information about the Fund. An electronic copy of the current Information Memorandum and any replacement or supplementary Information Memorandum will be sent on request.

Changes to the information in this Information Memorandum

Before making an investment decision, it is important to read the current Information Memorandum, as information provided in an Information Memorandum may change from time to time. If changes are not materially adverse to investors, the relevant information will be updated online at www.pengana.com. However, if a change is considered materially adverse to investors, Pengana will issue a replacement or supplementary Information Memorandum. Investors can also obtain a copy of the updated information and any replacement or supplementary Information Memorandum by contacting Pengana.

Should Pengana intend to change the Fund's investment objective or investment approach, investors will be advised in writing, before making the change. See 'Changes to fees and costs' in section 6 for details about other times when Pengana will notify investors before changing information in this Information Memorandum.

Questions about the Investment

Investors should contact Client Service on +61 2 8524 9900 with any questions relating to the investment.

5. Risks of Investment

The Fund is designed only for sophisticated investors who are able to risk losing some or all of their investment and who have no need for liquidity. Potential investors should review this Information Memorandum carefully in its entirety and consult with their professional advisors before deciding whether to invest in the Fund. A number of key risks are highlighted in the section below. This list of risks is not exhaustive and there could be other risks that affect the performance of the Fund. You should seek your own professional advice on the appropriateness of this investment to your circumstances.

All investments carry risk. Different investment strategies carry different levels of risk depending on the underlying mix of assets that make up the strategy. Usually, assets with the potential for the highest long-term returns carry the highest levels of short-term risk.

While Pengana aims to achieve the Fund's Investment Objective, it is important for you to carefully consider the risks of investing in the Fund and to understand that:

- the value of your investment will go up and down,
- investment returns will vary and future returns may differ from past returns,
- returns are not guaranteed and you may lose some or all of the money you invest,
- laws affecting managed investment schemes may change in the future, and
- your level of risk tolerance will vary depending on a range of factors including your age, investment time frames and where other parts of your wealth are invested.

The level of risk you are willing to accept will depend on a range of factors including:

- your investment goals,
- your age,
- your investment time frame,
- how other parts of your wealth are invested, and
- your overall risk tolerance.

THE RISK FACTORS MENTIONED IN THIS SECTION 5 ARE NOT EXHAUSTIVE AND DO NOT COMPLETELY EXPLAIN THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE INFORMATION MEMORANDUM AND CONSULT THEIR OWN ADVISERS BEFORE INVESTING IN THE FUND.

Speculative Investments

The Fund will invest significantly in companies that the Fund Advisor perceives as undervalued. Although such investments may (or may not) result in significant returns to the Fund, they involve a substantial degree of risk and may not show any return for a considerable period of time, if at all. In addition, the Fund will make certain other speculative purchases of securities. Such purchases may include securities which the Fund Advisor believes to be undervalued, or where a significant position in the securities of a particular company has been taken by one or more other persons or where other companies in the same or a related industry have been the subject of acquisition attempts. There can be no assurance that securities which the Fund Advisor believes to be undervalued are in fact undervalued. Nor can there be any assurances that undervalued securities will increase in value.

Hedging Transactions

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments and thus offset the decline in the value of the portfolio positions. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase.

The Fund can use various hedging strategies, including call and put options for various purposes, inter alia, in favour of increasing or decreasing the equity exposure, receiving money from sellers in favour of lowering the premiums used in buying options, and etc. For example, quick entry or exit to a specific sector to which the Fund wants to be exposed (or reduce exposure) until investing through the specific holdings.

While the Fund may enter into such transactions to seek to reduce certain market rate risks, unanticipated changes in such rates may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Also, for a variety of reasons, the Fund may establish an imperfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving an intended hedge or expose the Fund to risk of loss. Moreover, it may not be possible for the Fund to hedge against a rate fluctuation that is so generally anticipated that the Fund is not able to enter into a hedging transaction at a price sufficiently attractive to warrant protecting against the possible decline in value of the portfolio position anticipated as a result of such a fluctuation.

Concentration of Investments

The Fund Advisor does not intend to invest more than 15% (measured on the date of investment) of the Fund's Net Value (as of the end of the most recent valuation period) in the securities or obligations of any one company. Such limitation is measured and applied only at the time the investment is made by the Fund. Although the Fund Advisor will follow a general policy of seeking to spread the Fund's capital among a number of investments, the adherence to such policy is not a guarantee against Fund's losses.

Lack of Liquidity

The Fund Advisor will monitor the liquidity of the Fund's assets in making decisions regarding the Fund's investments. However, because of the nature of the Fund's investment strategies, certain investments may have to be held for a substantial period of time before they can be liquidated to the Fund's appropriate advantage or, in some cases, at all.

Competitive Market for Investments

The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive, and involves a high degree of uncertainty. The Fund will encounter competition from other persons or entities with similar investment objectives. These competitors include other funds, investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates, foreign investors of various types and individuals. Such competition may make investments less profitable or less desirable to the Fund or otherwise adversely affect the Fund.

Israel-Related Risks

Geographic Concentration. The Fund's investments are principally expected to be in or related to Israeli and Israel-related companies. Consequently, the Fund will be more vulnerable to political, social, economic and natural developments in Israel than a fund with greater geographic diversification would be.

Security and Geopolitical Related Risks. Since the establishment of the State of Israel, a state of hostility has existed, varying in degree and intensity, between Israel and Arab countries and in the recent decades between Israel and several terrorist organisations. Certain countries and companies participate in a boycott of Israeli firms and others doing business in Israel or with Israeli companies. Due to the fact that the Fund will invest primarily in Israeli and Israel-Related companies, any major hostilities involving Israel, the interruption or curtailment of trade between Israel and its present trading partners, or a downturn in the economic or financial condition of Israel could have a material adverse effect on the Fund and its portfolio companies.

Economic Policy. Israel's economy has been subject to numerous destabilizing factors, including a period of rampant inflation in the mid-1980s, low foreign exchange reserves, fluctuation in world commodity prices, military conflicts and civil unrest. In response to these problems the Israeli government has intervened in various sectors of the economy, employing, among other means, fiscal and monetary policies, import duties, foreign currency restrictions, and control of wages, prices and foreign exchange rates. The Israeli government has frequently changed its policies in all these areas. In the late 1990s, government interventions decreased, mainly as a result of privatization and almost complete elimination of foreign currency controls. Recently, inflation and the NIS-USD exchange rate have been more stable. However, there is no assurance that the Israeli government will be successful in keeping prices and the exchange rate stable. Price and exchange rate instability may have a material adverse impact on the Fund and its portfolio companies.

Nature of Securities Markets in Israel. Many of the Fund’s investments will be in shares traded on the Tel Aviv Stock Exchange. The Tel Aviv Stock Exchange is substantially smaller, less sophisticated, less liquid and more volatile than those in the U.S. or Europe.

Past Performance

The past investment performance of the principals of the Fund Advisor, for themselves or on behalf of others should not be construed as an indication of the future results of an investment in the Fund. The Fund’s investment program should be evaluated on the basis that there can be no assurance that the Fund will achieve its investment objectives or that the Fund Advisor’s assessments of the short, intermediate or long-term prospects of investments will prove accurate.

Call and Put Options

The Fund may both purchase and sell ('write') options on a variety of indices and securities and exchanges and over-the-counter markets. The seller ('writer') of a put or call option which is uncovered (i.e. the writer has effectively a long or a short position in the underlying security, currency or commodity) assumes the risk (which theoretically may be unlimited) of a decrease or increase in the market price of the underlying security, currency or commodity below or above the sales or purchase price. Trading in futures and options is a highly specialized activity and although it may increase total returns it may also entail significantly greater than ordinary investment risk.

Fixed Income Obligations

The Fund may invest in fixed income obligations. Fixed income obligations are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Changes in interest rates may cause a decline in the market value of an investment. With bonds or other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. Bonds and other fixed income securities generally involve less market risk than stocks. However, the risk of bonds can vary significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honour a financial obligation. The bonds of some companies may be riskier than the stocks of others.

Debt Securities

The Fund may invest in debt securities, some of which may be unrated or have low ratings. Unrated or lower-rated debt securities are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured by substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Lower or unrated securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Investors should be aware that ratings are relative and subjective and are not absolute standards of quality. Subsequent to its purchase by the Fund, an issue of securities may cease to be rated or its rating may be reduced. Neither event will require sale of such securities by the Fund, although the Fund Advisor will consider such event in its determination of whether the Fund should continue to hold the securities. The market value of securities in lower-rated categories is more volatile than that of higher quality securities. In addition, the Fund may have difficulty disposing of certain of these securities because there may be a thin trading market. The lack of a liquid secondary market for certain securities may have an adverse impact on the Fund’s ability to dispose of such securities and may make it more difficult for the Fund to obtain accurate market quotations for purposes of valuing the Fund and calculating the value of its net assets.

Convertible Securities

The Fund may invest in convertible securities. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds and, in addition, fluctuates in relation to the underlying common stock.

Highly Volatile Markets

The prices of Israeli public companies and derivative instruments, including option prices, can be highly volatile. Price movements of options in which the Fund’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

Currency Risk

The Fund may enter into transactions that include cash and securities denominated in New Israeli Shekels, and/or other currencies. The Fund may hold positions in such various currencies for various lengths of time, subjecting the Fund to the risks of fluctuating currency rates. In addition, due to the potential reporting of transactions in currencies other than those used in such transactions or positions and the delay in applying conversion rates for such purposes, there may be discrepancies in the reported profits and losses of the Fund from the actual economic results of such transactions. In addition, the Fund and/or its investors may be subject to higher taxes as a result of such discrepancies.

Valuation Considerations

The value of each investor's capital account will fluctuate over time with the performance of the Fund’s investments. An investor may not fully receive the amount it invested in the Fund when it chooses to withdraw amounts from its capital account or upon compulsory withdrawals.

Transaction Costs

The Fund’s investment approach may involve a high level of trading and turnover of the Fund’s investments which may generate substantial transaction costs, a pro-rata portion of which is borne by the Fund .

Certain Additional Investment Risks

The investment activities of the Fund are inherently speculative. Prices and market movements may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund’s activities.

Counterparty and Prime Broker/Custodian Credit Risk

There is a risk of loss caused by a counterparty to a transaction with the Fund, including the custodian (Bank Leumi or Interactive Brokers) or the prime broker (Bank Leumi or another appointed prime broker) or a broker, defaulting on their financial obligations, failing to perform their contractual obligations or becoming insolvent. A counterparty defaulting on its obligations could result in a default payment, which may subject the Fund to substantial losses and cause the net asset value of the Fund to fall.

Derivatives Risk

A small investment in derivatives may control a much greater value of underlying assets. This magnifies potential profits and losses, as measured against the outlay. The Fund may also be exposed to counterparty risk, i.e. risk in connection with the parties on the other side of derivatives contracts entered into for the Fund.

Force Majeure Events

Events, including acts of God, fire, flood, earthquakes, war, terrorism and labour strikes may adversely affect the normal operations of financial markets and the Fund.

Fund Risk

Risks particular to the Fund include the risk that the Fund could terminate and that fees and expenses payable by the Fund could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund or the consequences of investments and withdrawals by other investors.

Significant Redemptions Risk

A risk exists that a significant number of requests for redemption of Units in the Fund will be received. In such an event, it may not be possible to liquidate some of the Fund's investments at the time that such redemptions are requested, or it may be possible to do so only at prices which do not reflect the true value of such investments, resulting in an adverse effect on the return to Investors.

Taxation Change Risk

Any change in taxation policy may impact the distributions to unit holders, as well as, the taxation treatment of those distributions.

Fund Advisor Risk

Like other investment managers, the Fund Advisor's investment approach directly impacts the value of this investment and performance is likely to vary in different market conditions. No single investment approach performs better than all others in all market conditions. Changes in key personnel within the Fund Advisor may also impact the Fund's returns.

Short selling Risk

Short Selling describes the strategy of borrowing securities (from a Prime Broker or other third party), selling them, and buying them back at a future date. The Fund may use this strategy but only to short sell short term Government backed loans or bonds as a means of providing leverage to the Fund. The prices of such securities are typically stable however the Fund may still lose money if their prices increase. The Prime Broker (or other third party) may also recall the securities, requiring the Fund to buy the securities back on market.

Leverage Risk

The Fund may pledge its securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with short selling and certain derivatives including but not limited to equity index futures contracts, warrants, forwards, stock futures, cleared and over-the-counter swaps, and options. The use of leverage may magnify the potential gains and losses achieved by the Fund, thus impacting on the value of the units in the Fund. Losses from the use of leverage can be substantial and can exceed the original amount invested. The use of leverage may also result in margin calls or interim margin requirements which may force premature liquidations of investment positions and losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of financing.

Securities Lending Risk

The Fund may lend portfolio securities to third parties. By doing so, the Fund attempts to increase its income through the receipt of interest on the loan. The Fund could experience losses if the institution with which it has engaged in a security loan transaction breaches its agreement with the Fund. In the event of the bankruptcy of the other party to the securities loan, the Fund could experience delays in recovering the loaned securities.

6. Fees & Charges

Management fee

A management fee of 1.50% per annum is charged on the NAV of each class (AUD and USD) of the Fund. The fee is payable monthly in arrears and calculated on the NAV on the last day of each month and payable on the next business day thereafter.

Performance fee

The performance fee is 20% of any return of the relevant Class (AUD or USD) greater than the return of the TA-125 Index during the half year ending 30 June and 31 December after deduction of the management fee and adjusted for applications, redemptions and distributions to investors.

The performance fee is calculated and accrued monthly. The performance fee at the end of each half year is the sum of the monthly performance fees accrued during the half year. The performance fee is payable half yearly as at 30 June and 31 December each year.

The fee is charged to the Fund and reflected in the unit price. Depending on the return of the Class in relation to the TA-125 Index, the monthly accrual may be a positive or negative amount. The performance fee is not payable unless the return of the Fund is positive for that half year period. If no performance fee is payable to Pengana at the end of a half year period, then the accrued performance fee, positive or negative, will be carried forward into the next half year period and form part of the performance fee for that half year. This means that negative performance by the Class must be made up before a performance fee is payable.

A portion of any negative performance fee accrual will be extinguished if there is a net monthly capital outflow from a Class (including from distributions). The negative performance fee accrual will be reduced in proportion to the size of the net monthly capital outflow relative to the Class's opening gross asset value. When applicable, the adjustment is made for the purpose of calculating performance fees and reduces the amount in dollars that the Class has to recover before a performance fee is accrued (given the Class' assets have been reduced).

Other costs

Each class of the Fund (AUD and USD) bears all costs and expenses of its organisation and ongoing operation, including, without limitation, (a) all fees and charges of custodians, prime brokers, fund administrators, trustees, clearing agencies and banks, (b) all administration, bookkeeping, recordkeeping, legal, accounting, auditing, tax preparation and all professional, expert and consulting fees and expenses arising in connection with each classes' activities, (c) all trading costs and expenses (such as, for example, brokerage commissions and charges, clearing and settlement charges and service fees), (d) all costs and expenses of negotiating and entering into contracts and arrangements and making investments (such as brokerage, legal, accounting and other professional and consulting fees and expenses arising from particular investments and potential investments), (e) costs and expenses of investing each classes' assets indirectly, such as through another fund (including all or a portion of the costs and expenses of organising and operating that fund), (f) all income taxes, withholding taxes, transfer taxes and other governmental charges and duties and (g) any contingencies for which Pengana determines reserves might be required.

Pengana bears all of its own overhead and administrative expenses, other than the expenses described in the previous paragraph.

Buy/Sell spread

Each class of the Fund may incur transaction costs associated with buying and selling the underlying investments of the class. These include expenses such as brokerage, transaction costs, stamp duty and other government taxes or charges paid on share transactions. The Buy/Sell spread seeks to fairly allocate transaction costs incurred by investors applying into or redeeming from the class. The difference between the issue and redemption price is the buy/sell spread and is as set out below.

Buy	+0.25%
Sell	-0.25%

Changes to fees and costs

Pengana, as trustee of the Fund, may change the fees set out in this Information Memorandum at its discretion and without the consent of investors. For example, fees may be increased where increased charges are incurred due to government changes to legislation, where increased costs are incurred, if there are significant changes to economic conditions, or if third parties impose or increase processing charges. However, Pengana will give investors 30 days' notice of any intention to increase the existing fees, expenses or recovery of expenses, or introduce contribution or withdrawal fees.

Tax on fees and charges

Unless otherwise stated, the fees shown above are exclusive of Goods and Services Tax (GST). For information about the tax implications of investing in the Fund, see the Tax Considerations' section of this Information Memorandum.

7. Tax Considerations

This section is a general summary of taxation matters relating to the Fund. This taxation summary addresses tax consequences for investors based on Australian income tax, stamp duty and GST laws in effect as at the date of this Information Memorandum based on our understanding of those laws.

This taxation summary assumes that investors are Australian residents for tax purposes who will hold the units in the Fund directly on capital account. It does not consider the position for investors who are holding the units on revenue account, or who are subject to the taxation of financial arrangements (TOFA) rules.

This taxation summary is general in nature, is not exhaustive, and it does not take into account the specific circumstances of individual investors in the Fund. We recommend that investors seek independent professional taxation advice relevant to their particular circumstances.

Taxation of the Fund

Generally, it is not expected that the Fund will pay Australian income tax because the net income of the Fund will be allocated to investors. Depending on your taxation position you may be liable to tax on your share of the net income of the Fund, and you may become entitled to certain tax offsets.

The Australian Government has enacted legislation so that a trust which qualifies as an eligible managed investment trust (MIT) can elect to treat the trust's "covered assets" (primarily, shares, units and real property) on capital account. In this case investors may obtain the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains received from the Fund.

The Fund currently qualifies as an eligible MIT and has made the capital account election. However you should be aware that determining whether the Fund would qualify as an MIT is complex and is tested on a year-to-year basis. Any determination as to the eligibility of the Fund as an MIT depends on the Fund meeting a 'widely held' test and a 'closely held' test and this could be subject to change should the makeup of the Fund's investors change. This could result in the Fund's investments being treated as held on revenue account rather than on capital account.

The Trustee has elected for the Fund to be an AMIT from 1 July 2019 onwards.

Taxation of the unitholders

You will be provided with a distribution statement (known as an 'AMMA statement') that sets out the taxable components of the Fund on which you may be assessed for each year in which the Fund is an AMIT.

You will generally be required to include in your assessable income your attributed income of the Fund. There may be instances where your attributed share of the taxable income of the Fund exceeds the distribution you receive from the Fund.

Capital gains tax (CGT) cost base reductions or uplifts may occur where taxable income attributed is either less than or greater than, respectively, the total of both cash distributed and tax offsets attributed for an income year. Where you have a nil cost base in your units, or where the total cost base reduction amount exceeds the cost base of your units, a capital gain may arise to you for that year. You should maintain records of your cost base adjustments. You may also be entitled to tax offsets (franking credits and/or foreign tax offsets) attributed by the Fund. Provided you satisfy certain provisions of the tax acts, you may be able to utilise these offsets against your tax liability on the taxable components of the distributions. In order to claim the amount of tax offsets, you must include the amount of the offsets in your assessable income.

We will advise you of your share of tax offsets in the AMMA statement.

The disposal of units (for example by transfer) may give rise to a capital gains tax liability or a capital loss. Where you have held your units on capital account for more than 12 months you may be entitled to a capital gains tax discount.

Israeli tax opinion

The Trustee has obtained an opinion from an Israeli law firm, Gornitzky & Co, that the Fund should not have a permanent establishment in Israel. Therefore, provided an investor in the Fund is an Australian tax resident, the investor should be entitled to an exemption from capital gains tax in Israel upon the Fund selling Israeli traded securities. The opinion is available from Pengana upon request.

GST and stamp duty

The Fund is registered for GST. Most goods and services acquired by the Fund will be subject to GST including fund manager fees. The Fund may be entitled to reduced input tax credits, which reduce the GST cost to the Fund. No GST will apply on amounts received by the Fund on the issue of units.

The issue or redemption of units should not attract any stamp duty. Stamp duty should not be payable on the transfer of units.

Quoting a TFN or ABN

You may choose to quote your Tax File Number (TFN) or Australian Business Number (ABN) (if applicable) or claim an exemption in relation to your investment in the Fund. If you do not quote your TFN or ABN or claim an exemption, tax will be deducted from any distribution to you at the highest personal tax rate (plus Medicare Levy).

Non-resident account holder reporting requirements

As a result of an increased international focus on account holder data exchange, a number of countries have legislated that financial institutions (which includes us) identify and report certain information about the financial accounts of investors. The regimes include the United States Foreign Account Tax Compliance Act (FATCA) and the OECD's Common Reporting Standard (CRS). To comply with our obligations under various reporting legislation we will provide to the Australian Taxation Office (ATO) such data as required in respect of your investment with us. This will be required if you are a US citizen or a foreign tax resident of any jurisdiction outside of Australia. If we have attempted to confirm your tax status with you but have been unable to do so, we may still be required to notify the ATO.

8. Other Important Information

The Fund's Trust Deed

The Fund is a managed investment scheme, structured as a unit trust. The Fund's Trust Deed provides the framework for the operation of the Fund and with this Information Memorandum and other relevant laws, sets out the relationship between Pengana, as trustee of the Fund, and investors. Pengana will send an electronic copy of the Fund's Trust Deed to investors, on request.

Some of the provisions of the Fund's Trust Deed are discussed in this Information Memorandum. Further provisions relate to:

- the rights and liabilities of investors;
- the nature of units of the Fund (units can be divided into classes and may have different rights associated with them);
- Pengana's powers and how and when they can be exercised;
- when and how Pengana can retire or be removed;
- when the Fund terminates (if it does the relevant investors share the net proceeds on a pro-rata basis, adjusted for any liabilities);
- changing the Trust Deed (how and when this can occur);
- calling investor meetings; and
- the powers, rights and liabilities of Pengana as trustee, including its power to invest the assets of the Fund, to deal with itself and its associates and to be reimbursed or indemnified out of the assets of the Fund.

The Fund's Trust Deed limits an investor's liability to the value of their units subject to the Trust Deed.

Pengana's duties as trustee

Pengana is the trustee of the Fund.

All obligations which might otherwise be implied or imposed on Pengana by law or equity are expressly excluded to the extent permitted by law.

- If Pengana acts in good faith and without gross negligence it will not be liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.
- Pengana's liability to any person other than an investor in respect of the Fund is limited to its actual indemnification from the assets for that liability.
- Pengana has entered into the Trust Deed in its capacity as trustee of the Fund and not in its personal capacity.

- Pengana is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in relation to the Fund including any liability incurred because of a delegate or agent.
- Pengana may take and may act (or not act as relevant) on any advice, information and documents which it has no reason to doubt as to authenticity, accuracy or genuineness.
- Pengana may:
  - deal with itself (as trustee of the Fund or in any other capacity), any associate or any investor;
  - be interested in any contract or transaction with itself (as trustee of the Fund or in any other capacity), any associate or investor; and
  - may act in the same or a similar capacity in relation to any other trust or managed investment scheme and retain any benefit from doing so.

Each investor indemnifies Pengana for all liability incurred by it arising directly or indirectly from the investor's breach of its obligations to it. This indemnity is in addition to any indemnity under law and continues to apply after the investor ceases to be an investor.

Limits on the responsibility of unitholders

The Trust Deed limits a unitholder's liability to any unpaid part of the issue price of your units and that you need not indemnify Pengana if there are not enough assets to meet the claim of any creditor of Pengana's.

In the absence of separate agreement with an investor, Pengana's recourse and any creditor is generally limited to the Fund assets.

Terminating the Fund

Pengana can decide to terminate the Fund anytime.

After termination, Pengana will wind up the Fund: generally Pengana will realise all the investments, pay all monies owing (including fees and expenses), and distribute the net proceeds to investors as appropriate as soon as it considers practicable.

Pengana can distribute assets rather than cash to some investors and not to others. Pengana would first deduct any moneys an investor owes. It can take some time to finalise this process.

Privacy

The main purpose in collecting personal information is to establish and administer investment accounts. If the required information is not provided, Pengana may not be able to process the application.

The Pengana Privacy Policy, which can be obtained online at www.pengana.com or on request, sets out Pengana's policies on management of personal information. Personal information may be disclosed to external service suppliers who supply administrative, financial or other services that assist Pengana in providing services to investors. Pengana may also use and disclose personal information about investors for the purposes of complying with its obligations under the Anti—Money Laundering and Counter—Terrorism Financing laws.

Unless required or authorised by law, Pengana will only provide personal information about investors to those authorised service providers it outsources certain functions to, including the Fund Administrator.

Under the *Privacy Act 1988* (Cth), investors may access personal information held by Pengana about themselves, although there are some exemptions to this. If investors believe information held about them is inaccurate, incomplete or out of date, they should contact Pengana.

9. Applying for an Investment

Investors will need to complete an application form accompanying a current Information Memorandum when they apply for an investment in the Fund. All investments are made on the basis of the Information Memorandum current at the time. Investors can obtain a current Information Memorandum and application form by contacting Pengana.

Applications may be made into the Australian Dollar class (AUD class) or the US Dollar class (USD class). The application form accompanying this Information Memorandum is for the AUD class. If investors want to invest into the USD class they should contact Pengana for the USD class application form.

Minimum investment amounts

A$250,000 for the AUD class and the US$ equivalent of A$250,000 for the USD class

(Pengana, as trustee of the Fund, reserves the right to accept lower investment amounts.)

Payment methods

Investors must make investments by direct deposit into the bank account described below for the AUD class. Please see the USD class application form for bank account details for the USD class.

Application account for the AUD class:

Bank:	**St George Bank**
Account name:	**ORS AUD Applications Account Pengana**
BSB:	**332-027**
Account number:	**555499298**

Completing the Application Form

The application form should only be completed and signed by:

- the person who is, or will become, the unitholder;
- an authorised signatory if the application is on behalf of a company, trust or superannuation fund; or
- an agent for the investor, acting under power of attorney or as a legal or nominated representative.

Submitting the application

Mail or email the completed application form and identification documentation to:

Email: info@oneregistryservices.com.au

Post/Delivery:

Pengana Alpha Israel Fund Unit Registry
PO Box R1479
Royal Exchange NSW 1225

How to qualify as a wholesale client

If you are applying for A$500,000 (or USD equivalent) or more you'll be automatically deemed wholesale client and no additional documentation is required.

If you are investing less than A$500,000 (or USD equivalent), the easiest way to establish that you are a wholesale client is to arrange for your accountant to provide an Accountant's Certificate that is no more than 24 months old certifying that:

- the investor themselves has the **Required Net Assets** or the **Required Gross Income** OR
- together with any trusts or companies the Investor controls, the investor has the Required Net Assets or the Required Gross Income OR
- the investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.

Required Net Assets means net assets of at least A$2,500,000.

Required Gross Income means for each of the last two financial years, at least A$250,000 a year.

There are other ways that you can qualify as a wholesale client, including:

- you hold an Australian financial services licence or
- provide a statutory declaration that you meet any of the other categories of wholesale client. These include that you:
    - are a person regulated by the Australian Prudential regulation Authority (other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme)
    - are a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth) with net assets of at least A$10 million

- control at least A$10 million for the purposes of investment in securities (including any amount held by an associate or under a trust that the investing entity manages)
- are a manufacturer and employ 100 or more people
- the investing entity is not a manufacturer but employs 20 or more people or
- are a listed entity, or a related body corporate of a listed entity.

Please contact Pengana if you need assistance in providing the appropriate documentation to certify that you are a wholesale client.

10. Accessing your monies

How to withdraw

Redemptions can be made on a monthly basis with one month's notice. Redemptions must be made via the redemption form available on request from Pengana and must be received by 2pm (AEST) on the last business day of the prior calendar month.

Once lodged, withdrawal requests cannot generally be withdrawn.

Your withdrawal will be paid by transfer to your nominated account, normally within 10 business days of the request being processed. There can be delays in certain circumstances, as set out below.

USD Class redemptions will generally only be paid to a USD bank account.

Deductions

Pengana may deduct from any money payable to an investor (including on winding up) or otherwise recover from an investor:

- any moneys due to Pengana by the investor, and
- any money Pengana (as trustee or in any other capacity) owes someone else relating to the investor (for example, to the tax office).

Delaying access to your investment

Pengana can delay unit redemption for up to 180 days or such longer or shorter period as is appropriate in all the circumstances for example if:

- there is a circumstance outside Pengana's reasonable control which it considers impacts on its ability to properly or fairly calculate unit price, for so long as the circumstance continues (for example, if the assets are subject to restrictions or if there is material market uncertainty)
- Pengana has determined to honour redemption requests in relation to a particular processing day and the total redemption moneys which would be payable at that time represent more than 10% of the value of the net assets of the relevant class of the Fund (and in this case Pengana can redeem the units at such future time, or at times over such period, as Pengana determines, and payments to each investor must be in the proportion that their redemption moneys bear to all other redemption moneys which were payable at that time) and
- such other circumstance as Pengana determines to be appropriate having regard to the best interests of investors as a whole.

Unit prices are generally calculated at the time the delay ends.

The Trust Deed for the Fund sets out the wide range of circumstances in which Pengana can delay withdrawal of your money. A copy of the Trust Deed is available on request.

Compulsory redemptions

Pengana may redeem units without an investor asking in limited circumstances, including:

- if you have breached your obligations to Pengana
- to satisfy any amount of money due to Pengana (as trustee or in any other capacity) by you
- to satisfy any amount of money Pengana (as trustee or in any other capacity) owes someone else relating to your investment (for example, to the tax office)
- where Pengana suspects that law prohibits you from legally being an investor in the Fund or
- such other circumstance as Pengana determines to be appropriate in its absolute discretion.

The Trust Deed sets out other circumstances where compulsory redemption may apply. A copy of the trust Deed is available on request.

11. Application forms

Applications may be made into the Australian Dollar class (AUD class) or the US Dollar class (USD class). The application form accompanying the Information Memorandum is for the AUD class. Investors wishing to invest into the USD class should contact Pengana for the USD class application form.

Please complete **ALL** of the sections that are relevant to you in the application form.

Please then forward the completed forms and the required certified identification evidence to the below address:

Email: info@oneregistryservices.com.au

Post/Delivery:

Pengana Alpha Israel Fund Unit Registry

PO Box R1479

Royal Exchange NSW 1225

The Fund Administrator reserves the right to collect more information to satisfy its obligations under the *Anti-money Laundering and Counter-Terrorism Financing Act 2006* (Cth) as required.

12. Contact Details

For information about investing in the Fund, please contact us.

Mailing address

Pengana Capital Limited
PO Box R1855
Royal Exchange NSW 1225

Client Services

T: +61 2 8524 9900
9am – 5pm Sydney time, Monday to Friday
E: clientservice@pengana.com

W: www.pengana.com