



PROSPECTUS

ACN 602 033 670

An Offer of Shares (together with one Option to acquire one Share for every one Share issued under the Offer) to raise a minimum of \$2 million and up to an aggregate of \$20 million.

This Prospectus is an important document and should be read in full. You should seek professional advice if you have any questions about the Shares and Options being offered under this Prospectus, or any other matter relating to an investment in the Company.



KAIZEN GLOBAL
Investments

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IMPORTANT NOTICES

This is an important document that should be read in full before making any investment decision. If you have any questions about any of the matters contained in this Prospectus, you should obtain independent advice.

Kaizen Global Investments Limited (the Company) is a public company incorporated in Australia.

LODGEMENT AND LISTING

This Prospectus is dated 21 January 2015 and has been lodged with the Australian Securities and Investments Commission (ASIC). This is a replacement prospectus which replaces the prospectus dated 12 January 2015. ASIC takes no responsibility for the content of this Prospectus.

This Prospectus expires on 5 February 2016. No Shares or Options will be allocated, issued, transferred or sold on the basis of this Prospectus after the expiry date.

Application will be made for listing of the Company's securities offered by this Prospectus to the National Stock Exchange of Australia Limited (the NSX).

The fact that the National Stock Exchange of Australia Limited may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The National Stock Exchange of Australia Limited takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

EXPOSURE PERIOD

This Prospectus was subject to an exposure period of seven days after it was lodged with ASIC.

The exposure period is required by the Corporations Act and enables this Prospectus to be examined by market participants prior to the raising of funds.

The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, the Company will:


- return any Application Monies that the Company has received;
- provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiencies and give each Applicant the option to withdraw his/her Application within 1 month and be repaid the Subscription Amount; or
- issue to each Applicant the Shares and Options applied for in the Application, provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiencies and give each Applicant the option to withdraw his/her Application within 1 month and be repaid the Application Monies.

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

OFFER

This Prospectus contains an invitation to apply for Shares (together with one Option to acquire one Share for every one Share issued). The Options are issued for nil consideration and are exercisable at \$1.00 each. The Company reserves the right to accept subscriptions for Shares and Options to raise up to an aggregate of \$20 million. No Shares or Options will be issued until the Minimum Subscription amount of \$2 million has been received.

The information contained in this Prospectus does not provide a comprehensive review of the business and financial affairs of the Company, or the Shares or Options offered under the Prospectus. The Offer does not take into account your investment objectives, financial situation or specific needs. You should carefully consider the risks (including those in Section 7) that impact on the Company in the context of your personal requirements (including your



financial and taxation position) and, if necessary, seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding to invest in the Company.

No cooling-off regime, in law or otherwise, applies to the acquisition of Shares or Options under this Prospectus.

CONTENTS OF PROSPECTUS

No person is authorised to provide any information, or to make any representation about the Company or the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

Except as required by law, and only to the extent required by law, neither the Company nor any other person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under the Prospectus, the repayment of capital, or the payment of dividends on the Shares.

This Prospectus contains forward-looking statements which are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and other factors which are beyond the control of the Company and its Directors.

Forward-looking statements are provided as a general guide only and you should not rely on them as an indication or guarantee of future performance. The Company does not make any express or implied representation in relation to forward-looking statements, and you are cautioned not to place undue reliance on these statements. Except where required by law, the Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

ELECTRONIC PROSPECTUS

The Prospectus may be viewed online at www.kaizenglobalinvestments.com

The Offer under this Prospectus is available to persons receiving an electronic or hardcopy version of this Prospectus within Australia.

During the Offer Period, any person may obtain a

hardcopy of this Prospectus or make any enquiries about the Offer by contacting the Share Registry on 1 300 737 760 (within Australia) or the Company on 02 790 30007.

The Company will send a hardcopy of the Prospectus and Application Form free-of-charge to any person who requests one during the Offer period.

Securities to which this Prospectus relates will only be issued on receipt of a correctly completed hardcopy of the Application Form which forms part of this Prospectus. No electronic Application Forms may be completed or submitted online.

AUTHORISED INTERMEDIARY

The issuer of the Prospectus is the Company. Offers of Securities under this Prospectus will be made under an arrangement between the Company and Capital and Finance (Authorised Intermediary) under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the Shares and Options under the Prospectus and the Company will issue the Securities in accordance with those offers.


PRIVACY

By completing an Application Form, you are providing personal information to the Company and Share Registry, and you consent to the collection and use of that personal information in accordance with these terms.

For purposes related to your investment, the Company (and the Share Registry on its behalf) may collect, use and disclose your personal information to their agents and service providers (including those located outside of Australia). All such disclosure will be done in accordance with the Privacy Act 1988 (Cth) and may include disclosure for:

- ongoing administration of the Company's public Share and Option registers;
- an assessment by the Authorised Intermediary of your Application; and,
- lawyers, accountants, auditors and other advisers for the purpose of administering and advising on the Securities and for associated actions.

If you do not wish to provide this information, the Company may not be able to process your Application. Once you become a security holder, the Corporations Act requires information about you



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

Under the Privacy Act 1988 (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. For full details, please refer to the Company's privacy policy which may be found at: www.kaizenglobalinvestments.com.

In this Prospectus references to currency are to Australian dollars.

DEFINITIONS

Abbreviations, phrases and words starting with a capital letter and used in this Prospectus are defined in the Glossary in Section 11.

CURRENCY



IMPORTANT DATES

21
January 2015 | Lodgement of
the replacement
Prospectus with ASIC

9:00am
12
January 2015 | Offer expected to
open

5:00pm
20
February 2015 | Offer expected to
close

27
February 2015 | Expected final date
for issue of Shares
and Options

23
March 2015 | Trading of Shares and
Options expected to
commence on NSX

until
27
February 2016 | Anticipated
exercise period for
the Options
which is 12 months from the
date of issue of the Options

The above timetable is indicative only. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. The Company reserves the right to close the Offer early, extend the Closing Date

or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

LETTER TO INVESTORS

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to invite you to become an investor in Kaizen Global Investments Limited (the Company).

The Company has been established to provide investors with exposure to a global¹ portfolio, of mainly equities, managed by an experienced and specialist global funds management company (the Manager). The Company aims to deliver a growing stream of fully franked dividends, preserve capital and have an absolute return focus.

Whilst the Manager will invest predominantly in listed global securities, it may also invest a portion of the Company's assets in unlisted securities. The Manager was founded in 2009, and comprises experienced personnel who have worked in London, New York and Sydney in large institutions. Since inception, the Manager has invested in numerous companies across the world.

We believe that investors in the Company will gain access to the investment strategy of the Manager, which (when deployed in a separate managed investment scheme) has delivered a 63.73% return (net of fees) since inception, and has a compound annual rate of 17.37% (net of fees) for the past 3 years. Please see Section 4 for more details. **The information on past performance referred to above should not be relied upon as an indication of future performance of the Company.**

The Company is seeking to raise a minimum of \$2 million and a maximum of \$20 million through the Offer and obtain a listing on the National Stock Exchange of Australia Limited.


Despite the Australian share market making up less than 3% of the global equity markets², Australian funds have between ~ 24% to 31% of their investments in Australian equities (see graph below). Most striking, the SMSF³ market has less than 2% of its assets invested in foreign equities. We aim to provide investors with a way to increase their exposure to foreign equities.

We believe that the Australian market is very concentrated. Over 55% of the ASX 200 index is comprised of 10 stocks: 4 banks (~30%), 2 miners (~12%), 2 supermarkets (~7%) and Telstra (~ 5%). There is limited Australian investment exposure to fast growing sectors like technology, healthcare, global retailers and products that many of us use in our daily lives (for example, Apple's iPhones) or to fast developing countries (for example, China). We propose, upon successful completion of this offer, to give potential investors the opportunity for that exposure.

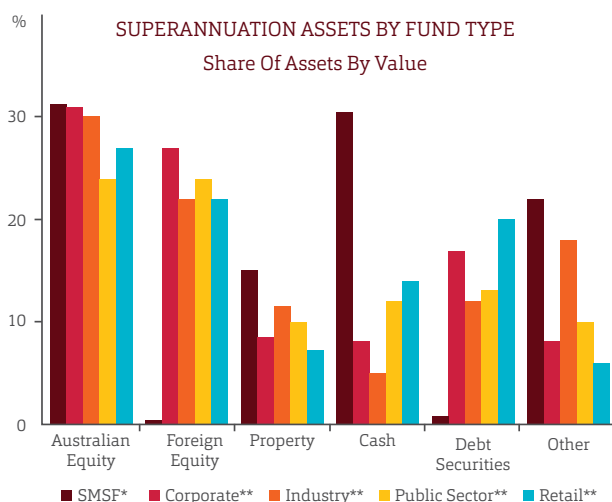
I encourage you to read this Prospectus in full and carefully consider all risks involved.

I am excited about the outlook for the Company and look forward to welcoming you as a Shareholder.

Yours sincerely,



Connor Grindlay
Managing Director



* ATO estimates as at June 2013; direct holdings only except for the 'Other' category, which is predominantly in listed and unlisted trusts and other managed investments; likely to exclude purchases under limited recourse arrangements for some assets
** Allocation of default strategies as at June 2012; direct and indirect holdings
Sources: APRA; ATO

¹ Includes Australia.

² Source: (Australia: 2.72%) FTSE All-World Index Country Weightings as at 30 September 2014.

³ Self-managed Super Fund.

1 INVESTMENT OVERVIEW

Below is a summary only. Please read the Prospectus in full before making a decision to invest in the Company's Shares and Options. You are strongly advised to regard any investment in the Company as a medium to long-term proposition.

Question	Answer	Further information
What is the Company's business model?	<p>The Company is a newly incorporated Australian public company which has not yet conducted any operations. It will raise funds from the Offer to invest predominantly in international equity markets. The Company aims to:</p> <ul style="list-style-type: none"> • achieve a high real rate of return for Shareholders comprising both income and capital growth; • preserve the capital of the Company; and, • deliver Shareholders a growing stream of fully franked dividends. 	Section 3.1 and Section 3 generally.
What is the Company's investment strategy and mandate?	<p>The Company will invest the majority of its assets in a diverse portfolio consisting of 30-60 internationally listed equities (shares). It will employ a fundamental stock-picking approach and seek to invest in companies with strong thematic tailwinds (for example, companies that serve aging populations). The capital of the Company will be allocated based on the individual merits of each investment and not relative to an arbitrary index. The Company may also invest part of its assets in unlisted companies in Australia and re-invest the excess cash flows from those businesses into the listed equities that it holds. The Company has the ability to use strategies to protect the downside risk of markets through a combination of holding cash, short selling or using derivatives. See Section 3.6 for more information on short selling and Section 4.2 for more information on the Company's use of derivatives.</p>	Sections 3.6, 3.8, 3.9, and 3.10.
Who manages the Company's Investment Portfolio?	<p>The Company has engaged Kaizen Capital Pty Limited (the Manager), an experienced and specialised global investment company, to manage its Investment Portfolio.</p> <p>The Manager was incorporated in May 2009 and received its AFSL on 28 January 2010. Since January 2010 it has managed the Kaizen Capital Recapitalization Fund I (the Fund) for Wholesale investors. Details of the Fund's historical performance are in Section 4.5.</p> <p>The Manager's investment professionals, primarily Connor Grindlay and Simon Winfield, have investment experience gained in New York, London and Sydney. They have worked for, and with, major financial institutions, and have experience investing on international markets. Further information about Connor Grindlay and Simon Winfield may be found in Section 6.</p>	Section 4.
What are the key highlights of the Offer?	<p>Highlights of the Offer include:</p> <ul style="list-style-type: none"> (a) access to a diversified international, predominantly equity portfolio; (b) an investment in an NSX listed fund that aims to pay a growing, fully franked dividend; (c) access to a flexible investment mandate which can focus on capital preservation through holding cash, short selling, or using derivatives; and, (d) access to an absolute return strategy that seeks to generate positive returns over the medium to long term. 	Sections 3, 4.4, 4.5

What is the Company's financial position?	The Company is yet to commence trading, however unaudited statements of its financial position as at 30 November 2014 are set out in Section 5. The Company has \$1.00 of share capital, and no other assets or debt.	Section 5
Where can I find financial information relating to the Company?	The Company has only recently been incorporated and to date has undertaken no business activity (other than the preparation of the Prospectus and related documentation for the listing process).	Section 5
Who are the directors and key managers?	Mr Connor Grindlay, Managing Director of the Company, and director of the Manager. Mr Simon Winfield, Executive Director of the Company, and director of the Manager. Mr Andre Edmunds, Non-Executive Director of the Company.	Section 6
What are the Directors to be paid?	The Directors will be entitled to receive a maximum total remuneration (including superannuation) of up to \$75,000 per annum to be divided amongst them in such proportions as they agree. However, the Directors have agreed to waive any fee which they would otherwise be entitled to until the earlier of 30 June 2016 or until such time as the net assets of the Company exceed \$5 million.	Section 6.10
Will any related party have a significant interest in the Company or the Offer?	As at the date of this Prospectus, Connor Grindlay is the sole Shareholder of the Company. Connor is also a director of the Manager. The Company and the Manager have entered into an Investment Management Agreement (IMA) pursuant to which the Manager is entitled to be paid certain fees by the Company. Further details of the IMA are in Section 8.1. The Board approved the terms of the IMA and the Company believes that the IMA has been entered on arm's length terms and that the remuneration payable to the Manager is reasonable. The Manager and its directors have indicated their wish to subscribe to the Company's Shares under the Offer up to approximately \$750,000. Other than set out above, there are no existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company has, or will have, a direct or indirect interest in the Company or the Offer.	Sections 6.11, 8.1
What are the key terms of the IMA?	The Manager will be responsible for managing the Investment Portfolio in accordance with the Company's investment objectives, strategy, guidelines and permitted investments as set out in Section 3. The Company will pay a monthly management fee to the Manager within 14 business days of the end of each calendar month equal to 1.5% of the value of the Portfolio (plus GST) calculated on the last business day of each calendar month and divided by 12. The Management Fee is payable to the Manager from the time it starts providing services to the Company. In addition, the Manager will be entitled to receive a Performance Fee from the Company equal to 20% (plus GST) of the Portfolio's increase in value paid annually within 28 days of 30 June. Importantly, if the value of the Portfolio calculated on the last business day of a Performance Calculation Period is less than the value of the Portfolio calculated on the last business day of any preceding Performance Calculation Period, no performance fee is payable in respect of that Performance Calculation Period. (This is known as a high water mark.). For worked examples of the fees see Section 3.11. The IMA is for an initial term of 10 years. Subject to Shareholder approval, the IMA will continue until terminated in accordance with its terms.	Section 8.1

Does the Company have any other material contracts?	Apart from the IMA there are no other material contracts that the Company has entered into.	Section 8									
Does the Board approve investments?	<p>Board approval is not required for investments undertaken by the Manager that are in accordance with the Company's investment objectives, strategies, guidelines and permitted investments, except for unlisted investment opportunities.</p> <p>Board approval must be sought before purchasing majority control, or an entire entity, in the unlisted market. The Board must also approve any investments that the Manager proposes outside its mandate.</p>	Section 6.8, 3.10									
What is the Offer?	<p>The Company is offering Shares together with one Option to acquire one Share for every one Share issued to raise a minimum of \$2 million and up to an aggregate of \$20 million. For rights and liabilities attaching to the Shares please see Section 2.12. Options are exercisable within 12 months of issue at an exercise price of \$1.00. For terms and conditions of Options please see the Appendix.</p> <p>The Offer is made up of a General Offer open to retail and wholesale investors who have received this Prospectus and have a registered address in Australia. However, the Company reserves the right to enter into arrangements with brokers. If an arrangement with a broker is made, a Broker Offer will be available to retail and wholesale investors who receive the Offer from their broker. The Company will pay a broker with whom it has an arrangement a 2% service fee.</p>	<p>Section 2</p> <p>Sections 2, 2.2</p>									
Who is the issuer?	Kaizen Global Investments Limited is the issuer.	Section 2									
What is the capital structure of the Company following completion of the Offer?	<p>On completion of the Offer, the capital structure of the Company will be as set out below.</p> <table border="1"> <thead> <tr> <th></th><th>Minimum subscription \$2,000,000</th><th>Maximum subscription \$20,000,000</th></tr> </thead> <tbody> <tr> <td>Shares</td><td>2,000,001</td><td>20,000,001</td></tr> <tr> <td>Options</td><td>2,000,000</td><td>20,000,000</td></tr> </tbody> </table>		Minimum subscription \$2,000,000	Maximum subscription \$20,000,000	Shares	2,000,001	20,000,001	Options	2,000,000	20,000,000	Section 5.1
	Minimum subscription \$2,000,000	Maximum subscription \$20,000,000									
Shares	2,000,001	20,000,001									
Options	2,000,000	20,000,000									
What is the minimum application amount?	The minimum application amount is \$5,000 (5,000 Shares) and thereafter by multiples of \$500. (There is no maximum application amount.)	Section 2									
What do Applicants pay when applying under the Offer?	All Applicants pay \$1.00 for each new Share offered under this Prospectus.	Section 2.1									
How can I apply?	<p>For the General Offer please complete the General Offer Application Form attached to this Prospectus and send it, together with a cheque, bank draft or money order for any Application Monies to:</p> <table border="1"> <thead> <tr> <th></th><th>or</th><th>or</th></tr> </thead> <tbody> <tr> <td>Kaizen Global Investments Limited C/- Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000</td><td>GPO Box 3993, Sydney NSW 2001</td><td>Kaizen Global Investments Limited C/- Suite 409, 350 George Street Sydney NSW 2000</td></tr> </tbody> </table> <p>To apply for the Offer via a broker, investors should contact their broker for instructions on how to complete, and lodge, the Broker Firm Offer Application Form accompanying this Prospectus.</p>		or	or	Kaizen Global Investments Limited C/- Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000	GPO Box 3993, Sydney NSW 2001	Kaizen Global Investments Limited C/- Suite 409, 350 George Street Sydney NSW 2000	Section 2.5			
	or	or									
Kaizen Global Investments Limited C/- Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000	GPO Box 3993, Sydney NSW 2001	Kaizen Global Investments Limited C/- Suite 409, 350 George Street Sydney NSW 2000									
Will the Shares and Options be listed?	The Company will apply within 7 days of the date of this Prospectus to seek quotation of the Shares and Options on the NSX.	Section 2.9									

What are the tax implications of investing in the Shares?	The tax consequences for you of any investment in the Shares or Options will depend upon your particular circumstances. Applicants should obtain their own tax advice before deciding to invest.	Sections 2.16, 9.11
Is there a cooling off period?	No.	Section 2.1
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 2.4
How will the proceeds of the Offer be used?	<p>The Company is offering the Securities to raise funds to undertake investments consistent with the investment objectives and guidelines outlined in this Prospectus, to pay the costs of the Offer and to obtain a listing on the NSX.</p> <p>For more detailed information about the use of proceeds and likely composition of the Investment Portfolio please see section 3.11.</p>	Section 3.11
What is the Company's dividend policy?	<p>The Company intends to pay dividends to Shareholders from its profit. However, dividends may be low and there may be periods in which dividends are not paid at all. The amount of any dividend will be at the discretion of the Board and will depend on a number of factors, including financial conditions, capital requirements, prudent business practices, laws relating to dividends, and other factors that the Board from time-to-time considers relevant. It is the current policy of the Board that all dividends paid to Shareholders will be franked to the maximum extent permitted by law.</p> <p>No assurances can be given by any person, including Directors, about the payment of any dividend, and the level of franking on any such dividend.</p> <p>The Company also has a Dividend Re-investment Plan (See Section 9.6) in which eligible Shareholders may elect to participate.</p>	Section 3.14
What are the key risks associated with the Company's business model and the Offer?	<p>An investment in the Company should be considered to contain an element of risk. You should consider this section and Section 7 carefully before making a decision to invest.</p> <p>The key risks associated with an investment in the Company include:</p> <p>(a) Investment risk - The past performance of funds managed by the persons associated with the Manager are not necessarily a reliable indicator of the future performance of the Company. A fall in global or local equity markets, global or local bond markets, increased market volatility or changes in the value of the Australian dollar against other major currencies may materially affect both the performance of the securities in which the Company invests and the net tangible asset backing of the Shares.</p> <p>(b) Liquidity risk - The Company will be a LIC. The ability of a Shareholder to sell Shares on the NSX will be a function of the turnover or liquidity of the Shares at the time of sale. Turnover is a function of a wide variety of factors. Lower trading volumes may be experienced by LICs and so Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire. Any unlisted securities the Company holds may not be easily converted to cash. In general, there is less protection of market participants and less government regulation and supervision of transactions in the unlisted securities markets.</p> <p>(d) Personnel and Management risk - The Company relies on a number of key personnel, in particular Connor Grindlay and Simon Winfield. The loss of key personnel may have a negative effect on the Company.</p>	Section 7

	<p>(e) Reliance on the Manager - The success and profitability of the Company in part will depend upon the ability of the Manager to make investments that increase in value over time. Many factors may impact the Manager's performance, such as changing market conditions, potential conflict of interest, loss of key personnel, or change to its AFSL conditions. The Manager has the ability to transfer the IMA to another Manager as it sees fit, which may change the personnel responsible for managing the Portfolio of the Company. The Manager has no current intention to transfer the agreement.</p> <p>(f) Entrenchment of the Manager - There is a risk that the Manager performs poorly and, given the terms of the IMA, it may be difficult for Shareholders to remove the Manager before expiry of the initial 10-year term. However, the Manager may be removed if it fails to remedy a material breach of the IMA, or fails to have the necessary regulatory authorisations/permissions.</p> <p>(g) Regulatory risk - The Company is subject to a range of regulatory controls imposed by government and regulatory authorities. These regimes are complex and subject to change over time. The Company is exposed to the risk of change in law and/or interpretation of existing laws which may have a negative impact on the Company, its investments and/or Shareholder returns, or the risk of non-compliance and any penalties associated with such.</p> <p>(h) Performance fee incentive risk - The Performance Fee may create an incentive for the Manager to make investments on behalf of the Company that are riskier or more speculative than would be the case without a performance fee.</p> <p>(i) Foreign exchange risk and jurisdiction risk - The Company may, through its foreign investments, assume currency exposure and there is a risk that adverse movements in exchange rates will reduce the value of the Investment Portfolio in Australian dollar terms. In addition, the Company may be exposed to the risks of foreign jurisdictions where there may be less legal rights and protections to security holders, political risks, social and economic instability, regulatory and unforeseen tax risks. The Manager may utilize foreign exchange hedging with the aim of reducing the effects of currency movements on the Portfolio, however it may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.</p> <p>(j) Dividend risk - the Company may not achieve its investment objectives and/or may not be able to pay fully or partly paid dividends.</p> <p>(j) Important contract risk - The Manager may stop managing the Investment Portfolio, meaning the Company may need to find a new investment manager.</p>	
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, please call the Share Registry on 1300 737 760 or the Company on 02 790 30007.	



2 THE OFFER

2.1 WHAT IS THE OFFER?

The Offer is for the issue of Shares for \$1.00 each – together with one Option to acquire one share for every one Share issued – to raise a minimum of \$2 million and up to an aggregate of \$20 million. The Company expects that both the Shares and Options will be listed on the NSX.

Each Option will be exercisable at \$1.00 and may be exercised at any time until close of business on 27 February 2016. Please see the Appendix for the Option terms and conditions.

The rights attaching to the Shares and Options are set out in Sections 2.12 and 2.13 respectively.

The Offer is made up of a **General Offer** open to retail and wholesale investors who receive this Prospectus, and who have a registered address in Australia.

As at the date of the Prospectus the Company has not entered into any arrangements with brokers. However, the Company may enter into arrangements with brokers for the purpose of issuing the Company's Shares (and Options) under this Prospectus. If the Company engages a broker, the Offer will comprise a **Broker Offer**, which will be open to persons who have received the Prospectus from a broker and have a registered address in Australia.

Retail and Wholesale Investors who have been provided with the Prospectus by a broker, will be treated as an Applicant under the Broker Offer. Investors should contact their broker to determine whether they may be allocated Securities under the Broker Offer.

There is no cooling off period under the Offer.

2.2 WHAT IS THE OFFER PERIOD AND WHEN SHOULD I APPLY?

This Prospectus is dated 21 January 2015, which is the date the Prospectus is lodged with ASIC. The Offer is expected to close at 5.00pm on 20 February 2015.

This Prospectus will expire on 5 February 2016 and no securities will be issued on the basis of this Prospectus after the expiry date. If an Application is received after the expiry date, the Company will

return any money received from the Applicant.

The Share Registry must receive all completed Applications prior to 5:00 pm (AEST) on the expected Closing Date, being 20 February 2015.

The Directors may close the Offer at any time without prior notice, or may extend the Offer period in accordance with the Corporations Act.

Early lodgement of your Application is recommended as the Offer may be closed early.

2.3 WHAT IS THE MINIMUM AND MAXIMUM SUBSCRIPTION AMOUNT?

The minimum subscription required for the Offer to proceed is \$2 million. If the minimum subscription is not obtained within 4 months after the date of this Prospectus, the Company will repay all Application Monies in full without interest as soon as practicable, or issue a supplementary or replacement prospectus and allow Applicants 1 month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

The maximum subscription amount for the Offer is \$20 million.

2.4 IS THE OFFER UNDERWRITTEN AND IS THERE AN ALLOCATION POLICY?

No, the Offer is not underwritten, and the Company does not currently have a share allocation policy.

2.5 LICENSED DEALERS

Offers under this Prospectus will be made pursuant to an arrangement between the Company and the Authorised Intermediary under section 911A(2)(b) of the Corporations Act.

In the event that the Company makes an arrangement with a broker, it will be likely to pay that broker 2% (plus GST) of the gross proceeds received by the Company from the total proceeds received from that Broker Offer.

2.6 HOW DO I APPLY FOR SHARES (AND OPTIONS) IN THE COMPANY?

To apply for Shares (and Options) in the Company under the **General Offer**:

1. Complete the General Offer Application Form which is included in, or accompanies, this Prospectus;
2. post or lodge your completed Application Form, together with your Application Monies, to one of the following addresses:

Share Registry	The Company
Kaizen Global Investments Limited C/- Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 or GPO Box 3993 Sydney NSW 2001	Kaizen Global Investments Limited C/- Suite 409, 350 George Street Sydney NSW 2000

3. Make cheques or bank drafts payable to "Kaizen Global Investments Limited – Share Offer", and cross any cheques "not negotiable".

General Offer Applications must be:

- made by completing the General Offer Application Form which forms part of this Prospectus;
- completed in accordance with the instructions provided on the General Offer Application Form; and,
- accompanied by payment in Australian currency and drawn on an Australian branch of a financial institution.

All General Offer Application Forms and Application Monies, including those received by the Company, must be forwarded to the Share Registry, which will deal with the Application Monies in accordance with the terms of this Prospectus.

The Share Registry's function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. The Share Registry does not guarantee the success or performance of the Company or the returns (if any) that may be received by investors. Neither the Share Registry nor the Manager is responsible for, or has

To apply for Shares (and Options) in the Company under the **Broker Offer**:

1. Complete the Broker Firm Application Form which is included in, or accompanies, this Prospectus (in accordance with the instructions on the Broker Firm Application Form and any instructions received from your broker);
2. lodge your completed Application Form, together with your Application Monies, to the broker in accordance with your broker's instructions;
3. mark cheques or bank drafts payable as per your broker's instructions.

Broker Offer Applications must be:

- completed and lodged with the broker from whom you received your Prospectus;
- completed in accordance with the instructions given to you by your broker and those on the reverse of the Broker Firm Application Form; and,
- lodged with your broker together with Application Monies in accordance with your relevant broker's directions.

If you are applying under the Broker Offer, please do not send your Broker Firm Application Form to the Share Registry.

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


Please contact your broker if you have any questions.

2.7 IS THERE A MINIMUM OR MAXIMUM APPLICATION AMOUNT?

Yes, applications must be made for a minimum of \$5,000 of Shares, with any further amounts to be in multiples of \$500.

The NSX Listing Rules require that at least 25% of the Company's Securities must be held in public hands. This means that a maximum subscription by any one entity or person may not exceed 75% of the Securities issued.

2.8 APPLICATION MONIES TO BE HELD ON TRUST



The Company will forward all Application Monies it receives pursuant to this Offer to the Shares Registry, which will establish and keep an account for this purpose. The Share Registry will hold all Application Monies received in trust for the Applicants until the Securities are issued.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be returned as soon as practicable. No interest will be paid on the refunded Application Monies.

2.9 NSX LISTING

The Company will apply to the NSX for admission of the Securities (issued under this Prospectus) to quotation on the NSX within 7 days after the date of this Prospectus.

The Directors do not intend to issue any Securities unless and until the NSX grants permission for the Securities to be listed for quotation unconditionally or on terms acceptable to the Directors. If the Securities are not admitted to quotation within 3 months after the date of the Prospectus or such longer period as is permitted by the Corporations Act with the consent of ASIC, all Application Monies received pursuant to the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

2.10 CHESS

The Company will apply to the NSX to participate in CHESS. The Company will also operate an electronic issuer-sponsored sub-register. The two sub-registers together will make up the principal register of securities. Under CHESS, the Company does not issue certificates to investors. Instead investors receive CHESS statements (which are similar to bank account statements) setting out holdings of Shares.

CHESS statements will be sent to successful Applicants after the issue of Shares, advising them of their holding and their holder identification number (HIN). Additional statements, which reflect any changes in their shareholding in the Company during a particular month, will also be provided to investors.

2.11 OVERSEAS INVESTORS

No action has been taken to register or qualify the offer of Securities under this Prospectus, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia. The law may restrict the distribution of this Prospectus in jurisdictions outside Australia, and this Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer.

2.12 WHAT ARE THE RIGHTS AND LIABILITIES ATTACHING TO THE SHARES?

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the Constitution, Listing Rules, statute and general law.


A summary of the significant rights, liabilities and obligations attaching to the Shares is set out below. The summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary is based on the assumption that the Company is admitted to the Official List.

Immediately after issue the Shares will be fully-paid Shares. There will be no liability on the part of Shareholders for any calls and the Shares will rank equally.

Each Share will confer on its holder:

- (a) the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney), on a show of hands (one vote per shareholder), and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- (b) the right to receive dividends, according to the amount paid upon the Share; and
- (c) the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to the rights of a liquidator of the Company (with consent of members by special resolution).

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



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

2.13 WHAT ARE THE RIGHTS AND LIABILITIES ATTACHING TO THE OPTIONS?

Subject to the Corporations Act and Constitution, the rights and liabilities of the Options are as follows:

- (a) the Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act;
- (b) an Option may be transferred or transmitted in any manner approved by the NSX;
- (c) an Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options signed by the registered holder of the Option together with payment to the Company of \$1.00 per Option being exercised and the relevant option certificate;
- (d) an Option may be exercised from the date of issue (currently anticipated to occur on or around 27 February 2015) to the date being 12 months from the date of issue of the Options, but not thereafter. Options will be deemed to have been exercised on the last day of the month in which the Notice of Exercise of Options is lodged with the Company. A Notice of Exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or in cleared funds;
- (e) Options do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Options rank equally with other issued Shares of the Company from their date of issue and are entitled to dividends paid on and from this date;
- (f) the Company must make application for quotation of Shares issued on exercise of the Options on the NSX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company; and
- (g) any adjustment to the number of outstanding Options and the exercise price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules current at the time of the reorganisation.

Participating rights

For determining entitlements to an issue, an Optionholder may only participate in the new issue of shares and/or options to holders of applicable Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the relevant record date.

The Company must give at least 6 business days' notice to Optionholders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If between the date of issue and the date of exercise of an Option the Company makes one or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue) in accordance with the Listing Rules, the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

- NE is the new exercise price of the Option;
- OE is the old exercise price of the Option;
- E is the number of underlying Shares into which one Option is exercisable;
- P is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date or ex entitlements date (excluding special crossings and overnight sales);
- S is the subscription price for a Share under the rights issue;
- D is the dividend due but not yet paid on each Share at the relevant time; and
- N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option has been exercised before the record date for the bonus issue.

For the terms and conditions of the Options, please refer to the Appendix.

2.14 HAS THE COMPANY APPLIED FOR NSX WAIVERS OR ASIC RELIEF?

The Company has made no applications as at the date of the Prospectus.

2.15 DISCRETION UNDER THE OFFER

The Company reserves the right not to proceed with the Offer at any time before the issue of Securities under the Offer. It reserves the right to close the Offer early, to accept late Applications, or to extend the Offer without prior notice to any recipient of the Prospectus or any Applicant.

If the Offer does not proceed, Application Monies received by the Company will be refunded in full without interest. The Company takes no responsibility for Application Monies paid to any broker (if any) until the Company receives these.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares and Options specified in the Application Form or part thereof without further notice to the Applicant.

The Directors reserve the right to issue any lesser number of Shares (and Options) than that for which an Applicant has applied. Where the number of Shares issued is fewer than the number applied for, surplus Application Monies will be refunded without interest.

2.16 TAXATION IMPLICATIONS

Status as a listed investment company (LIC)

It is recommended that you do not make a decision to apply for Shares (and Options) under this Prospectus solely on the basis of potential taxation benefits that may result from the Company being treated as a LIC.

On the basis of the current investment strategy, the Directors expect that the Company will generally be considered to hold its investments on revenue account. Consequently, it is unlikely that the Company will make capital gains and therefore shareholders will not be able to obtain taxation benefits under the LIC regime.

As the Company will be a listed Australian resident company, it would qualify as a LIC if at least 90% of the market value of the Company's assets consist of certain permitted investments as defined in the

Income Tax Assessment Act 1997 (Cth).

Permitted investments may include shares, options, units and assets that generate passive income such as interest, rent and royalties. However, investments in other entities will generally only be permitted investments if they represent an interest of 10% or less. Since the Company may acquire the majority control in unlisted companies, and these in total may be over 10% of the Investment Portfolio, the Company may lose the potential LIC taxation benefit.

The tax consequences for you of any investment in the Shares (and Options) will depend upon your particular circumstances. You should obtain your own tax advice before deciding whether to invest.

2.17 ENQUIRIES

If you have any questions on how to complete the General Offer Application Form, please contact the Share Registry on 1300 737 760.

If you have questions on how to complete the Broker Firm Application Form, please contact your broker.

For additional copies of the Prospectus please contact the Company on 02 790 30007 or at info@kaizenglobalinvestments.com.



3 INFORMATION ON THE COMPANY

3.1 OVERVIEW OF BUSINESS

The Company is a newly incorporated Australian public company, which has not yet conducted any operations. It has been established to provide investors exposure, through their shareholding, to a diverse and global investment portfolio. The Manager will invest in a broad spectrum of instruments including shares, interest-bearing securities and units in investment schemes. (For a full list of Permitted Investments see Section 3.10.) In order to improve the overall risk/reward profile of the Portfolio, the Manager will employ investment techniques to hedge downside risk through shorting or the use of derivatives.

The Manager will invest in 30-60 securities, take a medium to long-term view (approximately 3-5 years) and at times take a contrarian position if fundamental analysis differs from consensus thinking. Whilst the Manager will invest predominantly in listed securities, it may invest a portion of the Portfolio in unlisted securities.

The Company will maintain a Dividend Reinvestment Plan, which is outlined in Section 9.6.

3.2 INVESTMENT OBJECTIVES

The Company's main investment objectives are to:

- achieve a high real rate of return for Shareholders comprising both income and capital growth;
- preserve the capital of the Company; and
- deliver Shareholders a growing stream of fully franked dividends.

3.3. INVESTMENT PHILOSOPHY AND APPROACH

The Company's investment philosophy is based on "Kaizen", which is a Japanese concept that focuses on continuous improvement. As an investor, the Company believes that it needs to constantly improve its processes in order to evolve and remain flexible to changing markets and conditions.

As an extension of this philosophy the Company will seek to invest in change. Continuous improvement, or positive change, in a company or industry will often coincide with improving profitability, prospects and increased value. On the contrary, negative change might result in falling profitability, higher staff turnover, loss of market share, etc., and a fall in value. The first scenario might provide an excellent long investment and the latter, a good opportunity to sell short.

The Company aims to align its entire process and business model with the long-term interests of its Shareholders. Its major focus is to deliver superior after-tax returns and service over the medium to long term. The Company believes that the path to superior returns is to have less funds under management and to have incentives that encourage delivery of the best risk-adjusted returns.

The Company's aim is to hold investments for many years (approximately 3 to 5 years or more), without focusing its attention on, or reacting to, short-term fluctuations in stock market levels. The Company may revert the Portfolio to a principally cash position if suitable investments are not available, or to mitigate risk.

The Manager will have the flexibility to invest across the capital structure. To invest, the Manager will be able to utilise over-the-counter derivatives (including put and call options, warrants, currency and interest rate swaps, and credit) and hedge the Company's exposure to individual securities, extreme market events and currency fluctuations.

To implement its philosophy, the Company will make investments in various Permitted Investments (see Section 3.10) and the Manager will allocate capital to investments in a diversified global Portfolio with the best risk/reward relationship.

3.4 INVESTMENT PORTFOLIO

The Company will seek to invest in companies with high barriers to entry, sustainable or improving returns on invested capital, and with competent management.

The Company will:

- aim to focus on the investment merits of individual companies or stocks, rather than market and economic trends; and
- seek to invest globally, but selectively choose countries based on corporate governance, liquidity, cost of capital, taxation and the regulatory environment.

3.5 TRADING

The Company may, from time-to-time, acquire investments with a view to profit through short-term trading opportunities. The Company has a general policy that the value of these short-term investments measured at cost, should not exceed 10% of the assets of the Investment Portfolio.

3.6 INVESTMENT STRATEGY

To achieve its investment objectives, the Company intends to invest the majority of its capital, at cost, in global listed shares. In addition, the Company may diversify its risk by investing in other Permitted Investments including unlisted securities.

The strategy is to:

- invest in global equity markets, allocating capital to the best opportunities rather than a prescribed weighting of countries based on an index;
- identify secular thematic trends, conduct fundamental analysis, identify the companies best placed to benefit/lose out from those tailwinds/headwinds and invest while keeping a close eye on valuation and margin safety; and,
- invest with a long-term horizon, which creates opportunities to take a long-term view, instead of focussing on the weekly or monthly performance numbers relative to an index.

Listed opportunities

For the majority of the Portfolio, the Manager expects to create an investment portfolio which is similar (although not identical) to the holdings of the Kaizen Capital Recapitalization fund I (the Fund). Details of the Fund and its historical performance may be found in Section 4. There is, however, no guarantee that the Company will replicate the portfolio holdings of the Fund in its own Portfolio, or that the Company's future performance will be identical to the Fund's past (or future) performance. See Section 3.11 below for information about the likely composition of the

Company's Investment Portfolio.


Unlisted opportunities

The Manager's investment professionals have analysed numerous companies around the world from very large to very small. In its experience, the Manager has identified several companies and industries that are not listed in Australia, but are listed abroad. To the Manager, these represent investment opportunities. The Manager believes that certain select businesses; ones that are mature, generate strong free cash flow and have low maintenance capital expenditure requirements, are attractive to purchase in Australia. The Manager also takes the view that asset-backed businesses with good earnings visibility are attractive investments.

The Company may purchase entire private unlisted entities, or majority stakes in select companies in order to control and reallocate those businesses' cash flows. Excess cash flow from those businesses could potentially be redirected into the Company's listed portfolio to achieve a higher rate of return than would otherwise be achieved reinvesting back into the unlisted entity/entities. The Manager may allocate up to 25% of the Portfolio to these unlisted opportunities, at cost, but this could be far less or even zero if opportunities were not available at what the Manager deems to be an attractive valuation. Exposure to any individual unlisted investment will not exceed 10% of the Investment Portfolio at cost. Where the Manager makes no investment in unlisted securities (because they have not met the Manager's strict criteria or otherwise), all of the Company's capital will be invested in the Company's listed Investment Portfolio.

When assessing unlisted investment opportunities, the Manager will undertake a relative valuation analysis of the target companies. The Manager will compare the opportunity with what it considers to be the most comparable listed company, or sector peer, which has similar characteristics to the proposed investment opportunity. In its analysis, the Manager will also examine the risks associated with the proposed investment opportunity (such as reduced liquidity, control and transactional complexity). An assessment will be made about whether the unlisted investment opportunity represents a relatively more attractive opportunity than what is available in listed companies.

The Manager has discretion to buy unlisted securities that may not be the mature, cash flow generating assets that it intends to control. These are likely to be investments in companies that have a defined path to a liquidity event such as an initial public offering (IPO) within a year. Or there may be fast growing companies that have regular fundraising rounds as they make progress, which could provide an opportunity to reduce or liquidate the investment position.



Whilst it is expected that the investment Portfolio will be diversified across a number of stocks in several industry sectors, the Portfolio structure will be based on the investment merits of individual companies and their securities and will not be limited or constrained to any particular exposure to industry groups.

The Company may revert to a complete or partial cash position (in relation to its listed investments) if suitable opportunities are not available, or as a risk mitigation technique.

Leverage

The Company may use leverage from time-to-time to increase exposure to investments. Leverage (borrowing or short selling) can magnify both gains and losses in the Portfolio. The Company will use leverage conservatively. For the purpose of leverage the Company is likely to use a prime broker or a large well-capitalised bank. Borrowing in relation to listed and unlisted investments may differ markedly and will depend on a thorough risk/reward analysis by the Manager.

1. For every \$1.00 NAV of the listed Investment Portfolio, the maximum anticipated level of net leverage (taking into consideration cash from short sales) will be a maximum of \$0.50.
2. For each individual unlisted investment in the Portfolio, the maximum anticipated leverage will be \$0.50 for every \$1.00.

Short selling

In the course of conducting fundamental research the Manager may find companies or industries where the outlook is for falling profitability, or negative structural change. For example, where new technology disrupts an existing industry like printed newspapers losing business to classified advertisements going online. Those industries or businesses may be candidates for short selling. Short selling involves selling Securities which are not owned but where the Manager believes that it will be able to purchase those Securities at a lower price in future. Short selling may also be used by the Manager to hedge market exposure and/or as an arbitrage technique.

In the event the Manager does seek to sell short and hedge, there can be no guarantee that the hedging strategy will protect the Portfolio against adverse market movements. Short selling can create the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which can reduce profits or create losses in particular positions.

Short selling involves unlimited risk. With a view to managing this risk, the Manager will hold a diversified portfolio of shorts (less than 10% of Portfolio weighting in any particular company) and conduct the same extensive fundamental research on its short positions as its long positions. Apart from the 10% limit mentioned above, there are no other limits on the Company's ability to sell short. However, short selling is not a major component of the Company's investment strategy, and we expect the Investment Portfolio to typically be net long.

For the purpose of short selling the Company is likely to use a prime broker.

3.7 INVESTMENT PORTFOLIO VALUATION

The Manager will arrange for an independent third party to conduct a monthly valuation of the Portfolio and provide this valuation to the Board as soon as practicable after such calculations are made.

Any unlisted investments will be revalued monthly using methods that in the opinion of the Manager best approximate their fair value. The Manager will endeavour to use methods endorsed by the Australian Venture Capital Association (AVCAL).

Prior to a liquidity event of any unlisted investment (for example, a trade sale or initial public offering of shares in the unlisted company), the Manager will determine whether a proposed transaction results in a consistent valuation with similar listed companies and other relevant and observable transactions. In assessing liquidity events, the Manager will consider whether a liquidity or control premium has been appropriately factored into the proposed value of that liquidity event.

Semi-annual valuation recommendations will be provided to the Board by the Manager as part of the half-year review and annual audit.

The Board retains the right to request that any valuation of an unlisted investment be independently reviewed by a third party. In our view, the valuation risk for unlisted securities in the Portfolio is relatively low for two main reasons:

- (1) Because of the types of businesses that the Company will look to acquire or purchase majority control of will be ones that are mature, generate strong free cash flow and have low maintenance capital expenditure requirements.
- (2) Exposure to any individual unlisted investments will not exceed 10% of the Investment Portfolio.

3.8 CHANGES TO INVESTMENT STRATEGY

The Manager expects to implement the investment objectives, strategies, and Permitted Investments outlined in this Prospectus upon the listing of the Company on the NSX.

It is not expected that the Company will change any of these investment objectives, strategies and Permitted Investments. If there are changes, these changes will only be made with the approval of the Board, after consultation with the Manager (and subject to any regulatory requirements). The Company will notify Shareholders via the Company website and NSX of any material changes to the Company's investment objectives, strategies and Permitted Investments.

Under the Investment Management Agreement (see Section 8.1), if the Company's Portfolio ceases to comply with the investment objectives, strategies, or Permitted Investments outlined in this Prospectus, then the Manager must use best reasonable endeavours to remedy the non-compliance.

3.9 INVESTMENT PROCESS

The Manager utilises a disciplined, logical and repeatable investment process as illustrated below:



A. Identify Investment Opportunities

The Manager will undertake various activities to identify investment opportunities for the Company. These activities may include, but are not limited to:

- discussing and identifying thematic trends with industry competitors, customers and suppliers;
- analysing director buying and selling activity;
- meeting and telephoning executive management;
- monitoring media publications and trade press;
- reading annual reports and following company results announcements;
- reviewing the impact of regulatory or legislative changes; and
- investigating currency devaluations, taxation changes and lending standards.

B. Complete Fundamental Analysis

The Manager will undertake financial analysis of all potential investments. This will generally include analysing and understanding:

- the margins and growth of a company and sector;
- the changes in Return on Investment Capital (ROIC) and Return on Equity (ROE) over time;
- capital expenditure, changes in working capital and cash taxes;
- capital allocation by management;
- the balance sheet;
- pricing power, brand, access to capital and geographic opportunities; and
- the ownership of a company.

C. Quantify Investment Thesis

The Manager will aim to invest in companies at a discount to their intrinsic value. The larger this discount, the larger the margin of safety. The Manager will aim to quantify the investment thesis by completing several valuation calculations.

These may include, but are not limited to:

- cash flow metrics - cash flow yield to equity and cash price/earnings ratios;

- an assessment of what normalised earnings could be;
- Enterprise Value (EV) ratios, for example EV/EBITDA and/or EV/EBIT;
- dividend yields;
- direction of ROIC and ROE;
- price to book values relative to growth and ROEs; and
- discounted cash flow and dividend discount models.

Macroeconomic environment

When conducting its fundamental analysis the Manager will consider the macroeconomic environment. For example, changes in global interest rates, movements in currencies, changes in commodity prices and geo-political tensions.

D. Determine Portfolio Weighting

The Manager will aim to allocate capital to the best investments with the best risk/reward characteristics. Particular focus will be placed on the combined weighting of the top 10 investments, each particular investment and the overall number of investments.

E. Maintain Selling Discipline

The Manager believes that it is important to maintain a rational selling discipline to drive long-term investment performance. In the experience of the Manager it is the competition for the capital within the Portfolio, or reducing the weighting size of an investment, which drives the majority of selling, instead of investments reaching their full value. Put simply, better ideas with more compelling risk/reward potential will replace investments with lower forecast returns.

The Manager may consider selling an investment when it assesses that:

- the share price of the investment exceeds its calculated intrinsic value;
- there are more attractive investment opportunities with more compelling risk/reward characteristics available;
- it has been wrong in its assessment of the business economics and risk/reward potential of the investment;
- the medium to long-term prospects of the

company or industry have weakened; and,

- the directors and/or management of the investment company behave against the interest of the shareholders.

3.10 PERMITTED INVESTMENTS

Under the Investment Management Agreement, the Portfolio Manager is permitted to undertake investments on behalf of the Company without Board approval. However, if the proposed investment is not in accordance with written guidelines issued by the Board from time-to-time, Board approval for the investment is required. The Portfolio Manager will also seek the prior approval of the Board before purchasing majority control, or an entire entity, in the unlisted market.

The Company proposes to invest in the following investments:

- shares, stock, rights or other securities;
- warrants and options to purchase any investment and warrants and options to sell any investment which is a Permitted Investment;
- contract for differences (CFDs);
- interest bearing deposits, bills of exchange, promissory notes or other negotiable instruments;
- debentures, unsecured notes and bonds of a corporation;
- exchange traded funds (ETFs);
- unlisted shares in companies;
- any securities, bonds, notes or other interest-bearing debt issued by any Government;
- interests in managed investment schemes (both registered and unregistered);
- any other financial products which the Manager may use in the management of the Portfolio in accordance with its AFSL;
- short positions in any of the above; and
- over the counter (OTC) derivatives including currency, interest rate swaps, and credit default swaps (CDS).

3.11 USE OF PROCEEDS

The Company intends to use the funds raised from the Offer for investment consistent with the investment objectives and strategy set out above and to pay the costs of the Offer, which are set out in Section 5.

The Company anticipates that proceeds will be invested in the Investment Portfolio within 1 month of listing. Any funds raised under the minimum, maximum and oversubscription position will be invested in the same way on a pro rata basis. At the minimum subscription of \$2 million, the Company believes it will have sufficient capital to meet its objectives.

Although the Company does not yet have an established portfolio, the Manager is expected to create the Investment Portfolio (using the proceeds of the Offer), to largely replicate the holdings of the Fund.

In order to give investors an idea of the shape of the Company's likely Investment Portfolio, we have included below details of the Fund's composition as at 30 November 2014. There is no guarantee that the Company's Investment Portfolio will exactly replicate the Manager's portfolio, but this information should be helpful in understanding the Company's likely Investment Portfolio composition and diversification.

Composition of the Fund as at 30 November 2014

The Fund is made up of 52 long and 9 short positions as described in the table below. The Fund has exposure to investments in 17 countries (some may be listed in the UK or US) and one region (Africa).

PORTFOLIO MIX	PERCENTAGE	DESCRIPTION
Growth stocks	35%	Companies that are in the rapid growth phase of their development.
Turnarounds	18%	Many of these investments are banks in developed markets that have been recapitalised in the 2008 crisis and are well along the road to recovery.
Asset Plays	14%	Companies where the shares trade at a discount to their asset value
10-12% growers	18%	These are more mature, established companies.
Dividend plays	8%	These companies are expected to pay stable and sustainable dividends.
Cyclicals	7%	These are companies that experience cyclicity within a long-term secular growth trend.

SECTOR EXPOSURE

12.7% Healthcare	12.2% Financials	11.3% Technology	10.0% Real estate	7.8% Industrial Goods
7.2% Government bonds	5.8% Consumer Cyclical	5.1% Telecommunications	4.8% Service	4.8% Tobacco
3.7% Diversified	3.2% Retail	2.5% Gaming	2.3% Communications/ Media	1.7% Supermarkets
3.8% Energy	0.7% Basic materials	0.4% Consumer, Non-cyclical		

GEOGRAPHIC EXPOSURE

The Fund currently has currency exposure through the country of listing as follows:

50.1% USD	18.2% GBP	10.6% AUD	4.3% EUR	3.8% CAD
3.3% NZD	1.8% NOK	1.7% SEK	1.7% CHF	1.4% VND
1.4% RUB	1.3% ISK	0.4% HKD		

USD = US dollar; GBP = British pound; NOK = Norwegian kroner; SEK = Swedish kroner; EUR = Euro; VND = Vietnam Dong; RUB = Russian rouble; CHF = Swiss Franc; ISK = Icelandic kroner; NZD = New Zealand dollar; AUD = Australian dollar; and HKD = Hong Kong dollar.

Portfolio by Market Capitalisation

SIZE OF COMPANY	PERCENTAGE OF PORTFOLIO INVESTED
Greater than \$5bn USD market capitalisation	56.2%
Between \$1-5bn USD market capitalisation	10.4%
Less than \$1bn USD market capitalisation	33.5%



EXAMPLES OF FEES PAYABLE ON THE PORTFOLIO

The Manager will charge the Company a Management Fee of 1.5% of the value of the Portfolio (plus GST), calculated on the last business day of each calendar month and divided by 12. For example, if the value of the Portfolio on 31 March 2016 is calculated to be \$2,000,000 then the Company will pay the Manager $(0.015 \times \$2,000,000)/12 + \text{GST} = \$2,750$ (incl. GST) within 14 days of 31 March 2016.

The Company will also pay a Performance Fee to the Manager of 20% (plus GST) of the Portfolio's increase in value paid annually within 28 days of 30 June. For example, if at the end of financial year B the value of the Portfolio was \$2,400,000* and the value of the Portfolio at end of financial year A was \$2,000,000*, then the Performance Fee payable by the Company to the Manager would be $0.2(\$2,400,000 - \$2,000,000) + \text{GST} = \$88,000$ (incl. GST).

An important feature of the Performance Fee is the high water mark.

For example, if at the end of financial year B the value of the Portfolio was \$1,600,000* and the value of the Portfolio at end of financial year A was \$2,000,000*, then no Performance Fee would be payable.

In the above example, the high water mark would prevent Performance fees being paid by the Company to the Manager until the value of the Portfolio exceeds \$2,000,000 again. So, if the Portfolio increased by 20% from \$1,600,000* to \$1,920,000* by the end of financial year C, no performance fee would be payable, thus protecting the Company from paying a Performance Fee.

In simple terms, the Manager will be paid a Performance Fee for delivering positive returns, but will not be paid any Performance Fee if the Portfolio decreases in value over a financial year, even if the Portfolio were to fall less than stock markets. Nor would the Manager be paid a Performance Fee until the Portfolio had once again reached and exceeded its previous high water mark.

This is different to fund managers who invest relative to an index and still charge a performance fee when their portfolio falls less than the market despite their investors suffering a reduction in the value of their investment.

Please note that the above examples use random dates and numbers and have been prepared strictly for explanatory purposes. They are not representative of, nor do they purport to be, any current or prospective financial information for the Company or Manager.

** net of all management fees and other company costs.*

3.12 ALLOCATIONS OF TRADES AND CUSTODY OF ASSETS

As mentioned above, the Company will aim to mirror the Fund and invest alongside it. (There is no guarantee that the holdings for both will be identical.)

The Company and Fund are separate entities and their assets will be held separately in distinct brokerage accounts. There will be no co-mingling of assets. The assets of the Company and Fund will be administered separately so for example, no poor trade – executed in one's account – can be allocated to the other.

The Company does not currently have its own prime broker and custodian. Upon the Offer being successful the Company is likely to engage one prime broker which offers custodial services and another broker which offers custodial services. We believe it is prudent to have a backup broker and custodian for optimal protection of client assets.

3.13 REPORTS TO SHAREHOLDERS

Within 14 business days after the end of each calendar month, the Company will release on the NSX, and include on its website, a statement of the Net Tangible Assets (NTA) backing of its Shares as at the end of that month. The calculation of the NTA backing of the Shares will be made in accordance with the Listing Rules.

3.14 DIVIDEND POLICY

The Company currently intends to pay an annual dividend to its Shareholders from its profits. However, dividends may be low and there may be periods in which dividends are not paid at all. The amount of any dividend will be at the discretion of the Board and will depend on a number of factors, including financial conditions, capital requirements, prudent business practices, laws relating to dividends, and other factors that the Board from time-to-time considers relevant. It is the current policy of the Board that all dividends paid to Shareholders will be franked to the maximum extent permitted by law.

No assurances can be given by any person, including Directors, about the payment of any dividend, and the level of franking on any such dividend.



4 INFORMATION ON THE MANAGER

4.1 BUSINESS OF THE MANAGER

The Manager was incorporated on 14 May 2009, and was issued with an Australian Financial Services Licence (AFSL) 341988 on 28 January 2010.

The Manager is a global fund manager located in Sydney, Australia. Since 2010 it has managed the Kaizen Capital Recapitalization Fund I (the Fund) for Wholesale Investors.

4.2 THE MANAGER'S AFSL

Under its AFSL, the Manager is authorised to provide general financial product advice for derivatives; foreign exchange contracts; debentures, stocks or bonds issued or proposed to be issued by a government; interests in managed investment schemes (excluding investor directed portfolio services); and securities.

It is also licenced to deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products: derivatives and interests in its own managed investment scheme.

The Manager is authorised to apply for, acquire, vary or dispose of a financial product on behalf of another person in respect of the following classes of products: deposit and payment products limited to basic deposit products; deposit products other than basic deposit products; derivatives; foreign exchange contracts; debentures, stocks or bonds issued or proposed to be issued by a government; interests in managed investment schemes excluding investor directed portfolio services; and securities.

The Manager is authorised to operate custodial or depository services (other than investor directed portfolio services) to wholesale clients.

Foreign Currency

The Company will be exposed to fluctuations in certain foreign currencies. The Manager may make use of foreign exchange instruments with the aim of reducing or increasing the effect of currency movements on the return profile of the Company. It may not always be possible to hedge all foreign currency exposures, and there is no guarantee that any hedging will be successful. The Manager may elect to leave all or part of the Company unhedged to

foreign exchange movements.

Derivatives

The Manager may use Derivatives opportunistically on behalf of the Company to implement its overall investment strategy. Use of Derivatives is not key to the Company's investment strategy and there may be times when no derivative positions are held at all. Derivatives will be used for two main reasons. First, to purchase put or call options on indices in order to hedge the Portfolio against market moves. Second, to buy long-dated call options or warrants in order to gain exposure to an investment without the need for much capital outlay. The Manager will engage reputable and regulated investment banks and brokerage firms as Derivative counterparties after conducting due diligence. Most of the options or warrants purchased by the Manager will be exchange traded. The risk of loss in these positions will typically only be the premium paid for the option or warrant, so there would be no collateral requirement risk. The Manager is unlikely to sell naked options/warrants and expose the Company to unlimited liability.

4.3 THE MANAGER'S PERSONNEL

The Manager's personnel primarily responsible for making investment decisions are Connor Grindlay and Simon Winfield. Both have been directors of the Manager since 2009. The Manager requires Board approval for purchase of majority control or an entire entity unlisted investments, and the operational expertise of Andre Edmunds will add considerable knowledge in this area. Details of their qualifications and experience can be found in Section 6 of this Prospectus.

Rifka Zahir is a financial analyst who has worked with the Manager since April 2012. Prior to working with the Manager, Rifka was employed as an Audit Associate and Business Analyst at SJMS Associates (independent correspondent firm to Deloitte Touche Tohmatsu) from 2008 to 2010. She then worked as a Research Analyst for First Capital Markets Limited from 2010 to 2011. She is experienced in analyzing industries, completing financial models, creating presentations, proprietary screens on director buying/selling and building portfolio risk sheets. She is an Associate Member of the Chartered Institute of Management Accountants and a Chartered Global Management Accountant.

The Manager's relevant expertise that will be deployed in making investment decisions

In addition to the experience set out elsewhere in the Prospectus (specifically in Section 6), the Manager's investment professionals will utilise the following experience to make investment decisions on behalf of the Company:

- (a) Direct work experience in major financial hubs (London and New York)

Both Connor and Simon have:

- worked at and with large institutions and companies; and,
- gained access to executive management in multiple industries.

- (b) Multi-geographic company access

Both Connor and Simon have:

- met the executive management (including one-on-one meetings/teleconferences) of American, European, Eastern European, South American, Asian and African companies in their native environment or at global road shows or conferences.

- (c) Published investment research

Connor has:

- published, to sophisticated institutional investors, stock-specific buy and sell recommendations on a food retailer, a technology company, an insulation distribution company, consumer goods retailer, a telecommunications company, a US bus manufacturer, a media publisher and a European consumer goods manufacturer.

- (d) Portfolio construction skills

Connor:

- while a research analyst at Trafelet Europe Delta Funds (See Section 6), learned how to build a sophisticated equity portfolio which overlays sector risk, currency risk, geographic risk, liquidity risk, macro risk, concentration risk, portfolio sizing, short selling and primary investment risk;
- while at Castlegrove Capital (See Section 6), constructed a global portfolio that was index unaware;
- while at Millennium Capital Partners (which acquired Castlegrove Capital, See Section 6), reconstructed a global market-neutral portfolio; and,
- constructed a global long/short portfolio for the Manager (See 3.11 for more information about the composition of that portfolio).

4.4 ATTRactions OF THE MANAGER

The Manager believes that the Shareholders of the Company may stand to benefit from:

- exposure to a global investment manager with institutional equity experience gained in London, New York and Sydney;
- an established successful investment strategy;
- investments in foreign companies, and across the capital structure; and
- investments in unlisted securities.

4.5 THE MANAGER'S HISTORICAL PERFORMANCE

The information on past performance of funds under the management of the Manager included in this Section should not be considered to be a reliable indicator of the future performance of the Company. The proposed investment strategy of the Company, its implementation and timing may be different to the strategies employed by the Manager in respect of the Fund mentioned below.

The Company believes that the disclosure of the historical performance of funds under the management of the Manager is helpful to investors to become aware of the knowledge, experience and track record of the Manager in constructing and managing investment portfolios over an extended period of time. The Company therefore believes that the disclosure should assist investors and their advisers in deciding whether or not to invest in the Company which has engaged the Manager to undertake a similar task in relation to the Company's Investment Portfolio.

Although the Company's proposed investment mandate is similar to the strategy used by the Manager in the Fund, the actual return of the Company could differ materially from the historical returns of the Fund.

Investors should note that the market price of Securities traded on the NSX may not reflect the fair value of the Portfolio as calculated by the Manager and the Company.

At Figure 1 (below) is a table that shows the Fund's performance since inception for the period January 2010 to 30 November 2014. Performance figures have been annualised for the last 1 year, 3 years, and since inception.

For the purposes of comparison, included in the table below are returns for identical periods for the S&P/ASX 200 net total return index, FTSE All-World Index, RBA cash rate, and the HFRX Global Hedge Fund Index.

All valuations included in the table **for the Fund are net of all fees**. Please note that the Manager's management fee in respect of the Fund is 1.75% per annum, which is higher than the management fee payable by the

Company (under the IMA) which is 1.5% per annum.

The RBA cash rate, ASX 200, FTSE All-World valuations in the table **are before any deduction of fees**.

FIGURE 1: HISTORICAL PERFORMANCE OF THE FUND

PERFORMANCE	1 YEAR	3 YEARS P.A.	SINCE INCEPTION P.A.	TOTAL RETURN SINCE INCEPTION
Kaizen Capital Recapitalization Fund 1	13.75%*	17.37%*	10.74%*	63.73%*
FTSE All-World Index	13.32%	19.64%	9.52%	55.21%
HFRX Global Hedge Fund Index	7.73%	9.92%	2.15%	10.82%
S&P/ASX 200 Net total return	4.01%	13.52%	7.64%	42.76%
RBA cash rate	2.53%	3.06%	3.67%	19.02%

Source: Apex Fund Services (Australia)
Period: 31 Jan 2010 to 30 November 2014

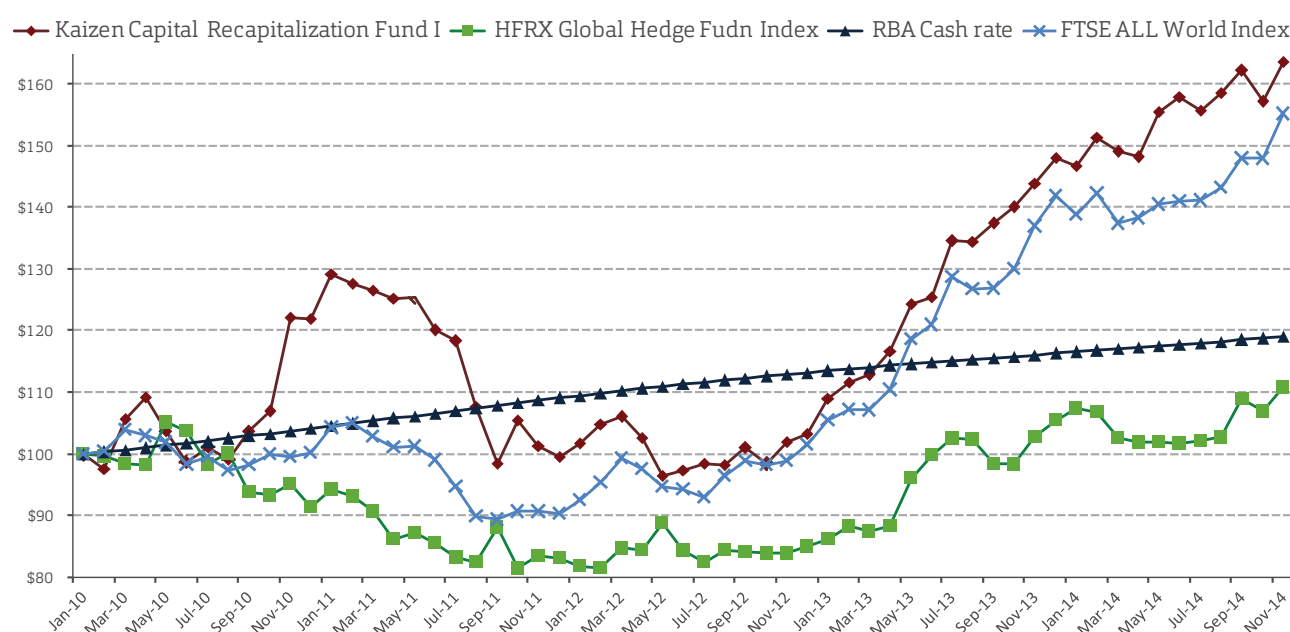
The valuations in Figure 1 were calculated in Australian dollars.

The net returns may include unaudited and audited results.

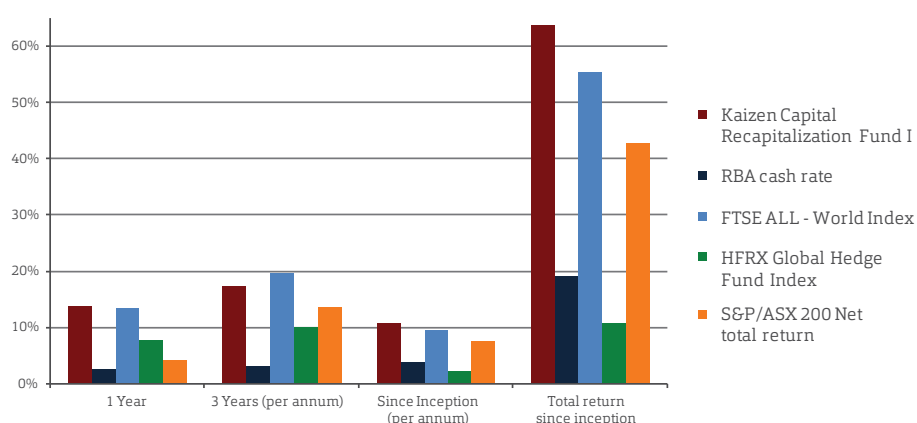
Data prepared by Bloomberg Global Limited who has not consented to the inclusion of data in the Prospectus. P.A. - per annum.

* Kaizen Capital returns are net of all fees.

FIGURE 2: KAIZEN CAPITAL RECAPITALIZATION FUND I: TOTAL RETURN V VARIOUS INDICES



**FIGURE 3:
KAIZEN CAPITAL
RECAPITALIZATION
FUND I
PERFORMANCE
(NET OF ALL FEES)
PER ANNUM OVER 1
YEAR, 3 YEARS, SINCE
INCEPTION AND IN
TOTAL**



5 FINANCIAL INFORMATION & INVESTIGATING ACCOUNTANT'S REPORT

5.1 CAPITAL STRUCTURE

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

	MINIMUM SUBSCRIPTION \$2,000,000	MAXIMUM SUBSCRIPTION \$20,000,000
Shares	2,000,001	20,000,001
Options	2,000,000	20,000,000

5.2 INVESTIGATING ACCOUNTANT'S REPORT

Please see Stantons International Securities' letter dated 19 December 2014 below.

Stantons International Securities

PO Box 1908
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Australia

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West Perth WA 6005
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Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

19 December 2014

The Directors
Kaizen Global Investments Limited
Suite 409
350 George Street
SYDNEY NSW 2000

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Kaizen Global Investments Limited ("Kaizen" or "the Company") for inclusion in a Prospectus to be dated on or around 5 January 2015 ("the Prospectus") relating to the proposed issue by Kaizen of a minimum of 2,000,000 shares to be issued at a price of \$1 each with one free attached share option for every one share subscribed for (exercisable at \$1 each, on or before 12 months from date of issue) to raise a gross \$2,000,000. The Company reserves the right to accept oversubscriptions for a further \$18,000,000 and thus up to a further 18,000,000 shares (and 18,000,000 share options) may be issued.



2. Basis of Preparation

This report has been prepared to provide investors with information on historical results, the condensed statement of financial position (balance sheet) of Kaizen and the pro-forma statement of financial position of Kaizen as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporation Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stantons International Securities has not been requested to consider the prospects for Kaizen, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Stantons International Securities accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Sections 7 of the Prospectus.

3. Background

Kaizen was incorporated in Australia on 26 September 2014. The initial capital issued to the promoter was one share.

The Company has been established to provide investors with exposure to a global portfolio, of mainly equities, managed by a global funds management company (the Manager). The Company aims to deliver a growing stream of fully franked dividends, preserve capital and have an absolute return focus. Whilst the Manager will invest predominantly in listed global securities, it may also invest a portion of the Company's assets in unlisted securities. The Manager was founded in 2009, and comprises experienced personnel who have worked in London, New York and Sydney in large institutions. Since inception, the Manager has invested in numerous companies across the world (source: the Prospectus).

The Company is seeking to raise a minimum of \$2,000,000 and a maximum of \$20,000,000 through the Offer and obtain a listing on the National Stock Exchange of Australia (NSX).

Sections 1, 3 and 4 of the Prospectus contain further information on the Company and the Manager. Section 6 of the Prospectus contains information on the Directors of the Company.

The Company has via an Investment Management Agreement (IMA") appointed the Manager as the discretionary investment manager of the Portfolio (none established at the date of this report) to provide services in accordance with the IMA. The IMA has no effect unless the Company's Shares commence trading on the NSX on a deferred or normal settlement basis. Unless otherwise terminated, the IMA is for an initial term of 10 years. After the initial term, the IMA will continue until terminated in accordance with its terms. Further details on the IMA, including fees payable, duties and responsibilities are outlined in the Material Contracts Section 8 of the Prospectus.

Potential investors should read the Prospectus in full.

4. Scope of Examination

You have requested Stantons International Securities to prepare an Independent Accountant's Report on the consolidated pro-forma statement of financial position of Kaizen at 30 November 2014 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 2.

As at 30 November 2014, the Company has no assets and incurred incorporation costs not exceeding \$3,000.

All of the financial information referred to above has not been audited. The Directors of Kaizen are responsible for the preparation and presentation of the pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- a) Discussions with a Director of Kaizen;

- b) Review of contractual arrangements;
- c) A review of publicly available information; and
- d) A review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the pro-forma statement of financial position as set out in Appendix 2 presents fairly, the pro-forma statement of financial position of Kaizen as at 30 November 2014 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 2.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 November 2014 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

At the date of this report, Stantons International Securities Pty Ltd (Trading as Stantons International Securities) or Stantons International Audit and Consulting Pty Ltd (Trading as Stantons International) do not have any interests in Kaizen either directly or indirectly, or in the outcome of the offer. Stantons International were appointed as auditors of Kaizen on 20 November 2014. Stantons International Securities and Stantons International were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stantons International Securities consents to the inclusion of this report (including Appendix 1) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD



John Van Dieren - FCA
Director

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 1 – UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Kaizen (Unaudited) 30 November 2014	Pro-forma Unaudited Consolidated Kaizen 30 November 2014
		\$	\$
Current Assets			
Cash assets	3	-	1,910,800
Total Current Assets		-	1,910,800
Total Assets		-	1,910,800
Current Liabilities			
Trade and other payables	4	3,000	-
Total Current Liabilities		3,000	-
Total Liabilities		3,000	-
Net Assets (Deficiency)		(3,000)	1,910,800
Equity			
Issued capital	5	-	1,913,800
Accumulated losses (see below)	6	(3,000)	(3,000)
Total Equity (Deficiency)		(3,000)	1,910,800

Notes to and forming part of the above condensed statements of financial position are attached.

Losses to 30 November 2014 comprise of incorporation costs only.

APPENDIX 2

CONDENSED NOTES TO THE UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The unaudited condensed Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the IPO being successful and/or the Company raising additional seed capital to continue in business.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

Status as a Listed Investment Company

On the basis of the current investment strategy, the Directors expect that the Company will generally

be considered to hold its investments on revenue account (but may also hold investments for long term capital gains). Consequently, it may be that the Company may not make capital gains and therefore shareholders will not be able to obtain full taxation benefits under the LIC regime.

For this reason, it is recommended that investors do not make a decision to apply for Securities under the Prospectus solely on the basis of potential benefits that may result from the Company being treated as a LIC.

The Company may pay company tax on income it receives, including capital gains and offshore dividend income. Accordingly, the Company may be able to pay dividends that are partly or fully franked to shareholders in Australia. If the Company exceeds the 10% "non-permitted holding" as noted in the Income Tax Assessment Act, the Company may not qualify for the tax status of a LCI.

However, the Company may hold certain investments on capital account and therefore may be able to pass through LIC taxation benefits to shareholders that qualify for these concessions. Whether an investment is held for capital or revenue account will need to be assessed on a case by case basis. The Company will also need to comply with Subdivision 115-D, Part 3-1 of the Income Tax Assessment Act and Taxation Ruling 2005/23.

(c) Trade and other accounts payable

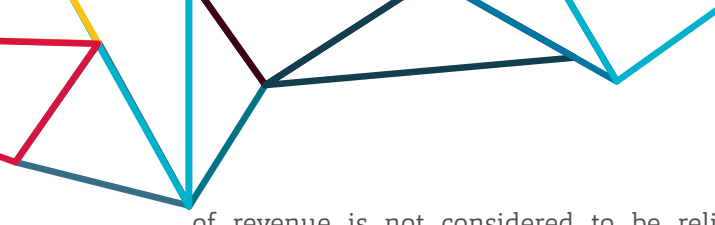
Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(d) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(e) Operating Revenue

Revenue is measured at the fair value of the gross consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Company's activities. The amount



of revenue is not considered to be reliably measurable until all material contingencies relating to the sale have been resolved.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(g) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it

is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it has a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

AFS financial assets

Listed shares held by the Company that are traded in an active market are classified as AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated

using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after

the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.


(h) Foreign Currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

(i) Intangible assets

(i) Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-



generating units and is no longer amortised but is tested annually for impairment.

(ii) Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are acquired at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortization is charged on assets with finite lives, this expense is taken to the income statement.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against the income statement in the year in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level (see accounting policy (g)). Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(iii) Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (g)).

Expenditure on internally generated goodwill and brands is recognised in the statement of comprehensive income as an expense as incurred.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

A summary of the policies applied to the consolidated entity's intangible assets is as follows:

Goodwill and intangible assets with an indefinite life are systematically tested for impairment at each balance sheet date. Amortisation methods, useful lives and residual values are reviewed

at each financial year-end and adjusted as appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(j) Accounting for business combinations

The Company has adopted IFRS 3 Business Combinations. All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

Transaction costs that the Company incurs in connection with a business combination, such as stamp duty, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then a part of the market-based measure of the replacement awards is included in the consideration transferred. If future services are required, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

2 Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Statement of Financial Position

Actual and proposed transactions adjusting the 30 November 2014 unaudited condensed Statement of Financial Position of Kaizen in the pro-forma Statement of Financial Position of Kaizen are as follows:

- (a) The issue of a minimum of 2,000,000 shares at \$1 each (with 2,000,000 free attached share options) to raise a gross \$2,000,000 pursuant to the Prospectus;
- (b) The payment of 30 November 2014 accounts payable of \$3,000; and
- (c) The payment of cash expenses of the Prospectus issue totalling an estimated up to \$86,200 and the expensing of such costs against share equity.

	Note 2	Unaudited Kaizen 30 November 2014	Unaudited Kaizen Pro-forma 30 November 2014
		\$	\$
3. Cash Assets			
The movements in cash assets are as follows:			
Unaudited 30 November 2014		-	-
Issue of shares	(a)	-	2,000,000
Payment of payables	(b)	-	(3,000)
Prospectus issue costs	(c)	-	(86,200)
		<u>-</u>	<u>1,910,800</u>
4. Trade and other payables			
Trade payables 30 November 2014		3,000	3,000
Less: Payment of payables	(b)	<u>-</u>	<u>(3,000)</u>
		<u>3,000</u>	<u>-</u>
5. Issued Capital			
1 share on incorporation		-	-
2,000,000 shares pursuant to the Prospectus	(a)	<u>-</u>	<u>2,000,000</u>
		-	2,000,000
Less: estimated share issue costs	(c)(10)	<u>-</u>	<u>(86,200)</u>
Pro-forma (2,000,000 shares)		<u>-</u>	<u>1,913,800</u>
6. Accumulated Losses			
Balance as at 30 November 2014		<u>3,000</u>	<u>3,000</u>
		<u>3,000</u>	<u>3,000</u>
7. Contingent Liabilities and Commitments			

At 30 November 2014, the Company has the following contingent liabilities and commitments.

The Company is committed (subject to NSX listing) to pay the Manager fees as outlined in the Material Contracts Section 8 of the Prospectus.

The Company has also signed Director Indemnity Deeds.

The Company is committed to pay Boardroom Pty Ltd for share registry services for a three year period.

The Company has a DRP which allows Shareholders to invest all or part of any dividend paid on their Shares in

additional Shares instead of receiving the dividend in cash. Participation in the DRP is entirely optional. As at the date of this Prospectus the DRP is administered with DRP Rules which have been determined by the Board. A summary of the DRP is set out below. Shareholders who wish to participate in the DRP are advised to read the Company's DRP Rules in full before deciding whether to participate in the DRP.

Based on discussions with a Director, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section 3) and in the Prospectus. Investors should read the Prospectus for further possible contingencies and commitments.

8. Oversubscriptions

The Company reserves the right to accept oversubscriptions to the extent of up to \$18,000,000 (to raise a gross \$20,000,000). If the maximum oversubscriptions are taken, the number of shares on issue would increase by 18,000,000 to 20,000,001, issued capital would increase by \$17,617,810 (after allowing for an increase in capital raising costs of \$382,190 to \$468,390) to \$19,531,610 and cash at bank would increase by \$17,617,810 to \$19,526,810.

If the Company raised a gross \$10,000,000, the number of shares on issue would increase by 8,000,000 to 10,000,001, issued capital would increase by \$7,822,400 (after allowing for an increase in capital raising costs of \$177,600 to \$263,800) to \$9,736,200 and cash at bank would increase by \$7,822,400 to \$9,733,200.

9. Net Asset backing

	Raise \$2,000,000	Raise \$10,000,000	Raise \$20,000,000
Shares on issue	2,000,001	10,000,001	20,000,001
Net assets (Cash)	1,910,800	9,733,200	19,526,810
Net asset backing per share (rounded)	\$0.955	\$0.973	\$0.976

A small amount of GST may be recoverable from the payment of certain capital raising costs but are immaterial. In addition, a deferred tax asset of between approximately \$25,000 to \$140,000 (depending on the extent of the capital raising costs) relates to capital raising costs expensed but claimable over 5 years. The deferred tax asset has not been brought to account. The net asset backing per share would slightly increase if the deferred tax asset was accounted for.

10. Capital Raising Costs

Capital raising costs are made up as follows:

	Raise \$2,000,000	Raise \$10,000,000	Raise \$20,000,000
Legal fees	10,000	10,000	10,000
Broker costs (refer below)	40,000	200,000	400,000
NSX fees	9,900	27,500	32,090
ASIC fees	2,290	2,290	2,290
Licensed intermediary fees	10,000	10,000	10,000
Share registry fees	1,750	1,750	1,750
NOMAD fees	2,000	2,000	2,000
Prospectus printing and design	6,010	6,010	6,010
Other expenses (including contingencies)	4,250	4,250	4,250
Total	86,200	263,800	468,390

Broker costs are estimated not to exceed 2% of funds raised and will only be payable where funds are raised via a broker and the application form has a brokers stamp attached. The broker amounts payable may be less than forecasted.

11. Share Options

The Company will have 2,000,000 share options outstanding, exercisable at \$1 each on or before 12 months from date of issue if \$2,000,000 is raised from the capital raising. If \$10,000,000 is raised, the Company will have 10,000,000 share options outstanding and if \$20,000,000 is raised, the Company will have 20,000,000 share options outstanding.

6 DIRECTORS & KEY MANAGERS, INTERESTS, BENEFITS AND RELATED PARTY TRANSACTIONS

6.1 CONNOR GRINDLAY⁴ MEng – MANAGING DIRECTOR

Connor obtained a Masters of (Civil) Engineering with European Studies from the University of Bristol, Bristol, UK (1996) before commencing a training program with Credit Suisse First Boston in New York. He then worked for Credit Suisse in London for almost 4 years in pan-European institutional equity research sales.

Whilst at Credit Suisse Connor completed an extensive in-house training program, and the CFA UK Certificate in Investment Management and Interpretation of Accounts and Corporate Finance part of the Investment Management and Research (IIMR) Associate examinations.

In 2000, Connor cofounded hedgefundcity.com, an online media portal for the global hedge fund industry serving hedge fund managers, accredited investors, and service providers.

Connor joined WestLB Panmure (London) in 2002 as a special situations analyst before joining Traftlet (a multi-billion dollar US-based hedge fund with a large ex-Fidelity investments team) as a buy-side analyst for its European launch in 2004.

In 2006 he joined Castlegrove Capital (London), a global multi-strategy fund, and jointly ran the global equity long/short portfolio. Castlegrove Capital was founded and managed by several senior individuals from JP Morgan and Merrill Lynch, and was acquired by Millennium Capital Partners (a New York-based fund with over 1600 employees and \$23bn USD under management at the end of August 2014). Connor continued to work for Millennium for 6 months before incorporating the Manager.

In 2010 Connor worked as a consultant to 8 Investment Partners, owned by SANLAM, analyzing stocks for inclusion in their Asian fund. He then joined Caledonia Investments in Sydney where he worked for 3 years investing in global companies.

Connor has been a Director of the Manager since May 2009, and a Director of the Company since September 2014.

Connor brings over 18 years of investment experience in global securities which has been gained while working in New York, London and Sydney.

The Board anticipates that Connor Grindlay will make available an average time of 20 hours per week on the affairs of the Company.

6.2 SIMON WINFIELD – EXECUTIVE CHAIRMAN

Simon Winfield has held senior roles in leading global investment banks, servicing some of the largest institutional investors in the US and the UK with European equity research, IPOs and government privatisations, and providing portfolio managers and research analysts with access to company management and industry experts.


Simon started in the industry in 1979, working on the floor of the London Stock Exchange. He worked in UK equities for Grieson Grant, W Greenwell, and UBS until 1990, when he joined Credit Suisse First Boston to market a sectoral research product built in anticipation of the single European currency. The fall of the Berlin Wall led to opportunities in Eastern Europe and later, Russia, as these countries went through privatisation and opened new markets.

Simon was based in London and New York for Credit Suisse from 1990-2001 marketing European equities and European emerging markets (Russia, Poland, Hungary, Czechoslovakia) to leading institutional and hedge fund managers including Fidelity, Putnam, Harvard, Wellington, UBS, Lansdowne, T. Rowe Price, Merrill Lynch and Capital Group.

Simon held the position of Managing Director, Head of European Equity Sales at Bank of America from 2001 to 2003. Located in London, he built and managed a team in San Francisco, Paris, New York and Geneva.

Subsequent to leaving Bank of America, Simon earned an MBA from the University of Edinburgh, a Graduate Certificate in Carbon Management from Bond University and is currently studying production

⁴ Connor's name on official documents is Jason Conor Grindlay but he is known as Connor Grindlay.



horticulture. He has also been analysing directors share transactions, and has invested in unlisted sustainability-oriented businesses in Northern NSW.

Simon is currently a director of Urban Ecological Systems Pty Limited, a private agricultural technology company based in New South Wales.

Simon has been a Director of the Manager since October 2009 and a Director of the Company since September 2014.

Simon brings over 34 years of broad executive, operational and investment experience to the Company.

The Board anticipates that Simon Winfield will make available an average time of 5 hours per month on the affairs of the Company.

6.3 ANDRE LLOYD EDMUNDS – INDEPENDENT NON-EXECUTIVE DIRECTOR

Andre holds a Bachelor of (Aeronautical) Engineering (Honours) from Loughborough University of Technology, Loughborough, UK (1995).

Andre is a Member of the British Computer Society (2004) and is a Chartered IT Professional in Program and Project Management (2005). He has also performed the role of BCS Assessor for Membership Status (2009 and 2010) and was previously a Member of the Australian Institute of Project Management (2006-2011). He has been a director of a delivery consultancy and executive advisory service since March 2007.

Andre has experience in software development and pre-sales, project management, transformation, turnaround/rescue and mobilization programs. He has consulted to executive boards of small, medium and large companies, and government organisations. He has worked with AMP General Insurance, CSC Australia, Deloitte UK, Barclays, Toyota, Volkswagen, Cazenove Capital Management, Orange Sweden, Hutchison 3G, VirginMedia, Optus, Telstra, Downer, Foxtel, News Ltd, and Transport for NSW.

Andre has been a Director of the Company since November 2014.

Andre brings over 18 years of diverse operational and IT delivery experience gained across multiple industry sectors. He is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgment.

The Board anticipates that Andre Edmunds will make available an average time of 5 hours per month on the affairs of the Company.

6.4 CORPORATE GOVERNANCE

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance Shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities. The main corporate governance policies are set out below, are available on the Company's website (www.kaizenglobalinvestments.com), and may be obtained free of charge, from the Company, by any one who asks for a copy during the Offer period:

- (a) Share Trading Policy;
- (b) Code of Conduct;
- (c) Corporate Governance Statement;
- (d) Audit Committee Charter; and
- (e) Continuous Disclosure Policy.

6.5 APPOINTMENT AND RETIREMENT OF NON-EXECUTIVE DIRECTORS

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case-by-case basis and in accordance with the requirements of the Listing Rules, the Corporations Act and the Constitution.

6.6 DIRECTORS' ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

It is the Board's policy that any committees established by the Board should:

- be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise;
- be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require; and
- operate in accordance with the terms of reference established by the Board.

6.7 AUDIT COMMITTEE

The Audit Committee intends to meet at least three times a year. The Company's external auditors will be invited to attend meetings as determined by the Committee. The principal role of the Audit Committee is to assist the Board in fulfilling its responsibilities relating to the financial reporting and accounting practices of the Company.

The Audit Committee will:

- (a) serve as an independent and objective party to review the financial information presented by management to Shareholders and regulators;
- (b) consider the adequacy and effectiveness of the Company's administrative, operating and accounting controls as a means of ensuring compliance with legal, regulatory and policy requirements;
- (c) oversee and assess the quality of audits conducted by the external Auditor; and
- (d) maintain open lines of communication among the Board and the external Auditor to exchange views and information, as well as confirm their respective authority and responsibilities.

6.8 BOARD PARTICIPATION IN MANAGEMENT

Under the IMA, the Manager has discretion to acquire and dispose of investments on behalf of the Company. Permitted Investments consistent with the investment strategy outlined in Section 3 in this Prospectus may be undertaken without consultation with the Board.

Any proposed investment that does not fall within this investment strategy or any change in the investment strategy proposed by the Manager requires the prior approval of the Board which may be withheld in its absolute discretion.

6.9 DIRECTOR INTERESTS AND BENEFITS

As at the date of the Prospectus Connor Grindlay holds one ordinary share in the Company with a share value of \$1.00. No other Shares are held by or on behalf of any other Director and/or their Associates.

No Director or Director's Associate holds any interest in any Option or other Security in the Company.

The Directors may subscribe for Securities as part of the Offer.

Except as set out in this Prospectus:

- (a) no director or proposed director holds at the date of this Prospectus or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:
 - i. the formation or promotion of the Company; or
 - ii. any property acquired or proposed to be acquired by the Company in connection with its formation or in connection with the Offer;
- (b) no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
 - i. to a director or proposed director to induce him or her to become, or to qualify as, a director; or
 - ii. for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or in connection with the Offer.

6.10 REMUNERATION OF DIRECTORS


The Directors will be entitled to receive a maximum total remuneration (including superannuation) of up to \$75,000 per annum to be divided amongst them in such proportion as they agree. However, the Directors have agreed to waive any fee which they would otherwise be entitled to until the earlier of 30 June 2016, or until such time as the net assets of the Company exceed \$5 million.

6.11 RELATED PARTY TRANSACTIONS

As at the date of this Prospectus, the Company is or will be a party to the following transactions with related parties as described below.

Under the IMA, the Manager will be entitled to receive a management and performance fee for managing the Company's Portfolio. See Section 8.1 for details of the IMA. Connor Grindlay is a director of the Manager and he and his Associates hold 87.47% of the issued shares of the Manager. Simon Winfield is also a director of the Manager and holds a 3.91% shareholding in the Manager.

The Company believes that the IMA has been entered on arm's length terms and that the remuneration payable to the Manager is reasonable. Accordingly



the Company has not obtained Shareholder approval to the execution of the IMA. It did, however, obtain Board approval before executing the agreement. The Manager has indicated that it may subscribe for Shares under the Offer up to approximately \$650,000.

Each Director has entered into a deed of access and indemnity with the Company. See Section 8.2 for details. The Directors have indicated that they may subscribe for Shares under the Offer up to approximately \$100,000.

All of the above transactions, and any entered into by or on behalf of the Company, will be at arm's length and on commercial terms and conditions.

6.12 LEGAL OR DISCIPLINARY ACTION

As at the date of this Prospectus there are no legal or disciplinary actions against any Directors of the Company, nor have there been in the last 10 years.

6.13 INSOLVENT COMPANIES

No Director of the Company has been an officer of a company that entered into a form of external administration because of insolvency either during the time he was an officer of that company, or within a 12-month period afterwards.

6.14 CONTINUOUS DISCLOSURE

The Company will be subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

In future, if Shareholders wish to obtain the Company's annual financial report lodged with ASIC, any half-yearly report lodged with ASIC, or any continuous disclosure notice given by the Company after the lodgement of the annual report, please contact the Company Secretary on 02 790 30007.



7 RISK FACTORS

7.1 GENERAL RISK FACTORS

Investing in Shares involves a degree of risk, and you should carefully consider the risks involved in acquiring Shares.

While not exhaustive, the risks set out below (which are grouped together for convenience only) and others mentioned elsewhere in this Prospectus should be carefully considered when evaluating the Company, its prospects, and the Offer.

You are strongly advised to regard any investment in the Company as a medium to long-term proposition, and to be aware that, as with any equity investment, substantial fluctuations in the value of your investment may occur.

GENERAL INVESTMENT RISK

Performance risk

The past performance of funds managed by the persons associated with the Manager are not necessarily a reliable indicator of the future performance of the Company.

A fall in global or local equity markets, global or local bond markets, increased market volatility or changes in the value of the Australian dollar against other major currencies may materially affect both the performance of the securities in which the Company invests and the net tangible asset backing of the Shares.

Counterparty risk

Default by any of the Company's counterparties or service providers may cause losses to the Company. Counterparty risk may also be present when the Company trades in Derivatives (including futures, exchange contracts, and options), which are sophisticated financial products. The Manager will seek counterparties and service providers which have a low risk of defaulting although this risk cannot be eliminated entirely.

Regulatory risk

Both the Company and Manager are subject to a range of regulatory controls imposed by government and regulatory authorities which may change and have a negative impact on either the Manager's

operations, the Company, its investments and/or returns to Shareholders.

Liquidity risk

The Company will be a LIC. The ability of a Shareholder to sell Shares on the NSX will be a function of the turnover or liquidity of the Shares at the time of sale. Turnover is a function of a wide variety of factors including the size of a company and the cumulative investment intention of all current and possible investors in the Company at any point in time. Given the nature of the Company, and the traditionally lower trading volumes experienced by LICs, if the Company is able to achieve only the Minimum Subscription, it is likely that there will be a low level of liquidity in trading of the Shares. Consequently, Shareholders may not be able to sell their Shares at the time and in the volumes or at a price they desire.

Any unlisted securities the Company holds may not be easily converted to cash which may potentially result in the risk that the fair value of the investment is overstated by the Manager. In general, there is less protection of market participants and less government regulation and supervision of transactions in the unlisted securities markets.

Discount or premium to NTA risk

The price at which Shares are traded on NSX may be below the net asset backing of those Shares. The Constitution does not entitle Shareholders to require the Board to implement a share buy-back or any other capital reconstruction or take any other remedial action.

If when the Shares are issued the Shares are trading below NTA then the Shares issued under the Prospectus will immediately be valued at less than their issue price at the time; and if the investor were to then immediately sell those Shares, they would make a loss.

Conversely, if when the Shares are issued, and the Shares are trading above NTA, then; the Shares issued under the Prospectus will immediately be valued at more than their issue price at the time; and if the investor were to then immediately sell those Shares, they would (subject to the payment of any sales costs) make a profit.



Personnel and Management risk

The Company relies on the number of key personnel, in particular Connor Grindlay and Simon Winfield. The loss of key personnel may have a negative effect on the Company.

Reliance on the Manager

The success and profitability of the Company in part will depend upon the ability of the Manager to make investments that increase in value over time.

The following factors may impact the Manager's performance:

- poor investment decisions may lead to unprofitable outcomes;
- changing market conditions may lead to negative investment outcomes;
- the Manager is, and may continue to be, the manager or adviser to other funds and investment vehicles. So it is possible that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Company and consequently Shareholders and
- loss of key personnel, in particular Connor Grindlay, and key clients.

The ability of the Manager to continue to manage the Portfolio in accordance with this Prospectus and Corporations Act is dependent on the maintenance of the Manager's AFSL and continued solvency. Maintenance of the AFSL depends on, among other things, the Manager continuing to comply with the ASIC-imposed licence conditions and the Corporations Act; and

The Manager has the ability to transfer the IMA to another Manager as it sees fit, which may change the personnel responsible for managing the Portfolio of the Company. The Manager has no current intention to transfer the agreement.

There can be no guarantee that the Company will be able to identify an appropriately qualified replacement for the Manager, or if another entity or person is selected that they will be able to perform its duties as investment manager under the IMA to the standard required by the Company or to a level that exceeds or matches the performance of the Manager.

As a result the Company is exposed to the risk of having to source an alternative investment manager.

There is a risk that the Manager performs poorly and, given the terms of the IMA, it may be difficult for

Shareholders to remove the Manager before expiry of the initial 10-year term. However, the Manager may be removed if it fails to remedy a material breach of the IMA, or fails to have the necessary regulatory authorisations/permissions.

Performance fee incentive risk

The Performance Fee may create an incentive for the Manager to make investments on behalf of the Company that are riskier or more speculative than would be the case without a performance fee.

Concentration risk

There is potential for higher volatility if the Manager held fewer stocks at the lower end of the target 30-60 investment range. The lower the number of investments the higher the concentration and the higher potential volatility in NTA.

Foreign exchange risk and jurisdiction risk

The Company may, through its foreign investments, assume currency exposure and there is a risk that adverse movements in exchange rates will reduce the value in Australian dollar terms. In addition, the Company may be exposed to the risks of foreign jurisdictions where there may be less legal rights and protections to security holders, political risks, social and economic instability, regulatory and unforeseen tax risks. This is particularly true in the case of emerging markets as opposed to developed markets.

The Manager may utilize foreign exchange hedging with the aim of reducing the effects of currency movements on the Portfolio, however it may not always be possible to hedge all foreign currency exposures and there is no guarantee that any hedging will be successful.

Hedging

The Manager may also hedge the exposure of other investments of the Company against investment loss, but is not obliged to do so. There is no guarantee that hedging will be successful. The cost of implementing hedging may be significant.

Regulatory Risk

The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example NSX and ASIC). These regimes are complex and subject to change over time. The Company is exposed to the risk of change in law and/or interpretation of existing laws which may have a negative impact on the Company, its investments and/or Shareholder returns, or the risk of non-compliance and any penalties associated with such.

Valuation Risk

On quotation of the Shares on the NSX, the market price may differ markedly from the Issue Price paid for the Shares and/or may not reflect the fair value of the Investment Portfolio as calculated by the Manager and the Company.

Operational risk

No guarantee can be given in relation to the future earnings of the Company, or the earnings or capital appreciation of the Company's investments.

The success and profitability of the Company will depend partly upon the ability of the Directors and the Manager to invest in well-managed companies that increase in value over time.

The Company is a new entity with no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company or the Manager to achieve the objectives set out in this Prospectus. The information in Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.

The future earnings of the Company and the value of the Company's investments may be affected by the general economic environment, and other factors beyond the Company's control which include (but are not limited to) changes to: legislation and government policies; taxation laws; exchange rates; and short and long term interest rates.

Operational costs of the Company as the proportion of total assets will be affected by the level of total assets of the Company and by the level of acceptance of this Offer. Operational costs represent a greater proportion of total assets and may reduce the Company's capacity to make dividend payments.

Dividend risk

The ability of the Company to pay fully or partly franked dividends is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting, payment and franking of dividends difficult and unpredictable. No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's Investments Portfolio or the return of the capital invested by Shareholders.

The Manager may make poor investment decisions resulting in the returns being inadequate to pay an annual dividend to Shareholders.

Operational costs

Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of the Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.

Accounting policy

Changes to accounting policy may influence the approach in determining fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.

Important contracts

The Manager may stop managing the Investment Portfolio, meaning the Company may need to find a new investment manager.

Future capital requirements of the Company

There can be no assurance that the Company will not need to raise additional capital to exploit business opportunities. There can be no assurance that the Company will be able to raise this on favourable terms.


Risks associated with the Company's investment approach

As the Company will employ an absolute return style of investment, it is also exposed to the risks associated with this strategy. These risks include the following:

Short selling risk

The Company may use short selling as a strategy to manage risk and improve returns. Selling a stock or index short can expose the Company to a larger risk than buying or selling a stock, since the losses in the latter case are restricted, at most, to the amount invested, whereas in a short sale, losses could be much larger than the original investment, as they can be unlimited. In addition, there is no guarantee that the securities borrowed for the short sale will be available to purchase.

Short selling will incur interest and other costs on the securities borrowed by the Company for the sale. For a short sale to be profitable the return from the



strategy must exceed these costs and, where losses are incurred by the strategy, these costs may increase the losses.

Leverage

Whilst borrowing to invest has the potential to increase the returns on investments, the borrowing or gearing of an investment portfolio can also multiply the effects of falls in the value of investments. For example, if the Company borrowed a sum equivalent to 3 times its Shareholders' equity, and the value of the Investment Portfolio as a whole fell by 33%, then Shareholders' Equity would be reduced to nil.

Changes in taxation laws and policies

Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders. Tax liabilities are the responsibility of each individual investor. There may be tax implications arising from ownership of the Securities, the receipt of franked and unfranked dividends (if any), receiving returns of capital and the disposal of the Securities.

Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the Australian Taxation Office.

The Company is not responsible for either taxation or penalties incurred by investors, you should carefully consider these tax implications and obtain advice from an accountant or other professional tax advisor in relation to the application of the tax legislation to your investment in the Company



8 MATERIAL CONTRACTS

Prior to the date of this Prospectus, the Company entered into the following contracts which may be material and relevant to your assessment of whether to apply for Shares. Below is only a summary of the material contracts and their substantive terms.

8.1 INVESTMENT MANAGEMENT AGREEMENT (IMA)

Parties

The Company and the Manager.

Appointment

The Company has appointed the Manager as the discretionary investment manager of the Portfolio to provide services in accordance with the IMA. The IMA has no effect unless the Company's Shares commence trading on the NSX on a deferred or normal settlement basis.

Term

Unless otherwise terminated, the IMA is for an initial term of 10 years. After the initial term, the IMA will continue until terminated in accordance with its terms.

The Manager's services

The Manager's main service will be deciding how to invest the Company's assets in accordance with guidelines that include the Company's investment objectives, policies and any restrictions (the Guidelines). The Manager will also identify, investigate and evaluate investment opportunities.

Subject to the terms of the IMA, any applicable law and the Guidelines the Manager shall have full authority at its sole discretion and without prior reference to the Company to make decisions to invest the Company's Portfolio and take steps which include:

- (a) buying, selling, exchanging, redeeming, holding, converting, or otherwise dealing with Permitted Investments (see Section 3.10);
- (b) exercising any governance or ownership right conferred by a particular investment;

- (c) selecting counterparties or trading venues;
- (d) giving instructions for the opening of accounts in the Company's name and operating those accounts as an agent of the Company;
- (e) negotiating, amending, executing or otherwise bringing into effect agreements on behalf of the Company; and
- (f) giving instructions to the Company's Custodian.

The Manager's Obligations

The Manager must perform its obligations under the IMA in good faith, with reasonable care and skill, and in accordance with any applicable laws. The Manager may delegate some of its rights, powers and obligations under the IMA to another party, whether related or not.

Valuations

The Manager will arrange for an independent third party to calculate the fair market value of the Portfolio at least monthly (or as otherwise agreed with the Company) and provide such calculations to the Company. All costs incurred by the Manager in arranging this calculation are to be paid by the Company.

Listed asset values and foreign exchange cross rates will be sourced by an independent third party provider from reliable and reputable financial information services (for example Bloomberg).

Unlisted investments will be re-valued on a monthly basis using methods that in the opinion of the Manager best approximate their fair market value. The Manager will review the valuation methods semi-annually. Semi-annual valuation recommendations will be provided to the Board for review as a part of the bi-annual and annual audit. However, the Board retains the right to require any valuation of an unlisted investment to be independently reviewed by an independent third party.

Fees

In return for the performance of its duties as Manager of the Company's Portfolio, the Manager will be entitled to be paid the following amounts:



(a) Management Fee

The Company will pay a monthly management fee to the Manager within 14 business days of the end of each calendar month equal to 1.5% of the value of the Portfolio (plus GST) calculated on the last business day of each calendar month and divided by 12. The Management Fee is payable to the Manager from the time it starts providing services to the Company.

(b) Performance Fee

The Company will pay the Manager a 20% performance fee (plus GST) in respect of each Performance Calculation Period.

The Performance Calculation Period is the period from the date of the IMA to 30 June 2015 and thereafter the period from the first day after the preceding Performance Calculation Period to 30 June of the following year. If the IMA is terminated on a day other than 30 June, the Performance Calculation Period will be calculated from the day after the preceding Performance Calculation Period up until the termination day.

The performance fee is 20% of the Base Amount (BA), which is calculated as follows:

$$BA = PV - IV$$

where:

- BA is the base amount to be used in calculating the performance fee;
- PV is the value of the Portfolio calculated on the last business day of a Performance Calculation Period; and,
- IV is the value of the Portfolio calculated on the last business day of the preceding Performance Calculation Period.

Importantly, if the value of the Portfolio calculated on the last business day of a Performance Calculation Period is less than the value of the Portfolio calculated on the last business day of any preceding Performance Calculation Period, no performance fee is payable in respect of that Performance Calculation Period. (This is known as a high water mark.)

When the performance fee is calculated for a Performance Calculation Period, changes in the value of the Portfolio as a result of the issue of Securities, capital reductions, Share buy-backs, payment of tax and dividend distributions by the Company will be disregarded or adjusted for that Performance Calculation Period.

The Auditor of the Company has the power to determine the correct calculation of the performance fee.

The performance fee is payable within 28 days of the end of the Performance Calculation Period.

The Manager may, within 14 days of the receipt of the performance fee, subscribe for shares in the Company to a value not exceeding the value of the performance fee received. Such shares shall be allotted at the weighted average market price of the Shares sold on the NSX on the first 3 days of the new calculation period. If no trading occurs during that period, the shares shall be allotted at the price that the Directors deem fair and reasonable in the circumstances.

The Company indemnifies the Manager against any GST (or other taxes) payable in respect of any management and performance fee due to the Manager.

(c) Other service fees

The following fees may be payable by the Company to the Manager only 2 years from the date of this Prospectus, or when the net assets of the Company exceed \$5 million, whichever is sooner.

- i. For the provision of services of an employee of the Manager (or a related body corporate) as Managing Director or Chief Executive Officer of the Company at a rate of \$3,500 plus GST per month or such higher rate as the Manager and Company may agree from time to time payable monthly in arrears.
- ii. For the provision of the services of an employee of the Manager (or a related body corporate) as Company Secretary of the company at a rate of \$1,750 plus GST per month or such higher rate as the Manager and the Company may agree from time to time payable monthly in arrears.

Expenses

The Company will be liable for the following expenses:

- (a) any costs payable and properly incurred under the IMA including all reasonable brokerage charges, commissions, transfer fees, registration fees, exchange fees, settlement fees and stamp duty, tax or other fiscal liabilities or any other transaction related expenses and fees arising out of transactions in the Portfolio incurred by the Manager, its delegates or third parties in properly performing the services under the IMA;

- (b) any costs and expenses payable to bond trustees or legal charges associated with work-outs in connection with assets in the Portfolio;
- (c) any fees for the provision of custodial services in relation to the Portfolio and any banking charges in relation to the Portfolio;
- (d) all regulatory fees and expenses incurred in relation to the Portfolio (including but not limited to all NSX and ASIC fees); and,
- (e) all expenses relating to the provision of legal, accounting, financial and taxation advice and services in respect of the Portfolio.

Termination

Both parties may terminate the IMA if it is required by law or ASIC, an insolvency event occurs, for a material breach of the IMA which is not remedied within 20 days after notification, for a failure to have necessary regulatory authorisations/permission, or for a force majeure event which persists for 20 days.

The Manager may terminate by giving the Company no less than 3 months written notice not earlier than the first anniversary of the date of the IMA.

The Company may terminate by giving the Manager no less than 3 months written notice where:

- i. the Company believes on reasonable grounds that termination of the IMA and the Manager's role as manager of the Company's Portfolio is necessary to ensure that the Board acts in the best interests of the Shareholders; or
- ii. Shareholders in a general meeting pass a resolution approving the termination of the IMA where the Manager has had a reasonable opportunity to state its case prior to, and in person at, the meeting, but such termination cannot take effect earlier than the end of the initial 10-year term.

Termination Payment

If the Company terminates the IMA for any reason other than a material breach by the Manager, or the external administration of the Manager, the Manager is entitled to a termination payment of 5% of the NTA backing of each Security in the Company reduced by 1/120th for each calendar month elapsed between the commencement of the extended term and the termination date.

Company and Manager indemnities

The Company indemnifies the Manager against any and all losses paid, suffered or incurred by the

Manager directly or indirectly arising as a result of:

- (i) the performance by the Manager (or any delegate) of their duties under the IMA; or,
- (ii) carrying out or relying on any instructions and any information provided or made available to the Manager by the Company, its Custodian or any other agent of the Company;

except to the extent that such losses result directly from the negligence, willful default or fraud of the Manager (or any delegate) in providing the services under the IMA.

The Manager indemnifies the Company against any direct lost or liability reasonably incurred by the Company arising out of, or in connection with, any direct costs, charges and expenses reasonably incurred by the Company in connection with any negligence, fraud or dishonesty of the Manager.

Neither party provides indemnification for any consequential loss.

Assignment

Neither party may assign any of its rights and obligations under the IMA (except to a related body corporate that agrees to be bound by the terms of the IMA) without the prior written consent of the other party. The Company's consent may not be unreasonably withheld or delayed if any proposed replacement manager holds all authorisations necessary to perform its obligations under the IMA and employs or engages Connor Grindlay.

8.2 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

Parties

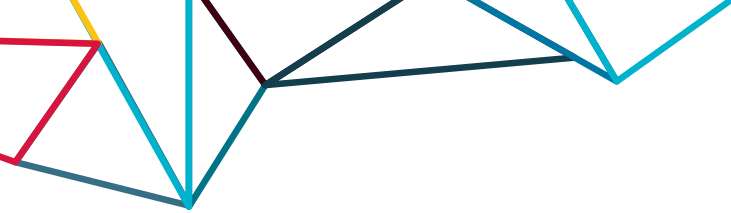
The Company and each Director.

Access

The Company will grant to the director access to board papers during the period in which he or she is a director of the Company and for 7 years from the date he or she ceases to be a director.

Indemnity

To the extent permitted by law, the Company will indemnify each director against any liability incurred in acting as a director of the Company other than:

- 
- (a) a liability owed to the Company or a related party;
 - (b) a liability for a pecuniary penalty order or compensation order under the Corporations Act; or
 - (c) a liability that did not arise out of conduct in good faith or a liability or loss incurred as a result of fraud, breach of fiduciary duty, or gross negligence of the director.

The Company will indemnify any director for costs and expenses incurred by him or her in defending an action for liability incurred in acting as a director of the Company with the exception of any legal costs which the Company is not permitted to pay by law.

Insurance

The Company has agreed to obtain directors and officers insurance contracts in favour of each director for the period in which he or she is a director and maintain such cover for a period of 7 years after he or she ceases to be a director of the Company.

8.3 CONSTITUTION

The Constitution governs the Company. Copies of the Constitution are available for inspection free of charge between 9.00 am and 5.00 pm at the Company's registered business address. Below is a summary of the key provisions of the Company's Constitution.

Allotment and issue of Shares

The allotment and issue of Shares is under the control of the Directors, subject to the Corporations Act and the Listing Rules.

Company's power to alter capital

The Company may, by resolution passed at a general meeting:

- (a) consolidate all or any of its Shares;
- (b) subdivide its Shares so that the proportion between the amount paid and the amount unpaid (if any) on each subdivided Share is the same as it was for the Share from which the subdivided share is derived;
- (c) subject to the Listing Rules, cancel Shares which have been forfeited.

Reduction of capital

Subject to the Corporations Act and the Listing Rules, the Company may reduce its capital in any manner.

Power to buy Shares

The Company may, in accordance with the Corporations Act and Listing Rules, buy its own Shares on any terms and conditions determined by the Directors.

Meetings

Annual General Meetings of the Company are to be held in accordance with the Corporations Act and the Listing Rules. The Directors may convene a general meeting whenever they deem necessary. Members may requisition the holding of a general meeting in accordance with the Corporations Act.

Voting

At a general meeting all resolutions submitted will be decided by a simple majority of votes except where a greater majority is required by the Constitution, the Corporations Act or Listing Rules. A poll may be demanded on any resolution by: the chairman, at least 5 members present, or any 1 or more member holding Shares not less than 5% of the total voting rights of all members having the right to vote on the resolution.

Directors

For a relevant summary of the Constitution's key provisions in connection with directors please see Section 6.

Dividends

Dividends are only payable out of the profits of the Company and all matters concerning dividends, including the valuation of assets, is to be determined by the Directors as they see fit.

The Directors may implement, and in their discretion maintain, vary, amend or suspend on terms and conditions determined by them from time-to-time, a dividend reinvestment plan. See Section 9.6 for further details of the Company's dividend reinvestment plan.



9 FURTHER INFORMATION

9.1 INCORPORATION

The Company was incorporated on 26 September 2014 and is registered in New South Wales.

9.2 AUTHORISATION

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

9.3 BALANCE DATE AND COMPANY TAX STATUS

The accounts for the Company will be made up to 30 June annually. The Company expects to be taxed as a LIC.

9.4 AUSTRALIAN FINANCIAL SERVICES LICENSE

The Company does not hold an AFSL. Accordingly, the Company will only issue Shares and Options under this Prospectus pursuant to an arrangement made with an authorised intermediary under section 911A(2) of the Corporations Act.

9.5 NSX LISTING RULE APPROVALS

In accordance with the Listing Rules in a general meeting held on 31 December 2014, the Company obtained approval authorising the issue of Shares and Options under this Prospectus.

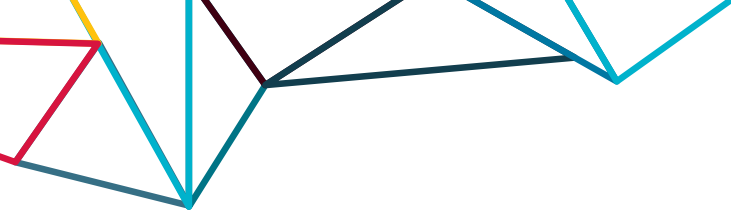
9.6 DIVIDEND RE-INVESTMENT PLAN (DRP)

The Company has a DRP which allows Shareholders to invest all or part of any dividend paid on their Shares in additional Shares instead of receiving the dividend in cash. Participation in the DRP is entirely optional.

As at the date of this Prospectus the DRP is administered with DRP Rules which have been determined by the Board. A summary of the DRP is

set out below. Shareholders who wish to participate in the DRP are advised to read the Company's DRP Rules in full before deciding whether to participate in the plan.

1. **Participation** – Participation is optional and subject to the DRP Rules. Any Shareholder having a registered address in a country other than Australia is not permitted to participate.
2. **Degree of participation** – a participant in the DRP may do so in respect of all or part of his/her Shares. If a Shareholder wishes all or part of his/her Shares to become DRP Shares he/she must lodge a duly completed and executed DRP Notice with an election specifying either full participation or the number of Shares to become DRP Shares.
3. **Operation of DRP** – The Directors, in their absolute discretion, will determine whether to issue new Shares, or to cause the transfer of Shares to a participant, or to apply a combination of both options to satisfy the Company's obligations under the DRP Rules. The Company will, in respect of each dividend payable to a participant:
 - (a) determine the amount of that dividend payable in respect of the participant's shares;
 - (b) determine (where applicable) any deductions (including Australian withholding tax) in respect of the dividend;
 - (c) determine the maximum whole number of Shares which can be acquired dividing the dividend amount payable (after any deductions) by the market price of the Shares, rounded down to the nearest whole Share;
 - (d) issue or cause the transfer of that number of Shares to the participant;
 - (e) carry forward any residual cash balance to the participant's account for the next dividend. (No interest will accrue or be paid in respect of any residual balances.); and,
 - (f) forward to each participant a statement detailing (among other things) the number



of DRP Shares held, amount of the last dividend paid in respect of those Shares, the issue or transfer price; the participant's total Shareholding after issue or transfer; and any residual cash balance.

4. **Issues and Transfers** – Shares issued under the DRP will rank equally with other Shares and be registered on a register chosen by the Company where the participant already holds Shares. Shares transferred under the DRP will be registered in the participant's name on the register where the participant already holds Shares.
5. **Costs to participants** – No brokerage, commission, stamp duty or other transaction costs will be payable by participants in respect of any issue or transfer of Shares under the DRP.
6. **Termination of participation** – A participant may, at any time, terminate his/her participation in the DRP by lodging a duly completed and signed DRP Notice.
7. **Quotation of Shares** – the Company will apply to the NSX for official quotation of any Shares issued under the DRP as soon as practicable, if other Shares are quoted at that time.

9.7 LEGAL PROCEEDINGS

During the 12 months prior to the date of this Prospectus, the Company was not, and currently is not, involved in any legal proceedings or other forms of dispute resolution which have had a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

9.8 CONSENTS AND DISCLAIMERS

Each of the parties who are named below:

- (a) has not made any statement that is included in this Prospectus, or any statement on which a statement is made in this Prospectus is based, other than as specified in this Section;
- (b) has not authorised or caused the issue of any part of this Prospectus;
- (c) makes no representations or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this Prospectus; and,

- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this Prospectus, other than as specified in this Section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by an investor as a result of this Prospectus being inaccurate or incomplete in any way or for any reason.

Authorised Intermediary

Capital and Finance Pty Limited (ACN 095 885 028; AFSL 269868) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Authorised Intermediary in the form and context in which it is named and for the inclusion of its Financial Services Guide in Section 10 in the form and context in which it is included.

Legal Advisor

Deutsch Miller Pty Limited (ACN 137 052 638) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the legal advisers to the Offer, in the form and context in which it is named.

Fund Administrator

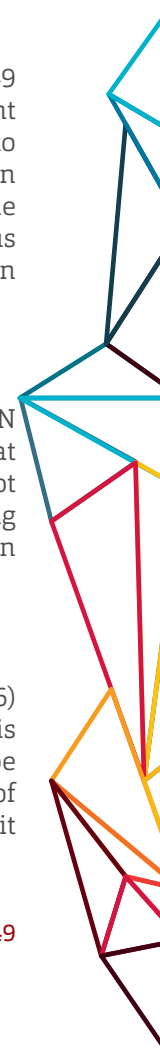
Apex Fund Services (Australia) Pty Limited (ACN 149 408 702) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as the Company's fund administrator in connection with the Offer and to the inclusion of the Manager's historical information in this Prospectus in the form and context in which it appears in Section 4.

Investigating Accountants

Stantons International Securities Pty Limited (ABN 42 128 908 289; AFSL 448697) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to the inclusion of its Investing Accountant's Report in the form and context in which it appears in Section 5.

Share Registry

Boardroom Pty Limited (ABN 14 003 209 836) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Share Registry of the Company in the form and context in which it appears.





Nominated Advisor

Whittens & McKeough Pty Limited (ACN 147 418 942) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Nominated Advisor of the Company in the form and context in which it appears.

Manager

Kaizen Capital Pty Limited (ACN 137 114 160) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Manager and to the inclusion in this Prospectus of the statements by it, or statements based on statements made by it in connection with its business, investment philosophy and strategy, its opinions, beliefs and investment results, in the form and context in which they appear in this Prospectus.

Auditor

Stantons International Audit and Consulting Pty Ltd (ABN 84 144 581 519) has given and, as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Auditor of the Company in the form and context in which it appears.

9.9 INVESTOR CONSIDERATIONS

Before deciding to subscribe for Shares and Options, Applicants should consider whether they are a suitable investor.

There are general risks associated with any listed investment. The value of the Shares can go up or down due to circumstances affecting the stock market generally or any company in particular, or because of other factors beyond the control of the Company. Similarly, the level of dividends paid in respect of the Shares can go down as well as up. Shares should generally not be considered a short-term investment.

There may be tax implications arising from the Application for Shares, the receipt of dividends (either franked and unfranked) from the Company, participation in the dividend re-investment plan, participation in any on-market share buy-back, or the disposal of shares or options. Applicants should carefully consider these taxation implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

If Applicants are in doubt as to whether they should subscribe for Shares, they should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

10 CAPITAL AND FINANCE PTY LIMITED'S FINANCIAL SERVICES GUIDE

Please see Capital and Finance Pty Limited's Financial Services Guide below.



Capital and Finance

FINANCIAL SERVICES GUIDE

Capital and Finance Pty Ltd
Australian Financial Services Licence Number: 269868
ABN: 53 095 885 028
Address: 29 Australia Street, Camperdown NSW 2050
Postal: PO Box 246, Camperdown NSW 1450
Telephone: 02 9029 6511
Facsimile: 02 8355 3666
Email: info@capitalandfinance.com.au

Before seeking our advice, you probably have a number of questions you would like to ask about us. You have the right to ask about our charges, the type of advice we will give and what you can do if you have a complaint about our services. If you have any questions about the contents of this document, please ask us for clarification. This Financial Services Guide is issued by your Adviser, with the authority of Capital and Finance. You should also be aware that you are entitled to receive a Statement of Advice (SoA) whenever we provide you with any advice which takes into account your objectives, financial situations and or needs. The SoA will contain the advice, the basis on which it is given and information about fees, commissions and associations which may have influenced the provision of the advice.

If further advice is furnished, or when no financial product is recommended, a Record of Advice (RoA) may be provided to you instead of an SoA. You have the right to request a copy of the RoA (if you have not previously received a copy) within 7 years of that further advice being given.

We may, in our general communications and marketing materials, provide you with general advice that is not designed to address your specific needs and objectives. It is up to you to decide whether these are appropriate for you.

In the event we make a recommendation to acquire a particular financial product (other than securities) or offer to issue or arrange the issue of a financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

BEFORE YOU GET OUR ADVICE

Who is my adviser?

An Adviser Profile, which is attached, forms part of this FSG. This profile provides details about your Adviser and should be used in conjunction with this FSG.

Who does the adviser act for when providing financial services to me?

Your Adviser will be acting for you on behalf of Capital and Finance and is authorised to distribute this FSG.

What advisory services are available to me?

- Retirement planning strategies

- Wealth creation
- Superannuation strategies
- Self-managed superannuation advice
- Salary packaging
- Personal and business insurance services
- Gearing strategies
- Securities and derivatives
- Social security advice
- Foreign exchange
- Advanced strategic estate planning and succession strategies (personal and business)

In addition, your Adviser is able to offer you an on-going review service for your investment portfolio or life insurance program.

We provide financial product advice for the following financial products:

- Deposit and payment products, including basic deposit products, deposit products other than basic deposit products and non-cash payment products
- Derivatives
- Foreign exchange contracts
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Risk insurance products, including life, trauma, income protection and total and permanent disability insurance
- Retirement savings accounts
- Securities
- Superannuation
- Managed investments

We will only recommend a financial product to you after considering its suitability for your individual needs, objectives and financial situation. The products we recommend are selected from our approved list of products and they have been researched by external experts.

How will I pay for the service?

Initial & On-going Commissions and Fees

The initial commission for investment type financial products can range between 0% and 10%, while ongoing commissions may range between 0% and 2%. For example, for an investment of \$10,000 in a managed investment paying 4% initial commission and 1% on-going commission, the upfront commission would be \$400 and the on-going commission \$100 per year.

The upfront commission for risk insurance financial products can range between 0% and 140% depending on the product provider, while on-going commission may range between 0% and 40%. For example, on an insurance premium of \$1,000 paying 100% initial commission and 10% on-going commission, the upfront commission would be \$1,000 and the on-going commission \$100 per year.

Or

Fee for Service

If a fee for service is payable rather than commission, the hourly fee rate is from \$110 to \$440 per hour (inclusive of GST) depending on the scope of the work; however this is disclosed to you before you decide to proceed.

You may also be charged a Statement of Advice preparation fee. This can range between \$0 and \$8,800 (inclusive of GST) depending on the complexity and the time spent. Any fee for service must be paid within seven (7) days of the date of the tax invoice being issued to you.

Do Any Relationships Exist With Product Providers Which May Influence The Advice Being Given?

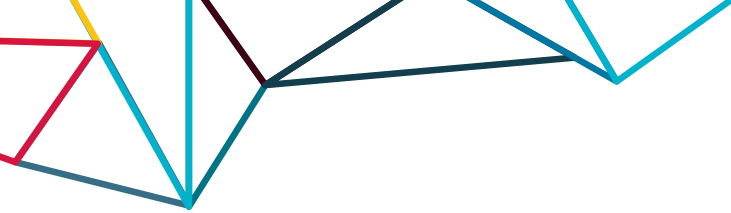
Neither your Adviser nor the Licensee have any association or relationship with the issuers of financial products that might reasonably be expected to be capable of influencing them in the provision of financial services.

WHEN YOU GET OUR ADVICE

Do I get detailed information about actual commissions and other benefits my adviser gets from making the recommendations?

Yes. You have the right to know about details of commissions and or other benefits your Adviser receives for recommending investments. We will provide this information to you when we make specific recommendations in the Statement of Advice or Record of Advice.

Will you give me advice that is suitable to my needs objectives and financial circumstances?



Yes. However, to do so we need to find out your individual objectives, financial situation and needs before we recommend any financial product to you. You have the right not to divulge this information to us, if you do not wish to do so. In that case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

What should I know about any risks of the investments or investment strategies recommended to me?

We will explain to you any significant risks of investments and strategies that we recommend to you. If we do not do so to your requirements, you should ask us for further clarification.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile that includes details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to examine your file, you should ask us and we will make arrangements for you to do so.

We are committed to implementing and promoting a Privacy Policy which will ensure the privacy and security of your personal information. A copy of our Privacy Policy is available for your information on our website at <http://capitalandfinance.com.au/privacy-policy/>

Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions, for example by telephone, email, fax or other means. In all cases we must receive a written confirmation of these instructions.

IF YOU HAVE ANY COMPLAINTS

Who can I speak to if I have a complaint about the advisory service?

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

Contact Compliance Manager at Capital and Finance Pty Ltd on 02 9029 6511 about your complaint.

We will try and resolve your complaint quickly and fairly.


If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service (FOS) on 1300 780 808 or by post at GPO Box 3, Melbourne, Vic. 3001. We are a member of FOS' complaints resolution service. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

PROFESSIONAL INDEMNITY INSURANCE

We hold Professional Indemnity Insurance cover for the activities conducted under our AFS licence. The limit of the indemnity is \$4 million for any one claim and in the aggregate for all claims arising out of our AFS licence activities. The insurance will cover claims made in relation to the conduct of authorised representatives, representatives and employees of the Licensee who no longer work for the Licensee (but who did at the time of the relevant conduct). We believe that our Professional Indemnity Insurance cover satisfies the requirements of s.912B of the Corporations Act.

11 GLOSSARY

TERM	MEANING IN THIS PROSPECTUS
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services Licence
Applicant	A person who submits an Application for Shares and Options under this Prospectus
Application	An application to subscribe for Shares and Options under this Prospectus
Application Form	An application form in the format included in this Prospectus (either a General Offer Application Form or a Broker Firm Application Form)
Application Monies	The amount paid by an investor under the terms of this Prospectus being the relevant issue price multiplied by the number of Shares (and Options) applied for
Associate	Has the meaning given by Division 2 of the Corporations Act
ASIC	Australian Securities and Investments Commission
Authorised Intermediary	Capital and Finance Pty Limited (ACN 095 885 028; AFSL 269868)
CHESS	Clearing House Electronic Sub-register System
Closing Date	The date by which valid Applications must be received by the Share Registry being 20 February 2015 or such other date as may be notified by the Company
Company	Kaizen Global Investments Limited ACN 602 033 670
Constitution	The Constitution of the Company as amended from time-to-time
Corporations Act	Corporations Act 2001 (Cth) as amended from time-to-time
Derivatives	An arrangement or product (such as a future, option, or warrant) whose value derives from and is dependent on the value of an underlying asset, such as a commodity, currency, or security
Directors or Board	The directors or board of directors, of the Company
Dividend Reinvestment Plan	The dividend reinvestment plan as detailed in Section 9.6 of this Prospectus
GST	Australian Goods and Services Tax
Investment Portfolio	Those investments held by the Company from time-to-time which reflect the Company's medium to long-term investment philosophy as set out in Section 3 of this Prospectus, and may also include short-term investments
Issue	The issue of Shares and Options in accordance with this Prospectus
LIC	Listed investment company
Listing Rules	The official listing rules of the NSX
Investment Management Agreement or IMA	The agreement between the Company and the Manager
Management Fee	The management fee(s) payable to the Manager by the Company pursuant to



	the terms of the IMA
Manager	Kaizen Capital Pty Limited (ACN 137 114 160; AFSL 341988)
NAV, Net Asset Value	The value of the company's assets minus its liabilities
NTA, Net Tangible Assets	The value of the company's assets minus its liabilities
NSX	National Stock Exchange of Australia Limited ABN 11 000 902 063 (formerly the Stock Exchange of Newcastle Limited)
Offer	The offer detailed in this Prospectus of Shares (together with one Option to acquire one Share for every one Share issued for nil consideration) to raise a minimum of \$2,000,000 and up to an aggregate of \$20,000,000
Official List	The official list on the NSX
Opening Date	The date of issue of this Prospectus, expected to be 21 January 2015
Option	An option to acquire by way of issue on Share
Optionholder	A person registered from time-to-time on the Company's register of Options as a holder of one or more Options
Performance Fee	The performance fee payable to the Manager by the Company pursuant to the terms of the IMA
Permitted Investments	Those investments set out in Section 3 of this Prospectus
Portfolio	The portfolio of investments of the Company from time-to-time consisting of the Investment Portfolio and cash
Portfolio Market Value	The sum of the market value of the assets in the Portfolio
Prospectus	This document (including in electronic format), and any supplementary or replacement prospectus in relation to this document
Security/Securities	Has the same meaning as in section 92 of the Corporations Act
Share	A fully paid ordinary share in the capital of the Company
Share Registry	Boardroom Pty Limited (ABN 14 003 209 836)
Shareholder	A person registered from time-to-time on the Company's register of Shares as a holder of one or more Shares
Wholesale Investor	An investor who is not a retail client under section 761G or 761GA of the Corporations Act

This Prospectus has been approved by unanimous resolution of the Directors of the Company.

Dated: 21 January 2015



CONNOR GRINDLAY
Managing Director

APPENDIX

OPTION TERMS AND CONDITIONS

1. Defined Terms

Unless otherwise defined, capitalised terms used in this Annexure have the meanings given to them in the Glossary to the Prospectus.

2. Entitlement

Each Option entitles the Optionholder, on exercise of the Option, to subscribe for one fully paid ordinary share in the capital of the Company.

3. Issue price

No amount is payable on issue of the Options.

4. Exercise price

Subject to adjustments in accordance with clause 11, each Option has an exercise price of \$1.00 (Exercise Price).

5. Option period

Each Option may be exercised at any time prior to the expiry date of the Option by delivering to the Company a notice of exercise (in a form approved or provided to the Optionholder by the Company at the time of the grant of the Option or otherwise), accompanied by payment of the Exercise Price.

6. Expiry date of the Option

Unless exercised, the Option expires at 5:00 pm (AEST) on the date being 12 months from the date of allotment of the Options, which is currently anticipated to occur on or about 27 February 2015.

7. Dividends

The Options do not confer any rights to dividends.

8. No voting rights

The Options will confer the right to attend general meetings of the Company and to receive reports to shareholders, but will not confer any right to vote or speak at any meeting.

9. Transfer

Each Option may be freely transferred at any time, in accordance with the Corporations Act and the Listing Rules.

10. Holding Statement

The Company must give, or cause to be given, to each Optionholder either an issuer sponsored or CHES holding statement that sets out:

- (a) the number of Options issued to the Optionholder
- (b) the Exercise Price of the Options; and,
- (c) the date of issue of the Options.

11. Participation rights, bonus issues, rights issues and reorganisations

11.1 Participation

An Option holder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.


11.2 Notice of new issue

The Company must give an Optionholder, in accordance with the Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under clause 11.1; and
- (b) the right to exercise their Options under clause 11.1.

11.3 Bonus issues

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Optionholder would



have received if the Optionholder has exercised the Option before the record date for determining entitlements to the issue.

11.4 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option is reduced in accordance with the Listing Rules.

11.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of Options to which each Optionholder is entitled and/or the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation.

11.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 11 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

11.7 Notice of change

The Company must, within a reasonable period, give each Optionholder notice of any change under clause 11 to the Exercise Price of any Options held by an Optionholder or the number of Shares which the Optionholder is entitled to subscribe for on exercise of an Option.

12. Method of exercise of Options

12.1 Method and payment

To exercise Options, the Optionholder must give the Company or its Share Registry, at the same time:

- (a) a written exercise notice (in the form approved by the Board of the Company from time to time) (Exercise Notice) specifying the number of Options being exercised and Shares to be issued; and
- (b) payment of the Exercise Price for the Shares the subject of the exercise notice by the way of bank cheque or by other means of payment approved by the Company.

12.2 Exercise all or some Options

- (a) An Optionholder may only exercise Options in multiples of 500 unless the Optionholder exercises all Options held by the Optionholder.
- (b) Options will be deemed to have been exercised on the last day of the month in which the application is lodged with the Company. In the event the application for an exercise of Options is received after February 2016, the Options will be deemed to have been exercised on the Expiry Date.

12.3 Amended Option holding statement

If an Optionholder exercises less than the total number of Options registered in the Optionholder's name, the Company must give the Optionholder an amended CHES issuer sponsored holding statement stating the remaining Options held by the Optionholder.

12.4 Issue of Shares

After receiving an application for exercise of Options and payment by an Optionholder of the Exercise Price, the Company must, within 15 Business Days after the deemed exercise date, set out in clause 12.2(b), issue the Optionholder the number of fully paid ordinary shares in the capital of the Company specified in the application.

13. Ranking of Shares issued on exercise of Options

Subject to the Constitution, all Shares issued on the exercise of Options rank in all respects *pari passu* with the existing ordinary shares of the Company at the date of issue and only carry an entitlement to receive dividends that have a record date after the Shares were issued.

14. Quotation

Subject to the terms set out in the Prospectus and Listing Rules, the Company will apply to NSX for official quotation of:

- (a) the Options; and
- (b) the Shares issued on the exercise of the Options (unless at the time of exercise, it is not admitted to the official list of NSX).

15. Duties and Taxes

The Company is not responsible for any duties or taxes that may become payable in connection with the issue of Shares following exercise of, or in connection with any other dealing with, the Options.



16. Notices

- (a) All notices, requests and statements given or made under these terms must be in writing.
- (b) The Company must send any notice, request or other document relating to the Options to be sent to an Optionholder under these terms to the Optionholder's registered address as recorded in the Company's register of Optionholders.
- (c) An Optionholder must send any notice, request or other document relating to the Options to be sent to the Company under these terms to the Company's registered office or as the Company otherwise specifies by notice to the Optionholder.
- (d) At any time, an Optionholder may request the Company to give the Optionholder a blank Exercise Notice. The Company must give the Optionholder a blank Exercise Notice promptly on receiving the request.

17. Governing Law

These terms and the rights and obligations of Optionholders are governed by the laws of New South Wales. Each Optionholder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

GENERAL OFFER APPLICATION FORM



This is an Application Form for Shares and Options in Kaizen Global Investments Limited (**Company**) on the terms set out in the replacement Prospectus dated 21 January 2015. Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 5,000 Shares and multiples of 500 Shares thereafter. This Application Form and your cheque or bank draft must be received by **5.00pm (AEST) on 20 February 2015**.

KAIZEN GLOBAL

Investments

ABN: 53 602 033 670

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The replacement Prospectus dated 21 January 2015 contains information relevant to a decision to invest in the Securities of the Company and you should read the entire Prospectus carefully before applying for Securities.

The Company's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the Company's website www.kaizenglobalinvestments.com.

To meet the requirements of the Corporations Act 2001 (Cth), this Application Form must not be distributed to another person unless included in, or accompanied by the replacement Prospectus dated 21 January 2015. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. The Company will send you a free paper copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy before the Prospectus expires on 5 February 2016.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A Number of Shares you are applying for <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Minimum of 5,000 Shares to be applied for and thereafter in multiples of 500 Shares</p>	B Total amount payable <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
--	--

x \$1.00 per Share =

	\$
--	----

C Write the name(s) you wish to register the Securities in (see reverse for instructions)
 Applicant #1
 Name of Applicant #2 or <Account Designation>
 Name of Applicant #3 or <Account Designation>

D Write your postal address here
 Number/Street
 Suburb/Town State Postcode

E CHESS participant – Holder Identification Number (HIN)

Important please note if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your Application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category
 Applicant #1 Applicant #2
 Applicant #3

G Cheque payment details – PIN CHEQUE(S) HERE Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque Amount A\$

H Contact telephone number (daytime/work/mobile)

I Email address

DECLARATION

By submitting this Application Form with your Application Amount, I/we declare that I/we:

- ▶ have read the prospectus in full;
- ▶ have read the Privacy Policy (available at www.kaizenglobalinvestments.com in full);
- ▶ have received a copy of the electronic Prospectus or a print out of it;
- ▶ have completed this Application Form in accordance with the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate;
- ▶ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Privacy Policy (available at www.kaizenglobalinvestments.com);
- ▶ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company and have provided that individual with a copy of, or details as to where to obtain, the Privacy Policy;
- ▶ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ▶ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ▶ acknowledge that my/our application may be rejected by the Company in consultation with the Authorised Intermediary in its absolute discretion;
- ▶ authorise the Authorised Intermediary and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Securities to be allocated to me/us;
- ▶ am/are over 18 years of age;
- ▶ agree to be bound by the constitution of the Company;
- ▶ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Securities, nor do they guarantee the repayment of capital;
- ▶ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ▶ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Securities may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Securities or the Offer.

GUIDE TO THE GENERAL OFFER APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A If applying for Shares insert the number of Share for which you wish to subscribe at Item A (not less than 5,000 Shares and then in multiples of 500 Shares). Multiply by A\$1.00 to calculate the total Application Amount for Shares and enter the A\$amount at Item B.
- C Write your full name. Initials are not acceptable for first names.
- D Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHESS account exactly.
- F Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G Complete cheque details as requested. Make your cheque payable to Kaizen Global Investments Limited – SHARE OFFER. Cross it and mark it 'Note negotiable'. Cheques must be in Australian currency, and cheques must be drawn on an Australian financial institution.
- H Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- I Enter your email address so we may contact you regarding your Application Form or Application Amount or other correspondence.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:
Kaizen Global Investments Limited
C/-Boardroom Pty Limited, GPO Box 3993

SYDNEY NSW 2001 Delivery address:
Kaizen Global Investments Limited
C/-Boardroom Pty Limited, Level 7, 207 Kent Street
SYDNEY NSW 2000

The Offer closes at 5.00pm (AEST) 20 February 2015

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and + 61 2 9290 9600 outside Australia.

DECLARATION

By submitting this Broker Application Form with your Application Amount, I/we declare that I/we:

- ▶ have read the Prospectus in full;
- ▶ have received a copy of the electronic Prospectus or a print out of it;
- ▶ have this Broker Firm Application Form in accordance with the Prospectus and the instructions on the reverse of the Broker Firm Application Form and declare that all details and statements made by me/us are complete and accurate;
- ▶ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Privacy Section of the Prospectus;
- ▶ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ▶ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ▶ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ▶ acknowledge that my/our application may be rejected by the in its absolute discretion;
- ▶ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;
- ▶ am/are over 18 years of age;
- ▶ agree to be bound by the constitution of the Company;
- ▶ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;
- ▶ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ▶ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer.

GUIDE TO THE BROKER FIRM APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 5,000 Shares and then in multiples of 500 Shares). Multiply by A\$1.00 to calculate the total Application Amount for Shares and enter the A\$amount at Item B.
- C Write your full name. Initials are not acceptable for first names.
- D Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E If you are sponsored in CHES by a stockbroker or other CHES participant you may enter your CHES HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHES account exactly.
- F Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G Complete cheque details as requested. Please make your cheque payable in accordance with their instructions.
- H A tick in this box confirms that the retail client(s) has consented to and authorized the Company to pay the Service Fee to their Broker whose code appears on this Broker Firm Application Form. The Broker may or pay a percentage of the service fee to the Retail client's advisor (or individual broker) whose code appears on this Broker Firm Application Form.

Note: If a satisfactory form of consent is not provided, the service fee will be returned to the Company and will not be paid to your Broker.

- I Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- J Enter your email address so we may contact you regarding your Application Form or Application Amount or other correspondence..

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
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Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Broker Firm Application Forms must be completed in accordance with instructions given to you by your Broker. Applicants under the Broker Firm Offer must not send their application form to the Share Registry. If you are applying for Shares under the Broker Firm Offer, you should arrange for your Broker Firm Application Form to be lodged with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Application Form.

Retail Applicants under the Broker Firm Offer can consent to and authorise the payment of a one off Service Fee to their Broker. Institutional Applicants under the Broker Firm Offer consent to and authorise by completing their Broker Firm Application Form. Neither the Share Registry or the Company accepts any responsibility if you do not lodge the Broker Firm Application Form with the instructions given to you by your broker.

The Broker Firm Offer closes at 5.00pm (AEDT) 20 February 2015

It is not necessary to sign or otherwise execute the Broker Firm Application Form.

If you have any questions as to how to complete the Application Form, please contact your Broker or Boardroom Pty Limited on 1300 737 760 within Australia and + 61 2 9290 9600 outside Australia.



CORPORATE DIRECTORY

SHARE REGISTRY

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000
T: 1 300 737 760
F: 1 300 653 459
www.boardroomlimited.com.au

AUTHORISED INTERMEDIARY

Capital and Finance Pty Limited
29 Australian Street
Camperdown NSW 2050
T: 1 300 990 846
www.capitalandfinance.com.au

NOMINATED ADVISOR

Whittens & McKeough
5/137-139 Bathurst Street
Sydney NSW 2000
T: (02) 8072 1425
www.whittens.com.au

FUND ADMINISTRATOR

Apex Fund Services (Australia) Pty Ltd
Western House, Level 2
83 William Street
Melbourne VIC 3000
T: (03) 9670 8563
F: (03) 8648 6885
www.apexfundservices.com

INVESTIGATING ACCOUNTANTS

Stantons International Securities Pty Limited
Level 2, 1 Walker Avenue
West Perth WA 6005
T: (08) 9481 3188
F: (08) 9321 1204
www.stantons.com.au

LEGAL ADVISERS

Deutsch Miller
Level 9, 53 Martin Place
Sydney NSW 2000
T: (02) 9210 7777
www.deutschmiller.com

AUDITOR

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005
T: (08) 9481 3188
F: (08) 9321 1204

DIRECTORS

Connor Grindlay
Simon Winfield
Andre Edmunds

COMPANY SECRETARY

Lisa Grindlay

REGISTERED OFFICE

Suite 409, 350 George Street
Sydney NSW 2000
T: 02 790 30007
www.kaizenglobalinvestments.com

NOTES

[illegible]





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Sydney NSW 2000
T: 02 790 30007
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