



Bailador Technology Investments Limited

ACN 601 048 275

PROSPECTUS

An offer of ordinary shares to raise a minimum of \$25 million and up to \$40 million (excluding any Sell-Down Proceeds), together with one option to acquire one ordinary share for every one ordinary share allotted. This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Securities being offered under this Prospectus, or any matter relating to an investment in the Company.

Manager:

Bailador Investment Management Pty Ltd ACN 143 060 511

Authorised intermediary:

Ord Minnett Limited (AFSL 237 121)

Sole Lead Manager:

Ord Minnett Limited (AFSL 237 121)

Co-Managers:

BBY Limited

Forsyth Barr Limited (CN 150 925)

Legal Adviser:

Talbot Sayer Lawyers

Investigating Accountant:

Hall Chadwick

Sole Lead Manager:

ORD MINNETT

Co-Managers:



FORSYTH BARR

Important Notices

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

Bailador Technology Investments Limited (Company or Bailador) is a public company incorporated in Australia.

Offer

The Offer contained in this Prospectus is an invitation to acquire Shares in the Company, together with an entitlement to one Option for every one Share allotted under the Offer, with each Option being issued for nil consideration and being exercisable at \$1.00 on or before 31 March 2016. The Company reserves the right to accept subscriptions for Securities to raise up to an aggregate \$40 million (excluding any Sell-Down Proceeds). No Shares or Options will be issued unless the Minimum Subscription amount of \$25 million (excluding Sell-Down Proceeds) has been raised.

Lodgement and listing

The replacement Prospectus is dated 3 October 2014 and a copy of this replacement prospectus has been lodged with ASIC on that date. It replaces the original prospectus dated 26 September 2014 and lodged with ASIC on that date (**Original Prospectus**). This replacement Prospectus expires on 25 October 2015 (being 13 months after the date of the Original Prospectus). No Shares will be allotted or transferred on the basis of this Prospectus after the expiry date. The Company has applied to ASX for admission to the Official List and for official quotation of its Securities on ASX. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the Investment to which this Prospectus relates.

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

- inclusion in the Investment Overview of additional disclosure in relation to the fees payable to the Manager under the Management Agreement, including the inclusion of hypothetical worked examples, disclosure regarding the calculation of the value of the Company's Investment Portfolio, additional definitions, and disclosure of the potential dilutive effects to Shareholders should the Manager elect to receive Shares in lieu of full or part cash payment of the Manager's Performance Fees;
- inclusion in the Investment Overview of additional disclosure in relation to the potential quantum of fees payable to the Lead Manager under the Offer Management Agreement; and
- inclusion in the Investment Overview of additional disclosure on the valuation risks for the valuations attributed to the Foundation Portfolio.

This Prospectus provides information for investors to decide if they wish to invest in the Company. You should read this document in its entirety. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares or Options offered under this Prospectus. Examine the assumptions underlying the Financial Information and the risk factors that could affect the financial performance of the Company. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer is not financial product advice and does not take into account the investment objectives, financial situation or needs of particular investors. The Company is not licensed to provide financial product advice in respect of Securities or other financial products. No cooling-off regime (whether provided by law or otherwise) applies in respect of the acquisition of Shares or Options under this Prospectus.

Information about the Company and the Manager

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

Disclaimer

No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with 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, the Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. Neither the Company, the Manager nor any person associated with the Company, the Manager or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under this Prospectus, the repayment of capital or the payment of dividends on the Shares.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'forecasts', 'guidance', 'goal', 'intend', 'may', 'objective', 'outlook', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions.

These forward-looking statements are provided as a general guide only and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Sections 1, 3 and 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act.

Accordingly, the Offer will be made pursuant to an arrangement between the Company and Ord Minnett Limited (AFSL 237 121), the Authorised Intermediary, as the holder of an Australian Financial Services Licence 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 Securities under the Prospectus and the Company will only issue the Securities in accordance with those offers and no others.

Ord Minnett (AFSL 237 121) (the Lead Manager) will manage the Offer on behalf of the Company.

The Lead Manager's functions should not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Lead Manager does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. Neither the Lead Manager nor any other licensee is responsible for, or has caused the issue of, this Prospectus.

Australian and New Zealand residents

The Offer is available to Australian and New Zealand residents in each state and territory of Australia and each provincial district of New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and may constitute a violation of applicable securities laws. Seek advice on and observe any restrictions. This Prospectus is not an Offer in any place where, or to any person to whom, it would not be lawful to make the Offer. The Company is entitled to refuse an application for Securities under this Prospectus if it believes that Applicant received the Offer outside Australia in non-compliance with the laws of the relevant foreign jurisdiction.

Notice to New Zealand residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act and Corporation Regulations 2001* (Cth). In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition of Securities Offerings-Australia) Regulations 2008*.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act and Corporation Regulations 2001* (Cth) (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Securities is not New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between the Australian dollar and the New Zealand dollar. These changes may be significant.

If you need to convert any amount paid in respect of the Securities to New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the Securities are able to be traded on a securities market and you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell the Securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

A copy of this Prospectus and other documents relating to the Offer have been, or will be, lodged with the New Zealand Companies Office under the mutual recognition regime.

While the Offer is being extended to New Zealand investors under the mutual recognition regime, no application for listing and quotation is being made to NZX Limited.

Notice to Hong Kong residents

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute a prospectus (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) (CO) or notice, circular, brochure or advertisement offering any shares to the public in Hong Kong for subscription or purchase, or calculated to invite such offers by the public to subscribe for, or purchase, any Securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to, persons who are "professional investors" as defined in the SFO and any rules made thereunder, or in other circumstances which do not result in this Prospectus being a "prospectus", as defined in the CO, or which do not constitute an offer to the public within the meaning of the CO; and no person may issue or have in its possession for the purposes of issue, this Prospectus or any invitation or document relating to the Securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

This Prospectus is for the exclusive use of the person to whom it is addressed (the recipient) in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Prospectus in Hong Kong. This Prospectus must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

Notice to Singapore residents

The offer or invitation which is the subject of this prospectus is only allowed to be made to certain categories of investors and not the retail public in Singapore. This is not, however, a prospectus as defined in the Securities and Futures Act (chapter 289) of Singapore (SFA). Accordingly, statutory liability under the SFA in relation to the content of the prospectus would not apply. You should consider carefully whether the investment is suitable for you. Please refer to section 14.16.3 for further information.

Notice to United States residents

The Securities being offered pursuant to this Prospectus have not been registered under the United

States Securities Act of 1933, as amended (the 'US Securities Act') or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving these Securities may not be conducted unless in compliance with the US Securities Act.

Electronic prospectus

This Prospectus is available electronically at www.bailador.com.au. Information on www.bailador.com.au does not form part of this Prospectus. Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia, or any jurisdiction outside Australia where the distribution of the electronic version of this Prospectus is not restricted by law. The Application Form attached to the electronic version of this Prospectus must be used within Australia. Electronic versions of this Prospectus should be downloaded and read in their entirety. You may obtain a paper copy of the Prospectus (free of charge) by calling the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm AEST. Applications for Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.bailador.com.au. Applicants may apply online for the Securities at www.bailador.com.au. Any Applicant applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker). The Corporations Act prohibits any person from passing the Application Form to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. If the Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications

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

Exposure period

Under the Corporations Act, the Company must not process Application Forms during the seven day period after the date of lodgement of the Original Prospectus with ASIC. This period may be extended by ASIC for up to a further seven days. This exposure period enables the Prospectus to be examined by market participants. 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 deficiency, and give each Applicant the option to withdraw the Application within 1 month and be repaid the Application Monies; or
- issue to each Applicant the Securities applied for in the Application, provide each Applicant with a supplementary or replacement Prospectus that corrects the deficiency and give each Applicant the option to withdraw the Application within 1 month and be repaid the Application Monies.

Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

Privacy

By completing an Application Form or authorising a Broker to do so on your behalf, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications, and consent to the collection, storage, use and disclosure of that personal information in accordance with these terms. That personal information will be collected, held, used and disclosed both in and outside of Australia by the Company, and the Share Registry on its behalf, to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company/Share Registry 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 Securities you hold) to be included in the Company's Shareholder and Optionholder register, which will be accessible by the public. This information must continue to be included in the Company's public Shareholder and Optionholder register even if you cease to be a security holder.

The Company, and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed following or as otherwise authorised under the *Privacy Act 1988* (Cth): the Manager; the Share Registry for ongoing administration of the Company's public Shareholder and Optionholder register; printers and other companies for the purpose of preparation and distribution of documents and or handling mail; the Lead Manager in order to assess your Application; market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Securities and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Currency

Monetary amounts are expressed in Australian dollars. The Financial Information shown in this Prospectus is presented in Australian dollars.

Company website

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

Defined terms

Some terms used in this Prospectus are defined in the Glossary. All references to time in this Prospectus refer to Australian Eastern Standard Time unless stated otherwise.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

Important Dates

Lodgement of the Prospectus with ASIC	3 October 2014
Offer Opening Date	10 October 2014
Offer Closing Date	5 November 2014
Offer Shares Allotment Date	14 November 2014
Option Allotment Date	17 November 2014
Expected date for despatch of holding statements	18 November 2014
Trading of Securities commences on ASX (on a normal settlement basis)	19 November 2014
Exercise period for the Options	The period commencing on the first date of trading of the Options (19 November 2014) and ending on 31 March 2016

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. In particular, 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.

Key Offer Statistics

Company	Bailador Technology Investments Limited
Proposed ASX code	BTI: Shares BTIO: Options
Securities offered	Fully paid Shares with one Option for every one Share allotted
Issue Price per Offer Security	\$1.00
Exercise price per Option	\$1.00
Minimum number of Offer Securities available under the Offer (excluding Sell-Down Shares)	25,000,000 Shares 25,000,000 Options
Gross Offer proceeds (before exercise of any Options) based on the Minimum Subscription (excluding Sell-Down Proceeds)	\$25,000,000
Maximum number of Offer Securities available under the Offer (excluding Sell-Down Shares) ¹	40,000,000 Shares 40,000,000 Options
Gross Offer proceeds (before exercise of any Options) based on the Maximum Subscription (excluding Sell-Down Proceeds)	\$40,000,000
Sell-Down Shares	Up to 4,293,344
Exercise price per Option	\$1.00
Unaudited NAV backing per Share ² based on the Minimum Subscription being received	\$0.984
Unaudited NAV backing per Share ³ based on the Maximum Subscription being received	\$0.983
Number of Shares issued as consideration for the Foundation Portfolio Acquisitions	37,462,890 Shares
Market capitalisation at the Issue Price based on the Minimum Subscription	62,462,891
Market capitalisation at the Issue Price based on the Maximum Subscription	77,462,891

1. Calculated on the assumption the Maximum Subscription is raised.

2. Calculated before the exercise of any Options and assuming that 75% of the Minimum Subscription is raised from the Broker Firm Offer and 25% of the Minimum Subscription is raised from the General Offer (based on the unaudited statements of financial position set out in Section 10).

3. Calculated before the exercise of any Options and assuming that 75% of the Maximum Subscription is raised from the Broker Firm Offer and 25% of the Maximum Subscription is raised from the General Offer (based on the unaudited statements of financial position set out in Section 10).

Table of Contents

Letter from the Co-Founders	5
1 Investment overview	7
2 Details of the Offer	28
3 About the Company	34
4 Foundation Companies	41
5 Foundation Portfolio Acquisitions	49
6 Limited Assurance Report	52
7 About the Manager	55
8 Risk factors	59
9 Board and governance	64
10 Financial information	69
11 Investigating Accountant's Report	75
12 Taxation	82
13 Material agreements	86
14 Additional information	95
15 Glossary	105
Financial Services Guide	110

Letter from the Co-Founders

Dear Investor,

On behalf of the Board of Directors, it is our pleasure to invite you to become a security holder of Bailador Technology Investments Limited (**Company** or **Bailador**).

Bailador has been established to invest in Internet-related Businesses in Australia and New Zealand that require growth capital. The target businesses will typically have an enterprise valuation between \$10 million and \$200 million. In particular, the Company will focus on software, internet, mobile, data, online market-places and telecommunications-related businesses with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

The Company is seeking to raise a minimum of \$25 million and a maximum of \$40 million under the Offer (excluding Sell-Down Proceeds) (with free attaching Options on a one-for-one basis exercisable at an exercise price of \$1.00 per Share on or before 31 March 2016) and to obtain a listing on the ASX. For further information on the highlights of the Offer, please refer to Sections 1 and 2 of this Prospectus.

The Offer will provide investors with the opportunity to invest in an investment company whose portfolio will be managed by Bailador Investment Management Pty Ltd (**Manager**). The Manager's management team comprises David Kirk and Paul Wilson both of whom have successful track records and experience in investing in the technology sector. David and Paul founded the Manager in December 2010 with the primary aim of taking advantage of what they perceived as an underserved market in providing expansion capital to proven Internet-related Businesses in Australia and New Zealand. The Manager currently manages approximately \$35 million in closed end investment funds and has generated strong returns since inception. Please refer to Section 7.6 of this Prospectus for the historical performance of the Bailador Fund managed by the Manager.¹

Why focus on expansion capital in Internet-related Businesses?

The Directors believe that the information technology sector provides regular investment opportunities for meaningful value creation.

Internet-related technology is rapidly changing the industry landscape, giving rise to many new opportunities to develop innovative new businesses that provide completely new services or disrupt and replace traditional business models. In many cases incumbents are not able or willing to adopt the new emerging business models and so provide opportunities for smaller nimble operators to grow rapidly and take market share in established and new markets. There are many examples in Australia and New Zealand of information technology companies that have been successfully built on this changing paradigm.²

The Company intends to focus on established Internet-related Businesses primarily in Australia and New Zealand in the expansion/growth stage of development. The Company's investment criteria preclude investment in start-up businesses or biotechnology businesses.

The Directors believe exposure to information technology is an important part of many investment portfolios and that expansion/growth stage investing produces superior risk adjusted returns for investors compared to start-up or early stage investing. This is primarily due to the presence of characteristics such as a significant de-risking of technology, a more established customer base and associated revenue, proven management and more clearly identified growth opportunities at the expansion stage compared to early stage investing.

Investing at the expansion stage will allow investors to participate in the growth of these businesses globally as well as locally. Online lead generation, online and other low cost sales channels and cloud computing services now allow Australian and New Zealand founded businesses in the Internet-related technology sector to cost effectively acquire and serve customers globally.

Why invest in Bailador as a listed investment company?

There are a comparatively small number of listed technology companies on the ASX and NZX. These companies tend to be later stage and in some cases are quite mature businesses. Opportunities for expansion capital investment are virtually non-existent in a listed environment as companies operating at this stage tend not to be listed. The Directors believe that an investment in Bailador will allow investors to benefit from the Managers' experience and track record and gain investment exposure to expansion stage Internet-related Businesses they would otherwise have difficulty accessing.

¹ While the historical returns generated by the Bailador Fund managed by the Manager (which are unlisted unit trusts) are relevant to your investment decision on the basis that the Manager will be managing the Investment Portfolio, those returns should not be relied upon as an indication of the future performance of your investment in shares in the Company which will be a listed Australian public company and is structurally a different type of investment to a direct investment in the unlisted trust.

Additionally, while the Manager has determined that it will invest the funds raised under the Offer in accordance with the Investment Strategy, no determination has been made by the Manager in respect of the actual allocation of funds. Finally, the past performance of the Manager is not a reliable indicator of its future performance.

² Section 3.3.1 contains a number of examples of these businesses.

Letter from the Co-Founders (continued)

How is risk managed?

Investments made by Bailador will typically (but not in all instances) provide a level of capital structure and contractual protection superior to that available to investors in ordinary shares, thereby reducing risk. Thorough due diligence will be carried out before any investment is made and one or both of the Co-Founders will sit on the boards of each portfolio company. Bailador has reviewed nearly 300 investment opportunities in the information technology space, so is well positioned to understand the attractiveness of available opportunities.

What is the Foundation Portfolio and why has Bailador agreed to acquire it?

The Foundation Portfolio comprises securities in three unlisted companies (SiteMinder, Viocorp and SMI) which are currently held by Bailador Fund and managed by the Manager. The Company is also proposing to acquire convertible notes in Viocorp that are held by individual Viocorp Investors outside the Bailador Fund (**Viocorp Notes**). Subject to the Company being admitted to the ASX Official List, the Company has agreed to acquire the Foundation Portfolio by acquiring ownership of the Bailador Fund and the Viocorp Notes by issuing new Shares in the Company (**Foundation Shares**) as consideration for the acquisitions.

The Directors believe the prospects for growth and value creation in the Foundation Portfolio are good, and by participating in the Offer, investors will be able to participate in the future growth of these companies.

The Directors have engaged BDO Corporate Finance (QLD) Ltd (**BDO**) to provide a limited assurance report in respect of the Directors' valuation of the Foundation Portfolio. BDO has reported that nothing has come to their attention that causes them to believe that the fair values of the interests held in the Foundation Companies, as calculated by the Company and reported in the Prospectus, are not prepared in all material respects, in accordance with the measurement principles of the Australian Accounting Standards, particularly AASB 13 'Fair Value Measurement'. A copy of BDO's report is set out in Section 6.

Please refer to Sections 4 and 5 for more information on the Foundation Companies, the Foundation Portfolio Acquisitions and the valuation methodologies adopted by the Directors.

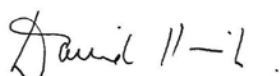
What is Bailador's future investment strategy?

In the short to medium term after the Offer, the Manager plans to identify and invest the Company's funds in additional Internet-related Businesses in line with the Company's investment strategy which is detailed in this Prospectus, in particular in Section 3.

We encourage you to read this Prospectus in full and carefully consider the information contained in it before making your investment decision. The Prospectus contains detailed information about the Company, the Offer Securities, the Foundation Portfolio and the risks associated with an investment in the Company (see Section 8 for details of key risks of investing in the Company). In addition, you should consider any investment in the Company as a long-term proposition (at least five years) and be aware that substantial fluctuations in the value of your investment may occur during that period and beyond.

We are excited about the long-term outlook for the Company and look forward to welcoming you as a member of the Company.

Yours faithfully,



David Kirk, MBE
Chairman



Paul Wilson
Director

1. Investment overview

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Offer Securities under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 What are the key highlights of the Offer?

Topic	Summary	For more information
What are the key highlights of the Offer?	<p>Taking up this Offer will allow investors, through the Company to:</p> <ul style="list-style-type: none">• gain investment exposure to businesses in the information technology sector, where the Manager will focus in particular on:<ul style="list-style-type: none">• businesses involved in software, internet, mobile, data, online marketplaces and telecommunications related businesses; and• disruptive business models emerging due to the changing industry landscape;• access investments in businesses at an expansion stage, an area of investment considered by the Manager to be characterised by:<ul style="list-style-type: none">• established revenue generation, business model and demonstrated management capabilities;• being a difficult stage for investors to access;• a typical investment size of \$2 million – \$20 million; and• a relative lack of expansion capital availability, creating favourable supply-demand balance for investors;• benefit from risk management practices typically employed by the Manager, including:<ul style="list-style-type: none">• liquidity preference through capital structure seniority or contractual rights;• contractual rights regarding minority protections and controls on business operations; and• contractual rights regarding investment realisation;• gain investment exposure to an established investment portfolio which:<ul style="list-style-type: none">• will comprise 48%-60% of total portfolio composition at the completion of the Offer;• already has previous investment and involvement from the Manager; and• is experiencing strong revenue growth; and• benefit from the experience and capabilities of the Manager, whose features include:<ul style="list-style-type: none">• strong investment returns following their current investment strategy;¹• active involvement including taking positions on the board of investee companies; and• an existing pipeline of potential investment opportunities in the information technology sector developed over the past three years.	Section 3 and 7

¹ While the historical returns generated by the Bailador Fund managed by the Manager (which are unlisted unit trusts) are relevant to your investment decision on the basis that the Manager will be managing the Investment Portfolio, those returns should not be relied upon as an indication of the future performance of your investment in shares in the Company which will be a listed Australian public company and is structurally a different type of investment to a direct investment in the an unlisted trust.

Additionally, while the Manager has determined that it will invest the funds raised under the Offer in accordance with the Investment Strategy, no determination has been made by the Manager in respect of the actual allocation of funds. Finally, the past performance of the Manager is not a reliable indicator of its future performance.

1. Investment overview (continued)

1.2 About the Company and the Manager

Topic	Summary	For more information
What is the business of Bailador?	<p>Bailador will be a listed investment company focused on investing in Internet-related Businesses that require expansion capital. Bailador targets investments of \$2 million to \$20 million in any one investment into companies with an enterprise valuation of between \$10 million and \$200 million. In particular, the Company will focus on software, internet, mobile, data, online market-places and telecommunications-related businesses with proven revenue generation and management capability, a demonstrated business model and expansion opportunities.</p> <p>Upon the completion of the Offer, Bailador will own the Foundation Portfolio and intends to invest in additional Internet-related Businesses in line with its investment strategy.</p> <p>The Company will provide investors with the opportunity to access an actively managed portfolio and gain exposure to the investment experience, expertise and track record of the Manager.</p>	Section 3
Who are the management team of Bailador?	<p>The Company has appointed the Manager to manage the Investment Portfolio and has entered into the Management Agreement.</p> <p>The management team comprises David Kirk and Paul Wilson who are both founders of the Manager and also directors of the Company. The Manager is a proprietary limited company owned by entities related to David Kirk and Paul Wilson.</p> <p>David Kirk has been chief executive of two ASX-listed companies, including diversified media company, Fairfax Media Limited, where he led a number of successful internet sector investments. David has a longstanding interest in internet and new media businesses and has been an early stage investor in a number of technology-based businesses since 1999. David is chairman of the Hoyts Group, chairman of the ASX-listed companies, Trade Me Group Limited and Kathmandu Holdings Limited, a director of Forsyth Barr Limited, a privately-owned New Zealand investment firm, and a director of each of SiteMinder, SMI and Viocorp.</p> <p>Paul Wilson has had extensive private equity investment experience as a Director of CHAMP Private Equity in Sydney and New York, and with MetLife in London. Before co-founding the Manager, Paul was executive director at media focused investment group, Illyria Pty Ltd. Paul is the chairman of SiteMinder and a director of Viocorp International, Yellow Pages (New Zealand), the Rajasthan Royals IPL cricket franchise, and ASX listed Vita Group Limited.</p> <p>The Manager was founded in 2010 and at the date of this Prospectus is the manager of the Bailador Fund, which holds the Foundation Portfolio (with the exception of the Viocorp Notes). Since its establishment, the Manager, through the Bailador Fund, has identified and invested in the Foundation Companies.</p>	Section 7

1. Investment overview (continued)

Topic	Summary	For more information
What is the track record of the Manager?	<p>The historical performance returns achieved since inception by the Bailador Fund which the Manager has been responsible for managing are set out in Section 7.</p> <p>While the historical returns generated by the Bailador Fund managed by the Manager (which are unlisted unit trusts) are relevant to your investment decision on the basis that the Manager will be managing the Investment Portfolio, those returns should not be relied upon as an indication of the future performance of your investment in shares in the Company which will be a listed Australian public company and is structurally a different type of investment to a direct investment in an unlisted trust.</p> <p>Additionally, while the Manager has determined that it will invest the funds raised under the Offer in accordance with the Investment Strategy, no determination has been made by the Manager in respect of the actual allocation of funds. Finally, the past performance of the Manager is not a reliable indicator of its future performance.</p> <p><i>Accordingly, the actual returns of the Company could differ materially from the historical returns of the Bailador Fund managed by the Manager.</i></p>	Section 7
What is the Company's Investment Strategy?	<p>In addition to acquiring the Foundation Portfolio, the Company's objective is to invest in and develop a portfolio of Internet-related Businesses comprising established businesses that require expansion capital and which the Company believes will provide strong growth and value creation opportunities.</p> <p>The Manager must invest the Company's funds in accordance with the following Investment Strategy:</p> <ul style="list-style-type: none">• the Manager will invest in, develop and manage a portfolio of investments in Internet-related Businesses which are at the expansion stage (as opposed to start-up) with a typical aggregate investment amount between \$2 million and \$20 million in any one portfolio company;• a single new investment by the Company cannot exceed 40% of the Portfolio NAV at the time of investment;• the Company may make follow-on investments in subsequent fund raising rounds of existing portfolio companies if assessed to be value creating for investors;• investments by the Company in publicly listed technology stocks and IPOs cannot exceed 15% of the Portfolio NAV at the time of investment excluding any investments in Portfolio companies that have achieved IPO exits and in which the Company has retained an interest;• the Company will primarily invest in businesses founded and headquartered in Australia and New Zealand, but may invest in businesses outside these jurisdictions when it is confident that the business has established a strong market position, is at an appropriate stage of development, has globally competitive technology and excellent management; and• the Company will invest in a range of securities according to circumstance, including but not limited to convertible preference shares, convertible notes, preferences shares, ordinary equity, warrants and debt-like instruments with or without conversion rights and/or security. <p>The Company's Investment Strategy is subject to a number of risks which are set out in detail in Section 8 of this Prospectus.</p>	Sections 3 and 7

1. Investment overview (continued)

Topic	Summary	For more information
What are the key features of investing through this investment structure?	<p>Taking up this Offer will allow investors, through the Company to:</p> <ul style="list-style-type: none">• secure exposure to a portfolio of investments in Internet-related Businesses, including the Foundation Portfolio;• access an investment manager with a strong track record investing in Internet-related Businesses;• gain, through the Manager, the opportunity to invest in unlisted Internet-related Businesses which have historically been difficult to access;• take advantage of higher liquidity than is typical for a direct investment in unlisted Internet-related Businesses, given the Company will be a listed public company;• be aligned with the Manager due to the Manager's absolute return Performance Fee structure;• enjoy the benefits of an investment strategy that focuses on the Manager's assessment of an asset's long term value, regardless of its benchmark weighting; and• have the benefit of oversight from a Board with strong experience in capital markets, corporate governance and investment.	
What is the time frame for Investment Portfolio construction?	<p>The Foundation Portfolio will comprise 48%-60% of total portfolio composition following completion of the Offer with the remaining in cash to be deployed in new investments.</p> <p>The Manager estimates that the Investment Portfolio will take approximately 15 months to fully construct and will most likely consist of between three and five investments in addition to the Foundation Portfolio.</p> <p>Excluding the Foundation Portfolio, the Manager has not (as at the date of this Prospectus) committed the Company to any investments (whether conditional or otherwise) but is in preliminary and confidential discussions with a number of potential investee companies regarding investment opportunities.</p> <p>As noted in Section 7.3 of this Prospectus, the Manager may participate in a further investment in Viocorp in December this year if the terms of such investment are determined by the Manager to be favourable. The amount of this possible investment is not yet known.</p> <p>Investment in the Company should be viewed as a long term proposition.</p>	Sections 7.3 and 8.3
What is the financial position of the Company?	<p>While the Company is yet to commence trading, an unaudited pro forma statement of financial position as at 31 August 2014 is set out in Section 10.</p>	Section 10
What are the key terms of the Management Agreement?	<p>For ease of reference key defined terms used in this Section are set out below.</p> <p>The Manager will be responsible for managing the Investment Portfolio in accordance with the Investment Strategy detailed in Section 3.</p> <p>The Manager has been appointed as the exclusive manager of the Investment Portfolio for the term of the Management Agreement.</p> <p>The Company has obtained ASX relief in respect of Listing Rule 15.16 (which limits the initial term of a manager of a listed investment company to 5 years) so that the Management Agreement provides for the appointment of the Manager for an initial term of 10 years (unless terminated earlier).</p>	Sections 3 and 13.1

1. Investment overview (continued)

Topic	Summary	For more information
-------	---------	----------------------

What are the key terms of the Management Agreement? (cont.)

The Management Agreement will be automatically extended after the Initial Term until it is terminated in accordance with its terms including termination:

- by the Manager providing three months' written notice; or
- automatically on the date which is three months after Shareholders resolve to terminate the agreement at a general meeting.

During the Initial Term, the Management Agreement can only be terminated where there is cause to do so, where both of Mr Kirk and Mr Wilson cease to be directors of the Manager or cease to be actively involved in the management of the Portfolio or where the Company's members have passed a resolution to voluntarily wind up the Company (further details are set out in Section 13.1). The Manager will be entitled to the Termination Fee (as that term is defined in Section 13.1) where the Company is voluntarily wound up by the Company's members during the Initial Term.

Fees payable to the Manager

The Company will pay the Manager a Management Fee of 1.75% p.a. (plus GST) of the Portfolio NAV, which is calculated and paid at the beginning of each quarter in advance. The Management Fee for a quarter will be adjusted and paid at the end of a quarter if the Portfolio NAV increases or decreases during a particular quarter.

Set out below are some worked examples of how the Management Fee would be calculated in different hypothetical scenarios. Please note that the hypothetical scenarios are not based on any forecasts or predictions and are provided for illustrative purposes only.

Quarter Opening Portfolio NAV \$	Quarter Closing Portfolio NAV \$	Quarter Average Portfolio NAV \$	Management Fee %pa	Quarter Management Fee Up Front ¹ \$	Quarter Management Fee Adjustment \$	Quarter Management Fee Total ² \$
-------------------------------------	-------------------------------------	-------------------------------------	-----------------------	--	---	---

Example 1 – Portfolio NAV increase in a quarter

75,000,000	76,000,000	75,500,000	1.75	328,125	2,188	330,313
------------	------------	------------	------	---------	-------	---------

Example 2 – Portfolio NAV decrease in a quarter

75,000,000	74,000,000	74,500,000	1.75	328,125	(2,188) ³	325,938
------------	------------	------------	------	---------	----------------------	---------

Notes

1 Quarter Management Fee Up Front is calculated on Quarter Opening Portfolio NAV

2 Quarter Management Fee Total is calculated on the average of Quarter Opening Portfolio NAV and Quarter Closing Portfolio NAV

3 Any negative Quarter Management Fee Adjustment will be deducted from the Upfront Management Fee for the following Quarter

The Manager will calculate the Value of the Portfolio on a monthly basis and promptly deliver such valuation and the relevant workings to the Company on a monthly basis to enable the Company to comply with its obligations under the Listing Rules. The Manager may request that the Company's auditor checks any valuation or valuation methodology used to calculate the Value of the Portfolio. The calculation of the Management Fees will be based on these monthly valuations.

1. Investment overview (continued)

Topic	Summary	For more information
-------	---------	----------------------

What are the key terms of the Management Agreement?
(cont.)

In addition, the Manager will be entitled to receive a Performance Fee from the Company equal to 17.5% (plus GST) per annum of the Investment Portfolio's gain each year (being the amount by which the Portfolio NAV at the end of a Financial Year exceeds or is less than the Portfolio NAV at the start of the Financial Year, subject to certain additions or reductions in equity during the relevant Financial Year resulting from actions which are set out in more detail in Section 13.1), subject to outperformance of the hurdle of 8.0% p.a. This Performance Fee will be accrued on an annual basis in arrears and will only be paid at times when proceeds received from realisation of Investments is available to the Company and will be paid in respect of the whole amount of the gain (not just the amount over the 8% hurdle). The Performance Fee can be fully or partially paid by the issue of Shares in the Company or in cash at the Manager's election.

Sections 3 and 13.1

If the Manager elects to have some or all of a Performance Fee paid in Shares it would lead to a dilution in your shareholding in the Company. However, in that circumstance the Company would not be required to pay the amount of cash to the Manager it would otherwise have been required to pay if the Manager had elected to take cash in payment of the Performance Fee.

Set out below are some worked examples of how the Performance Fee would be calculated in different hypothetical scenarios. Please note that the hypothetical scenarios are not based on any forecasts or predictions and are provided for illustrative purposes only. As explained in more detail in Section 13.1.9 of this Prospectus, Performance Fees will only be payable to the extent Realised Proceeds are available to pay the Performance Fees.

	Financial Year Opening Portfolio NAV \$	Financial Year Closing Portfolio NAV \$	Invest- ment Gain \$	Invest- ment Return ¹ %	Hurdle Return ¹ %	Hurdle Value \$	Perfor- mance Fee Accrued %	Performance Fee \$
Example 1 – Positive performance, but less than hurdle								
	75,000,000	80,000,000	5,000,000	6.7	8.0	81,000,000	No	–
Example 2 – Positive performance, above hurdle								
	75,000,000	90,000,000	15,000,000	20.0	8.0	81,000,000	17.50	2,625,000
Example 3 – Multiple years, Loss followed by positive performance, but less than compound hurdle								
Year 1	75,000,000	70,000,000	(5,000,000)	-6.7	8.0	81,000,000	No	–
Year 2	70,000,000	85,000,000	15,000,000	21.4	8.0	87,480,000 ²	No	–

Notes

1 Per annum and compound

2 Calculation of Hurdle Value: 75,000,000 x 1.08 (Year 1) x 1.08 (Year 2) = 87,480,000

1. Investment overview (continued)

Topic	Summary	For more information										
What are the key terms of the Management Agreement? (cont.)	<p>The Manager must calculate the Value of the Portfolio as at 30 June each year and promptly deliver such valuation and the relevant workings to the Company. The Company will review and finalise the Value of the Portfolio subject to a review by an Approved Valuer that may be appointed by the Company in its discretion. If undertaken the review is to be completed by 15 August in the relevant year and published by the Company. The Performance Fees will be calculated based on these annual Company valuations.</p> <p>The Company will be required to fund transaction costs and other expenses incurred by the Manager in respect of the Investment Portfolio but will not be required to fund the Manager’s in-house administration costs in the nature of rent for the Manager’s premises, computer charges, salaries, research costs and like expenses.</p> <p>Set out below for ease of reference are the key defined terms used in this Section.</p> <table><tr><th>Term</th><th>Definition</th></tr><tr><td>Hurdle Return</td><td>In respect of the relevant Financial Year, 8.0% on a per annum basis, compounding annually.</td></tr><tr><td>Investment Gain</td><td>The amount by which the Portfolio NAV at the end of the Financial Year exceeds or is less than the Portfolio NAV at the start of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment gain any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).</td></tr><tr><td>Investment Return</td><td>The percentage by which the Portfolio NAV at the end of the last day of the Financial Year exceeds or is less than the Portfolio NAV at the beginning of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment return any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).</td></tr><tr><td>Management Fee</td><td>Refer to Section 13.1.9 of the Prospectus.</td></tr></table>	Term	Definition	Hurdle Return	In respect of the relevant Financial Year, 8.0% on a per annum basis, compounding annually.	Investment Gain	The amount by which the Portfolio NAV at the end of the Financial Year exceeds or is less than the Portfolio NAV at the start of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment gain any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).	Investment Return	The percentage by which the Portfolio NAV at the end of the last day of the Financial Year exceeds or is less than the Portfolio NAV at the beginning of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment return any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).	Management Fee	Refer to Section 13.1.9 of the Prospectus.	Sections 3 and 13.1
Term	Definition											
Hurdle Return	In respect of the relevant Financial Year, 8.0% on a per annum basis, compounding annually.											
Investment Gain	The amount by which the Portfolio NAV at the end of the Financial Year exceeds or is less than the Portfolio NAV at the start of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment gain any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).											
Investment Return	The percentage by which the Portfolio NAV at the end of the last day of the Financial Year exceeds or is less than the Portfolio NAV at the beginning of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the investment return any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).											
Management Fee	Refer to Section 13.1.9 of the Prospectus.											

1. Investment overview (continued)

Topic	Summary	For more information										
What are the key terms of the Management Agreement? (cont.)	<table><tr><th>Term</th><th>Definition</th></tr><tr><td>Performance Fee</td><td>Refer to Section 13.1.9 of the Prospectus.</td></tr><tr><td>Portfolio NAV</td><td>The Value of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable, and after subtracting any borrowings drawn down and adding back any borrowings repaid.</td></tr><tr><td>Realised Proceeds</td><td>Proceeds received by the Company from the realisation of Investments.</td></tr><tr><td>Value of the Portfolio</td><td>Is to be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology at any date that such value is required to be ascertained:<ul style="list-style-type: none">• for cash (including income) – the amount of such cash;• for securities – the market value of such securities determined in accordance with generally accepted valuation principles consistently applied; and• for all other investments, the value of that investment determined in accordance with generally accepted valuation principles consistently applied.</td></tr></table>	Term	Definition	Performance Fee	Refer to Section 13.1.9 of the Prospectus.	Portfolio NAV	The Value of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable, and after subtracting any borrowings drawn down and adding back any borrowings repaid.	Realised Proceeds	Proceeds received by the Company from the realisation of Investments.	Value of the Portfolio	Is to be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology at any date that such value is required to be ascertained: <ul style="list-style-type: none">• for cash (including income) – the amount of such cash;• for securities – the market value of such securities determined in accordance with generally accepted valuation principles consistently applied; and• for all other investments, the value of that investment determined in accordance with generally accepted valuation principles consistently applied.	Sections 3 and 13.1
	Term	Definition										
	Performance Fee	Refer to Section 13.1.9 of the Prospectus.										
	Portfolio NAV	The Value of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable, and after subtracting any borrowings drawn down and adding back any borrowings repaid.										
	Realised Proceeds	Proceeds received by the Company from the realisation of Investments.										
Value of the Portfolio	Is to be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology at any date that such value is required to be ascertained: <ul style="list-style-type: none">• for cash (including income) – the amount of such cash;• for securities – the market value of such securities determined in accordance with generally accepted valuation principles consistently applied; and• for all other investments, the value of that investment determined in accordance with generally accepted valuation principles consistently applied.											
A detailed summary of the key terms of the Management Agreement is provided in Section 13.1.												
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 Strategy but the Manager's powers to invest and manage the Investment Portfolio are subject to proper and reasonable directions given to it by the Company.</p> <p>If a Proposed Investment is not consistent with the Investment Strategy, the Manager may seek approval from the Company to undertake the Proposed Investment or to amend the Investment Strategy however the Company may withhold its approval in its absolute discretion.</p> <p>The Company will provide an undertaking to ASX prior to the Company's admission to the Official List that it will not agree to any material changes to the Management Agreement without first obtaining Shareholder approval.</p>	Sections 3.4 and 3.6										
Will the Company pay dividends?	<p>The Company intends to pay dividends to Shareholders. However, as investments will require an uncertain period of development before an optimum exit value is attained, it is likely dividends will be irregular and will only be paid after realisations of investments.</p> <p>The amount of any dividend paid will be at the discretion of the Board and will depend on a number of factors, including the time it takes for the Manager to deploy capital, future earnings, capital requirements, future realisation of investments, financial conditions, future prospects and other factors that the Board deem relevant.</p> <p>It is the current Board policy that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.</p>	Section 3.7										

1. Investment overview (continued)

Topic	Summary	For more information
Will any related party have a significant interest in the Company or the Offer?	<p>Manager</p> <p>As at the date of this Prospectus, the Manager is the sole Shareholder of the Company and is therefore a related party of the Company. The Company and the Manager have entered into a Management Agreement pursuant to which the Manager is entitled to be paid certain fees by the Company. Further details of the Management Agreement are set out below and in Section 13.1. This arrangement has been entered into on arms length terms.</p> <p>In addition, the Manager may in the future provide non-management professional or advisory services to investee companies on an arms length basis and may receive fees for such services.</p> <p>Co-Founders</p> <p>David Kirk and Paul Wilson are both directors of the Manager. Mr Kirk is a director and chairman of the Company and Mr Wilson is a director of the Company. Refer to Sections 6 and 9 for further details. Mr Kirk and Mr Wilson are also directors of the Foundation Companies and may be appointed as directors of any other investee companies in the Investment Portfolio and receive remuneration for these appointments.</p> <p>Entities associated with Mr Kirk and Mr Wilson will be issued approximately 6.3 million Foundation Shares in consideration for vending in all of the units and sponsor units they hold in the Bailador Fund and the Viocorp Notes they hold on completion of the Foundation Portfolio Acquisitions.</p> <p>Approximately 3.9 million of these Foundation Shares will be subject to a 24 month escrow period pursuant to Appendix 9B of the Listing Rules, beginning on the date of quotation of the Company's Securities based on the 'look through' escrow relief the Company has obtained.</p> <p>The Co-Founders intend to sell up to 583,279 un-escrowed Foundation Shares to investors under the Offer in the Sell-Down and to use the proceeds to fund a portion of the tax liability incurred by the Co-Founders in connection with the Foundation Portfolio Acquisitions.</p>	Section 14.10
Will any related party have a significant interest in the Company or the Offer? (cont.)	<p>Independent non-executive Directors</p> <p>Entities associated with Andrew Bullock and Heith Mackay-Cruise, directors of the Company, who are Bailador Fund Investors and Viocorp Investors have elected to participate in the Foundation Portfolio Acquisitions in respect of their interests in the BT 1 Fund and the Viocorp Notes. 698,451 Foundation Shares will be issued in exchange for their BT 1 Fund units and the Viocorp Notes with 209,880 Foundation Shares being escrowed for a period of 24 months, beginning on the date of quotation of the Company's Securities based on the 'look through' escrow relief the Company has obtained.</p> <p>Refer to Section 14.10 for further details.</p> <p>Other than as 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.</p>	Section 14.10

1. Investment overview (continued)

Topic	Summary	For more information
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">• David Kirk – Director and chairman;• Paul Wilson – Director;• Andrew Bullock – Independent non-executive Director;• Heith Mackay-Cruise – Independent non-executive Director; and• Sankar Narayan – Independent non-executive Director. <p>Refer to Section 9 for further details regarding the background of the Directors.</p>	Section 9.1
Does the Company have any other material agreements?	<p>In addition to the Management Agreement, the Company has entered into an Offer Management Agreement with the Lead Manager with respect to the Offer. Refer to Section 13.2 for further details regarding this agreement.</p> <p>The Company has also entered into exchange deeds with Participating Foundation Investors in relation to the Foundation Portfolio Acquisitions. Refer to Section 13.3 for further details regarding these agreements.</p> <p>The Company and the SaleCo will enter into agreements with each Sell-Down Vendor for the Sell-Down. Refer to 13.4 for a summary of the key terms of these agreements.</p> <p>Summaries of other material agreements are set out in Section 13.</p>	Section 13

1. Investment overview (continued)

1.3 About the Foundation Portfolio

Topic	Summary	For more information											
What are the underlying assets of the Foundation Portfolio and what is their value?	<p>The underlying assets of the Foundation Portfolio are comprised of securities in unlisted technology related companies set out in Table 1 below. Further details about the Foundation Portfolio and these Foundation Companies are provided in Section 4.</p> <p>The Directors have valued the total Foundation Portfolio at approximately \$37.7 million on the basis of the valuation process and methodologies that have been adopted as detailed in Section 4.5. A breakdown of the valuation of each company within the Foundation Portfolio is also set out in Table 1 below:</p>	Sections 4 and 5											
	Table 1: Foundation Portfolio												
	<table><tr><th>Company</th><th>SiteMinder</th></tr><tr><td>Business description</td><td>A channel management platform connecting hotels with distributors, allowing two way exchange of pricing and availability data in real time. SiteMinder has the largest established hotel customer base for its services in the world, with over 12,000 hotels.</td></tr><tr><td>Interests held</td><td>Convertible preference shares (currently held by BT 1 Fund) Convertible preference shares (currently held by BT 1 Top Up Fund)</td></tr><tr><td>Effective equity interest</td><td>12.9% (on a Fully Diluted Basis)</td></tr><tr><td>Investment value</td><td>\$18.8 million</td></tr></table>		Company	SiteMinder	Business description	A channel management platform connecting hotels with distributors, allowing two way exchange of pricing and availability data in real time. SiteMinder has the largest established hotel customer base for its services in the world, with over 12,000 hotels.	Interests held	Convertible preference shares (currently held by BT 1 Fund) Convertible preference shares (currently held by BT 1 Top Up Fund)	Effective equity interest	12.9% (on a Fully Diluted Basis)	Investment value	\$18.8 million	
	Company		SiteMinder										
	Business description		A channel management platform connecting hotels with distributors, allowing two way exchange of pricing and availability data in real time. SiteMinder has the largest established hotel customer base for its services in the world, with over 12,000 hotels.										
Interests held	Convertible preference shares (currently held by BT 1 Fund) Convertible preference shares (currently held by BT 1 Top Up Fund)												
Effective equity interest	12.9% (on a Fully Diluted Basis)												
Investment value	\$18.8 million												
<table><tr><th>Company</th><th>Viocorp</th></tr><tr><td>Business description</td><td>Provider of online video broadcasting software and services with an established customer base in Australia and Asia.</td></tr><tr><td>Interests held</td><td>Convertible preference shares (currently held by BT 1 Fund) Ordinary shares (currently held by BT 1 Fund) Convertible notes (currently held by BT 1 Fund) Convertible notes (currently held by Viocorp Investors)</td></tr><tr><td>Effective equity interest</td><td>47.9% (on a Fully Diluted Basis)</td></tr><tr><td>Investment value</td><td>\$13.4 million</td></tr></table>		Company	Viocorp	Business description	Provider of online video broadcasting software and services with an established customer base in Australia and Asia.	Interests held	Convertible preference shares (currently held by BT 1 Fund) Ordinary shares (currently held by BT 1 Fund) Convertible notes (currently held by BT 1 Fund) Convertible notes (currently held by Viocorp Investors)	Effective equity interest	47.9% (on a Fully Diluted Basis)	Investment value	\$13.4 million		
Company	Viocorp												
Business description	Provider of online video broadcasting software and services with an established customer base in Australia and Asia.												
Interests held	Convertible preference shares (currently held by BT 1 Fund) Ordinary shares (currently held by BT 1 Fund) Convertible notes (currently held by BT 1 Fund) Convertible notes (currently held by Viocorp Investors)												
Effective equity interest	47.9% (on a Fully Diluted Basis)												
Investment value	\$13.4 million												
<table><tr><th>Company</th><th>SMI</th></tr><tr><td>Business description</td><td>Provider of aggregated media agency advertising spend data, with a dominant position in the Australian market, and sales in the USA, UK and New Zealand. Global agreements in place with multiple agencies in multiple countries.</td></tr><tr><td>Interests held</td><td>Ordinary shares (currently held by BT 1 Fund)</td></tr><tr><td>Effective equity interest</td><td>13.1% of issued ordinary shares 7.7% (on a Fully Diluted Basis)</td></tr><tr><td>Investment value</td><td>\$5.5 million</td></tr></table>		Company	SMI	Business description	Provider of aggregated media agency advertising spend data, with a dominant position in the Australian market, and sales in the USA, UK and New Zealand. Global agreements in place with multiple agencies in multiple countries.	Interests held	Ordinary shares (currently held by BT 1 Fund)	Effective equity interest	13.1% of issued ordinary shares 7.7% (on a Fully Diluted Basis)	Investment value	\$5.5 million		
Company	SMI												
Business description	Provider of aggregated media agency advertising spend data, with a dominant position in the Australian market, and sales in the USA, UK and New Zealand. Global agreements in place with multiple agencies in multiple countries.												
Interests held	Ordinary shares (currently held by BT 1 Fund)												
Effective equity interest	13.1% of issued ordinary shares 7.7% (on a Fully Diluted Basis)												
Investment value	\$5.5 million												

1. Investment overview (continued)

Topic	Summary	For more information																																		
Has the valuation of the Foundation Portfolio been externally reviewed?	<p>The Directors’ valuations of the Foundation Portfolio have been reviewed by an independent accounting firm (BDO) who provided a limited assurance report on the fair values of the interests held in the Foundation Companies, as calculated by the Directors and set out in Section 4.5 of this Prospectus.</p>	Sections 4.6 and 6																																		
	<p>In their report, BDO have concluded that, based on their review, which is not an audit, nothing has come to BDO’s attention that causes them to believe that the fair values of the interests held in the Foundation Companies, as calculated by the Directors and reported in this Prospectus, are not prepared in accordance with measurement requirements specified in Section 4.5.1 of the Prospectus.</p> <p>A copy of BDO’s report is available in Section 6.</p>																																			
How will the Foundation Portfolio be acquired by Bailador?	<p>The Foundation Portfolio is the interests in the Bailador Fund and the Viocorp Notes to be acquired by the Company.</p>	Section 5																																		
	<p>Units in the Bailador Fund are held by various Bailador Fund Investors. Bailador Fund is managed by the Manager. The Bailador Trustee is the trustee of both trusts in the Bailador Fund.</p> <p>The Viocorp Notes that will also be acquired are held by the Viocorp Investors (who are also Bailador Fund Investors) outside the Bailador Fund.</p> <p>The Company proposes to acquire part of the Bailador Fund from the Bailador Fund Investors, the Viocorp Notes from the Viocorp Investors and the Bailador Trustee pursuant to the following acquisitions:</p> <table><tr><th>Interests acquired</th><th>Outcome</th><th>Underlying assets</th><th>Value</th></tr><tr><td colspan="4">BT 1 Fund Acquisition</td></tr><tr><td>Units in BT 1 Fund</td><td>100% unitholder of BT 1 Fund</td><td>Viocorp convertible preference shares Viocorp convertible notes Viocorp ordinary shares SMI ordinary shares SiteMinder convertible preference shares</td><td>\$27.0m</td></tr><tr><td colspan="4">BT 1 Top Up Fund Acquisition</td></tr><tr><td>Shares in BT 1 Top Up Fund Companies</td><td>74% unitholder of BT 1 Top Up Fund</td><td>SiteMinder convertible preference shares</td><td>\$5.7m</td></tr><tr><td colspan="4">Viocorp Notes Acquisition</td></tr><tr><td>Convertible notes in Viocorp</td><td>100% of all Viocorp Notes on issue</td><td>Viocorp convertible notes</td><td>\$4.7m</td></tr><tr><td colspan="4">Bailador Trustee Acquisition</td></tr><tr><td>Shares in Bailador Trustee</td><td>100% shareholder of Bailador Trustee</td><td>Legal owner of securities owned by Bailador Fund</td><td>\$1</td></tr></table>		Interests acquired	Outcome	Underlying assets	Value	BT 1 Fund Acquisition				Units in BT 1 Fund	100% unitholder of BT 1 Fund	Viocorp convertible preference shares Viocorp convertible notes Viocorp ordinary shares SMI ordinary shares SiteMinder convertible preference shares	\$27.0m	BT 1 Top Up Fund Acquisition				Shares in BT 1 Top Up Fund Companies	74% unitholder of BT 1 Top Up Fund	SiteMinder convertible preference shares	\$5.7m	Viocorp Notes Acquisition				Convertible notes in Viocorp	100% of all Viocorp Notes on issue	Viocorp convertible notes	\$4.7m	Bailador Trustee Acquisition				Shares in Bailador Trustee	100% shareholder of Bailador Trustee
Interests acquired	Outcome	Underlying assets	Value																																	
BT 1 Fund Acquisition																																				
Units in BT 1 Fund	100% unitholder of BT 1 Fund	Viocorp convertible preference shares Viocorp convertible notes Viocorp ordinary shares SMI ordinary shares SiteMinder convertible preference shares	\$27.0m																																	
BT 1 Top Up Fund Acquisition																																				
Shares in BT 1 Top Up Fund Companies	74% unitholder of BT 1 Top Up Fund	SiteMinder convertible preference shares	\$5.7m																																	
Viocorp Notes Acquisition																																				
Convertible notes in Viocorp	100% of all Viocorp Notes on issue	Viocorp convertible notes	\$4.7m																																	
Bailador Trustee Acquisition																																				
Shares in Bailador Trustee	100% shareholder of Bailador Trustee	Legal owner of securities owned by Bailador Fund	\$1																																	

1. Investment overview (continued)

Topic	Summary	For more information
How will the Foundation Portfolio be acquired by Bailador? (cont.)	<p>Further details about the Foundation Portfolio Acquisitions are set out in Section 5.</p> <p>Completion of the Foundation Portfolio Acquisitions is conditional on the satisfaction of the Foundation Portfolio Acquisition Condition. If the Foundation Portfolio Acquisition Condition is satisfied, the acquisitions will be completed on the Foundation Portfolio Acquisition Completion Date.</p>	Sections 3, 4 and 5
What consideration is being paid by the Company for the acquisition of the Foundation Portfolio?	<p>The Company proposes to issue approximately 37.5 million Foundation Shares to the participating Bailador Fund Investors and Viocorp Investors (Participating Foundation Investors) as consideration for their interests in the Bailador Fund and Viocorp Notes that are acquired by the Company, based on the Directors' valuation of the Foundation Portfolio.</p> <p>It is expected the Foundation Shares will be issued on the Foundation Shares Allotment Date.</p>	Section 5
Will any of the Foundation Shares be escrowed?	<p>The Foundation Shares that will be issued to Participating Foundation Investors will be subject to escrow restrictions on the basis that the units in the Bailador Fund and Viocorp Notes that will be exchanged for the Foundation Shares will be categorised by ASX as 'classified assets' under Listing Rule 9.1.3 of the Listing Rules.</p> <p>The Company has successfully applied for relief in respect of Listing Rule 9.1.3 and as a result the cash formula will apply to the majority of Foundation Shares on a 'look through' basis.</p> <p>The following escrow arrangements apply:</p> <ul style="list-style-type: none"> • approximately 4.1 million Foundation Shares issued to Participating Foundation Investors associated with Mr Kirk, Mr Wilson, Mr Bullock and Mr Mackay-Cruise will be subject to a mandatory 24 month escrow period from the date of the Company's admission to the Official List; and • approximately 11.0 million Foundation Shares issued to unrelated Participating Foundation Investors will be subject to a 12 month escrow period from the date of the Company's admission to the Official List. <p>The Options that are issued by the Company on the Option Allotment Date relating to the Foundation Shares will also be subject to the above escrow restrictions.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the securities commencing trading on the ASX.</p> <p>Please refer to Section 5.4 for further details on all escrowed securities, including the ASX waiver, and Section 13.5 for a summary of the restriction agreements that will be entered into in relation to the Securities.</p>	Sections 5.3, 5.4 and 13.5

1. Investment overview (continued)

1.4 Corporate structure after completion of the Offer

Topic	Summary	For more information
What is the structure of the Bailador group after completion of the Offer?	<p>After completion of both the Foundation Portfolio Acquisitions and the Offer, the corporate structure of the Bailador group will be as follows:</p> <pre>graph TD Shareholders([Shareholders in the Company Applicants under the Offer Participating Foundation Investors]) -- 100% --> BTIL[Bailador Technology Investments Limited] BTIL -.-> Management Agreement Manager[Manager] BTIL -.-> Co-Founders CoFounders([Co-Founders]) BTIL -- 100% --> Viocorp Notes BT1Fund[BT 1 Fund] BTIL -- 100% --> Units IHCs[Intermediate Holding companies] IHCs -- 100% --> BT1TopUpFund[BT 1 Top Up Fund] BT1Fund -- 47.9% --> Viocorp[VIOCORP] BT1Fund -- 13.1% --> SMI[SMI Real Time Real Data Real Insight] BT1Fund -- 12.9% --> Siteminder[SITEMINDER] BT1TopUpFund -- 74% --> Siteminder</pre> <p>47.9% fully diluted equity interest</p> <p>13.1% of issued ordinary shares; 7.7% fully diluted equity interest</p> <p>12.9% fully diluted equity interest</p>	Sections 4 and 5

1. Investment overview (continued)

1.5 About the Offer

Topic	Summary	For more information
What is the Offer?	<p>The Company is offering Shares for subscription to raise a minimum of \$25 million and up to \$40 million (excluding Sell-Down Proceeds). Investors will also receive, for no additional consideration, one Option for every one Share allotted or transferred, exercisable at \$1.00 on or before 31 March 2016.</p> <p>Of the Shares available for subscription under the Offer:</p> <ul style="list-style-type: none">• up to 4.3 million Sell-Down Shares will be transferred by the SaleCo pursuant to the Sell-Down. Refer to Section 2.2 for further details about the Sell-Down; and• up to 40 million New Shares will be issued by the Company. <p>The New Shares and the Sell-Down Shares will be issued or transferred (as applicable) to successful Applicants on the Share Allotment Date.</p> <p>For details relating to the rights and liabilities of the Shares, refer to Section 14.5.</p> <p>The Company will issue the Options on the Option Allotment Date to all Shareholders on the register as at the Option Allotment Date (excluding the Manager).</p> <p>For details relating to the rights and liabilities of the Options, refer to Section 14.6.</p>	Sections 2, 14.5 and 14.6
What is the Sell-Down?	<p>Some Participating Foundation Investors have elected to sell-down some of the un-escrowed Foundation Shares they will be receiving as consideration for the Foundation Portfolio Acquisitions. Up to 4.3 million Sell-Down Shares will be offered for sale to investors under the Offer, subject to the Minimum Subscription being raised.</p> <p>The Co-Founders will incur a tax liability of approximately \$0.9 million in respect of the Foundation Portfolio Acquisitions and accordingly the Co-Founders have agreed to collectively sell up to 583,279 Sell-Down Shares in the Sell-Down and to apply the proceeds of the sale towards funding that tax liability.</p> <p>The Sell-Down Shares will be transferred to successful Applicants under the Offer by the SaleCo on the Offer Share Allotment Date at the same time as the New Shares are issued to Successful Applicants under the Offer.</p> <p>Sell-Down Proceeds will not be counted towards the Minimum Subscription or Maximum Subscription thresholds.</p> <p>Refer to Sections 2.2 and 13.4 for more details regarding the Sell-Down.</p>	Sections 2.2 and 13.4
Who is the issuer?	The Company.	Section 3
What is the purpose of the Offer?	<p>The Company is seeking to raise funds to:</p> <ul style="list-style-type: none">• undertake investments consistent with the investment objectives and guidelines outlined in this Prospectus;• pay the costs of the Offer; and• obtain a listing on ASX.	Section 10.1
How is the Offer structured?	<p>The Offer comprises the:</p> <ul style="list-style-type: none">• Broker Firm Offer; and• General Offer.	Section 2.1

1. Investment overview (continued)

Topic	Summary	For more information
What is the minimum application size?	\$2,000 for 2,000 Offer Securities, with incremental multiples of 500 Offer Securities (i.e. incremental multiples of at least \$500).	Section 2.8
Who can participate in the Offer?	<p>Broker Firm Offer: open to persons who have received a firm allocation from their Broker and who have a registered address in Australia and New Zealand and Institutional Applicants who have a registered address in Hong Kong and Singapore.</p> <p>General Offer: open to persons who have a registered address in Australia and New Zealand and Institutional Applicants who have a registered address in Hong Kong and Singapore.</p>	Section 2.8
How do I apply?	<p>General Offer: You may apply for Shares under the General Offer by completing the General Offer Application Form accompanying or included in this Prospectus or online at www.bailador.com.au.</p> <p>Any Applicants applying online must personally complete the online Application Form. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).</p> <p>Broker Firm Offer: Applicants under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Offer Application Form provided by their Broker.</p>	Section 2.8
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay an Issue Price of \$1.00 per Share.	Section 2.1
What is the Allocation Policy?	<p>The basis of allocation of Offer Securities will be determined by the Company and the Lead Manager, subject to any firm allocations under the Broker Firm Offer.</p> <p>The Company reserves the right in its absolute discretion to not issue Offer Securities to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Offer Securities than those applied for at its absolute discretion.</p>	Section 2.9
When will I receive confirmation whether my Application has been successful?	The Company expects that holding statements confirming Applicants' allocations under the Offer will be sent to successful Applicants by standard post on or around 18 November 2014.	Section 2.8
Who is the Lead Manager of the Offer?	Ord Minnett.	Section 13.2

1. Investment overview (continued)

Topic	Summary	For more information																					
Is the Offer underwritten?	No.	Section 2.6																					
What fees and costs are payable to the Lead Manager and Brokers?	<p>The Company will pay to the Lead Manager:</p> <ul style="list-style-type: none"> a management fee equal to 1.5% (excluding GST) of the total amount raised under the Offer; a selling fee equal to 1.5% (excluding GST) of the total amount raised under the Broker Firm Offer. <p>Any fee which is payable to the Co-Managers or other brokers will be paid out of this amount.</p> <p>The Lead Manager and the Co-Managers are entitled to be reimbursed for reasonable out of pocket expenses incurred by them.</p> <p>As set out in Section 14.12, the Company has paid or agreed to pay a minimum amount of \$672,656 (gross of tax and excluding disbursements and recoverable GST) to Ord Minnett as Lead Manager and Authorised Intermediary in respect of these services (based on the Minimum Subscription being achieved) and a maximum amount of \$1,076,250 (gross of tax and excluding disbursements and recoverable GST) (based on the Maximum Subscription being achieved).</p> <p>As set out in the Key Offer Statistics and in Section 10 of this Prospectus, based on an assumption that 75% of the subscription proceeds are raised from the Broker Firm Offer and 25% are raised from the General Offer, the unaudited NAV backing per Share as at 31 August 2014 (based on the assumptions set out in Section 10), would be \$0.984 (based on the Minimum Subscription being achieved) and \$0.983 (based on the Maximum Subscription being achieved).</p> <p>The costs detailed in Section 10 of this Prospectus differ from the gross costs set out elsewhere in this Prospectus (including this Section) on the basis that the costs set out in Section 10 (for the purpose of inclusion in the unaudited pro forma statements of financial position) are calculated (in accordance with the Australian Accounting Standards) net of the Company's deferred tax assets created in respect of those costs.</p>	Sections 2.6 and 13.2																					
What will the capital structure of the Company be following completion of the Offer?	<p>On completion of the Offer and completion of the Foundation Portfolio Acquisitions, the capital structure of the Company will be as set out below (prior to the exercise of any Options):</p> <table> <tr> <th>Securities</th><th>Minimum Subscription \$25,000,000</th><th>Maximum Subscription \$40,000,000</th></tr> <tr> <td>Shares on issue at the date of the Prospectus</td><td>1 Share</td><td>1 Share</td></tr> <tr> <td>Shares issued under the Offer</td><td>25,000,000</td><td>40,000,000</td></tr> <tr> <td>Foundation Shares</td><td>37,462,890</td><td>37,462,890</td></tr> <tr> <td>Options issued</td><td>62,462,890</td><td>77,462,890</td></tr> <tr> <td>Total Shares on issue</td><td>62,462,891</td><td>77,462,891</td></tr> <tr> <td>Total Options on issue</td><td>62,462,890</td><td>77,462,890</td></tr> </table>	Securities	Minimum Subscription \$25,000,000	Maximum Subscription \$40,000,000	Shares on issue at the date of the Prospectus	1 Share	1 Share	Shares issued under the Offer	25,000,000	40,000,000	Foundation Shares	37,462,890	37,462,890	Options issued	62,462,890	77,462,890	Total Shares on issue	62,462,891	77,462,891	Total Options on issue	62,462,890	77,462,890	Section 10.3
Securities	Minimum Subscription \$25,000,000	Maximum Subscription \$40,000,000																					
Shares on issue at the date of the Prospectus	1 Share	1 Share																					
Shares issued under the Offer	25,000,000	40,000,000																					
Foundation Shares	37,462,890	37,462,890																					
Options issued	62,462,890	77,462,890																					
Total Shares on issue	62,462,891	77,462,891																					
Total Options on issue	62,462,890	77,462,890																					

1. Investment overview (continued)

Topic	Summary	For more information
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the Share Allotment Date.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any refunded Application Monies</p>	Section 2.2
Is there a cooling-off period?	No.	Not applicable
Will the Company's Securities be listed?	The Company has applied to be admitted to the Official List and seeking quotation of the Shares and the Options on ASX.	Section 2.11
What are the tax implications of investing in the Securities?	<p>The tax consequences for an investor of any investment in the Securities will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.</p> <p>A summary of the general tax implications of participating in the Offer for Australian and New Zealand resident investors is set out in Section 12 below.</p>	Section 12
How can I obtain further information?	<p>If you would like more information or have any questions relating to the Offer, please call the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm AEST (business days).</p> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>	Important notices

1. Investment overview (continued)

1.6 Investment risks

Topic	Summary	For more information
What are the key risks associated with the business model, the Securities and the Offer?	<p>An investment in the Company should be considered speculative.</p> <p>The past performance of investments managed by the Manager is not a guide to future performance of the Company. There are risks inherent in the investment strategy that the Manager will employ for the Company including, but not limited to:</p> <ul style="list-style-type: none">• the Internet-related Businesses that will be targeted by the Company are likely to be at a stage where they are heavily reliant on the Company and other investors for access to capital for further expansion;• given the nature of the Company (and having regard to the fact that the Investment Portfolio may be less liquid than other listed investment entities) and the traditionally lower trading volumes experienced by LIC's, the Company may experience a low level of liquidity in trading of the Securities. As a result, Shareholders may not be able to sell their Securities at the time and in the volumes or price they desire;• the Investment Portfolio will have exposure to unlisted securities. The Investment Portfolio's underlying investments (and in particular unlisted portfolio companies) may not be easily converted to cash. In general there is less protection of market participants and less governmental regulation and supervision of transactions in the unlisted securities markets, in addition to little or no liquidity. This could enhance the volatility of the price of the securities invested, may make it difficult to sell and realise the Company's investments in the securities and potentially result in the risk that the fair value of the investment is overstated by the Company;• the share price of the Company's shares may not reflect the underlying value of the Company's Investment Portfolio;• the Performance Fee may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Company;• the value of the assets selected by the Manager may decline in value over time;• the Manager is appointed to manage the Investment Portfolio for 10 years and can only be terminated within that time period in limited circumstances;	Section 8

1. Investment overview (continued)

Topic	Summary	For more information
What are the key risks associated with the business model, the Securities and the Offer? (cont.)	<ul style="list-style-type: none">• a change in the regulatory environment may lead to increased costs to the Company in order to maintain compliance with such regulations; and• other risks relating to investments in which the Company may invest, including:<ul style="list-style-type: none">• some investments may not perform to the level expected by the Manager and could reduce in size or become insolvent;• unfavourable economic movements including any change to government fiscal or monetary policy can impact on the amount invested in an investment and the returns of an investment;• taxation laws are often changed and those changes can materially affect investments;• given that returns are often unrealised, actual returns may vary significantly from those unrealised returns at the point at which the underlying investments are sold;• the timeframe for the unrealised returns may be longer than expected; and• each investment has its own risks and these risks could negatively impact the Company. <p>In addition to the key risks set out above, there are further general risks associated with the Company and an investment in the Securities, including in the following areas:</p> <ul style="list-style-type: none">• loss of Manager's investment team;• currency risk;• counterparty and credit risk;• interest rate risk;• no guarantee of dividends or return of capital;• operational costs;• change in accounting policies;• future capital requirements of the Company;• general market risks;• absence of operating performance history of the Company;• industry risk; and• changes in taxation laws or policies. <p>Investors should bear the above risks in mind when considering whether to participate in the Offer.</p> <p>More detail about these and other risks associated with the Company can be found in Section 8.</p>	Section 8

1. Investment overview (continued)

Topic	Summary	For more information
What are the key risks associated with the Foundation Companies?	<p>There are risks relating to the Foundation Portfolio that the Company has agreed to acquire, including those set out below.</p> <ul style="list-style-type: none">• The Foundation Companies are private companies that are not traded on a quoted market and have limited liquidity. The valuations attributed to the Foundation Portfolio are based on a number of assumptions that may or may not prove to be correct, including assumptions relating to:<ul style="list-style-type: none">• the future performance of the underlying Foundation Companies;• general macro-economic conditions; and• general investment and share market conditions. <p>Investors should recognise that, while the valuations provide an interim indication of the underlying investment value of the Foundation Companies, a determination of actual value is ultimately dependent on the outcome and timing of any eventual realisation of the investments held in the Foundation Companies.</p> <ul style="list-style-type: none">• The Company will hold a minority equity position in each of the Foundation Companies. It is therefore possible that the other equity holders will make decisions with which the Company disagrees or which are contrary to the Company's interests, and that the Company may not be able to exit the investment at the time and in the manner that it wishes. These risks are typically mitigated in practice by minority protection rights in the relevant shareholders' agreement, such as Bailador agreement being required for changes in investee company business strategy, material capital expenditure, capital structure, senior management appointments and drag and tag rights.• Any change in legislation or government policy regarding research and development credits or grants may have a material adverse impact on the financial position of a Foundation Company.• The performance of a Foundation Company may rely on the continued engagement of key personnel who may leave that Foundation Company.• The rights of a senior lender to a Foundation Company may be exercised if the Foundation Company breached the terms of the relevant finance documentation.• Customer contracts to which a Foundation Company is a party may be terminated resulting in a reduction in revenue to the Company.• A Foundation Company may not be able to access sufficient debt or equity to meet its operational cash requirements and capital expenditure.• The equity holding of the Company in a Foundation Company may be materially diluted if future equity is raised at a discount to the current value of the Foundation Company.• A Foundation Company may be the subject of a claim by a third party that it has breached that party's intellectual property. Additionally, a Foundation Company may not have full right, title and interest in some of the intellectual property that it is using to conduct its business.	Section 8.2

2. Details of the Offer

2.1 The Offer

The Company is offering Offer Securities to raise a minimum of \$25 million and up to \$40 million (excluding Sell-Down Proceeds) at an Issue Price of \$1 per Offer Security.

Each Offer Security will comprise:

- one Share, which will be either a New Share issued by the Company or a Sell-Down Share transferred by the SaleCo; and
- one attaching Option for each Share. The Options are issued for nil consideration and are exercisable at \$1.00 per Option on or before 31 March 2016.

The rights attaching to the Shares are set out in Section 14.5 and the rights attaching to the Options are set out in Section 14.6.

The Offer is comprised of a:

- **Broker Firm Offer** – open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand and to Institutional Applicants who have a registered address in Hong Kong or Singapore. An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer.
- **General Offer** – open to investors who have a registered address in Australia or New Zealand and to Institutional Applicants who have a registered address in Hong Kong or Singapore.

Applicants under both the Broker Firm Offer and the General Offer will be required to pay an Issue Price of \$1.00 per Offer Security.

The Offer Securities will be issued to successful Applicants as follows:

- Shares will be issued or transferred (as applicable) to successful Applicants on the Share Allotment Date; and
- Options will be issued to all Shareholders on the Company's Share Register on the Option Allotment Date (excluding the Manager).

2.2 Sell-Down

Some Participating Foundation Investors have elected to sell down a portion of the un-escrowed Foundation Shares they will receive as part of the consideration payable by the Company for the Foundation Portfolio Acquisitions. Upon issue by the Company on the Foundation Shares Allotment Date, the nominated Sell-Down Shares will be immediately transferred from each Sell-Down Vendor to the SaleCo and transferred to successful Applicants under the Offer by the SaleCo through the Authorised Intermediary. The Sell-Down Shares will be transferred to Successful Applicants on the Offer Share Allotment Date at the same time as the New Shares are issued to Successful Applicants under the Offer.

Up to 4.3 million Sell-Down Shares are being offered to investors by the SaleCo as part of the Offer, subject to the Minimum Subscription being raised and it is expected that up to \$4.3 million will be realised for the Sell-Down Vendors through the sale of the Sell-Down Shares. Sell-Down Proceeds are in addition to, and will not be counted towards, the Minimum Subscription or Maximum Subscription thresholds.

The Co-Founders will incur a tax liability of approximately \$0.9 million in respect of the Foundation Portfolio Acquisitions and accordingly the Co-Founders have agreed to collectively sell a total of up to 583,279 Sell-Down Shares in the Sell-Down and to apply the proceeds of the sale towards funding the tax liability.

Accordingly, a breakdown of the Sell-Down Shares offered to investors under the Offer is as follows:

Sell-Down Vendor	Maximum no. of Sell-Down Shares	Maximum Sell-Down Proceeds (Gross)
David Kirk	350,000	\$350,000
Paul Wilson	233,279	\$233,279
Other Participating Foundation Investors	3,710,065	\$3,710,065
Total	4,293,344	\$4,293,344

Each Sell-Down Vendor will reimburse the Company for the selling and management fees that are payable by the Company to the Lead Manager under the Offer that relate to their proportion of Sell-Down Shares that are sold.

The Company, the SaleCo and each Sell-Down Vendor will enter into agreements for the Sell-Down. Refer to 13.4 for a summary of the key terms of these agreements.

2.3 Discretion under the Offer

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

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

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

2. Details of the Offer (continued)

2.4 Minimum Subscription

The Minimum Subscription required for the Offer to proceed is \$25 million (excluding Sell-Down Proceeds).

If the Minimum Subscription is not obtained within four 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 one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

2.5 Authorised Intermediary

Offers under this Prospectus will be made pursuant to an arrangement between the Company and the Lead Manager under Section 911A(2)(b) of the Corporations Act. The Company will only authorise the Lead Manager to make offers to people to arrange for the issue or transfer of the Offer Securities by the Company and/or the SaleCo (as applicable) under the Prospectus and the Company and/or the SaleCo will only issue or transfer (as applicable) the Offer Securities in accordance with Applications made pursuant to such offers if they are accepted.

2.6 Is the Offer underwritten?

The Offer is not underwritten.

Ord Minnett is acting as Lead Manager of the Offer. The Company and the Lead Manager have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 13.2.

2.7 Fees payable to the Authorised Intermediary and Lead Manager

The Company has agreed to pay:

- a management fee equal to 1.5% (excluding GST) of the total amount raised under the Offer (including Sell-Down Proceeds); and
- a selling fee equal to 1.5% (excluding GST) of the total amount raised under Broker Firm Offer (including Sell-Down Proceeds),

to the Lead Manager in connection with its roles as Lead Manager and Authorised Intermediary.

An amount of fees that relates to the proportion of Sell-Down Shares that are sold by each Sell-Down Vendor will be reimbursed by each Sell-Down Vendor to the Company in accordance with the terms of the relevant Sell-Down agreements.

2.8 How do I apply?

Who is eligible to participate in the Offer?

Who can apply under the Broker Firm Offer?

The Broker Firm Offer is open to Retail Applicants resident in Australia and New Zealand and to Institutional Applicants in Australia, New Zealand, Hong Kong and Singapore who have received a firm allocation from their Broker. All Applicants under the Broker Firm Offer must have an eligible residential address in Australia, New Zealand, Hong Kong and Singapore.

Who can apply under the General Offer?

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

Completing and returning your Application under the Offer

What are the minimum and maximum application amounts under the Offer?

Applications must be for a minimum of 2,000 Offer Securities. Applications in excess of the minimum number of Offer Securities must be in multiples of 500 Offer Securities.

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

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

2. Details of the Offer (continued)

Completing and returning your Application under the Offer (cont.)

How do I apply under the Broker Firm Offer?

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

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

The allocation of Offer Securities to Brokers will be determined by the Company and the Lead Manager.

Offer Securities that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Offer Securities from those Brokers.

It will be a matter for the Brokers how they allocate Offer Securities among their clients, and they (not the Company and not the Lead Manager) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Offer Securities.

None of the Company, Share Registry or the Lead Manager takes responsibility for any acts or omissions by your Broker in connection with your Application, Application Form or Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your Broker if you have any questions.

How do I apply under the General Offer?

In order to apply for Offer Securities under the General Offer, please complete the General Offer Application Form that forms part of, is attached to, or accompanies this Prospectus.

The General Offer Application Form must be completed in accordance with its accompanying instructions.

Once completed, please lodge your General Offer Application Form and Application Monies so that they are received at the address of the Company's Share Registry set out below by the Closing Date.

By mail to:

**Bailador Technology Investments Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235**

By hand:

**Bailador Technology Investments Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138**

Alternatively, you can apply online at www.bailador.com.au and pay your Application Monies by BPAY. Any applicant applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

2. Details of the Offer (continued)

Completing and returning your Application under the Offer (cont.)

How to complete and attach your cheque for the Application Monies

Application Monies may be provided by BPAY (see following page), cheques or bank drafts. Cheques or bank drafts must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed 'Not Negotiable'; and
- made payable:
 - for Applicants in the General Offer: to 'Bailador Technology Investments Limited'; or
 - for Applicants in the Broker Firm Offer: in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Paying your Application Monies by BPAY

Australian investors may apply for Offer Securities in the General Offer online and pay their Application Monies by BPAY. Australian investors wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus, which is available at www.bailador.com.au and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

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

Applicants will only be able to make a payment via BPAY if the Applicant is the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Fees, cost and timing for Applications

When does the Offer open?

The Offer is expected to open for Applications on 10 October 2014. However, this may be delayed if ASIC extends the Exposure Period for the Prospectus.

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

Applicants under the General Offer must ensure that their Application Form and Application Monies are received by the Share Registry before 5.00pm (AEST) on the Closing Date for the Offer which is 5 November 2014.

Broker Firm Offer Applicants should return their applications in accordance with the deadline set out to them by their Broker. The Company and the Share Registry take no responsibility in respect of an Application Form or Application Monies which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Monies are received by the Share Registry.

2. Details of the Offer (continued)

Fees, cost and timing for Applications (cont.)

Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage or stamp duty is payable by Applicants on the acquisition of Offer Securities under the Offer.
--	---

What are the costs of the Offer and who is paying them?	<p>The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the offering documentation.</p> <p>At the time of production of this Prospectus the costs (gross of tax and excluding disbursements) payable by the Company were estimated to be \$1,414,206 assuming the Minimum Subscription is achieved, and \$1,827,034 assuming the Maximum Subscription is achieved. The Company is paying these costs from the proceeds of the Offer. A breakdown of these costs for both the Minimum Subscription and the Maximum Subscription is provided in Section 10.5.</p>
--	---

Confirmation of your Application and trading on ASX

When will I receive confirmation whether or not my Application has been successful?	<p>Applicants under the General Offer will be able to call the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm AEST (business days), from 14 November 2014 to confirm their allocation.</p> <p>Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 18 November 2014.</p>
--	--

Is DvP settlement available?	Delivery versus payment (DvP) settlement is available for Applicants under the Broker Firm Offer. Please contact your Broker or the Lead Manager for further details.
-------------------------------------	---

When will I receive my Offer Securities and when can I trade my Offer Securities?	<p>Subject to ASX granting approval for the Company to be admitted to the Official List (see Section 2.11), the Offer Securities will be issued or transferred (as applicable) to successful Applicants as soon as practicable after the Closing Date.</p> <p>The Offer Share Allotment Date is expected to be 14 November 2014, and the Option Allotment Date is expected to be 17 November 2014.</p> <p>Trading of the Offer Securities on ASX is expected to commence on 19 November 2014 on a normal T + 3 settlement basis.</p> <p>If you sell your Offer Securities before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm AEST (business days).</p>
--	--

Who do I contact if I have further queries?	<p>If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.</p> <p>If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm AEST (business days).</p>
--	---

2. Details of the Offer (continued)

2.9 Allocation policy

The basis of allocation of Offer Securities under the Offer will be determined by the Company and the Lead Manager, subject to any firm allocations under the Broker Firm Offer.

The Company reserves the right in its absolute discretion to not issue Offer Securities to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Offer Securities than those applied for at its absolute discretion.

2.10 Application Monies

All Application Monies will be held by the Company on trust in a separate account until the Offer Securities are issued to successful Applicants.

Application Monies will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2.11 ASX listing

The Company has applied to ASX for admission to the Official List and for its Securities to be granted official quotation by ASX. The Company is not currently seeking a listing of its Securities on any financial market other than ASX.

The fact that ASX may admit the Company to the Official List and grant official quotation of the Securities is not to be taken in any way as an indication of the merits of the Company or the Offer Securities offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Securities, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Securities to be quoted within three months after the date of this Prospectus, the Securities will not be issued and all Application Monies will be refunded (without interest) as soon as practicable.

2.12 Tax implications of investing in the Company

The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A general overview of the Australian and New Zealand taxation implications of investing in the Company is set out in Section 12.

The information in Section 12 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

3. About the Company

3.1 Background to the Company

The Company is a newly incorporated company. Following completion of the Offer, and subject to obtaining the requisite approval from ASX, the Company will be an ASX listed company. The Company intends to invest in and develop a portfolio of Internet-related Businesses comprising established growth stage technology businesses with enterprise values between \$10 million and \$200 million that the Company believes will provide strong growth and value creation opportunities.

In particular, the Company will focus on software, internet, mobile, data, online market-places and telecommunications-related businesses with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

The Company will not invest in start-ups or biotechnology companies. The Company's investment objective is to increase the value of its Investment Portfolio by providing long-term capital growth.

Following completion of the Offer and the acquisition of the Foundation Portfolio (described in Section 5.2 below) the Company's Investment Portfolio will comprise the following investments:

SiteMinder

Business: Hotel channel management platform
Interests held: Convertible preference shares
Equity interest: 14.3% (on a converted Fully Diluted Basis)
Investment value: \$18.8 million

Viocorp

Business: Provider of online video broadcasting software and services
Interests held: Convertible preference shares and convertible notes
Equity interest: 47.9% (on a converted Fully Diluted Basis)
Investment value: \$13.4 million

Standard Media Index

Business: Provider of aggregated media agency advertising spend data
Interests held: Ordinary shares
Equity interest: 13.1% of issued ordinary shares (7.7% on a Fully Diluted Basis)
Investment value: \$5.5 million

Further details of the Foundation Portfolio are provided in Section 5.

The Company provides investors with the opportunity to access an actively managed portfolio of investments at a growth stage that they would otherwise have limited opportunity to access. The Company also provides investors with the opportunity to gain exposure to the investment experience, expertise and track record of the Manager.

The Company has appointed the Manager to manage the Investment Portfolio.

3.2 Company objectives

The primary objectives of the Company are to:

- deliver long term absolute returns to Shareholders, comprised of both capital appreciation and a dividend yield (where dividends are payable), franked to either 100% or the maximum extent possible;
- provide investors with a portfolio exposure to a diverse range of growth stage Internet-related Businesses; and
- provide investors with the ability to invest in Internet-related Businesses through a structure that is more readily accessible and liquid than is typical for unlisted Internet-related Businesses.

3. About the Company (continued)

3.3 Background to Investment Strategy

3.3.1 Internet-related Businesses

In the short to medium term after the Offer, the Manager plans to identify and invest the Company's funds in additional Internet-related Businesses in accordance with the Company's Investment Strategy. 'Internet-related Businesses' refers to entities and businesses operating in the information technology sector, including software, internet, mobile, online market-places, and telecommunications-related businesses.

The Directors believe that the information technology sector provides regular opportunities for meaningful value creation. The Directors believe the combination of the following and other factors are driving sustained information technology industry growth and opportunities for new business development:

- digitisation of information;
- increased computing power;
- broadband proliferation;

- widespread use of smart devices, and;
- the development of cloud computing services.

In Australia and New Zealand, the development of the 'National Broadband Network' and 'Ultrafast Broadband' is expected to accelerate the development of applications and services utilising high speed broadband.

The Directors believe that advances in information technology are giving rise to changes in industry dynamics. These changes create various new market and business opportunities that can be exploited through innovation and disruption of traditional industry structures and ways of doing business. Sometimes the response of large incumbent businesses is to focus on consolidating their position in their defined market segments and to defend legacy cash flows. In some cases incumbents are not able or willing to adopt the new emerging business models and so provide opportunities for smaller nimble operators to grow rapidly and take market share in established and new markets.

Table 1: Examples of legacy services replaced by new services based on new technology

	Legacy		New	
	Business model	Providers	Business model	Providers (Trading names)
Classified advertising of jobs, homes and cars	Newspapers and magazine classified listings	Fairfax Media, News Ltd Trader magazines	Online advertising of jobs, homes and cars	Seek Carsales.com.au Realestate.com.au Trade Me Linked-in
Advertising by small and medium sized business	Yellow Pages and local newspaper listings	Sensis Yellow (NZ) Fairfax Media News Ltd	Search Online listings utilising crowd sourcing and social networking	Google Yelp Trip Advisor
Hotel booking	Bricks and mortar travel agents; telephone bookings	Harvey World Travel Thomas Cook	Online travel agents	Wotif Booking.com Agoda Expedia
Airline flight bookings	Bricks and mortar travel agents; telephone bookings	Harvey World Travel Thomas Cook Airlines	Online flight cost comparisons and booking engines	Webjet
Book purchasing	Bookshops	Borders Dymocks Whitcoulls	Online purchase and delivery	Amazon The Book Depository
General goods auctions/sale of second hand goods	Open outcry auctions Secondhand goods stores	Turners Auctions (NZ) Independent stores	Online auctions and 'buy now' sale of second hand goods	eBay Trade Me Gumtree
DVD rental or purchasing	Bricks and mortar stores	Blockbuster VideoEzy Kmart BIG W	Online rental or purchase with mail delivery or download	NetFlix Love Film Amazon
Restaurant bookings	Telephone	N/A	Online bookings	Open Table Dimmi

Source: Bailador Technology Investments Limited

3. About the Company (continued)

Examples of the development of new markets for new services which have only become possible because of a combination of the digitization of information, the development of ubiquitous connectivity, increasing computing power, smart devices and cloud computing are set out in Tables 1 and 2.

Table 2: Examples of new services enabled by new technology

New Service	New providers (Trading names)
Social networking	Facebook Twitter Linked-in
Contextual advertising, ad exchanges, ad serving and search optimisation	Google DoubleClick SLI
Price comparison	iSelect (Insurance) Webjet (Flights) Trivago (Hotels)
Private room and holiday house rental	Stayz Air B&B HomeAway
Crowdsourcing	99 Designs Freelancer DesignCrowd
Data-driven security screening	Palantir Wynyard

Source: Bailador Technology Investments Limited

An Australian or New Zealand founded company is now able to cost effectively acquire and serve global customers relatively inexpensively through online lead generation, online and other low cost sales channels and cloud computing services. Many businesses in the internet-related technology sector are inherently 'born global' (which means they can target foreign markets at an early stage in their operations rather than the alternative approach of waiting to pursue international expansion once the business has achieved success in its home market).

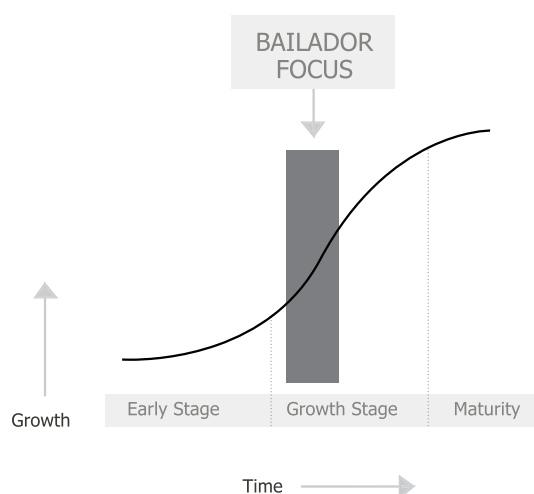
Large global incumbents that are unable to develop new, more nimble businesses in their core markets may be eager to acquire smaller developing businesses at premium prices as a defensive move and to provide new sources of growth. This dynamic may create profitable exit opportunities.

3.3.2 Expansion Stage Investing

In the short to medium term after the Offer, the Manager plans to identify and invest the Company's funds in additional Internet-related Businesses in accordance with the Company's Investment Strategy.

The Company intends to focus on established Internet-related Businesses founded in Australia and New Zealand in the expansion stage, as illustrated in the diagram.

Figure 1



Source: Bailador Technology Investments Limited.

3. About the Company (continued)

The Company will not invest in start-ups or biotechnology businesses.

The Company believes that growth stage investing produces superior risk adjusted returns for investors compared to early stage investing, primarily due to expansion stage investments often having the following characteristics:

- de-risked technology compared to early stage companies;
- proven revenue generation capability;
- proven management capability;
- demonstrated business model;
- clearly identified market growth opportunities and plan, often involving global opportunities; and
- companies are closer to exit via IPO or trade sale.

A comparison of the attributes of early stage businesses and growth stage businesses is set out in Table 3 below.

Table 3: General comparison of early stage and growth stage technology investments

	Typical Early Stage	Typical Growth Stage
Revenue	Minor, not yet proven repeatable	Multiple millions, proven repeatable, multiple customer renewals evident
Technology	In development	Developed, largely de-risked and proven effective across a wide customer base; proven scalable platform
Technology development team	Founders plus one or two developers	Full technology development function, including chief technology officer, plus or minus product managers
Sales force	Few in number and limited systems and processes	Established sales management and sales function with developed systems and processes
Management	Founders	Founders plus capable appointed managers; established financial management
Board	Advisory, dominated by founders	Full functioning board, balanced contribution from founders and investors*
Reporting and metrics	Rudimentary	Sophisticated and comprehensive; focused on growth, profitability and cash*
Typical use of funds	Product development and first sales	Product development, sales force growth, marketing, senior management hires, management systems, acquisitions
Typical valuation at time of investment	\$100,000-\$1 million	\$10 million – \$200 million

*After investment by an institutional investor such as Bailador

Source: Bailador Technology Investments Limited

The Directors believe there is a high demand for funding by businesses at the growth stage of development but limited funding opportunities due to the limited size of the local funding market in Australia and New Zealand and the difficulty in attracting local investment from large US or international funds.

The Manager intends to develop the Investment Portfolio by focusing on investments in Internet-related Businesses with the following key investment criteria:

- leading market position;
- globally competitive technology;
- significant repeating revenue;
- highly profitable Unit Economics;
- proven entrepreneurial management; and
- proven business model.

All investments will be subject to appropriate due diligence processes.

3. About the Company (continued)

3.3.3 Structural and contractual protections

Investments will typically (but not in all instances) be made with capital structure and/or contractual protections that provide

for a reduction in the risk of loss of capital while allowing full participation in equity upside, including:

- investing in preference shares or preferred convertible notes;
- requiring minority protections in investment documentation, including:
 - requiring Bailador approval for a range of business decisions such as change in the capital structure, change in business focus or activities and senior management appointments;
 - accelerating the sale of the business subject to time or performance hurdles;
 - drag along rights (allowing Bailador to force other investors to participate in an exit); and
 - tag along rights (ensuring Bailador does not get left behind on an exit by other investors); and
- maintaining active directorship of all investments.

The Directors are of the view that the ability to compel a sale after a specified period combined with seniority in the capital structure provides the Company with strong principal preservation and significantly reduces the Company's risk of permanent loss of capital.

The Manager's powers to invest and manage the Investment Portfolio are subject to reasonable and proper directions from the Board.

3.3.4 Revenue Models

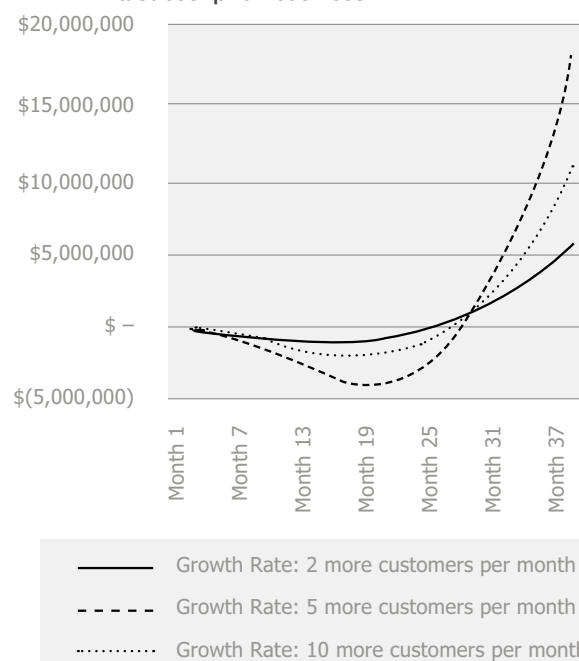
A revenue model refers to the type of transaction that occurs and the way in which fees are charged on the transaction. The Manager is primarily attracted to two revenue models: **the subscription revenue model** and the **marketplace revenue model**.

Subscription revenue model

A subscription revenue model refers to a transaction in which a buyer agrees to pay for a product or service by paying a regular fee over an extended period of time. Each individual payment is small in comparison to the total paid over the life of the transaction. The sale of multiple subscriptions over time has the effect of creating a compounding effect on profit growth as later subscriptions are added to earlier subscriptions that renew with no new cost required to secure the 'roll-over' revenue.

With subscription revenue models it is often the case that it makes economic sense to invest more money to acquire more customers more quickly because, although short term losses are greater, profits rise higher in a shorter time period due to the compounding effect of 'roll-over' revenue growth that has no new costs associated with it. This phenomenon is demonstrated in Figure 2:

Figure 2 – The impact of faster customer growth on profit in a subscription business



Source: Bailador Technology Investments Limited

A capital investment into a proven subscription business model often allows a business to intentionally incur a period of losses in order to drive more rapid growth. This approach is particularly employed where there is considered to be a benefit in gaining market share rapidly.

A key to this approach is for the business to understand whether it has profitable 'unit economics' (which means the value added by each customer taking into account the cost of customer acquisition, average revenue per customer, the cost to serve a customer, and customer average life). If Unit Economics are strong, then greater investment should result in greater profit growth over time.

There are numerous examples of large successful subscription businesses which have pursued this approach.

3. About the Company (continued)

Marketplace revenue model

A marketplace revenue model refers to the fees that are charged to participants in a marketplace. A marketplace is a market structure in which there are many buyers and many sellers. The features of the four market structures and the four types of transaction they create are laid out in Table 4.

Table 4: Market structure and types of transaction

Buyer	Seller	Example	Negotiating power with:	Transaction costs	Price	Value gained by:
One	One	Long term gas supply contract	Neither buyer nor seller	High	Fair	Either Buyer or Seller through negotiating skill
Many	One	Pay-television services	Seller	Low	High	Seller through high price but will be regulated
One	Many	Government services	Buyer	Moderate	Low	Buyer through low price but will be regulated
Many	Many	Online marketplace	Neither buyer nor seller	Very low	Fair	Neither/both as the marketplace allocates value accurately

Source: Bailador Technology Investments Limited

Market structure determines who has the negotiating power in a transaction and accordingly which of the buyer or seller gains the most value from the transaction. A marketplace is the only efficient market structure and in it transaction costs are low, prices are fair, and both the buyer and seller always receive fair value. As they work well for both buyers and sellers, marketplaces are sought out by buyers and sellers and may produce strong financial results. The marketplace takes a small fee from many buyers and sellers for facilitating a good outcome for them both.

3.4 Permitted Investments

Board approval is not required for Investments undertaken by the Manager that are in accordance with the Company's Investment Strategy but the Manager's powers to invest and manage the Investment Portfolio are subject to proper and reasonable directions given to it by the Company. The Company cannot give the Manager any directions or instructions that are inconsistent with the Investment Strategy, including any directions or instructions to acquire or dispose of an Investment or to alter the amount of borrowings for the Investment Portfolio.

3.5 Investment Strategy

The Manager must make Investments on behalf of the Company in accordance with the following Investment Strategy:

- the Manager will develop and manage a portfolio of investments in Internet-related Businesses;
- the Internet-related Businesses in which the Manager will invest will be in the expansion or growth (the terms are used interchangeably) stage (as compared to the 'start-up' stage or full maturity);

- the Company will typically invest an aggregate amount between \$2 million and \$20 million in any one portfolio company;
- a single new investment by the Company cannot exceed 40% of the Portfolio NAV at the time of investment;
- the Company can make follow-on investments in subsequent fund-raising rounds of existing portfolio companies when further investment is assessed to be value creating for the Company's investors;
- the Company may invest up to 15% of the Portfolio NAV at the time of investment in publicly listed technology stocks and IPO's, excluding any investments in Portfolio companies that have achieved IPO exits and in which the Company has retained an interest;
- the Company will primarily invest in businesses founded and headquartered in Australia and New Zealand, but may invest in businesses whose home market is outside these jurisdictions when it is confident that the business has established a strong market position, is at the appropriate stage of development and has world-competitive technology and excellent management; and
- the Company will invest in a range of securities according to circumstance, including but not limited to, convertible preference shares, convertible notes, preference shares, ordinary equity, warrants and debt-like instruments with or without conversion rights and/or security.

3. About the Company (continued)

3.6 Changes to Investment Strategy

If a Proposed Investment is not consistent with the Investment Strategy, the Manager may seek approval from the Company to undertake the Proposed Investment or to amend the Investment Strategy.

In seeking approval to amend the Investment Strategy, the Manager must provide information to the Company regarding the Proposed Investment to enable the Company to determine how the Investment deviates from the Investment Strategy and the proposed change to the Investment Strategy (if any) as the Company may reasonably request.

The Company may withhold its approval for the Manager to undertake the Proposed Investment or amend the Investment Strategy in its absolute discretion.

The Company will provide an undertaking to ASX prior to its admission to the Official List that it will not agree to any material changes to the Management Agreement without first obtaining Shareholder approval.

3.7 Dividend Policy

The Company intends to pay dividends to Shareholders. However, as investments in growth stage Internet-related Businesses will require an uncertain period of development before an optimum exit value is attained, it is likely that dividends will be irregular and will only be paid after realisations of investments. The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including the time it takes for the Manager to deploy capital, future earnings, capital requirements, future realisation of investments, financial conditions, future prospects and other factors that the Board deem relevant.

It is the current policy of the Board that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.

3.8 Status as a Listed Investment Company

Where the Company qualifies as a LIC, certain types of Shareholders may qualify for income tax deductions in respect of dividends paid out of certain profits which represent capital gains on the disposal of a permitted investment that the Company has held for over 12 months (referred to as a LIC capital gain).

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

On the basis of the current investment strategy, it is anticipated that the Company will generally not generate LIC capital gains as a consequence of the Investment Strategy proposed to be adopted. As such, Shareholders will generally not be able to obtain taxation benefits under the LIC regime.

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

However the Company may hold certain investments on capital account and may be able to pass through LIC taxation benefits to Shareholders that qualify for these concessions.

3.9 Reports to Shareholders

Within 14 days after the end of each month, the Company will release on ASX a statement of the net tangible asset backing of its Shares as at the end of that month. The calculation of the net tangible asset backing of Shares will be made in accordance with the Listing Rules.

The Company will provide to Shareholders on request a copy of statements released to ASX of the net tangible asset backing of Shares.

4. Foundation Companies

4.1 Background

The following Section includes details of the businesses operated by each Foundation Company and the nature of equity interests owned by the Bailador Fund at the date of this Prospectus.

4.2 Online Ventures Pty Ltd (SiteMinder)



4.2.1 Business

SiteMinder is the world leader¹ in hotel channel management and distribution solutions for online accommodation bookings. Established in 2006, SiteMinder has developed a suite of products that are used by accommodation providers in over 100 countries to help increase online revenue, streamline business processes and drive down the cost of acquisition of bookings. SiteMinder facilitates transactions in the fast growing market of online accommodation booking.

SiteMinder's key products are:

The Channel Manager	Provides two-way connections to the world's leading booking websites from one central cloud application, assisting properties of all sizes to maximise their online exposure, increase revenue and reduce the time and cost it takes to update rooms. The Channel Manager provides an efficient 'clearing house', matching hotel room availability across all channels simultaneously. This streamlines and reduces the cost of inventory management for hotels, compared to the largely manual and expensive inventory management practices currently employed by much of the industry.
The Booking Button	A commission-free, fully customisable booking engine that allows users to take direct bookings through their websites 24 hours a day, seven days a week.
GDS by SiteMinder	Lets users manage and store their inventory across all Global Distribution Systems (GDS) and update all rates via the SiteMinder Channel Manager. This provides a single point of entry for properties of all sizes and offers guests multiple travel agency channels through which they can make their reservations.
TripConnect	Allows independent hotel properties to purchase Cost-Per-Click (CPC) bids to appear in the price and availability search box in TripAdvisor's hotel pricing and availability search. When travellers click the link in those results, they will be taken directly to the users booking page to complete the transaction.

SiteMinder's head office is in Sydney, with regional offices in London, Dallas and Bangkok.

Since the initial investment by the Bailador Fund in April 2012, SiteMinder has increased the number of hotels using its service from approximately 5,000 to over 12,000 at the date of this Prospectus, making it the largest hotel booking channel manager in the world.²

SiteMinder has a subscription revenue model. Consistent with the business plan agreed with Bailador, SiteMinder incurred an EBITDA loss in the year to 30 June 2014 as it pursued its strategy of rapidly acquiring subscribers to its proven business model. The loss of less than \$2.5 million was lower than the year to 30 June 2013. SiteMinder has profitable Unit Economics, which allows it to intentionally enter a loss making period in order to acquire more customers in a shorter period with the intention of achieving greater profitability over time. See Section 3.3.4 for a description of the benefits of a subscription revenue model.

Key metrics include:

- Revenue for the year ended 30 June 2014: \$19.9 million; and
- FY14 Revenue Growth Rate: 80%.

4.2.2 Bailador Fund Investment

The Bailador Fund invested \$5.6 million in SiteMinder in April 2012 in return for the issue of Series A Convertible Preference Shares in the company, with separate investments being made by BT 1 Fund and BT 1 Top Up Fund. The Bailador Fund collectively holds an equity interest of approximately 14.3% in SiteMinder on a Fully Diluted Basis, of which 12.9% will be acquired by the Company under the Foundation Portfolio Acquisitions set out in Section 5.

Bailador Fund has an entitlement to two board appointments. Paul Wilson is currently the chairman of the SiteMinder board and David Kirk is a director.

¹ Based on customer numbers and revenue.

² Based on customer numbers and revenue.

4. Foundation Companies (continued)

The Series A Convertible Preference Shares may be converted to ordinary equity at any time at the discretion of Bailador Fund. The Series A Convertible Preference Shares rank equally with each other class of convertible preference shares and ahead of other shares. SiteMinder has no debt.

Each Series A Convertible Preference Share has the same rights to vote as each Ordinary Share and is entitled to any dividends declared on the Ordinary Shares as if each Series A Convertible Preference Share had converted to Ordinary Shares on the relevant dividend record date.

SiteMinder has 22 other shareholders, comprising the founders, employees and other minority investors. Each of these shareholders has provided written consent to the transactions proposed by the Foundation Portfolio Acquisitions and waived their pre-emptive rights under the constituent documents.

In December 2013 the Manager arranged and managed a further \$33 million investment by a venture capital fund based in the United States. This investment was made at a significant increase in company valuation from the value at which the Bailador Fund originally invested and that investor holds Series B Convertible Preference Shares on similar terms to the securities held by the Bailador Fund.

The Directors have valued the Bailador Fund's equity interests in SiteMinder which will be acquired by the Company at \$18.8 million.

This valuation was determined on the basis of the valuation methodology adopted by the Directors which is set out in more detail in Section 4.5. In addition, the Directors have received a limited assurance report from BDO in respect of such valuation. Refer to Section 4.6 for a summary of BDO's findings. A copy of the report is provided in Section 6.

4.3 Viocorp International Pty Limited (Viocorp)



4.3.1 Business

Viocorp is one of the leading platform providers for publishing and broadcasting video and audio content through the web, IPTV and mobile services. Established in 2002, Viocorp has developed a sophisticated suite of cloud based software products. The video platform Viostream provides the ability to publish video live or on demand across all digital channels from websites, intranets and apps to social media networks including YouTube, Facebook, Twitter, LinkedIn and more.

Viocorp is an enabler in the fast growing online video market segment. Viocorp's solutions enable effective communication with customers, investors and colleagues using video no matter what their device or where they are.

Viocorp's online video solutions are utilised by hundreds of corporate, government, not-for-profit and media companies within Australia and Asia. Corporate clients include Deloitte, Qantas, National Australia Bank, David Jones and DBS Bank in Singapore. Australian government clients include the Department of Defence, Department of Foreign Affairs, Department of Communications and the Department of Prime Minister and Cabinet. Media and telecommunications companies subscribing to Viocorp's products and services include the Australian Broadcasting Corporation, Channel 7, BIT Teknologi in Indonesia and Singapore's SingTel.

Viocorp has distributor partnership arrangements with Optus in Australia, SingTel in Singapore and BIT Teknologi in Indonesia. In addition to its headquarters in Sydney, Viocorp has offices and facilities in Melbourne, Canberra and Singapore.

Viocorp has a subscription revenue model. Consistent with the business plan agreed with Bailador, Viocorp has previously incurred losses as it pursued its strategy of rapidly acquiring subscribers to its proven business model. Viocorp achieved break even EBITDA profitability in the year to 30 June 2014. Viocorp has profitable Unit Economics. See Section 3.3.4 for a description of the benefits of a subscription revenue model.

Key metrics include:

- Revenue for the year ended 30 June 2014: \$9.8 million; and
- FY14 Revenue Growth Rate: 33%.

4.3.2 Bailador Fund Investment

The Bailador Fund invested \$7.0 million in Viocorp between December 2010 and June 2012 in convertible preference shares and convertible loan notes. A small portion of the convertible loan notes have been converted to ordinary shares, representing \$0.3 million of value.

Bailador Fund has an entitlement to two board appointments. David Kirk and Paul Wilson are both directors of Viocorp.

Each Convertible Preference Share:

- converts to Ordinary Shares at the option of Bailador;
- ranks equally with each other class of preference share (but ahead of the other classes of shares and behind convertible notes) for a return of capital on a winding up;
- carries the right to such number of votes at a meeting of shareholders as it would have carried had it been converted to Ordinary Shares at the relevant date; and
- carries the right to receive dividends declared on Ordinary Shares that would be payable had it been converted to Ordinary Shares at the relevant date.

The convertible loan notes:

- are convertible into Ordinary Shares at the option of the note holder (with the exception of any interest accrued in favour of Bailador which cannot be converted and must be repaid in cash); and
- earn a coupon which is deferred until repayment.

4. Foundation Companies (continued)

Viocorp has 21 other shareholders, comprising the founders, employees and other minority investors. Each of these shareholders has provided written consent to the transactions proposed by the Foundation Portfolio Acquisitions and waived their pre-emptive rights under the constituent documents.

Separate from the Bailador Fund investment, some Bailador Investors (**Viocorp Investors**) also hold Viocorp Notes, which were issued in November 2012 and May 2013.

The 2012 and 2013 convertible loan notes:

- are convertible into Ordinary Shares at the option of the note holders; and
- earn a coupon which is deferred until conversion to ordinary equity or repayment.

The securities held by Bailador Fund and the Viocorp Investors represent an equity interest of approximately 47.9% in Viocorp on a Fully Diluted Basis.

Viocorp has \$2 million outstanding debt, which matures in December 2016, with no principal repayments required until that date provided Viocorp complies with its obligations under the financing documentation and meets all relevant covenants.

The Company intends to acquire the Viocorp Notes interests from the Viocorp Investors as part of the Foundation Portfolio Acquisitions.

The Directors have valued the Bailador Fund's equity interests held in Viocorp at \$8.7 million, and the Viocorp Investors' Viocorp Notes at \$4.7 million for the purposes of the proposed acquisition by the Company. The total value of the Viocorp investment will be \$13.4 million.

This valuation was determined on the basis of the valuation methodology adopted by the Directors which is set out in more detail in Section 4.5. In addition, the Directors have received a limited assurance report from BDO in respect of such valuation. Refer to Section 4.6 for a summary of BDO's findings. A copy of the report is provided in Section 6.

4.4 Standard Media Index (SMI)



4.4.1 Business

SMI has established an independent source of actual advertising expenditure data and has partnerships with global media buying agencies for the provision of data from more than 25 countries around the world. SMI utilises a proprietary data collection system to retrieve data directly from the billing systems of media buying agency partners. This data is then harmonised into master codes for each media product (for example television channel, radio station, newspaper, magazine and website) and categorised by more than 30 categories and sub-categories of advertising spend (for example retail, financial services,

consumer goods, auto and entertainment). Since inception SMI has taken more than 750,000 media vendors and mapped them to a standard set of over 100,000 Global Master Vendor Codes.

The data is published 15 days after the end of each month and presented to subscribers as data displays and reports across all media types and sub-types and advertising categories and sub-categories. Subscribers are able to monitor and analyse key advertising spend growth and market share trends to make informed decisions about media product and programing effectiveness, sales force effectiveness, and inform strategic investment decisions.

SMI is a high value data aggregation, analysis and sales business. SMI's data tracks actual advertising spend dollars, as opposed to estimates from traditional sources. No other provider tracks actual spend data in this way. This provides a material point of difference for SMI.

Most significant media companies in Australia are subscribers to SMI and SMI has a number of high profile US, UK, and NZ media subscribers, as well as finance sector clients. The nature of the business model allows rapid revenue growth to be achieved once traction is gained in a market.

SMI is in the process of aggregating agency data from more than 25 countries around the world, with a goal of rolling out data for selected European and Asia Pacific markets in the next year. SMI has offices in Sydney and New York.

SMI has a subscription revenue model. Consistent with the business plan agreed with Bailador, SMI incurred an EBITDA loss in the year to 30 June 2014 as it pursued its strategy of rapidly acquiring subscribers to its proven business model. The loss of less than \$2.5 million was lower than the year to 30 June 2013. SMI has profitable Unit Economics, which allows it to intentionally enter a loss making period in order to acquire more customers in a shorter time period with the intention of achieving greater profitability over time. See Section 3.3.4 for a description of the benefits of a subscription revenue model.

Key metrics include:

- Revenue for year ended 30 June 2014: \$5.1 million; and
- FY14 Revenue Growth Rate: 31%.

4.4.2 Bailador Fund Investment

The Bailador Fund invested \$5.5 million in SMI in April 2011 in return for the issue of ordinary shares in SMI. The Bailador Fund holds 13.1% of issued ordinary shares in SMI, which is approximately 7.7% of SMI on a Fully Diluted Basis after allowing for all warrants and employee options including those not yet allocated. The Bailador Fund has an entitlement to a board appointment, and David Kirk is a director of SMI.

The ordinary shares rank equally with each other and the other classes of shares other than, on a sale (including by way of IPO) of some or all of the shares in SMI or all or substantially all of SMI's business and assets, in which case the proceeds of the sale must be distributed:

4. Foundation Companies (continued)

- first to the holders of convertible notes and preferred ordinary shares totalling \$11.1 million; and
- then to the holders of ordinary shares that have a contractual liquidity preference (Bailador) in an amount equal to the cost of those shareholders original investment; and
- only after payment in full of these priority amounts, will the other subordinated holders of ordinary shares be entitled to an amount equal to the cost of their capital investment in SMI.

The balance of such proceeds after satisfaction of the above priorities is distributed to all the shareholders pro-rata to their shareholdings (minus the sums already paid pursuant to the priorities above).

SMI has no debt. SMI has 18 other shareholders, comprising the founders and other minority investors. Each of these shareholders have provided written consent to the transactions proposed by the Foundation Portfolio Acquisitions and have waived their pre-emptive rights under the constituent documents.

The Directors have valued the Bailador Fund's equity interests held in SMI at \$5.5 million for the purposes of the proposed acquisition by the Company.

This valuation was determined on the basis of the valuation methodology adopted by the Directors which is set out in more detail in Section 4.5. In addition, the Directors have received a limited assurance report from BDO in respect of such valuation. Refer to Section 4.6 for a summary of BDO's findings. A copy of the report is provided in Section 6.

4.5 Foundation Portfolio Valuation

4.5.1 Valuation basis

The Foundation Portfolio has been internally valued by the Directors in order to determine the fair value of the consideration payable by the Company on completion of the Foundation Portfolio Acquisitions. The Foundation Portfolio valuation has been prepared by the Directors in a manner which is consistent with the measurement principles of Australian Accounting Standards, particularly AASB 13 'Fair Value Measurement'.

A description of the various interests being acquired by the Company in the Foundation Companies is summarised above in Sections 4.2, 4.3, 4.4 and 5 of this Prospectus.

The Directors have determined a total value for the Foundation Portfolio of approximately \$37.7 million as at the date of the Prospectus as follows:

Foundation Company	Fair Value of Equity Acquired (\$m)	Equity Acquired (%) [*]	Current Nature of Equity Interest Acquired
SiteMinder	\$18.8m	12.9%	Convertible preference shares
SMI	\$5.5m	13.1%	Ordinary shares
Viocorp	\$13.4m	47.9%	Convertible preference shares Convertible notes Ordinary shares

^{*} The Bailador Fund holds 13.1% of issued ordinary shares in SMI, which is approximately 7.7% of SMI on a Fully Diluted Basis after allowing for all warrants and employee options including those not yet allocated.

The Foundation Portfolio valuation has been prepared with reference to the disclosures outlined in this Section of this Prospectus. The disclosures in this Prospectus are presented in an abbreviated form and do not contain all of the disclosures that may be required in an annual report.

4.5.2 Valuation Methodologies Considered

The Australian Private Equity and Venture Capital Association (AVCAL) has prepared the International Private Equity and Venture Capital Guidelines (Valuation Guidelines). The Valuation Guidelines set out recommendations on the valuation of private equity investments which are intended to represent current best practice. The Directors have referred to the Valuation Guidelines in order to determine the 'fair value' of the Foundation Portfolio.¹

¹ Extracts from The International Private Equity and Venture Capital Valuation Guidelines, December 2012 edition have been included in Section 4.5.

4. Foundation Companies (continued)

The 'fair value' of the Foundation Portfolio is assumed to be the price that would be received for the Foundation Portfolio in an orderly transaction between knowledgeable and willing but not anxious market participants acting at arm's length given current market conditions at the relevant measurement date. Fair value for unquoted or illiquid investments is often estimated with reference to the potential realisation price for the investment or underlying business if it were to be realised or sold in an orderly transaction at the measurement date, regardless of whether an exit in the near future is anticipated and without reference to amounts received or paid in a distressed sale.

AVCAL suggests that one or more techniques should be adopted to calculate a private equity investment based on the valuer's opinion of which method or methods are considered most appropriate given the nature, facts and circumstances of the particular investment. In considering the appropriateness of each technique, AVCAL suggests the economic substance of the investment should take priority over the strict legal form.

AVCAL provides guidance on a range of valuation methodologies that are commonly used to determine the value of private equity investments in the absence of an active market, including:

- price of recent investments;
- earnings multiples;
- revenue multiples;
- net asset values;
- discounted cash flows of the underlying business;
- discounted cash flows of the investment; and
- industry valuation benchmarks.

4.5.3 Valuation Methodologies Adopted

Summary of Valuation Methodologies Adopted

A summary of the valuation methodologies adopted by the Directors to value the interests held in each of the Foundation Companies is set out in the table below.

Company	Price of Recent Investment	Cost plus Accrued Interest	Revenue Multiple
SiteMinder	✓ Primary	✗	✓ Cross-Check
SMI	✗	✓ Primary	✓ Cross-Check
Viocorp	✗	✓ Primary	✓ Cross-Check

The primary valuation methodology of each Foundation Company is either the 'price of recent investment' methodology (SiteMinder) or the 'cost plus accrued interest' methodology (Viocorp, SMI). In each case, the 'revenue multiple' methodology has been utilised as a cross-check. Each of the valuation methodologies adopted is explained further directly below.

Price of Recent Investment

The 'price of recent investment' methodology refers to the price at which a significant amount of new investment into a company has been made which is used to estimate the value of other investments in the company, but only if the new investment is deemed to represent fair value and only for a limited period following the date of the investment. The methodology therefore requires an assessment at the measurement date of whether any changes or events during the limited period following the date of the recent investment have occurred that imply a change in the investment's fair value.

The Directors consider it appropriate to refer to the 'price of recent investment' methodology as the primary methodology to value the interests held in SiteMinder for reasons which include the following:

- SiteMinder issued B-class preference shares to a new investor in December 2013 at an issue price of \$29.417 per share;
- the price at which the B-class preference shares were issued was negotiated at arm's length with an unrelated third party;
- the B-class preference shares have essentially the same rights and conditions as the A-class preference shares currently held by the Bailador Fund; and

4. Foundation Companies (continued)

- the Directors are of the view that no changes or events have occurred since the issue of the B-class preference shares that would imply a material change in the current fair value of the A-class preference shares.

Cost plus Accrued Interest

The 'cost plus accrued interest' methodology refers to the face value of securities including any interest which has accrued at the measurement date. It is particularly relevant where the security has either a structural or a contractual liquidity preference.

The Directors consider it appropriate to refer to the 'cost plus accrued interest' methodology as the primary methodology to value the convertible notes and convertible preference shares held in Viocorp for reasons which include the following:

- the structural liquidity preference attached to the convertible notes effectively ensures a minimum value for the convertible notes that is equal to their original cost plus accrued interest, provided the enterprise value of Viocorp is above the minimum value required to satisfy all higher and equal ranking liquidity preferences; and
- the Directors consider there is insufficient evidence to suggest the value of their investment in Viocorp has increased beyond its original cost plus accrued interest having regard to a range of other enterprise valuation methodologies, including the 'revenue multiple' methodology.

The Directors consider it appropriate to refer to the 'cost plus accrued interest' methodology as the primary methodology to value the ordinary shares held in SMI for reasons which include the following:

- the contractual liquidity preference attached to the ordinary shares effectively ensures a minimum value for the shares that is equal to their original cost, provided the enterprise value of SMI is above the minimum value required to satisfy all higher and equal ranking liquidity preferences; and
- the Directors consider that there is insufficient evidence to suggest the value of their investment in SMI has increased beyond its original cost, having regard to a range of other enterprise valuation methodologies including the 'revenue multiple' methodology.

Revenue Multiples

The Directors have determined that the 'revenue multiple' methodology is an appropriate valuation methodology to adopt as a cross-check for each of the Foundation Companies given the nature of their operations and the circumstances of the Company's proposed acquisition of the Foundation Portfolio.

A 'revenue multiple' methodology is often used as the basis of valuation for early and development stage businesses. Under this method, the enterprise value is derived by multiplying the normalised historical or projected revenue of the business with a multiple or range of multiples. The multiple or range of multiples applied should be an appropriate and reasonable indication of the value of each company, given the company's size, risk profile and growth prospects. The multiple or range of multiples is usually derived from market data observed for entities considered comparable to the companies being valued.

4. Foundation Companies (continued)

Consistent with AVCAL's recommendations in the Valuation Guidelines, the Directors have adopted the following process to estimate the value of each of the Foundation Companies using the 'revenue multiple' methodology:

Step 1

Determine the enterprise value for each of the Foundation Companies as follows:

- Select an appropriate revenue multiple, having regard to the trading and transaction revenue multiples observed for other companies considered to be broadly comparable to the Foundation Companies. To select an appropriate revenue multiple, the Directors have considered the following factors:
 - The nature of the revenue to which the multiple is to be applied. The multiple adopted should be consistent with the measure of revenue (i.e. historical or forecast);
 - Key differences between each of the Foundation Companies and the broadly comparable companies, which may include the following:
 - Products and services;
 - Operations;
 - Market focus;
 - Competitive position;
 - Quality of management and employees; and
 - Growth prospects;
 - The risks associated with the Company holding a minority equity position in each of the Foundation Companies, rather than a control position. The Directors note however that this risk is mitigated to some extent by the 'tag along', 'drag along' and other rights that are held by the Company; and
 - The risks associated with the lack of liquidity of the equity interests in the Foundation Companies;
- Determine the actual revenue observed over the twelve month period ended 30 June 2014.
- Multiply the actual revenue observed over the twelve month period ended 30 June 2014 by the selected historical revenue multiple or multiple range to calculate the enterprise value for each of the Foundation Companies.

Step 2

Adjust the enterprise value calculated for each of the Foundation Companies for such factors that would be taken into account by a potential willing buyer or seller who is not under a compulsion to buy or sell. Such factors can include, but are not limited to, surplus assets, excess liabilities, and other contingencies.

Step 3

Deduct from the figure calculated under Step 2 the amounts of any financial instruments ranking ahead of the highest ranking instrument in a potential sale scenario and the dilutive effects of any instrument. This step requires a valuation of all convertible notes, options and warrants that may be on issue.

Step 4

Apportion the remaining value between the relevant financial instruments according to their ranking, having regard to liquidity preferences.

Step 5

Determine the fair value of the interest to be acquired by the Company in each of the Foundation Companies by allocating the amounts derived under step 4 according to the proportion and nature of the interests acquired.

Although the 'revenue multiple' methodology is considered for the interests held in all three of the Foundation Companies in this Prospectus, it is not the primary methodology used by the Directors to value the interests held.

4. Foundation Companies (continued)

4.5.4 Foundation Portfolio Value

Information on the values adopted for the interests held in each of the Foundation Companies is set out below.

SiteMinder

- The price at which the B-class preference shares were issued to a third party investor in December 2013 (\$29.417 per share) implies a total value for the A-class preference shares to be acquired by the Company in SiteMinder of \$18.8 million. For the reasons outlined above, the Directors consider the value implied for the A-class preference shares by the issue of the B-class preference shares to be representative of the fair value of the interests held in SiteMinder as at the date of this Prospectus; and
- Research on trading and transaction multiples observed for companies considered broadly comparable to SiteMinder implies a revenue multiple within the range of 4.0x to 8.0x historical FY14 revenue. The Directors note the value implied for their equity interest in SiteMinder by the recent issuance of the B-class preference shares (\$18.8 million) implies a revenue multiple for SiteMinder under the 'revenue multiple' methodology that is consistent with the revenue multiple range stated above, based on actual revenues for SiteMinder in FY14 of \$19.9 million.

Having regard to the above, the Directors consider it appropriate to adopt a value for the interests held in SiteMinder of \$18.8 million as at the date of this Prospectus.

SMI

- The 'cost plus interest' methodology implies a total value for the ordinary shares of \$5.5 million as at 31 August 2014; and
- Research on trading and transaction multiples observed for companies considered broadly comparable to SMI implies a revenue multiple within the range of 3.0x to 8.0x historical FY14 revenue. The Directors note the value implied for their interest in SMI by the 'cost plus accrued interest' methodology implies a revenue multiple for SMI under the 'revenue multiple' methodology that is consistent with the revenue multiple range stated above, based on actual revenues for SMI in FY14 of \$5.1 million.

Having regard to the above, the Directors consider it appropriate to adopt a value for the interests held in SMI of \$5.5 million as at the date of this Prospectus.

Viocorp

To determine the value of the interests held in Viocorp, the Directors have considered the following:

- The 'cost plus interest' methodology implies a total value for the convertible notes and convertible preference shares of \$13.4 million as at 31 August 2014; and

- Research on the trading and transaction multiples observed for companies considered broadly comparable to Viocorp implies a revenue multiple within the range of 2.0x to 5.0x historical FY14 revenue. The Directors note the value implied for their interest in Viocorp by the 'cost plus accrued interest' methodology implies a revenue multiple for Viocorp under the 'revenue multiple' methodology that is consistent with the revenue multiple range stated above, based on actual revenues for Viocorp in FY14 of \$9.8 million.

Having regard to the above, the Directors consider it appropriate to adopt a value for the interests held in Viocorp of \$13.4 million as at the date of this Prospectus.

4.5.5 Valuation risk

The Foundation Companies are private companies that are not traded on a quoted market and have limited liquidity. The valuations attributed to the Foundation Portfolio are based on a number of assumptions, including assumptions relating to:

- The future performance of the underlying Foundation Companies;
- General macro-economic conditions; and
- General investment and share market conditions.

Investors should recognise that, while the valuations provide an interim indication of the underlying investment value of the Foundation Companies, a determination of actual value is ultimately dependent on the outcome and timing of any eventual realisation of the investments held in the Foundation Companies.

4.6 Limited Assurance Report

The Company has engaged BDO Corporate Finance (QLD) Ltd (**BDO**) to provide a limited assurance report on the fair values of the interests held in the Foundation Companies, as calculated by the Directors and set out in Section 4.5 of this Prospectus.

BDO have conducted their engagement in accordance with Standard on Review Engagements ASRE 2405 '*Review of Historical Financial Information Other than a Financial Report*' in order to state whether, on the basis of the procedures described, anything has come to their attention that causes them to believe that the fair values of the interests held in the Foundation Companies, as calculated by the Directors and reported in this Prospectus, are not prepared, in all material respects, in accordance with the measurement requirements specified in Section 4.5.1 of the Prospectus.

Based on their review, which is not an audit, nothing has come to BDO's attention that causes them to believe that the fair values of the interests held in the Foundation Companies, as calculated by the Directors and reported in this Prospectus, are not prepared, in all material respects, in accordance with the measurement requirements specified in Section 4.5.1 of the Prospectus.

5. Foundation Portfolio Acquisitions

Definitions of key parties

In this Section, the following capitalised terms have the following meanings:

Bailador Fund	means BT 1 Fund and BT 1 Top Up Fund.
Bailador Fund Investors	means the unitholders in the BT 1 Fund and the BT 1 Top Up Fund.
Bailador Trustee	means Bailador Pty Limited ACN 143 060 520.
BT 1 Fund	means the Bailador Trust ABN 52 880 505 305.
BT 1 Top Up Fund	means the Bailador SiteMinder Co-Investment Trust ABN 50 626 213 258.
BT 1 Top Up Fund Companies	means the proprietary limited companies that will be registered and owned by each unitholder in the BT 1 Top Up Fund who is a Participating Foundation Investor and which will ultimately hold the Participating Foundation Investor's BT 1 Top Up Fund units.
Foundation Companies	means SiteMinder, SMI, and Viocorp.
Foundation Portfolio	means the interests in the Bailador Fund and the Viocorp Notes to be acquired by the Company pursuant to the Foundation Portfolio Acquisitions.
Manager	means Bailador Investment Management Pty Limited ACN 143 060 511.
Participating Foundation Investors	means those Bailador Fund Investors and Viocorp Investors who have elected to participate in the Foundation Portfolio Acquisitions.
Sell-Down Vendor	means those Participating Foundation Investors who have elected to participate in the Sell-Down and have transferred Sell-Down Shares to the SaleCo.
Viocorp Investors	means the holders of the Viocorp Notes.

5.1 Background

At the date of this Prospectus the Manager manages the Bailador Fund which comprises the following unlisted unit trusts:

- BT 1 Fund which has 36 unitholders; and
- BT 1 Top Up Fund which has 11 unitholders.

Some Bailador Fund Investors hold units in BT 1 Fund and BT 1 Top Up Fund. The Bailador Trustee is the trustee of both trusts.

The investment portfolio of the Bailador Fund consists of the following equity interests in the Foundation Companies:

Bailador Fund	Security held	Equity interest
BT 1 Fund	Convertible preference shares in Viocorp	47.9%**
	Ordinary shares in Viocorp	
	Convertible notes in Viocorp	
	Ordinary shares in SMI	13.1%*
	Convertible preference shares in SiteMinder	8.9%**
BT 1 Top Up Fund	Convertible preference shares in SiteMinder	5.4%*

* Percentage of issued ordinary shares

** On a converted Fully Diluted Basis

In addition the Viocorp Investors (who are also Bailador Fund Investors) hold Viocorp Notes separately from their interests in the Bailador Fund.

5. Foundation Portfolio Acquisitions (continued)

5.2 Foundation Portfolio Acquisitions

The Company proposes to acquire part of the Bailador Fund from the Bailador Fund Investors, the Viocorp Notes from the Viocorp Investors and the Bailador Trustee, collectively, the Foundation Portfolio, and has entered into agreements with the relevant parties in respect of the proposed transactions:

Transaction	Asset acquired	Outcome	Value	Notes
BT 1 Fund Acquisition	Units in BT 1 Fund	100% unitholder of BT 1 Fund	\$27.0m	
BT 1 Top Up Fund Acquisition	Shares in BT 1 Fund Companies	74% unitholder of BT 1 Top Up Fund	\$5.7m	The Company is indirectly acquiring the BT 1 Top Up Fund units by acquiring the individual companies that hold the BT 1 Top Up Fund units. 26% of BT 1 Top Up Fund will be held by non-participating BT 1 Top Up Fund unitholders.
Viocorp Notes Acquisition	Convertible notes in Viocorp	100% of all Viocorp Notes on issue	\$4.7m	
Bailador Trustee Acquisition	Shares in Bailador Trustee	100% shareholder of Bailador Trustee	\$1	Bailador Trustee is the trustee of the Bailador Fund.

The percentage of the BT 1 Top Up Fund acquired represents the interests of the BT 1 Top Up Fund unitholders who have elected to participate. Refer to Section 5.5 for further details regarding those investors who elected not to participate.

Completion of the Foundation Portfolio Acquisitions is conditional on the satisfaction of the Foundation Portfolio Acquisition Condition. If the Foundation Portfolio Acquisition Condition is satisfied, the acquisitions will be completed on the Foundation Portfolio Acquisition Completion Date.

5.3 Consideration payable for Foundation Portfolio

The Directors have ascribed a total value of \$37.7 million for the Foundation Portfolio on the basis of the valuation process and methodologies that have been adopted as detailed in Section 4.5 above. After deducting liabilities of BT 1 Fund of \$0.2 million, the consideration to be paid by the Company for the Foundation Portfolio will be \$37.5 million. A breakdown of the value attributed to the interest acquired in each investee company is also set out in Section 4.5.

The Company will issue Foundation Shares in the Company to the Participating Foundation Investors as consideration for the acquisition of the Foundation Portfolio. Each Foundation Share will have an aggregate value of \$1 per share and will be issued by the Company on the Foundation Shares Allotment Date.

A portion of the Foundation Shares issued to Participating Foundation Investors (and, once issued, their attaching Options) will be classified as restricted securities and will be required to be held in escrow. Refer to Section 5.4 for more information about the escrowed securities.

Following completion of the Foundation Portfolio Acquisitions and the issue of the Foundation Shares the Company will have 37,462,891 Shares on issue.

The Company will separately pay \$1 cash for the acquisition of shares in the Bailador Trustee.

A diagram illustrating the anticipated structure of the Bailador group following completion of the Foundation Portfolio Acquisitions and the Offer is set out in Section 1.4.

5. Foundation Portfolio Acquisitions (continued)

5.4 Restricted Securities

The Foundation Shares that will be issued to Participating Foundation Investors will be subject to escrow restrictions on the basis that the units and Viocorp Notes that will be exchanged for the Foundation Shares will be categorised by ASX as 'classified assets' under Listing Rule 9.1.3 of the Listing Rules.

The Company has successfully applied for relief in respect of Listing Rule 9.1.3 and as a result the cash formula will apply to the Foundation Shares on a 'look through' basis. As a result 4.1 million Foundation Shares issued to Participating Foundation Investors associated with the Company's directors, Mr Kirk, Mr Wilson, Mr Bullock and Mr Mackay-Cruise as consideration for the Foundation Portfolio Acquisitions will be subject to a mandatory 24 month escrow period from the date of quotation.

Approximately 11.0 million Foundation Shares issued to unrelated Participating Foundation Investors will be subject to a 12 month escrow from the date of the Company's admission to the Official List.

The Options that are issued by the Company on the Option Allotment Date relating to the escrowed Foundation Shares will also be subject to the above escrow restrictions.

Each of the parties holding restricted securities will enter into appropriate restriction agreements with the Company and will be prohibited from transferring the restricted securities during the relevant escrow period.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the securities commencing trading on the ASX.

5.5 Non-participating Bailador Fund Investors

As referred to in Section 5.2 above, it is proposed that the Company will acquire 74% of the BT 1 Top Up Fund on the Foundation Portfolio Acquisition Completion Date on the basis that 26% of BT 1 Top Up Fund unitholders elected to retain their interests held in the BT 1 Top Up Fund and not participate in the Foundation Portfolio Acquisitions.

Accordingly, these interests in the BT 1 Top Up Fund are excluded from the Foundation Portfolio Acquisitions and will remain separate from the assets that will comprise the Foundation Portfolio.

As discussed above, the existing management arrangements in place between the Manager and the BT1 Fund will be terminated effective from the Foundation Portfolio Acquisition Completion Date. The management agreement in respect of the BT 1 Top Up Fund will continue in force but that agreement and the BT 1 Top Up Fund trust deed will be amended so that no management or performance fees are payable by the Company to the Manager in respect of the BT 1 Top Up Fund other than under the Management Agreement.

5.6 Tax implications of Foundation Portfolio Acquisitions

There are no taxation implications that will be incurred by the Company as a result of the Foundation Portfolio Acquisitions.

There will be tax implications for the Participating Foundation Investors as a result of the exchange of units in the Bailador Fund and/or Viocorp Notes for shares in the Company and the Co-Founders as a result of the exchange of their 'sponsor units' in the Bailador Fund for the Foundation Shares.

The Company has sought tax rulings for CGT relief on behalf of the Participating Foundation Investors and Co-Founders in relation to the anticipated tax treatment of the acquisitions as follows:

- the Participating Foundation Investors who hold units in the BT 1 Fund will get rollover relief in relation to the exchange of their units in the BT 1 Fund for the issue of Foundation Shares;
- the Participating Foundation Investors who hold units in the BT 1 Top Up Fund will get rollover relief in relation to their indirect exchange of units in the BT 1 Top Up Fund for the issue of Foundation Shares; and
- the Participating Foundation Investors who hold the Viocorp Notes will not get a tax rollover or deferral on their exchange of Viocorp Notes for the issue of Foundation Shares.

These tax rulings and any tax liability of the Participating Foundation Investors do not affect the Company.

6. Limited Assurance Report



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

The Directors
Bailador Investment Management Ltd
Level 9, 37 Bligh Street
SYDNEY NSW 2000

3 October 2014

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON BAILADOR INVESTMENT MANAGEMENT LTD INVESTMENT DISCLOSURES

BDO Corporate Finance (QLD) Ltd ('BDO') has been engaged by Bailador Investment Management Ltd ('Bailador') to report on certain investment related disclosures made by Bailador in Section 4.5.1 of the prospectus dated on or about 3 October 2014 ('the Prospectus'). The Prospectus is issued in respect of the proposed initial public offering of shares in Bailador Technology Investments Ltd.

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

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (AFSL) under the Corporations Act 2001. BDO holds the appropriate AFSL under the Corporations Act 2001. We have included our Financial Services Guide as Appendix A to this report.

Scope

Bailador and its associated entities hold interests in each of the following investee companies ('the Foundation Investment Companies'):

- SiteMinder;
- Standard Media Index; and
- Viocorp.

BDO have been requested to provide a limited assurance report on the fair value of the interests held by Bailador and its associated entities in the Foundation Investment Companies, as calculated by the Directors and set out in Section 4.5.1 of this Prospectus.

Directors' Responsibility

The directors of Bailador are responsible for the preparation of Section 4.5 of the Prospectus, including information disclosed in the Prospectus relating to:

- the valuation methodologies considered;
- the valuation assumptions and inputs selected; and
- the fair values calculated by the Directors for the interests held in the Foundation Investment Companies.

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725 AFS Licence No. 245513 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (QLD) Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

6. Limited Assurance Report (continued)



The Directors are also responsible for maintaining internal controls, as the directors determine are necessary, to enable the disclosures set out in the Prospectus to be prepared free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the fair values of the interests held in the Foundation Investment Companies, as calculated by the Directors and set out in Section 4.5.1 of this Prospectus.

We have conducted our engagement in accordance with Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the fair values of the interests held in the Foundation Investment Companies, as calculated by the Directors and reported in Section 4.5.1 of the Prospectus, are not prepared, in all material respects, in accordance with the measurement requirements also specified in Section 4.5.1 of the Prospectus.

No opinion is expressed as to whether the measurement requirements specified in Section 4.5.1 of the Prospectus are appropriate to the needs of users of the Prospectus.

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

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the fair values of the interests held in the Foundation Investment Companies, as calculated by the Directors and reported in Section 4.5.1 of the Prospectus, are not prepared, in all material respects, in accordance with the measurement requirements also specified in Section 4.5.1 of the Prospectus.

Consent

BDO has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included. BDO does not consent to this Report being used for any other purpose.

Liability

The liability of BDO is limited to the inclusion of this report in the Prospectus. BDO makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

This report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this report.

6. Limited Assurance Report (continued)



Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Fair Value Disclosures

The fair values disclosed in Section 4.5.1 of the Prospectus are, in part, based on assumptions about the future financial performance of the Foundation Investment Companies as the date of the Prospectus.

BDO notes that assumptions about the future financial performance of an entity are based upon judgement and opinion as to the future operating, economic, political and legal conditions that may affect the various components of the entity's future financial performance. Changes in these conditions may materially impact the future financial performance of the Foundation Investment Companies (and consequently the fair values of the interests in the Foundation Investment Companies).

BDO does not express an opinion as to whether any of the assumptions relating to the future financial performance of the Foundation Investment Companies will be achieved. Actual results may vary from those forecast and the variations may be material.

The limited assurance conclusion expressed in this Report has been formed on the above basis.

Independence or Disclosure of Interest

BDO does not have any interest in the outcome of the offer made in connection with the Prospectus, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO will receive professional fees for the preparation of this report based on the time required to complete the work.

BDO Corporate Finance (QLD) Ltd

A handwritten signature in black ink, appearing to read 'Steven Sorbello', is written over a faint, circular, light-grey watermark or background graphic.

Steven Sorbello

Director

7. About the Manager

7.1 About the Manager

The Manager is a proprietary limited company owned by entities related to David Kirk and Paul Wilson, who are Directors of the Company.

The Manager was founded in 2010 and is currently the manager of the Bailador Fund, which, along with certain Bailador Fund Investors at the date of this Prospectus, holds the Foundation Portfolio. The Manager holds Australian Financial Services Licence (AFSL) 400811.

7.2 The services provided by the Manager

As noted above, the Company's Investment Portfolio will be managed and the Investment Strategy will be implemented by the Manager in accordance with the terms of the Management Agreement.

In addition, the Manager will also provide or procure the provision of administrative support services reasonably required by the Company to conduct its business. These services include assisting the Company in respect of the following:

- maintenance of the corporate, tax and statutory records of the Company;
- compliance with the Company's obligations under the Corporations Act and the Listing Rules;
- liaison with the share registry;
- preparation of the Company's monthly net tangible asset backing reports and arranging for the lodgement of such reports in a timely manner to enable the Company to comply with its reporting requirements under the Listing Rules;
- preparation of the Company's half-year reports and annual reports, and arranging for the printing and distribution of such reports; and
- the provision of information necessary for the maintenance of financial accounts of the Company to be completed.

7.3 Manager's intentions for future investments

As noted above, the Manager will invest the Company's funds in a portfolio of investments in Internet-related Businesses in accordance with the terms of the Management Agreement. While the Manager has determined that it will invest the funds raised under the Offer in Internet-related Businesses, at the date of this Prospectus, no determination has been made by the Manager in respect of the actual allocation of funds (other than its intention to remain within the investment parameters set out in Section 3 of this Prospectus).

Accordingly, excluding the Foundation Portfolio, the Manager has not (as at the date of this Prospectus) committed the Company to any investments (whether conditional or otherwise) but is in preliminary and confidential discussions with a number of potential investee companies regarding investment opportunities. The Manager estimates that the Investment Portfolio will take approximately 15 months to fully construct and will most likely consist of between three and five investments in addition to the Foundation Portfolio.

The Manager may make further investments in the Foundation Companies. There are likely to be opportunities to invest further in these companies in the future. In particular, Viocorp has stated its intention to raise some further capital before 31 December 2014 to continue its expansion. The Manager has not committed to invest in that capital raising, and may or may not invest dependent on final terms.

The Manager will focus on building long-term value for investors by developing a portfolio of investments in different Internet-related Businesses. Investment selection will be based on a variety of factors which are described in more detail in Section 7.4. The Manager will have regard to the reasonable and proper directions of the Board of the Company subject to the limitations set out in Section 13.1.5.

Capital allocation and investment decisions will be made by the board of the Manager having regard to the merits of any relevant investment proposal by the Manager's investment team (which will identify both the risks and opportunities associated with the potential investment).

7. About the Manager (continued)

7.4 Manager's investment methodology and process

The Manager undertakes a disciplined and consistent investment approach and comprehensive analysis of potential investee companies. An outline of this approach and methodology is illustrated in the diagram.

Further information about each of these steps is set out below.



Identification of potential investments

The Manager has been managing the Bailador Fund for more than three and a half years. During this time the Manager has assessed more than 280 potential investments and has made three investments. A number of the potential investments assessed by the Manager in the last three years have been at a stage of development that was considered by the Manager to be too early for investment by Bailador Fund.

Notwithstanding this the Manager has remained in contact with the most prospective of the companies assessed in the last three years and now has a qualified pipeline of potential investee companies.

On average the Manager is presented with 2 new potential investments each week.

High-level assessment and Go/No Go

The Manager is able to assess potential investments quickly and efficiently, usually after the provision of some high-level information by the business and one meeting with the founders. The following questions need to be answered to the Manager's satisfaction for the Manager to proceed further.

- Are the founders capable, open and honest? Are they open to advice, support and change?
- How big is the market opportunity?
- Is the economics of the business, as demonstrated by current growth, Unit Economics and projected growth, exceptional?
- Is the technology de-risked and able to be sold as demonstrated by multiple customer numbers and repeating sales?
- Does the business have technology as good as or better than the best local and global competitors?
- Does the business have the leading market position in Australia and/or New Zealand?
- Is revenue locked-in and recurring?
- Is the growth plan focused and achievable?
- Are our investment time horizons compatible with the founder's time horizons?
- Is the founder's valuation range acceptable to us?
- Are our minority protection requirements acceptable to the founders?
- Are we agreed on Board representation?

Negotiation of Term Sheet

Assuming all of the above questions are answered to the Manager's satisfaction the Manager then negotiates a term sheet with the founders and other shareholders of the potential investee company. The term sheet is comprehensive, covering all the major commercial and minority protection issues associated with the investment.

Detailed due diligence

The Manager then undertakes detailed commercial, legal and tax due diligence on the potential investee company.

Commercial due diligence is focused on the capability of the founders and other management, a detailed analysis of the relevant market size and market growth rate by product and geography, a detailed analysis of the company's sales model and sales channel partner strategy, the potential investee company's current market position in all its markets, an analysis of all current and potential competitors, a detailed analysis of the growth economics of the company, a clear understanding of the working capital cycle and detailed analysis of the company's technology and that of the potential investee company's competitors.

7. About the Manager (continued)

Legal, accounting and tax due diligence is carried out with appropriate legal and accounting assistance as required.

Detailed documentation and settlement

Typically the Manager will negotiate and conclude the following documentation with investee companies:

- a shareholders agreement;
- a share subscription agreement; and
- if current shareholders are selling a small portion of their shares, a share sale and purchase agreement.

Appropriate vendor warranties will always be negotiated.

Depending on the particular situation, an investment may be structured such that the investment amount is provided in instalments over a period of time as required by the business. In some cases 'price ratchets' may be included such that the acquisition price is adjusted should the company fail to achieve forecast sales or other growth targets.

7.5 Manager's Investment Team



David Kirk
Co-founder and Managing Partner

David has been chief executive of two ASX-listed companies, including diversified media company, Fairfax Media Limited, where he led a number of successful internet sector investments. David has a longstanding interest in internet and new media businesses and has been an early stage investor in a number of technology-based businesses since 1999. David is chairman of the Hoyts Group, chairman of the ASX-listed companies, Trade Me Group Limited and Kathmandu Holdings Limited, a director of Forsyth Barr Limited, a New Zealand privately owned investment firm, and a director of each of SiteMinder, SMI and Viocorp.

David is a Rhodes Scholar with degrees in Medicine from Otago University and Philosophy, Politics and Economics from Oxford University. David enjoyed a highly successful rugby career, captaining the All Blacks to win the World Cup in 1987. He was awarded an MBE in 1987.



Paul Wilson
Co-founder and Partner

Paul has had extensive private equity investment experience as a director of CHAMP Private Equity in Sydney and New York, and with MetLife in London. Before co-founding the Manager, Paul was executive director at media focused investment group, Illyria Pty Ltd.

Paul is the chairman of SiteMinder and a Director of Viocorp International, Yellow Pages (New Zealand), the Rajasthan Royals IPL cricket franchise, and ASX listed Vita Group Limited. Paul has a B Bus, Banking and Finance from QUT and is a Fellow of the Financial Services Institute of Australia, a Member of the Institute of Chartered Accountants of Australia and a Member of the Australian Institute of Company Directors.

7. About the Manager (continued)

7.6 Historical Performance of the Bailador Fund managed by the Manager

The table below summarises the historical performance returns achieved since inception by the Bailador Fund that the Manager has been responsible for managing.

While the historical returns generated by the Bailador Fund managed by the Manager (which are unlisted unit trusts) are relevant to your investment decision on the basis that the Manager will be managing the Investment Portfolio, those returns should not be relied upon as an indication of the future performance of your investment in shares in the Company which will be a listed Australian public company and is structurally a different type of investment to a direct investment in an unlisted trust.

Additionally, while the Manager has determined that it will invest the funds raised under the Offer in accordance with the Investment Strategy, no determination has been made by the Manager in respect of the actual allocation of funds. Finally, the past performance of the Manager is not a reliable indicator of its future performance.

Accordingly, the actual returns of the Company could differ materially from the historical returns of the Bailador Fund managed by the Manager.

At the date of this Prospectus the Bailador Fund has made the following investments:

Investment	Investment amount	Bailador Fund entity	Investment period
Viocorp	\$7.0 million	BT 1 Fund	Between December 2010 and June 2012
SMI	\$5.5 million	BT 1 Fund	April 2011
SiteMinder	\$5.6 million	BT 1 Fund (\$3.5 million) BT 1 Top Up Fund (\$2.1 million)	April 2012

BT 1 Fund made its first investment in December 2010 in Viocorp (which has since been the subject of follow on investments by BT 1 Fund in April and September 2011 and June 2012). BT 1 Fund invested in SMI in April 2011. In April 2012, an opportunity arose to invest in SiteMinder. The size of the investment opportunity was greater than the funds available in the BT 1 Fund, so further funds were raised from some of the existing BT 1 Fund investors to meet the available SiteMinder investment opportunity. A co-investment fund (BT 1 Top Up Fund) was established specifically for this purpose.

The Manager manages both funds under management agreements which have identical commercial terms and receives the same fee structure in respect of both funds. Set out below are the aggregated returns for BT 1 Fund and BT 1 Top Up Fund (together the 'Bailador Fund'):

Time period	1 year (p.a.)	2 year (p.a.)	Returns since inception (p.a.)*
Annual returns (gross returns pre tax and fees)	47.5%	37.6%	24.3%

* 'Returns since inception' are the gross (pre tax and fees) unrealised returns of the Bailador Fund managed by the Manager since the Manager was founded, based on the valuation of the investments at 31 August 2014. Refer to Section 4.5 for further information regarding the Foundation Portfolio valuation, and Section 6 for the Limited Assurance Report from BDO. Actual returns at the point at which the underlying investments are sold may vary significantly from the unrealised returns.

7.7 Conflict policy

The Manager has in place a comprehensive conflicts policy which accords with its various obligations and duties as an AFSL holder.

The Manager intends to construct and manage the Investment Portfolio in accordance with the terms of the Management Agreement, its conflicts policy and as disclosed in this Prospectus.

8. Risk factors

Investing in the Offer Securities involves a high degree of risk. You should carefully consider the risks described below and all of the other information set out in this Prospectus before deciding to invest in the Offer Securities. If any of the events or developments described below occurs, the Company's business, financial condition or results of operations could be negatively affected. In that case, the market price of the Offer Securities could decline, and you could lose all or part of your investment.

8.1 Investment Strategy risk

The past performance of investments managed by the Manager and persons associated with it are not necessarily a guide to future performance of the Company. There are risks inherent in the investment strategy that the Manager will employ for the Company including, but not limited to:

- the success and profitability of the Company depends in part on the ability of the Manager to construct and manage a portfolio of Investments in accordance with the Company's proposed Investment Strategy;
- the Performance Fee may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Company;
- key personnel engaged by the Manager may leave the Manager and such departures may impact on the ability of the Manager to manage the Investment Portfolio; and
- the ability of the Manager to continue managing the Investment Portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the Manager's AFSL. Maintenance of the AFSL depends, among other things, on the Manager continuing to comply with any ASIC imposed licence conditions and the Corporations Act.

8.2 Other risks

The operating results and profitability of the Company are sensitive to a number of factors including, but not limited to, Manager risk, asset risk, specific risks associated with investments in Internet-related Businesses and general risks.

You can do some things to reduce the impact of risk. Firstly, get professional advice suited to your investment objectives, financial situation and particular needs. Nothing in this Prospectus can replace or offer that. Secondly, invest for at least the time frame recommended by your professional adviser.

The Company should not be seen as a predictable, low risk investment. The Company's investments will be concentrated in growth stage unlisted businesses and so the Company will be considered to have a higher risk profile than many other types of investments. The Company, the Manager and the Lead Manager do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Company.

It is not possible to identify every risk associated with investing in the Company, however, the following list sets out the most significant risks associated with investing in the Company. There may be other risks associated with investing in the Company. The risks set out in the following table, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects.

8. Risk factors (continued)

Type of Risk	Description of Risk
Manager risk	<p>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 and the retention of the Manager as manager of the Investment Portfolio.</p> <p>While the Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee that the Manager will achieve any particular investment return within the Investment Portfolio or that its future performance will match or exceed the Manager's past performance. In addition, poor investment performance will not give rise to a right of the Company to change or terminate the Manager.</p> <p>The Manager is required to hold an AFSL to operate its business. The ability of the Manager to continue managing the Investment Portfolio is dependent on the maintenance of the AFSL. To the extent that the Manager should lose or have restrictions imposed on its AFSL to prevent the Manager from continuing to manage the Company, the Company will need to identify and engage a suitably qualified and experienced manager to implement the Company's Investment Strategy. Similarly, if the Management Agreement is terminated for any other reason, the Company will need to identify and engage a suitably qualified and experienced investment manager.</p> <p>There can be no guarantee that the Company will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the relevant management agreement to the standard required by the Company or to a level that matches or exceeds the performance of the Manager.</p> <p>The Management Agreement is terminable by the Manager on three months' notice after the expiry of the Initial Term. See Section 13.1 for further details on the Management Agreement terms.</p>
Manager conflicts risk	<p>As stated elsewhere in this Prospectus, the Manager will continue its appointment as manager in respect of 26% of the units in the BT 1 Top Up Fund that are being retained by existing Bailador Fund Investors and are not being acquired by the Company.</p> <p>The Manager may also in the future be the manager or advisor to other funds and investment vehicles, or provide other non-management professional or advisory services (however it has no intentions to do so at the date of this Prospectus).</p> <p>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 therefore may be detrimental to the Company and consequently its Shareholders.</p>
Asset risk	<p>There is a risk that the value of the assets selected by the Manager may decline in value. The return on the Company's investments may also be affected by government policy and the general health of the sectors in which the relevant investee companies operate.</p>
Investment risk	<p>There is a risk that the Securities or the Company's investments will fall in value over the short or long term. Investors in the Company are exposed to this risk through both their holding in the Securities and through the Company's investments.</p>
Risk of Shares trading below Portfolio NAV	<p>The Shares of the Company may trade on ASX at a discount to the Portfolio NAV on a per Share basis and the performance of the Shares may not be correlated with the performance of the Investment Portfolio.</p>

8. Risk factors (continued)

Type of Risk	Description of Risk
Foundation Portfolio risks	<p>There are risks relating to the Foundation Portfolio that the Company has agreed to acquire, including those set out below.</p> <ul style="list-style-type: none"> • The Company will hold a minority equity position in each of the Foundation Companies. It is therefore possible that other equity holders will make decisions with which the Company disagrees or which are contrary to the Company's interests, and that the Company may not be able to exit the investment at the time and in the manner that it wishes. These risks are typically mitigated in practice by minority protections in the relevant shareholders' agreements, such as requiring Bailador agreement for changes in the investee company's business strategy, material capital expenditure, capital structure, senior management appointments or drag and tag rights (as those terms are explained in Section 3.3.3). • The Foundation Companies are private companies that are not traded on a quoted market and have limited liquidity. The valuations attributed to the Foundation Portfolio are based on a number of assumptions that may or may not prove to be correct, including assumptions relating to: <ul style="list-style-type: none"> • the future performance of the underlying Foundation Companies; • general macro-economic conditions; and • general investment and share market conditions. <p>Investors should recognise that, while the valuations provide an interim indication of the underlying investment value of the Foundation Companies, a determination of actual value is ultimately dependent on the outcome and timing of any eventual realisation of the investments held in the Foundation Companies.</p> • Any change in legislation or government policy regarding research and development credits or grants may have a material adverse impact on the financial position of a Foundation Company. • The performance of a Foundation Company may rely on the continued engagement of key personnel who may leave that Foundation Company. • The rights of a senior lender to a Foundation Company may be exercised if the Foundation Company breached the terms of the relevant finance documentation. • Customer contracts to which a Foundation Company is a party may be terminated resulting in a reduction in revenue to the Foundation Company. • A Foundation Company may not be able to access sufficient debt or equity to meet its operational cash requirements and capital expenditure. • The Company's equity holding in a Foundation Company may be materially diluted if future equity is raised at a discount to the current value of the Foundation Company. • A Foundation Company may be the subject of a claim by a third party in relation to a breach of that party's intellectual property. Additionally, a Foundation Company may not have full right, title and interest in some of the intellectual property that it is using to conduct its business.
General investee company risks	<p>There are risks relating to growth stage Internet-related Businesses in which the Company proposes to invest including:</p> <ul style="list-style-type: none"> • the business model of a particular investee company may be rendered obsolete over time by competition or new technology, limiting the Company's opportunities for exit or return on investment; • some investee companies may not perform to the level expected by the Manager and could fail to implement proposed business expansion, reduce in size or be wound up; • some investee companies may fail to acquire new funding, whether by way of debt funding or third party equity funders; • the founders or key personnel of an investee company may leave or be terminated; and • there is no guarantee of appropriate or timely exit opportunities for the Company, and accordingly the timeframe for the realisation of returns on investments may be longer than expected.
Insufficient investments risk	<p>As set out in this Prospectus, the Manager will endeavour to identify appropriate investment opportunities for the Company's funds to be invested. The Manager may not be able to identify sufficient investment opportunities that satisfy the criteria required for investment by the Company under the Management Agreement in order to maximise the Investment Portfolio.</p>

8. Risk factors (continued)

Type of Risk	Description of Risk
Personnel risk	The Manager's performance is largely dependent on the skills and efforts of the Manager's investment team. There can be no guarantee that the Manager will be able to retain its investment team or that the Manager will be able to attract and retain management personnel of sufficient experience and expertise to manage the Investment Portfolio.
Market risk	<p>Investment returns are influenced by market factors such as changes in economic conditions, the legislative and political environment, investor sentiment, natural disasters and acts of terrorism.</p> <p>The Investment Portfolio will be constructed so as to minimise market risks but those risks cannot be entirely eliminated and the Investment Portfolio may underperform the broader market.</p> <p>As a result no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.</p>
Liquidity risk	There is a risk that the Investment Portfolio's underlying investments or the Securities may not be easily converted to cash. Even where the Company does have or is able to access a significant cash holding, that cash will not necessarily be available to Shareholders.
Investment concentration risk	There is a potential for volatility due to the lack of diversity within the Company's Investment Portfolio. The lower the number of investments, the higher the concentration and, in turn, the higher the potential volatility.
No operating or performance history of the Company	<p>The Company is a new entity with no financial, operating or performance history and no track record.</p> <p>The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.</p>
Financial market volatility	A fall in global or local equity markets or global or local bond markets may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which the Securities trade on ASX.
Operational costs	Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of this Offer. Operational costs representing a greater proportion of total assets may reduce the operating results of the Company and its ability to make dividend payments.
Dividend risk	<p>The ability of the Company to offer a fully franked dividend is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment of dividends difficult and unpredictable.</p> <p>No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's Investment Portfolio or the return of the capital invested by Shareholders. Specifically, the Manager may make poor investment decisions resulting in the returns being inadequate to pay an annual dividend to Shareholders.</p>
Industry risk	There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally.
Regulatory risk	<p>The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time, depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to the risk of changes to applicable laws and/or the interpretation of existing laws, which may have a negative effect on the Company, its investments and/or returns to Shareholders and also the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p>

8. Risk factors (continued)

Type of Risk	Description of Risk
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change which may affect the Company and its Shareholders.</p> <p>There may be tax implications arising from ownership of the Securities (and upon exercise of the Options), the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the Securities.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the ATO.</p> <p>The Company is not responsible for either taxation implications or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>
Currency and foreign jurisdiction risk	<p>In addition to investments in Australian entities, the Manager may make investments that have currency exposure. There is a risk that adverse movements in exchange rates will reduce the value of investments in Australian dollar terms.</p> <p>In addition, the Company may be exposed to risks relating to its investments in entities located in foreign jurisdictions, where the laws of those foreign jurisdictions offer less legal rights and protections to holders of securities in such foreign entities as compared with the laws in Australia.</p>
Interest rate risk	Changes in short and long-term interest rates can have a positive or negative impact on investment returns.
Accounting policy risk	Changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.
Future capital requirements of the Company	<p>There can be no assurance that the Company will not need to raise additional capital to fully exploit business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.</p> <p>If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business, financial condition and results of operation.</p>

8.3 Timeframe for investments and summary

Investors are strongly advised to regard any investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. As noted above the Manager estimates it may take approximately 15 months to fully construct the Investment Portfolio.

In addition, the above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities. Therefore, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

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

9. Board and governance

9.1 Board composition

The composition of the Board is set out below.



David Kirk
Chairman and Executive Director

Refer to Section 7.5 for David Kirk's profile.



Paul Wilson
Executive Director

Refer to Section 7.5 for Paul Wilson's profile.



Andrew Bullock
Independent Non-executive Director

Andrew Bullock is a partner at Australian law firm, Gilbert + Tobin in the Corporate Advisory group.

Mr Bullock specialises in mergers and acquisitions, fundraisings and strategic joint ventures and primarily acts for fund managers and corporate clients in the private equity, infrastructure and media sectors.

Mr Bullock is recognised by Chambers Global as a leading lawyer in mergers and acquisitions and for private equity. Mr Bullock joined Gilbert + Tobin in 2006 and was previously a partner of Minter Ellison and spent 3 years in the London office of Freshfields Bruckhaus Deringer.

Mr Bullock has a Bachelor of Arts from Sydney University and a Bachelor of Laws from the University of New South Wales.



Sankar Narayan
Independent Non-executive Director

Sankar Narayan is currently the Chief Financial Officer of Virgin Australia Holdings Limited.

He has previously held several senior management roles including the CFO roles at Fairfax Media and Foxtel.

Mr Narayan has an MBA from the University of Chicago Booth School of Business and is a FCPA (Australia). He also holds a masters in electrical engineering from the State University of New York.



Heith Mackay-Cruise
Independent Non-executive Director

Heith Mackay-Cruise has held global leadership roles across the Education and Media Sectors as the former CEO of Sterling Early Education, Study Group and ACP Media NZ. Prior to this, Mr Mackay-Cruise held management roles in Australian Consolidated Press, Pepsi-Cola Bottlers Australia and Frito-Lay Australia.

Mr Mackay-Cruise is currently a non-executive director of Literacy Planet and the national charity, Vision Australia Limited.

Mr Mackay-Cruise has a Bachelor of Economics degree from the University of New England and is a Graduate of the Australian Institute of Company Directors.

9. Board and governance (continued)

9.2 Remuneration of Directors

Under the Constitution, each Director may be paid remuneration for ordinary services performed as a Director.

The Directors have agreed that each of the independent Directors will initially receive remuneration of \$60,000 per annum, inclusive of superannuation. Paul Wilson and David Kirk will not receive any remuneration in respect of their role as Directors. The maximum aggregate remuneration payable to the Board as a whole will be capped at \$300,000 and under the Listing Rules the maximum fees payable to Directors may not be increased without prior approval of the Shareholders at a general meeting. Directors will seek approval from time to time as deemed appropriate.

9.3 Interests of Directors

David Kirk is the managing director of the Manager and Paul Wilson is a director of the Manager. Entities associated with David Kirk and Paul Wilson own 100% of the Manager's shares.

As directors and shareholders of the Manager, each of David Kirk and Paul Wilson (in their respective capacities) will benefit from the entry by the Manager into the Management Agreement with the Company through the payment of fees under the Management Agreement. The Company believes that the Management Agreement has been entered into 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 Management Agreement.

Details of the Management Agreement are set out in Section 13.1 of this Prospectus.

Other than as set out below or elsewhere in the Prospectus (including Section 14.10) no Director or proposed Director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; or
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

9.4 Management team

The key investment personnel referred to in Section 7.5 (David Kirk and Paul Wilson) are the directors and shareholders (through related entities) of the Manager. As they are not employees of the Company they will not be entitled to be paid any fees by the Company.

9.5 The Board and corporate governance

The Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors and officers operate in an appropriate governance environment. The Board is responsible for the overall governance of the Company.

Issues of substance affecting the Company are considered by the Board with advice from external advisors as required. Each Director must declare all actual or potential conflicts of interest. Any issue concerning a Director's ability to properly act as Director will be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

9. Board and governance (continued)

9.5.1 Governance policies

The governance policies set out in this Section 9.5.1 have been adopted by the Board and will be made available on the Company's website prior to its admission to the Official List.

Governance policy	Summary
Board charter	The board charter formalises the functions and responsibilities of the Board (including the process for evaluating the performance of the Board and its committees). The Board is ultimately responsible for the financial and operating policies of the Company and has delegated to the Manager authority over the day to day management of the Company including various responsibilities which have been set out in the board charter.
Code of conduct	The code of conduct addresses matters relevant to the Directors' legal and ethical obligations to its stakeholders. This policy outlines its requirements with respect to relationships, compliance with laws and ethics, conflicts of interest, confidentiality, use of the Company's assets and competition.
Securities trading policy	The securities trading policy sets out the Company's policy with regard to trading in the Company's securities. This policy applies to all Directors and their associates. The policy sets out the general prohibition on insider trading, restrictions on trading and required notification of proposed trading in the Company's securities.
Shareholder Communications policy	<p>The shareholder communications policy has been adopted with a view to ensuring that the Company complies with the requirements of the Listing Rules.</p> <p>The policy also outlines responsibilities for shareholder communications including: reports issued to shareholders; ASX announcements; annual general meetings; maintenance of the Company website; requests for information; and review of shareholder communications.</p>
Continuous disclosure policy	The continuous disclosure policy has been adopted with a view to ensuring that the Company complies with the requirements of the Listing Rules. The policy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing the information; and policy review details.
Risk management policy	This policy is designed to assist the Company to identify, monitor and manage the risks affecting the Company's business.
Audit and risk committee charter	<p>The audit and risk committee charter outlines: the composition of the audit and risk committee; its authority and responsibilities; meeting requirements; reporting procedures; and oversight of the risk management system.</p> <p>As at the date of this Prospectus, all of the Directors will be members of the Company's audit and risk committee, and Sankar Narayan is appointed as the chair.</p>
Nomination and remuneration committee charter	<p>The nomination and remuneration committee's role is to:</p> <ul style="list-style-type: none">(a) assist the Board and make recommendations to it about the appointment of new directors of the Company (both executive and non-executive); and(b) advise on remuneration and issues relevant to remuneration policies and practices, including for non-executive directors. <p>The nomination and remuneration committee charter outlines the composition of the committee; its responsibilities (including in relation to the selection of and making recommendations about new Board candidates and ongoing responsibilities for Board member performance reviews, assessments and remuneration policies) and its meeting requirements.</p> <p>As at the date of this Prospectus, all of the Directors will be members of the Company's nomination and remuneration committee, and Andrew Bullock is appointed as the chair.</p>

9. Board and governance (continued)

9.5.2 Best practice commitment

The Company is committed to achieving and maintaining the highest standards of conduct and has implemented initiatives (as set out in this Section) to achieve this objective. The Company's corporate governance policies are intended to institutionalise good corporate governance and build a culture of best practice both in the Company's own internal practices and in its dealings with others.

The Company has considered the ASX Corporate Governance Principles and Recommendations (3rd Edition) to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's nature of operations and size and will seek to follow these recommendations where possible.

As required under the Listing Rules, where the Company determines it would be inappropriate to follow the principles because of its circumstances, the Company will provide reasons for not doing so in its annual report.

As at the date of this Prospectus, the Board does not anticipate that it will depart from the recommendations in the ASX Corporate Governance Principles, other than as set out below.

Recommendation	Comment
1.5 Disclosure of diversity policy	The Board has determined, given the current nature and size of the Company, that it is not appropriate to adopt a policy concerning diversity and the Board does not consider the departure to be materially detrimental to the Company. The Board values and embraces diversity and recognises the value contributed to the Company by appointing to the Board people with varying skills, cultural backgrounds, ethnicity and experience.
1.6 and 1.7 Disclosure of process to evaluate the performance of the Board and senior executives	The Board has determined, given the size of the Board and the Company, and the fact that the Company is newly established, that it is not appropriate to disclose the process for performance evaluation of the Board, its committees and individual Directors and senior executives. Rather than a formal review procedure, the Board has adopted a self-evaluation process to measure its own performance, which is overseen by the nomination and remuneration committee.
2.5 Independent chair of the Board	<p>The Board has determined, given the current nature and size of the Company, that it is appropriate for David Kirk to be the chair of the Board, notwithstanding the recommendations in the ASX Corporate Governance Principles for the chair to be an independent director.</p> <p>The Board acknowledges the importance of having an appropriate separation between the management of the Company and those responsible for overseeing the management and accordingly has appointed an independent, non-executive director, Andrew Bullock as the Board's deputy chair.</p> <p>As deputy chair, Mr Bullock will step into the role of Board chair in circumstances where Mr Kirk is conflicted as the chair (for example in relation to decisions relating to the Manager's appointment or performance). For as long as the chair is not independent, the deputy chair will also serve to assist the Board in reviewing the performance of the chair and in providing a separate channel of communication for the Company's members if necessary. The Board does not consider the departure to be materially detrimental to the Company on the basis of the above factors and on the basis that there is a majority of non-executive independent directors on the Board.</p>
3.1 Code of conduct	The Board has adopted a code of conduct in relation to the Directors' legal and ethical obligations regarding their position within the Company. Given that the Company does not have senior executives or management personnel that are not Directors, the Board has determined that the code does not need to extend to senior executives and employees at this time as recommended by Recommendation 3.1. The Board will adopt an appropriate policy extending to employees and non-director management personnel at the relevant time.

9. Board and governance (continued)

Recommendation	Comment
7.3 Internal audit function	The Board has determined that the audit and risk committee will, as part of its duties, periodically undertake the internal audit function contemplated by Recommendation 7.3 in relation to the Company's risk management and internal control process and will report the findings of the internal audit to the Board. The Board considers this process is appropriate for the Company at the current time, given the size and nature of the Board and the Company. The Board (on recommendations from the audit and risk committee) will take appropriate steps to update or implement new risk management systems or internal control processes as and when risk is identified.
8.2 Disclosure of policies and practices for remuneration of Directors and senior executives	<p>The Board has determined that it is not appropriate to disclose the underlying policies regarding the remuneration of non-executive Directors, executive Directors and other senior executives at the current time on the basis that the Company's executive Directors will not be receiving a fee for their position and the non-executive Directors will be receiving remuneration of \$60,000 each for their services as disclosed elsewhere in this Prospectus. At the date of this Prospectus, the Company does not have any senior executives who are not Directors nor any performance based remuneration regimes. The Company has not adopted any equity-based incentive schemes for any of its Directors.</p> <p>The Company intends to make detailed disclosure as to its remuneration policies for key management personnel in the remuneration report in its annual report as required by the Corporations Act.</p>

9.6 Independence

Having regard to the factors set out in the ASX Corporate Governance Principles:

- Andrew Bullock, Sankar Narayan and Heith Mackay-Cruise are considered to be independent Directors, free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of the Directors' judgement and each is able to fulfil the role of an independent Director for the purposes of the ASX Corporate Governance Principles. Whilst entities associated with Mr Bullock and Mr Mackay-Cruise will be shareholders of the Company upon completion of the Offer, they will not be considered 'substantial holders' of the Company on the basis that their individual holdings will constitute less than 5% of the Company's issued share capital;
- David Kirk is not currently considered independent given his position as co-founder, partner and managing director of the Manager; and
- Paul Wilson is not considered independent given his position as co-founder, partner and director of the Manager.

Accordingly, the majority of the Board is independent when considered in accordance with the criteria set out in the recommendations in the ASX Corporate Governance Principles.

9.7 Independent professional advice

To fulfil his duties and responsibilities as Directors, each Director (with the prior approval of the chairman) may seek independent legal or other professional advice about any aspect of the Company's operations. The chairman's approval may not be unreasonably withheld or delayed. The cost of the advice is borne by the Company.

10. Financial information

10.1 Use of proceeds

The Company intends to use the funds raised from the Offer for investment consistent with the objectives, Investment Strategy and Investments set out in Section 3, to pay the costs of the Offer and to obtain a listing on ASX.

10.2 Unaudited statements of financial position

The Company was incorporated on 4 August 2014.

The unaudited historical statement of financial position of the Company as at 4 August 2014 (**Historical Financial Information**) has been extracted from the unaudited trial balance of the Company as at 4 August 2014.

The unaudited pro forma statements of financial position (**Pro Forma Financial Information**) have been prepared to illustrate the effects of the adjustment for the different subscription amounts and completion of the Foundation Portfolio Acquisitions as if they had occurred on 31 August 2014.

Collectively the Historical Financial Information and the Pro Forma Financial Information are referred to in this Prospectus as the **Financial Information**.

The Pro Forma Financial Information has been prepared on the basis of the following assumptions:

- (a) the Foundation Portfolio Acquisitions completed on 31 August 2014;
- (b) completion of the Offer based on either \$25 million (minimum) or \$40 million (maximum) being raised;
- (c) payment of costs (which have been deducted from the cash amount) which consists of the Offer related costs in accordance with Section 10.5 below;
- (d) 75% of the relevant subscription amount is raised under the Broker Firm Offer and 25% of the relevant subscription amount is raised under the General Offer;
- (e) no ongoing expenses have been incurred by the Company as at 31 August 2014;
- (f) no Options are exercised as at 31 August 2014;
- (g) the Company is registered for GST in Australia and is eligible to claim reduced input taxed credits on eligible expenses incurred in relation to the Offer in accordance with the Goods and Services Tax Act 1999;
- (h) the Company will derive income of a sufficient nature to enable the recognition of a deferred tax asset in relation to the costs of the Offer; and
- (i) the costs incurred by the Company in respect of the Offer referred to in this Section are net of the deferred tax asset benefit, in accordance with accounting standards and the accounting policy for income tax in Section 10.7. This means that the tax benefit (a 30% tax deduction) is applied to these costs to reduce them by 30%. The cash outlay of an expense is gross of this tax benefit. For example, an outlay described in this Section as \$70 (net of tax) is a cash outlay of \$100 less the tax benefit of a \$30 income tax deduction. The costs described in Sections 2.8, 14.12 and 14.13 show the gross cost (excluding GST), before applying the deferred tax asset benefit.

If you do not fully understand any aspect of the Pro Forma Financial Information or the Historical Financial Information you should seek professional guidance from your accountant or other professional adviser before deciding whether to invest in the Securities.

10. Financial information (continued)

	Unaudited Historical Statement of Financial Position as at 4 August 2014	Unaudited Pro forma Statements of Financial Position as at 31 August 2014	
		Minimum Subscription \$25,000,000	Maximum Subscription \$40,000,000
Assets			
Cash	\$1	\$23,585,795	\$38,172,967
Receivables	–	–	–
Deferred Tax Asset	–	\$424,262	\$548,111
Financial Assets		\$37,462,890	\$37,462,890
Total Assets	\$1	\$66,376,621	\$76,183,968
Trade and other creditors and accruals	–	–	–
Liabilities	–	–	–
Net Assets	\$1	\$61,472,947	\$76,183,968
Equity			
Issued Securities	\$1	\$62,462,891	\$77,462,891
Costs of the Offer	–	(\$989,944)	(\$1,278,924)
Retained earnings	–	–	–
Total Equity	\$1	\$61,472,947	\$76,183,968
NAV Per Share	\$1.000	\$0.984	\$0.983

10.3 Capital structure

The anticipated capital structure of the Company on completion of the Offer and the issue of the Securities as consideration for the Foundation Portfolio Acquisitions is set out below:

Shares	Minimum Subscription		Maximum Subscription	
	Number	%	Number	%
On issue at 4 August 2014	1	–	1	–
Issued under this Offer	25,000,000	40%	40,000,000	51.6%
Issued as consideration for Foundation Portfolio Acquisitions	37,462,890	60%	37,462,890	48.4%
Total Issued Shares	62,462,891	100.0%	77,462,891	100.0%

Note: The figures in the above table are calculated before the exercise of Options

On the Option Allotment Date, the Company will issue one attaching Option for each Share that is on issue at that date (other than the initial share held by the Manager). Accordingly, following the issue of the Options, it is anticipated that the Company will have 62,462,890 Options on issue based on the Minimum Subscription and 77,462,890 Options on issue based on the Maximum Subscription.

10. Financial information (continued)

10.4 Cash

A reconciliation of the unaudited historical statement of financial position and pro forma statements of financial position for cash is set out below.

	Unaudited Historical Statement of Financial Position as at 4 August 2014	Unaudited Pro forma Statements of Financial Position as at 31 August 2014	
		Minimum Subscription	Maximum Subscription
Cash 4 August 2014	\$1	\$1	\$1
Proceeds of Offer		\$25,000,000	\$40,000,000
Costs of Offer (net of deferred tax asset)		(\$989,944)	(\$1,278,924)
Deferred tax asset		(\$424,262)	(\$548,111)
Estimated Cash Assets	\$1	\$23,585,795	\$38,172,967

10.5 Costs of the Offer

The Company will pay all of the costs of the Offer including lead manager fees, legal and Investigating Accountant's fees, independent valuation fees, printing and initial ASX listing fees (but excluding fees payable to the Lead Manager relating to the Sell-Down which will be reimbursed by the Sell-Down Vendors). The costs (net of deferred tax asset and recoverable GST) to be paid by the Company have been estimated at \$989,944 assuming the Minimum Subscription is achieved, and \$1,278,924 assuming the Maximum Subscription is achieved. A breakdown of these costs for both the Minimum Subscription and the Maximum Subscription is provided below:

	Minimum Subscription	Maximum Subscription
Lead Manager Fee	\$269,063	\$430,500
Broker Fee	\$201,797	\$322,875
Legal Fees	\$196,350	\$196,350
Investigating Accountant	\$38,500	\$38,500
ASX Fees	\$82,607	\$89,071
ASIC Lodgement Fees	\$1,603	\$1,603
Other costs	\$200,025	\$200,025
Total estimated Offer costs	\$989,944	\$1,278,924

10. Financial information (continued)

10.6 Financial Assets

Following completion of the Offer and the Foundation Portfolio Acquisitions, the Company's Investment Portfolio will comprise the following unlisted investments, referred to in the Prospectus as the Foundation Investment Portfolio:

Foundation Investment Company	Independent Valuation
Viocorp	\$13,420,084
SMI	\$5,500,000
SiteMinder	\$18,804,543
Working capital in Foundation Portfolio Acquisitions	(\$261,737)
Financial Assets as at 31 August 2014	\$37,462,890

10.7 Significant accounting policies and notes to accounts

The Company has been classified under AASB 2013-5 as an 'Investment Entity' whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an 'Investment Entity', the Foundation Portfolio Acquisitions have been accounted for at fair value through the profit or loss and shown as Financial Assets in the Pro forma Financial Information.

A summary of significant accounting policies that have been adopted in the preparation of the Pro Forma Financial Information set out in Section 10.2, or that will be adopted and applied in the preparation of the financial statements of the Company for the period ending 30 June 2015 and subsequent periods, is set out as follows:

Accounting policy	Notes
Basis of preparation	<p>The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards.</p> <p>The Pro Forma Financial Information has been prepared in a manner which is consistent with the recognition and measurement principles of the Australian Accounting Standards.</p> <p>The Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.</p> <p>The Financial Information presented in the Prospectus is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.</p> <p>The Pro Forma Financial Information has been prepared on the basis of assumptions outlined in Section 10.2.</p>

10. Financial information (continued)

Accounting policy	Notes
Investments	<p>Investments held at fair value through profit or loss will initially be recognised at fair value. Transaction costs related to their acquisition are expensed to profit and loss immediately. Subsequent to initial recognition, all financial instruments held at fair value will be accounted for at fair value, with changes to such values recognised in the profit or loss.</p> <p>The entity is exempt from consolidating underlying investees it controls in accordance with AASB 2103-5.</p> <p><i>Fair value in an inactive or unquoted market</i></p> <p>The fair value of investments that are not traded in an active market will be determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.</p> <p>Investments will be recognised on a trade date basis.</p>
Income tax	<p>Under current legislation, the Company is subject to income tax at 30% on taxable income. A capital gains tax concession may be available to investors where certain requirements are met. Refer to Section 12 for further information.</p> <p>The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in the profit or loss.</p> <p>Deferred tax assets and liabilities will be recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates will be applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability will be recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.</p> <p>Deferred tax assets will be recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity will also be recognised directly in equity.</p>
GST	<p>The Company is registered for GST and under current regulations will claim the maximum entitlement available in relation to GST incurred in respect of particular expenses. The un-claimable portion will be written off as an expense or included in the tax assets as appropriate or capitalised.</p>
Revenue and expenses	<p>Revenue and expenses will be brought to account on the accrual basis. Changes in the net fair value of investments will be recognised in profit or loss and will be determined as the difference between the net fair value at year end or consideration received (if sold during the year) and the carrying value of the investment.</p>
Cash and cash equivalents	<p>For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts will be shown within interest bearing liabilities in current liabilities in the statement of financial position.</p>
Receivables	<p>Receivables may include amounts for dividends, interest and securities sold. Dividends will be receivable when they have been declared and are legally payable. Interest will be accrued at the balance date from the time of last payment. Amounts receivable for securities sold will be recorded when a sale has occurred.</p>
Payables	<p>These amounts will represent liabilities for amounts owing by the Company at year end which are unpaid. The amounts will be unsecured and will usually be paid within 30 days of recognition.</p>

10. Financial information (continued)

Accounting policy	Notes
Derivative financial instruments	The Company may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to financial derivatives are included in profit or loss as part of net gains/(losses) on investments.
Prepayments	The Company will recognise as a prepayment costs incurred from which a benefit is expected to be derived in the future. The period over which the prepayment will be expensed will be determined by the period of benefit covered by the prepayment.
Share capital	Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity, net of any tax effects.
Share option reserve	The share option reserve will be measured at the fair value of the Options at the date of issue. This reserve is adjusted, with a corresponding entry to share capital, on exercise of the Options. At the expiration of the Option period, the portion of the reserve relating to unexercised Options will be transferred to retained earnings.

11. Investigating Accountant's Report



INVESTIGATING ACCOUNTANT'S REPORT

3 October 2014

The Directors
Bailador Technology Investments Limited
Suite 707, Level 7
37 Bligh Street
Sydney NSW 2000

Dear Sirs,

Investigating Accountant's Report and Financial Services Guide

We have prepared this Investigating Accountant's Report (report) at the request of the Directors of Bailador Technology Investments Limited ("the Company") for inclusion in a Prospectus relating to the proposed issue by the Company of up to 40,000,000 shares at an issue price of \$1.00 each to raise up to \$40,000,000 before the costs of the issue, excluding any Sell-Down Proceeds ("the Offer"). The minimum amount of the Offer under the Prospectus is \$30,000,000 which would comprise the issue of 30,000,000 shares at an issue price of \$1.00 each. Investors will also receive, for no additional consideration, one Option for every one Share allotted, exercisable at \$1.00 on or before 31 March 2016.

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

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License.

Background

The Company is newly incorporated and has not conducted any business to date. Following completion of the Offer the Company intends to invest in growth technology businesses, requiring expansion capital and with an enterprise valuation of between \$10 million and \$200 million.

In particular, the Company will focus on software, internet, mobile, data, on-line market places and telecommunications-related businesses with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

The Company has entered into agreements for the BT 1 Fund Acquisition, BT 1 Top Up Fund Acquisition and Viocorp Notes Acquisition, collectively referred to in this Prospectus as the 'Foundation Portfolio Acquisitions', as detailed in Section 4.

Following completion of the Offer and the Foundation Portfolio Acquisitions, the Company's Investment Portfolio will comprise the following unlisted investments (**Foundation Portfolio**):

HALL CHADWICK CORPORATE
(NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street
Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW
2001

Ph: (612) 9263 2600

Fx: (612) 9263 2800

E: hcsyinfo@hallchadwick.com.au

com.au

www.hallchadwick.com.au

A member of AGN
International Ltd, a
worldwide association of
separate and independent
accounting and consulting
firms

11. Investigating Accountant's Report (continued)

Foundation Portfolio Company	Description
Viocorp International Pty Ltd (Viocorp)	Provider of online video broadcasting software and services with an established customer base in Australia and Asia.
SMI Holding Company Pty Limited (SMI)	The world's sole provider of aggregated media agency advertising actual spend data, with a dominant position in the Australian market, and data secured in over 25 countries.
Online Venturers Pty Ltd (SiteMinder)	A channel management platform connecting hotels with distributors, allowing two way exchange of pricing and availability data in real time. SiteMinder has the world's largest established hotel customer base, with over 12,000 hotels.

The Company is seeking to raise a minimum of \$30 million and up to \$40 million to undertake investments consistent with the investment objectives and guidelines outlined in the Prospectus, to pay the costs of the Offer and to obtain a listing on ASX.

Potential investors should read the Prospectus in full. We make no comments as to the value of the current and proposed activities of the Company.

Scope of review of Pro forma Financial Information

You have requested Hall Chadwick Corporate (NSW) Ltd. to prepare an Investigating Accountant's Report covering the following:

- a) The unaudited historical statement of financial position of the Company as at 4 August 2014 (**Historical Financial Information**);
- b) The unaudited pro forma statements of financial position (**Pro Forma Financial Information**) assuming the following:
 - i) the Foundation Portfolio Acquisitions are completed on 31 August 2014;
 - ii) The raising under this Prospectus of between \$30,000,000 (minimum) and \$40,000,000 (maximum), less costs of the Offer; and
 - iii) Other material assumptions as detailed at Section 10.2 of the Prospectus.

Collectively the Historical Financial Information and Pro forma Financial Information are referred to in this Prospectus as the **Financial Information**.

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

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information

11. Investigating Accountant's Report (continued)



and the transactions to which the pro-forma adjustments relate, as if those transactions had occurred as at 31 August 2014. Due to its nature, the Pro forma Financial Information does not represent the Company's prospective financial position.

As the Company has been classified as an Investment Entity, the Foundation Portfolio Acquisitions have been accounted for at fair value through the profit or loss and shown as Financial Assets in the Pro forma Financial Information.

The General Purpose Financial Reports for BT 1 Fund and BT 1 Top Up Fund have been subject to an annual audit by Hall Chadwick.

Directors' responsibility

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

Our responsibility

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

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

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

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial

11. Investigating Accountant's Report (continued)



information to which it relates, for any purpose other than that for which it was prepared.

Consent

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company.

Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully

Two handwritten signatures in blue ink. The signature on the left is 'David Kenney' and the signature on the right is 'Drew Townsend'.

David Kenney

Drew Townsend

Directors, Hall Chadwick Corporate (NSW) Limited

11. Investigating Accountant's Report (continued)



FINANCIAL SERVICES GUIDE

Dated 3 October 2014

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 ("HCC").

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant's Report ("Report") which has been prepared for inclusion in the Prospectus. The purpose of the Prospectus is to help you make an informed decision in relation to a financial product. The contents of the Prospectus, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the Directors of Bailador Technology Investments Limited to prepare this Report for inclusion in a Prospectus in relation to the public offering of shares in Bailador Technology Investments Limited on the ASX ("Offer").

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Bailador Technology Investments Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As HCC has been engaged by Bailador Technology Investments Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Bailador Technology Investments Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance,

11. Investigating Accountant's Report (continued)



Bailador Technology Investments Limited has agreed to pay HCC \$50,000 (excluding GST and out of pocket expenses) for preparing the Report. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive a salary or a partnership distribution from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership) and dividends from associated companies. Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr David Kenney and Mr Drew Townsend, directors of HCC and partners in the Hall Chadwick Sydney Partnership, have prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities (HC entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Bailador Technology Investments Limited or has any other material financial interest in the Offer.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Drew Townsend, on (02) 9263 2600 and he will assist you in documenting your complaint. Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing,

External complaints resolution process

If HCC cannot resolve the complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited

GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 06

Facsimile

(03) 9613 6399

Email:

info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

11. Investigating Accountant's Report (continued)



Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact details

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

Telephone: (02) 9263 2600

Facsimile: (02) 9263 2800

12. Taxation

12.1 Summary of Australian taxation implications

The following summary in Sections 12.1 to 12.4 provides an overview of the Australian tax implications of the Offer for investors who are residents of Australia for tax purposes and who hold their Securities as capital assets. This summary is based on the law in effect as at the date of this Prospectus, is general in nature and should not be relied on by potential investors as tax advice. Potential investors should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

This Section does not consider the Australian tax consequences for particular types of investors, including those:

- whose Shares or Options are held as trading stock or otherwise on revenue account;
- that may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organizations, trusts (except where expressly stated), superannuation funds (except where expressly stated), or temporary residents;
- who are tax resident of any jurisdiction other than Australia (except where expressly stated); or
- who are subject to the Australian Taxation of Financial Arrangement rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

12.2 Status as a listed investment company

Where the Company qualifies as a LIC, certain types of Shareholders may qualify for income tax deductions in respect of dividends paid out of certain profits which represent capital gains on the disposal of a permitted investment that the Company has held for over 12 months (referred to as a LIC capital gain).

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

On the basis of the current investment strategy, it is anticipated that the Company will generally not generate LIC capital gains as a consequence of the investment mandate proposed to be adopted. As such, Shareholders will generally not be able to obtain taxation benefits under the LIC regime.

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

However the Company may hold certain investments on capital account and may be able to pass through LIC taxation benefits to Shareholders that qualify for these concessions.

12.3 Income tax implications in relation to Shares

12.3.1 Dividends received by Shareholders

Dividends will be required to be included in an Australian resident Shareholder's assessable income in the income year in which the dividend is received. As discussed in Section 12.2, where a component of a dividend is attributable to a LIC capital gain, Australian resident Shareholders that are:

- individuals, partnerships or trusts should be allowed a deduction equal to 50% of that component; or
- complying superannuation funds or life insurance companies (where the dividend is in respect of Shares that are complying superannuation or First Home Saver Account assets) should be allowed a deduction equal to 33 ⅓% of that component.

The ability of a beneficiary of a trust or a partner in partnership to obtain the concession should depend on the nature of that particular beneficiary or partner. Corporate Shareholders do not benefit from any tax deduction.

12.3.2 Franking credits received by Shareholders

To the extent that franking credits are attached to the dividend, Australian resident Shareholders should also include the franking credits in their assessable income. Where Shareholders include franking credits in their assessable income, Shareholders should be entitled to a corresponding tax offset against their tax payable for the relevant income year.

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

Where the holding period rule is satisfied:

- Shareholders that are individuals or complying superannuation funds should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Where these Shareholders have franking credits in excess of their income tax liability they may be entitled to a refund equal to the excess.
- Shareholders that are companies should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Accordingly, these Shareholders should not pay any additional tax on the dividend to the extent that it is franked. Any excess tax offset may be able to be converted to a carry forward tax loss. A credit should arise in the franking account of these Shareholders equal to the amount of the franking credits attached to the dividend.

12. Taxation (continued)

Where Shares are held by Australian resident trusts or partnerships, and the dividend is passed through to Australian resident beneficiaries or partners, the benefit of the franking credit attached to the dividend may also pass through to those Australian resident beneficiaries or partners. The income tax treatment of the dividends including any franking credits in the hands of those beneficiaries or partners should depend upon the tax status of the beneficiaries or partners.

12.3.3 Disposal of Shares

The disposal of Shares will give rise to a CGT event for Shareholders. Shareholders will:

- make a capital gain if the capital proceeds received on the disposal of their Shares are greater than the cost base of those Shares; or
- make a capital loss if the capital proceeds received on the disposal of their Shares are less than the reduced cost base of those Shares.

The capital proceeds received on disposal of Shares should generally be equal to the money received in respect of the disposal.

The cost base of Shares subscribed for under the Offer should generally be equal to the Issue Price plus any incidental costs. The reduced cost base should be the same as the cost base, subject to some modifications.

To the extent Shareholders derive a capital gain on disposal of the Shares in the Company, Shareholders that are individuals, trusts or complying superannuation funds that have held their Shares for more than 12 months should be eligible to a CGT discount in respect of the capital gain of 50% for individuals and trusts and 33 1/3% for complying superannuation funds. Prior to applying the CGT discount Shareholders may offset their capital gain against any available capital losses incurred in the relevant income year or any carry forward net capital losses. The net capital gain (after applying any losses and the CGT discount) should be included in their assessable income in the relevant income year.

To the extent Shareholders incur a capital loss on disposal of the Shares in the Company, Shareholders may offset their capital loss against any capital gains derived in the relevant income year. Where the capital losses incurred in the relevant income year exceed the capital gains derived in the relevant income year, Shareholders may be entitled to carry forward the excess (referred to as a 'net capital loss') to future income years subject to the application of the loss recoupment rules in certain cases. Shareholders cannot offset their net capital losses against their ordinary income.

12.3.4 Returns of capital

If a return of capital is made by the Company, the cost base and reduced cost base of a Shareholder's Shares for CGT purposes should be reduced by the amount of the return of capital, with any excess over the cost base resulting in a capital gain.

12.4 Income tax implications in relation to Options

12.4.1 Issue of Options

The issue of Options under the Offer should not result in any amount being included in the assessable income of an investor.

12.4.2 Exercise of Options

Optionholders who exercise their Options and are issued with Shares should acquire those Shares with a cost base for CGT purposes equal to the exercise price of the Option plus any incidental costs they incur in acquiring the Shares. Optionholders should not make any capital gain or loss, or derive assessable income, from exercising the Options.

12.4.3 Sale or transfer of Options

The sale or transfer of Options will give rise to a CGT event on the date of sale or transfer. As the Optionholders will provide no consideration for their Options, an Optionholder's cost base in the Options should be limited to any incidental costs. An Optionholder's reduced cost base should be limited to non-deductible incidental costs.

An Optionholder will:

- make a capital gain if the capital proceeds received (or deemed to be received) on the sale or transfer of their Options are greater than the cost base of those Options; or
- make a capital loss if the capital proceeds received (or deemed to be received) on the disposal of their Options are less than the reduced cost base of those Options.

Where the Options have been held for at least 12 months before their sale or transfer, Optionholders that are individuals, trusts or complying superannuation funds may be entitled to the benefit of the CGT discount on any capital gains they derive.

12.4.4 Lapse of Options

On the basis that no proceeds should be received by Optionholders who allow their Options to lapse, Optionholders should not make a capital gain on the lapse of an Option. If an Optionholder has a reduced cost base in the Options greater than nil, a capital loss should arise on the lapse of an Option.

12.4.5 GST

No GST is payable in respect of the acquisition of Shares or the issue or exercise of Options, nor should there be any GST liability arising from the receipt of dividends in respect of the Shares. An Australian resident that is registered or required to be registered for GST seeking to claim input tax credits on related transaction costs should seek their own independent tax advice in this regard.

12.4.6 Stamp duty

No Australian stamp duty should be payable in respect of the subscription for the Offer Securities under this Prospectus.

12. Taxation (continued)

12.4.7 Provision of TFN

Shareholders and Optionholders are not required to quote their TFN to the Company. If Shareholders and Optionholders do not quote their TFN or other relevant exemption details, tax may be required to be withheld by the Company from certain distributions at the top marginal rate plus the Medicare levy.

12.5 Summary of New Zealand taxation implications

The following summary in Sections 12.5 to 12.6 provides an overview of the New Zealand tax implications of the Offer for prospective investors who are residents of New Zealand for tax purposes, and who hold their Securities on capital account. This summary is based on the law in effect at the date of this Prospectus, is general in nature and should not be relied upon by potential investors as taxation advice. The statements below are not intended to deal with all relevant considerations or possible circumstances, and the individual circumstances of each New Zealand investor may affect the taxation outcomes. Prospective New Zealand investors should seek their own taxation advice in relation to their own taxation position prior to investing in the Company.

This summary does not consider the New Zealand tax consequences for particular types of investors including those:

- who hold their Securities for the purpose of resale, or as part of a profit-making undertaking or scheme, or as part of a business, or as trading stock;
- who may be subject to specialist tax regimes – such as portfolio investment entities, life insurance companies, tax exempt organisations, superannuation funds or temporary New Zealand residents;
- who are tax resident otherwise than solely in New Zealand; or
- who are:
 - employees of the Company;
 - associates of employees of the Company; or
 - employees of an associate of the Company.

This summary also assumes that the Company will not be a controlled foreign company for New Zealand taxation purposes i.e. that (i) no single New Zealand investor will hold a control interest in the Company of 40% or more, and (ii) a group of five or fewer New Zealand investors will not hold control interests of 50% or more in the Company, and (iii) a group of five or fewer New Zealand investors will not be able to exercise shareholder decision-making rights in the Company. Based on that assumption, the controlled foreign company regime has not been considered further.

12.6 Income tax implications in relation to Securities

12.6.1 New Zealand foreign investment fund (FIF) rules and the Securities

New Zealand investors will need to consider whether the Securities are attributing interests in a FIF and give rise to FIF income for New Zealand tax purposes. It should be noted that in the case of the Options, until they are exercised and Shares are issued, they should not in and of themselves be an attributing interest in a FIF because they should not meet the definition of being an income interest as defined in the FIF rules. Under the FIF rules, unless an exemption is applicable, the Shares are likely to be an attributing interest in a FIF.

There is an exemption from the FIF rules for Australian resident companies which are not treated as resident in any other jurisdiction (including under a double tax agreement), which are required to maintain a franking account for Australian tax purposes, and which have shares included in an approved index under the ASX Operating Rules.¹

For the Shares to fall within that exemption, the listing of Shares in the Company is required when the New Zealand investor acquires the Shares (if the Shares are acquired during an income year), or at the beginning of an income year (for New Zealand tax purposes that is a 1 April to 31 March year, unless the New Zealand Commissioner of Inland Revenue has approved an alternate year). This exemption may apply to the Shares in the Company, and the Shares may not be an attributing interest in a FIF.

An alternative exemption from the FIF rules may be applicable for particular New Zealand investors who hold a 10% or greater income interest in the Company (which is solely Australian tax resident). This summary assumes that New Zealand investors are likely to hold income interests of less than 10%, and that particular exemption has not been considered further. A further exemption applies to New Zealand investors who are natural persons or certain kinds of trusts if their total FIF interests have a total cost of less than NZ\$50,000, unless the New Zealand investors in that category specifically elect for the FIF rules to apply.

If no exemptions from the FIF rules are applicable and the Shares are an attributing interest in a FIF, New Zealand investors should be liable for New Zealand income tax on attributed income calculated under a method set out in the FIF rules. If the FIF rules are applicable, New Zealand investors should seek specific advice about the applicable method to apply. In general terms, the fair dividend rate (**FDR**) method is the primary method applicable to income interests of less than 10%. Under the FDR method, the FIF income would be 5% x the opening market value of the Shares (adjusted for any interests bought and sold during the income year). If the FIF rules are applicable, dividends are not taxed separately. This is further outlined below.

¹ As at the date of this Prospectus the New Zealand Inland Revenue Department list of approved Australian indices is: ASX All Ordinaries; ASX 200; ASX Listed Investment Companies; and ASX 50.

12. Taxation (continued)

12.6.2 Taxation of dividends from the Company on the Shares

If the FIF rules mentioned above are applicable, dividends derived by that New Zealand investor on the Shares should not be subject to New Zealand tax. If the FIF rules are not applicable (due, for example, to an exemption from the FIF rules being applicable), New Zealand investors should be liable for New Zealand tax at their applicable marginal tax rate on dividends from the Company. It should be noted that dividends may also arise for New Zealand tax purposes if the Shares are redeemed or repurchased by the Company, and also, in some cases, if there is a return of capital by the Company (tax advice should be sought in those circumstances). If the New Zealand investor is a New Zealand company, it is unlikely that the exemption for New Zealand tax for dividends from foreign companies should be applicable, if the exclusion from the FIF rules is due to one of the FIF exemptions outlined above. Where Australian withholding tax has been deducted from a dividend distribution received by a New Zealand investor, a New Zealand tax credit should be available up to the amount of the New Zealand tax applicable to the dividend. It should be noted that New Zealand investors are not able to apply any Australian franking credits attached to dividend distributions against their New Zealand income tax liability on the dividend distributions. Those Australian franking credits are also not required to be included in New Zealand investors' assessable income for New Zealand tax purposes. In respect of the Options, until they are exercised and Shares are issued, Optionholders should not derive distributions in respect of the Options.

12.6.3 Disposal of the Shares or disposal of the Options

Assuming the FIF rules do not apply, New Zealand income tax should not arise to a New Zealand investor on any profits from the disposal of the Shares or Options, assuming the New Zealand investor has not acquired the Shares or Options for the purpose of disposal, as part of a profit-making undertaking or scheme or as part of a business (for example a dealing business). Also on the basis of that latter assumption, payments made by retail Applicants under the Broker Firm Offer should not have a tax cost base implication for New Zealand tax purposes. If the FIF rules apply, depending on the calculation method adopted under those rules, adjustments to the calculation of income attributable under the FIF rules can arise to reflect the disposal of Shares during the income year.

12.6.4 Issue and exercise of the Options

The issue and exercise of the Options should not lead to a New Zealand tax consequence for New Zealand investors. The Options are options to acquire Shares, and should be excluded from New Zealand's financial arrangements rules as a consequence.

12.6.5 Foreign currency gains and losses

The issue of the Shares and the exercise of the Options in Australian dollars should not lead to New Zealand tax consequences for New Zealand investors, as any gains or losses attributable to the difference between New Zealand dollars and Australian dollars are attributable to the Securities – specifically excluded from New Zealand's financial arrangements rules.

12.6.6 Goods and services tax and stamp duty

No New Zealand goods and services tax should be applicable to any dividends from the Company, any disposal of the Shares or Options, the initial subscription for the Shares or the Options nor to the exercise of the Options. In addition, there is no stamp duty regime in New Zealand.

13. Material agreements

The material agreements described below are those which the Directors consider that an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material agreements and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

13.1 Management Agreement

The Company has appointed the Manager to manage the Investment Portfolio and has entered into the Management Agreement with the Manager on 25 September 2014 with respect to the management services to be provided. The Management Agreement commences on the Commencement Date (defined below). A summary of the material terms of the Management Agreement are set out below.

13.1.1 Definitions

In this Section, the following capitalised terms have the following meanings:

Term	Definition
Approved Valuer	Any duly qualified valuer independent of both the Company and the Manager recommended by the Manager (having regard to the particular type or types of investment which are the subject of the valuation when making the recommendation) and appointed and instructed by the Company to review the value of an Investment.
Commencement Date	The date the Company allots and issues ordinary shares pursuant to the Prospectus.
Financial Year	The period from 1 July in one year until 30 June in the following year except that the first financial year is from the Commencement Date until the following 30 June, and the final financial year is from the 1 July immediately preceding the date of termination of the Management Agreement until that date of termination.
Hurdle Return	In respect of the relevant Financial Year, 8.0% on a per annum basis, compounding annually.
Investment Gain	The amount by which the Portfolio NAV at the end of the Financial Year exceeds or is less than the Portfolio NAV at the start of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the Investment Gain any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).
Investment Return	The percentage by which the Portfolio NAV at the end of the last day of the Financial Year exceeds or is less than the Portfolio NAV at the beginning of the Financial Year, excluding any additions in equity in the Company during the relevant Financial Year resulting from the receipt of proceeds from corporate actions such as dividend reinvestments, new issues, the exercise of share options, and excluding any reductions in equity resulting from the payment of amounts in respect of corporate actions such as share buy-backs, capital reductions, payment of dividends and the payment of tax (which for the avoidance of doubt means that in calculating the Investment Return any such additions in equity will be deducted from the Portfolio NAV and any such reductions in equity will be added back to the Portfolio NAV).
Management Fee	Refer to Section 13.1.9.
Net Tangible Assets	The net tangible asset backing of each share in each class of shares in the Company as calculated under the Listing Rules.
Performance Fee	Refer to Section 13.1.9.

13. Material agreements (continued)

Term	Definition
Performance Fee Payment Date	If a Performance Fee is payable for a Financial Year, the date which is 45 days after the end of the relevant Financial Year.
Portfolio	All monies, investments, additions or borrowings which may from time to time be paid to or received or held by the Company or the Manager on behalf of the Company (whether or not pending investment) and any investments for the time being representing them, any income derived from them and any capital accretions to them regardless of how they arise.
Portfolio NAV	The Value of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable, and after subtracting any borrowings drawn down and adding back any borrowings repaid.
Realised Proceeds	Proceeds received by the Company from the realisation of Investments.
Termination Fee	Refer to Section 13.1.12.
Value of the Portfolio	<p>Is to be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology at any date that such value is required to be ascertained:</p> <ul style="list-style-type: none">• for cash (including income) – the amount of such cash;• for securities – the market value of such securities determined in accordance with generally accepted valuation principles consistently applied; and• for all other investments, the value of that investment determined in accordance with generally accepted valuation principles consistently applied.

13.1.2 Term

The Initial Term of the Management Agreement is 10 years beginning on the Commencement Date unless terminated earlier in accordance with the Management Agreement (refer to Section 13.1.12 below). The Company has obtained a waiver from ASX Listing Rule 15.16 allowing the Management Agreement to have a 10 year initial term, rather than the maximum 5 year term specified under Listing Rule 15.16(b).

The Management Agreement will automatically continue at the end of the Initial Term until terminated in accordance with its terms, which includes automatic termination on the date which is three months after an ordinary resolution is passed by Shareholders to end the agreement.

13.1.3 Services

The Manager must manage the Investment Portfolio and manage and supervise all investments in accordance with the terms of the Management Agreement. In addition to management and investment services, the Manager will also provide or procure the provision of administrative support services reasonably required by the Company to conduct its business. These services include assisting the Company in respect of the following:

- maintenance of the corporate, tax and statutory records of the Company;
- compliance with the Company's obligations under the Corporations Act and the Listing Rules;
- liaison with the Share Registry;

- preparation of the Company's monthly net tangible asset backing reports and arranging for the lodgement of such reports in a timely manner to enable the Company to comply with its reporting requirements under the Listing Rules;
- preparation of the Company's half-year reports and annual reports, and arranging for the printing and distribution of such reports; and
- the provision of information necessary for the maintenance of financial accounts of the Company to be completed.

The Manager may be engaged by the Company to provide certain other services on terms and at a price to be agreed between the Company and the Manager.

13.1.4 Powers and discretions of Manager

Subject to applicable laws (including the Listing Rules and the Corporations Act), the Manager must manage the Investment Portfolio by investing money constituted in or available to the Portfolio, including money received as a consequence of disposal of investments or any dividend or other distribution received, in investments in accordance with the investment parameters set out in Sections 3.4 and 3.5 of this Prospectus.

The Manager has absolute and unfettered discretion to manage the Investment Portfolio and to do all things considered necessary or desirable in relation to the Investment Portfolio on behalf of the Company, including, without limitation:

13. Material agreements (continued)

- investigation of, negotiation for, acquisition of, or disposal of the Company's investments including (without limitation) executing relevant legal documentation and incurring costs necessary for the conduct of due diligence of every proposed investment or divestment;
- management of the Investment Portfolio, including keeping it under review;
- selling, realising or dealing with all or any of the Company's investments or varying, converting, exchanging or adding other investments in lieu of those investments;
- if any investments in the Investment Portfolio are redeemed or the capital paid on the investment is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into a new investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and invest such monies in other investments;
- retaining or selling any shares, debentures or other property received by the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company; and
- selling all or some of the rights to subscribe for new securities in an Investment, using all or part of the proceeds of such sale for the subscription of new securities or to subscribe for securities pursuant to those rights.

13.1.5 Powers and discretions retained by the Board

At all times throughout the term, the Manager's powers and discretions under the Management Agreement are subject to all proper and reasonable directions and instructions given to it by the Company, subject to the following limitations:

- The Company cannot require the Manager to undertake duties not imposed on the Manager by the Management Agreement, to act contrary to the Management Agreement or in a manner which in the Manager's reasonable opinion will, or is likely to, result in a breach by the Manager of the terms of the Management Agreement.
- The Company cannot give the Manager any directions or instructions that are inconsistent with the Investment Strategy, including any directions or instructions to acquire or dispose of an Investment or to alter the amount of borrowings for the Portfolio.
- The Company may give directions or instructions to the Manager to realise cash in order to enable the Company to satisfy any expenses incurred or to be incurred by the Company, any return of capital to the Company's shareholders or pay dividends, but may not direct or instruct the Manager to realise specific Investments in the Portfolio.
- Where the Manager acts in accordance with any of the Company's directions, the Company will be solely responsible for the consequences of the Manager's actions, and in particular:

- the consequences of the Manager acting in accordance with the Company's directions will not be grounds for termination or breach of the Management Agreement; and
- the Manager is entitled to an indemnity for the Company in respect of losses, damage, costs and expenses suffered or incurred by the Manager as a result of the Manager acting in accordance with the directions, unless the consequence is a result of the Manager's negligence, default, fraud or dishonesty.

13.1.6 Investment parameters

Please refer to Sections 3.4 and 3.5 of this Prospectus for a description of the Manager's investment parameters.

13.1.7 Delegation

The Manager may, with the prior approval of the Company (which is not to be unreasonably withheld) appoint any person to be a sub-contractor for the Manager to perform secondary duties and obligations imposed on the Manager by the Management Agreement.

13.1.8 Valuations

The Manager must calculate the value of the Net Tangible Assets and promptly deliver such valuation and the relevant workings to the Company on a monthly basis to enable the Company to comply with its obligations under the Listing Rules. The Manager may request that the Company's auditor checks any valuation or valuation methodology used to calculate the Net Tangible Assets.

The Manager must calculate the Value of the Portfolio as at 30 June each year and promptly deliver such valuation and the relevant workings to the Company. The Company will review and finalise the Value of the Portfolio subject to a review by an Approved Valuer that may be appointed by the Company in its discretion. If undertaken the review is to be completed by 15 August in the relevant year and published by the Company.

13.1.9 Fees

Management Fees

The Manager is entitled to be paid a management fee equal to 1.75% per annum of the Portfolio NAV, calculated and paid at the beginning of each quarter in advance. An adjustment will be calculated and paid at the end of each quarter if the Portfolio NAV has increased or decreased during the quarter.

Performance Fees

The Manager will be entitled to receive a performance fee from the Company at the end of each Financial Year, calculated and accrued annually using the following formula:

$$\text{Performance Fee for the Financial Year} = 17.5\% \times \text{Investment Gain}$$

The Performance Fee for each Financial Year will be paid annually in arrears if the Performance Fee for that Financial Year is a positive amount and provided that the Investment Return for the Financial Year exceeds the Hurdle Return for the Financial Year, provided that:

13. Material agreements (continued)

- if the Performance Fee for a Financial Year is a positive amount but the Investment Return for the Financial Year does not exceed the Hurdle Return for the Financial Year, no Performance Fee shall be payable to the Manager in respect of that Financial Year, and the positive amount of the Performance Fee shall be carried forward to the following Financial Year;
- if the Performance Fee for a Financial Year is a negative amount, no Performance Fee shall be payable to the Manager in respect of that Financial Year, and the negative amount shall be carried forward to the following Financial Year;
- any negative Performance Fee amounts from previous Financial Years that are not recouped in a Financial Year shall be carried forward to the following Financial Year; and
- Performance Fees will only be payable to the extent Realised Proceeds are available to pay the Performance Fees and any Performance Fees which are not paid because Realised Proceeds are not available shall be carried forward until Realised Proceeds are sufficient to pay the Performance Fee. Past Realised Proceeds received by the Company may be utilised to pay a Performance Fee.

If a Performance Fee is payable for a Financial Year, the Company must pay the Performance Fee to the Manager by the Performance Fee Payment Date as set out below:

Payment in Shares: If the Manager elects 5 Business Days prior to the Performance Fee Payment Date that all or part of the Performance Fee (**Relevant Amount**) is to be applied to the issue of Shares in the Company, the Company must, if permitted by applicable laws (including the Listing Rules and the Corporations Act) without receiving any approvals from the shareholders of the Company, apply the cash payable in respect of the Relevant Amount to the issue of Shares to the Manager or its nominee on the Performance Fee Payment Date calculated using the following formula:

$N = PF / \text{Issue Price}$ where:

N is the number of Shares;

PF is the Relevant Amount; and

Issue Price is the lesser of:

- the volume weighted average price of Shares traded on the ASX during the period of 30 calendar days up to but excluding the Performance Fee Payment Date; and
- the last price on the last day on which the Shares were traded on the ASX prior to the Performance Fee Payment Date.

Payment in cash: So much of the Performance Fee as is not applied to the issue of Shares must be paid to the Manager in cash.

The Management Fee and Performance fee are exclusive of GST.

No fee duplication

Where a related body corporate of the Manager has received or is entitled to receive any fees from the Company for services it provides in relation to the investment and management of the Portfolio the fees otherwise payable under the Management Agreement will be reduced by the amount of that fee or will be rebated to the Company.

13.1.10 Expenses

The Company is liable for and must pay out of the Portfolio, or if paid by the Manager, reimburse the Manager out of the Portfolio, properly incurred fees, costs and expenses in connection with the investment and management of the Portfolio, the acquisition, disposal or maintenance of any Investment or performance of the Manager's obligations under the Management Agreement, including, but not limited to the following:

- transaction costs in relation to any acquisition, disposal or negotiation or other dealing of any Investment or proposed Investment;
- the costs of calling and holding general meetings of the Company;
- fees payable to ASIC or other regulatory bodies;
- listing fees associated with the Company's admission to ASX, and legal fees incurred in obtaining advice in relation to compliance with the Listing Rules or Corporations Act (in relation to the IPO and ongoing);
- outgoings in relation to the Portfolio such as insurance premiums, rates, levies, duties and taxes;
- fees payable to the Approved Valuer for valuations undertaken in accordance with the Management Agreement; and
- all other costs associated with the operation of the Company.

The Manager's in-house administration costs in the nature of rent for the Manager's premises, computer charges, salaries, research costs and like expenses are excluded.

13.1.11 Exclusivity

The Manager has been appointed as the sole and exclusive manager of the Investment Portfolio during the term of the Management Agreement. The Company will be entitled to remove the Manager and terminate the Management Agreement with immediate effect in the event that both of David Kirk and Paul Wilson cease to be directors of the Manager or cease to be actively involved in the management of the Portfolio at any time during the term.

The Manager is entitled to perform services, including similar investment and management services for other parties during the term of the Management Agreement provided that such actions do not prejudice or otherwise derogate its responsibilities under the Management Agreement.

13. Material agreements (continued)

At the date of this Prospectus, the Manager has no intentions to provide investment or management services to any parties other than the Company and those BT 1 Top Up Fund unitholders who did not elect to sell their units in the BT 1 Top Up Fund to the Company pursuant to the Foundation Portfolio Acquisitions. Refer to Section 5.5 for further information about the remaining BT 1 Top Up Fund unitholders.

In relation to the management services that are continued to be provided to the remaining BT 1 Top Up Fund unitholders, or to the extent that the Manager provides investment or management services to any parties other than the Company, the Manager does not have an obligation to offer the Company further investment opportunities in relation to assets of the same kind as those held by the Company.

Each of Mr Kirk and Mr Wilson, as directors of the Manager, currently hold board representation seats on some of the Foundation Companies' boards, and may, in the future, be appointed to the boards of new investee companies (and may receive remuneration or other fees for such appointments). In addition, the Manager may in the future provide non-management professional or advisory services to other parties, including investee companies in the Investment Portfolio (and may receive remuneration or other fees for the provision of such services).

13.1.12 Termination

Automatic termination

After the Initial Term the Management Agreement will automatically terminate on the date which is three months after an ordinary resolution of the Company is passed to end the Management Agreement.

Termination by the Company

The Management Agreement gives the Company the right to immediately terminate the Management Agreement and remove the Manager by written notice at any time during the term on the occurrence of any one of the following events:

- the Manager suffers an insolvency event;
- the Manager materially breaches or is in default of the Management Agreement and such default or breach cannot be rectified or the Manager has failed to remedy the default or breach within 30 days after receiving written notice of the default or breach from the Company;
- the Manager ceases to carry on business as an investment manager; or
- both of David Kirk and Paul Wilson cease to be directors of the Manager or cease to be actively involved in the management of the Portfolio at any time during the term.

The Company may also remove the Manager and terminate the agreement at any time during the term if:

- the Manager persistently fails to ensure that Investments made on behalf of the Company are consistent with the Investment Strategy applicable at the time the Investments are made; or

- the Manager's AFSL is suspended for a period of not less than three months or cancelled at any time and the Manager fails to obtain an authorisation enabling it to perform its obligations under the Management Agreement from a third party holder of an AFSL.

Termination by the Manager

The Manager is entitled to terminate the Management Agreement at any time after the Initial Term on three months' written notice to the Company.

Termination on voluntary winding up

The Management Agreement will immediately terminate upon the passing of a resolution by members to voluntarily wind up the Company.

Termination payment on voluntarily winding up

If the Management Agreement is terminated during the Initial Term by a members' resolution to voluntarily wind up the Company, the Manager will be entitled to a termination payment at the termination date equal to 10% of the Net Tangible Asset value of the Investment Portfolio at the termination date multiplied by the number of shares on issue in that class of shares as at the termination date (**Termination Fee**). The Termination Fee will not be payable if the Management Agreement is terminated by a members' resolution to voluntarily wind up the Company after the expiry of the Initial Term.

13.1.13 Amendment

The Management Agreement may only be altered by the agreement of the parties.

The Company will provide an undertaking to ASX prior to the Company's admission to the Official List that it will not make any material changes to the Management Agreement without first obtaining Shareholder approval.

13.1.14 Related party protocols

If the Manager proposes that the Company acquires assets from or disposes of assets to a related party of the Manager, the Company must approve the acquisition or disposal of the asset to the extent required by applicable law (including the Corporations Act or the Listing Rules).

13.1.15 Change of control provisions

The Manager has no right to terminate the Management Agreement in the event of a change of control of the Company. Similarly, the Company has no right to terminate the Management Agreement in the event of a change of control of the Manager.

The Management Agreement does not contain any pre-emptive rights over the Investment Portfolio which are exercisable by either the Company, the Manager or a related entity of the Manager in the event of a change of control of either the Company or the Manager.

13. Material agreements (continued)

13.1.16 Company indemnity

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager and any costs, charges and expenses (including legal expenses on a solicitor and own client basis) arising out of, or in connection with the Manager, or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents, and in accordance with, this Management Agreement, except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers or employees. This obligation continues after the termination of the Management Agreement.

13.1.17 No fetter on Manager's liability

Subject to the Corporations Act, the Listing Rules and the Management Agreement, the Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- whether or not to exercise them; and
- the manner or mode of, and time for, their exercise,

and, in the absence of negligence, default, fraud or dishonesty, the Manager will not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

13.1.18 Manager indemnity

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company and any costs, charges and expenses (including legal expenses on a solicitor and own client basis) arising out of, or in connection with any negligence, default, fraud or dishonesty of the Manager or its officers. This obligation continues after the termination of the Management Agreement.

13.2 Offer Management Agreement

The Company and SaleCo entered into an Offer Management Agreement with the Lead Manager on 25 September 2014 with respect to the management of the Offer. Under the Offer Management Agreement, the Lead Manager has agreed to use its reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

13.2.1 Authorised intermediary appointment

For the purposes of section 911A(2)(b), the Lead Manager has been appointed as Arranger:

- by the Company, to make offers to people to arrange for the issue of the New Shares by the Company; and
- by SaleCo, to make offers to people to arrange for the transfer of the Offer Securities by SaleCo,

and the Company and SaleCo, as applicable, will issue or transfer the New Shares and Sell-Down Shares in accordance with such offers if they are accepted.

13.2.2 Appointment of co-lead managers, co-managers and brokers

The Lead Manager is entitled to appoint, or has appointed, co-lead managers, co-managers and brokers to the Offer pursuant to the terms Offer Management Agreement. The Company is not responsible for fees payable to any co-lead managers, co-managers and brokers appointed.

13.2.3 Commission, fees and expenses

The Company must pay the Lead Manager a management fee of 1.5% plus GST of the total proceeds of the Offer received by the Company. A further selling fee of 1.5% of the total amount raised under the Broker Firm Offer will be paid by the Company to the Lead Manager. Any fees payable to the Co-Lead Manager will be paid by the Lead Manager out of these amounts.

The Company has also agreed to reimburse the Lead Manager for certain agreed costs and expenses incurred by the Lead Manager in relation to the Offer.

Each Sell-Down Vendor will reimburse the Company for the amount of fees that relates to the proportion of Sell-Down Shares that are sold by the Sell-Down Vendor in accordance with the terms of the relevant Sell-Down agreements.

13.2.4 Warranties and undertakings

The Offer Management Agreement contains certain representations, warranties and undertakings provided by the Company and SaleCo to the Lead Manager. The warranties relate to matters such as the conduct of the parties and information provided by the parties in relation to the Prospectus and the Offer.

The Company's undertakings include that it will not, during the period following the date of the Offer Management Agreement until 90 days after the allotment of Offer Securities under the Offer, allot or agree to allot any equity securities or securities that are convertible into equity, or that represent the right to receive equity without the consent of the Lead Manager.

13.2.5 Indemnity

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct or negligence or a material breach of the Offer Management Agreement by an indemnified party, the Company, SaleCo and the Manager agree to keep the Lead Manager and their respective associated parties indemnified against losses suffered in connection with the Offer.

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct, negligence or a material breach of the Offer Management Agreement by an indemnified party, the Manager agrees to keep the Lead Manager and its associated parties indemnified against losses suffered in connection with the Offer including a breach by the Manager of its obligations under the Offer Management Agreement.

13. Material agreements (continued)

13.2.6 Termination events

If any of the termination events included in the Offer Management Agreement (including, but not limited to those set out below) occur at any time before the Share Allotment Date or such other time as specified below, then the Lead Manager may at any time by written notice to the Company without any cost or liability, terminate all further obligations of the Lead Manager under the Offer Management Agreement.

- Any of the 'Offer Documents', the 'Public Information' (as defined in the Offer Management Agreement) or any aspect of the Offer does not comply with the Corporations Act (including if a statement in any of the offer documents or 'Public Information' is or becomes materially misleading or deceptive, or a matter required to be included is omitted from an offer document or the 'Public Information'), the Listing Rules, the New Zealand Securities Act 1978, the New Zealand Securities Regulations 2009 or any other applicable law or regulation.
- There is, or is likely to be, a 'Material Adverse Effect' (as defined in the Offer Management Agreement) when compared to the position disclosed in the Offer Documents or the Public Information.
- The Company withdraws an Offer Document or the Offer.
- The S&P/ASX All Ordinaries Index at any time falls to a level which is 90% or less than the level at the close of trading on the date of the Offer Management Agreement and remains at or below that level for a period of at least two consecutive business days or closes below that level on the business day prior to the Settlement Date.
- ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the Official List on or before the date prior to the Listing; or
 - the quotation of the Offer Securities on ASX or for the Offer Securities to be cleared through the clearing house subregister system on or before the quotation date; or
 - if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld.
- Any of the following notifications are made:
 - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities & Investments Commission Act 2001* (Cth) in relation to the Offer or an offer document;
 - any person (other than the Lead Manager seeking to Terminate) who has previously consented to the inclusion

of its name in any offer document withdraws that consent; or

- any person gives a notice under section 730 in relation to the offer documents.
- The Company issues or, in the reasonable opinion of the Lead Manager seeking to terminate, becomes required to issue a supplementary prospectus to comply with section 719 of the Corporations Act, or the Company lodges a supplementary prospectus with ASIC in a form that has not been approved by the Lead Manager.
- The Company, SaleCo or the Manager is or becomes insolvent or there is an act or omission which may result in the Company, SaleCo or the Manager becoming insolvent.

13.3 Foundation Portfolio Acquisition agreements

As noted above in Section 5.2, the Company has entered into the following agreements to effect the Foundation Portfolio Acquisitions:

- 'unit and sponsor unit for share exchange deeds' in respect of the BT 1 Fund Acquisition;
- 'unit for share and subsequent share for share exchange deeds' in respect of the BT 1 Top Up Fund Acquisition; and
- 'note for share exchange deeds' in respect of the Viocorp Notes Acquisition.

Completion of each of the Foundation Portfolio Acquisitions is conditional on satisfaction of the Foundation Portfolio Acquisition Condition. A summary of the material terms of each agreement is set out below.

13.3.1 BT 1 Fund Acquisition unit exchange deed

The Company has entered into unit and sponsor unit for share exchange deeds with each of the Participating Foundation Investors who hold units in the BT 1 Fund for the BT 1 Fund Acquisitions (each a '**seller**'), under which each seller agrees to sell the units or sponsor units it holds in the BT 1 Fund to the Company in exchange for the issue of a number of Foundation Shares that is equal to the value of the units transferred.

Each seller gives warranties to the Company under the exchange deed, including confirming:

- the seller's power and capacity to enter into the exchange deed;
- the seller's solvency;
- the seller's title to the transferring units; and
- it has not agreed to give or create a security interest over the transferring units.

Each seller has signed a power of attorney appointing each of David Kirk, Paul Wilson and Andrew Bullock (severally) as its attorney to execute all documents on behalf of the seller and/or do all things necessary or expedient to perform the seller's obligations under the agreement to transfer the BT 1 Fund units to the Company in accordance with the terms of the exchange deed.

13. Material agreements (continued)

13.3.2 BT 1 Top Up Fund Acquisition unit exchange deed

The Company has entered into unit for share and subsequent share for share exchange deeds with each of the Participating Foundation Investors who hold units in the BT 1 Top Up Fund for the BT 1 Top Up Fund Acquisitions (each a '**seller**').

Pursuant to the terms of the exchange deeds, immediately prior to completion of the acquisition, each seller agrees to sell the units it holds in the BT 1 Top Up Fund to newly established BT 1 Top Up Fund Companies that are 100% owned by each seller in exchange for the issue of shares in the BT 1 Top Up Fund Company. The Company will thereafter acquire all of the shares in each of the BT 1 Top Up Fund Companies from the seller in exchange for the issue of a number of Foundation Shares to each seller that is equal to the value of the shares in the BT 1 Top Up Fund Companies (which hold the BT 1 Top Up Fund units) that are transferred (in total equalling 74% of the units on issue in the BT 1 Top Up Fund).

Each seller gives warranties to the Company under the exchange deed, including confirming:

- the seller's power and capacity to enter into the exchange deed;
- the seller's solvency;
- the seller's title to the transferring BT 1 Top Up Fund Company shares;
- that there are no restrictions on the transfer of the BT 1 Top Up Fund Company shares, or the indirect transfer of the BT 1 Top Up Fund units; and
- it has not agreed to give or create a security interest over the transferring BT 1 Top Up Fund Company shares or BT 1 Top Up Fund units.

Each seller has signed a power of attorney appointing each of David Kirk, Paul Wilson and Andrew Bullock (severally) as its attorney to execute all documents on behalf of the seller and/or do all things necessary or expedient to perform the seller's obligations under the agreement to transfer the BT 1 Top Up Fund Company shares to the Company in accordance with the terms of the exchange deed.

Following completion of the BT 1 Top Up Fund Acquisition, the Company will hold 74% of the units on issue in the BT 1 Top Up Fund. Refer to Section 5.5 for details regarding the interests of those BT 1 Top Up Fund unitholders who have elected not to participate.

13.3.3 Viocorp Notes Acquisition note exchange deed

The Company has entered into note for share exchange deeds with each of the Participating Foundation Investors who hold Viocorp Notes for the Viocorp Notes Acquisitions (each a '**seller**'), under which each seller has agreed to sell its Viocorp Notes in exchange for the issue of a number of Foundation Shares that is equal to the value of the notes transferred.

Each seller gives warranties to the Company under the exchange deed, including confirming:

- the seller's power and capacity to enter into the exchange deed;
- the seller's solvency;
- the seller's title to the transferring notes; and
- it has not agreed to give or create a security interest over the transferring notes.

Each seller has signed a power of attorney appointing each of David Kirk, Paul Wilson and Andrew Bullock (severally) as its attorney to execute all documents and/or do all things necessary or expedient to perform the seller's obligations under the agreement to transfer the Viocorp Notes to the Company in accordance with the terms of the exchange deed.

Following completion of the Viocorp Notes Acquisition, the Company will hold all of the Viocorp Notes that have been issued by Viocorp.

13.4 Sell-Down

Each Sell-Down Vendor will enter into a sale agreement with SaleCo prior to completion of the Foundation Portfolio Acquisitions for the transfer of their Sell-Down Shares to SaleCo, immediately after their issue to the Sell-Down Vendor by the Company on the Foundation Share Allotment Date.

The Company and SaleCo have entered into a sell-down deed to facilitate the sell-down of the Sell-Down Shares up to a maximum of approximately \$4.3 million Shares. The Sell-Down Shares will be offered at the Issue Price under this Prospectus and form part of the Offer, but will be offered subject to the Company raising the Minimum Subscription. The Company may scale back the number of Sell-Down Shares that are sold to investors under the Offer in its absolute discretion based on the amount raised under the Offer.

The Lead Manager has been appointed to arrange for the transfer of the Sell-Down Shares on behalf of SaleCo as the Authorised Intermediary.

The Sell-Down documents will contain various representations and warranties made by the Sell-Down Vendors, the Company and/or SaleCo, which are customary in such arrangements.

13. Material agreements (continued)

13.5 Restriction agreements

Further to the disclosure in Section 5.4 above:

- a portion of the Foundation Shares that will be issued to each of the unrelated Participating Foundation Investors as consideration for the Foundation Portfolio Acquisitions will be subject to a voluntary 12 month escrow period from the date of the Company's admission to the Official List; and
- a portion of the Foundation Shares that will be issued to Participating Foundation Investors associated with the Company's directors, Mr Kirk, Mr Wilson, Mr Bullock and Mr Mackay-Cruise as consideration for the Foundation Portfolio Acquisitions will be subject to a mandatory 24 month escrow period from the date of the Company's admission to the Official List

The Options that are issued by the Company on the Option Allotment Date relating to the escrowed Foundation Shares will also be subject to the above escrow restrictions.

Each of the unrelated Participating Foundation Investors have entered into voluntary restriction agreements which restrict them from selling, creating a security interest in or otherwise dealing in the escrowed Foundation Shares and Options until the date that is 12 months after the Company's admission to the Official List (around November 2015). The escrow arrangements do not restrict the holders from accepting a takeover bid, transferring Securities under a scheme of arrangement or entering into a pre-bid acceptance with a potential bidder for all the Securities.

Each of the Participating Foundation Investors associated with the Company's directors, Mr Kirk, Mr Wilson, Mr Bullock and Mr Mackay-Cruise, have entered into ASX mandatory restriction agreements in the form prescribed in Appendix 9A of the Listing Rules which restrict them from selling, creating a security interest in or otherwise dealing in the escrowed Foundation Shares and Options until the date that is 24 months after the Company's admission to the Official List (around November 2016).

14. Additional information

14.1 Incorporation

The Company was incorporated on 4 August 2014.

14.2 Balance date and company tax status

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

14.3 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below.

Class of Security	Number of Securities
Shares	1 ordinary share
Options	N/A

14.4 Capital structure following the Offer and Foundation Portfolio Acquisitions

Following completion of the Offer and the Foundation Portfolio Acquisitions, the issued capital of the Company will comprise the following:

	Number of Securities based on Minimum Subscription			Number of Securities based on Maximum Subscription		
	Shares	Options	%	Shares	Options	%
Escrowed	15,118,318	15,118,318	24.2%	15,118,318	15,118,318	19.5%
Voluntary 12 month escrow	10,989,264	10,989,264	16.3%	10,989,264	10,989,264	14.2%
Mandatory 24 month escrow	4,129,054	4,129,054	6.1%	4,129,054	4,129,054	5.3%
Non-Escrow	47,344,573	47,344,572	75.8%	62,344,573	62,344,572	80.5%
Total	62,462,891	62,462,890	100%	77,462,891	77,462,890	100%

14.5 Rights attaching to the Shares

Detailed provisions relating to the rights attaching to the Shares are set out in the Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Constitution, free of charge.

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

Right	Details
Fully paid	On issue, the Shares will be fully paid.
Ranking	On issue, the Shares will rank pari passu with other Shares currently on issue.
Meetings	Each holder of Shares has the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act.
Dividends	Each Share has the right to receive dividends, according to the amount paid up on the Share.

14. Additional information (continued)

Right	Details
Voting rights	Each holder of Shares has 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).
Entitlement	Each holder of Shares has the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution.
Transfer/transmission	Subject to the Corporations Act and the Listing Rules, the Shares are fully transferable.
Variation of rights	The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

14.6 Option terms

The terms and conditions of the Options are as set out below.

Right	Details
Issue price	No amount is payable on issue of an Option.
Exercise price	Each Option has an exercise price of \$1.00.
Exercise period	An Option may be exercised at any time prior to the expiry date.
Expiry date	Unless exercised, the Option expires at 5:00 p.m. (AEST) on 31 March 2016.
Entitlement	Each Option entitles the relevant Optionholder, on exercise of the Option, to subscribe for one Share.
Dividends	Options do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Options rank equally for dividends with other issued Shares of the Company from their date of issue.
Voting rights	An Option 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 meetings.
Transfer/transmission	Each Option may be freely transferred at any time, in accordance with the Corporations Act, the ASX settlement operating rules and the Listing Rules.

Exercise of Options

Manner of exercise	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. A notice of exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.
Exercise all or some Options	An Optionholder may only exercise Options in multiples of 500 unless the Optionholder exercises all Options held by the Optionholder. 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.
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, issue the Optionholder the number of fully paid Shares in the capital of the Company specified in the application.
Ranking of Shares issued on exercise of Options	Subject to the Company's 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. Additional information (continued)

Right	Details
Participation rights, bonus issues, rights issues and reorganisations	
Participation	An Optionholder 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.
Notice of new issue	The Company must give an Optionholder, in accordance with the Listing Rules, notice of: <ul style="list-style-type: none"> the proposed terms of the issue or offer proposed; and the right to exercise their Options.
Pro rata issues	<p>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 following formula:</p> $NE = \frac{OE - \frac{E[P - (S + D)]}{(N + 1)}}$ <p>where:</p> <p>NE is the new exercise price of the Option;</p> <p>OE is the old exercise price of the Option;</p> <p>E is the number of underlying Shares into which one Option is exercisable;</p> <p>P is the average closing sale price per Share (weighted by reference to volume) during the five trading days ending on the day before the ex-rights date or ex-entitlements date (excluding special crossings and overnight sales);</p> <p>S is the subscription price for a Share under the rights issue;</p> <p>D is the dividend due but not yet paid on each Share at the relevant time; and</p> <p>N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.</p>
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 had exercised the Option before the record date for determining entitlements to the issue.
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 the reorganisation.
Calculations and adjustments	Any calculations or adjustments which are required to be made 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.
Notice of change	The Company must within a reasonable period give to each Optionholder notice of any change 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.
Quotation	<p>Subject to the terms set out in the Prospectus and the Listing Rules, the Company will apply to ASX for official quotation of:</p> <ul style="list-style-type: none"> the Options; and the Shares issued on exercise of the Options (unless at the time of exercise, it is not admitted to the Official List).

14. Additional information (continued)

Right	Details
Register	The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.
Holding statement	<p>The Company must give each Optionholder either an issuer sponsored or CHESS holding statement which sets out:</p> <ul style="list-style-type: none"> • the number of Options issued to the Optionholder; • the exercise price of the Options; and • the date of issue of the Options.
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.

14.7 The Manager's interest in Securities

As at the date of this Prospectus the Manager will be the sole shareholder of the Company.

The Manager will not be applying for additional Offer Securities under the Offer. The Manager will not be issued an Option.

14.8 Directors' interests in Securities

Entities associated with Mr Kirk, Mr Wilson, Mr Bullock and Mr Mackay-Cruise will be issued approximately 6.1 million Foundation Shares on the Foundation Share Allotment Date in consideration for vending in the units and sponsor units they hold in the Bailador Fund and the Viocorp Notes. A corresponding number of Options will also be issued by the Company to Mr Kirk, Mr Wilson, Mr Bullock, Mr Mackay-Cruise and/or their entities on the Option Allotment Date.

Some of the Foundation Shares and corresponding Options will be subject to a 24 month escrow period pursuant to Appendix 9B of the Listing Rules, beginning on the date of the Company's admission to the Official List as set out above in Section 5.4.

The proposed holdings by each Director and the entities they control at completion of the Offer, based on the Minimum Subscription and Maximum Subscription is set out in the below table.

Director	Shares	Options	Escrow shares	% (Min. Subscription)*		% interest (Max. Subscription)**	
				Total	Escrow	Total	Escrow
David Kirk	4,181,124	4,181,124	2,794,982	6.7%	4.5%	5.4%	3.6%
Paul Wilson	1,541,041	1,541,041	1,124,192	2.5%	1.8%	2.0%	1.5%
Andrew Bullock	310,422	310,422	93,280	0.5%	0.1%	0.4%	0.1%
Heith Mackay-Cruise	388,029	388,029	116,600	0.6%	0.2%	0.5%	0.2%
Sankar Narayan	0	0	0	0	0	0	0
Total	6,420,617	6,420,617	4,129,054	10.3%	6.6%	8.3%	5.3%

* Based on a total share capital of 62,462,891 Shares.

** Based on a total share capital of 77,462,891 Shares.

One or more Directors may participate in the Offer and, if such an election was made, the figures in the table above will change. The Company will notify the ASX of the interests of all Directors as at the date of the Company's admission to the Official List as part of its pre-quotation disclosure requirements.

14. Additional information (continued)

14.9 Indemnification of Directors and officers

The Company has entered into deeds of indemnity, access and insurance with each Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

14.10 Related party disclosure

In addition to the disclosures in Section 14.7 to 14.9 above and elsewhere in this Prospectus, the following related parties will have an interest in the Company or the Offer:

Nature of relationship	Nature of interest
Related party: Manager	
Sole Shareholder of the Company at the date of the Prospectus	The Company and the Manager have entered into a Management Agreement which entitles the Manager to payment of certain fees by the Company. Refer to Section 13.1.
Manager of the Company's Investment Portfolio	The Manager may, in the future, provide additional non-management professional or advisory services to investee companies on an arm's length basis and may receive fees for such services.
Manager of Bailador Fund	<p>The Manager will also continue its appointment as Manager of the Bailador Fund in respect of 26% of the units in the BT 1 Top Up Fund that are being retained by existing Bailador Fund Investors and are not being acquired by the Company.</p> <p>The Manager will retain a right to management and performance fees in relation to the units in the BT 1 Top Up Fund which the Company does not own, and the performance fees payable to the Manager by the BT 1 Top Up Fund will be calculated differently and be payable at different times to those payable to the Manager by the Company.</p> <p>The Company will not be required to pay any amounts to the Manager in respect of the BT 1 Top Up Fund other than any fees payable under the Management Agreement.</p> <p>Refer to Section 5.5.</p>
Related party: David Kirk	
Director and chairman of the Company	Entities associated with Mr Kirk will be issued 4,531,125 Foundation Shares as Participating Foundation Investors pursuant to the Foundation Portfolio Acquisitions. The acquisition of the interests held by these entities by the Company will be on the same arm's length terms as the acquisitions for all other unrelated Participating Foundation Investors. Accordingly, the Company has not obtained Shareholder approval in respect of this transaction.
Bailador Fund Investor	<p>Mr Kirk's entities will sell 350,000 Foundation Shares as part of the Sell-Down. Following this, Mr Kirk's entities will hold a total of 4,181,124 Shares (and when issued, the same number of Options) in the Company.</p> <p>2,794,982 of these Foundation Shares will be subject to a 24 month escrow period beginning on the date of the Company's admission to the Official List, based on the 'look through' escrow relief the Company has obtained.</p>
Director and shareholder of the Manager	As a director and shareholder of the Manager, Mr Kirk will benefit from the entry by the Manager into the Management Agreement with the Company through the payment of fees under the Management Agreement. The Company believes that the Management Agreement has been entered into 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 Management Agreement.

14. Additional information (continued)

Nature of relationship	Nature of interest
Director of investee companies	Mr Kirk is currently a director of each of the Foundation Companies and may, in the future, be a director of any new investee companies that are acquired within the Portfolio, and may receive remuneration for these appointments.
Shareholder of investee company	Mr Kirk (through related entities) holds securities in SMI which represent 0.09% of the fully diluted equity of SMI.
Related party: Paul Wilson	
Director of the Company Bailador Fund Investor	<p>Entities associated with Mr Wilson will be issued 1,774,320 Foundation Shares as Participating Foundation Investors pursuant to the Foundation Portfolio Acquisitions. The acquisition of the interests held by these entities by the Company will be on the same arm's length terms as the acquisitions for all other unrelated Participating Foundation Investors. Accordingly, the Company has not obtained Shareholder approval in respect of this transaction.</p> <p>Mr Wilson's entities will sell 233,279 Foundation Shares as part of the Sell-Down. Following this, Mr Wilson's entities will hold a total of 1,541,041 Shares (and when issued, the same number of Options) in the Company.</p> <p>1,124,192 of these Foundation Shares will be subject to a 24 month escrow period beginning on the date of the Company's admission to the Official List, based on the 'look through' escrow relief the Company has obtained.</p>
Director and shareholder of the Manager	As a director and shareholder of the Manager, Mr Wilson will benefit from the entry by the Manager into the Management Agreement with the Company through the payment of fees under the Management Agreement. The Company believes that the Management Agreement has been entered into 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 Management Agreement.
Director of investee companies	Mr Wilson is currently a director of two of the Foundation Companies and may, in the future, be a director of any new investee companies that are acquired within the Portfolio, and may receive remuneration for these appointments.
Shareholder of investee company	Mr Wilson (through related entities) holds securities in SMI which represent 0.09% of the fully diluted equity of SMI.
Related party: Andrew Bullock	
Director of the Company	<p>Entities associated with Andrew Bullock will be issued 310,422 Foundation Shares as Participating Foundation Investors pursuant to the Foundation Portfolio Acquisitions. The acquisition of the interests held by these entities by the Company will be on the same arm's length terms as the acquisitions for all other unrelated Participating Foundation Investors and accordingly is not a 'related party' transaction.</p> <p>93,280 of these Foundation Shares will be subject to a 24 month escrow period beginning on the date of the Company's admission to the Official List, based on the 'look through' escrow relief the Company has obtained.</p> <p>Mr Bullock's entities have elected to partially participate in the Foundation Portfolio Acquisitions and will retain their existing interests in the BT 1 Top Up Fund, (approximately 2.4% interest). These interests remain subject to the current Bailador Fund fee arrangements with the Manager in respect of the existing management agreement.</p>
Related party: Heith Mackay-Cruise	
Director of the Company	<p>Entities associated with Heith Mackay-Cruise will be issued 388,029 Foundation Shares as Participating Foundation Investors pursuant to the Foundation Portfolio Acquisitions. The acquisition of the interests held by these entities by the Company will be on the same arm's length terms as the acquisitions for all other unrelated Participating Foundation Investors and accordingly is not a 'related party' transaction.</p> <p>116,600 of these Foundation Shares will be subject to a 24 month escrow period beginning on the date of the Company's admission to the Official List, based on the 'look through' escrow relief the Company has obtained.</p>

14. Additional information (continued)

Other than as 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.

14.11 Policy for approval of related party transactions

The Company's audit and risk committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which any parties related to the Company, including its executive officers, Directors, beneficial owners of more than 10% of the Company's Shares, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest.

The audit and risk committee or its chairperson, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the audit and risk committee or the chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the Listing Rules or the Corporations Act.

14.12 Interests of experts and advisers

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Ord Minnett has acted as Lead Manager of the Offer and Ord Minnett has agreed to act as Authorised Intermediary. BBY and Forsyth Barr have agreed to act as Co-Managers of the Offer.

The Company has paid or agreed to pay a minimum amount of \$672,656 (gross of tax and excluding disbursements) to Ord Minnett as Lead Manager in respect of these services (based on the Minimum Subscription being achieved) and a maximum amount of \$1,076,250 (gross of tax and excluding disbursements) (based on the Maximum Subscription being achieved).

Hall Chadwick has acted as the Australian Investigating Accountant and Australian tax adviser to the Company and provided the Investigating Accountant's Report in Section 11. The Company has paid or agreed to pay an amount of approximately \$100,000 (gross of tax and excluding disbursements) in respect of these and other services provided.

Talbot Sayer Lawyers has acted as legal adviser to the Company and performed work in relation to due diligence enquiries on Australian legal matters. The Company has paid or agreed to pay an amount of approximately \$93,500 (gross of tax and excluding disbursements) in respect of these services.

BDO has provided valuation services to the Company in connection with the Offer. The Company has paid or agreed to pay an amount of approximately \$52,800 (gross of tax and excluding disbursements) in respect of these services.

14.13 Offer costs

The Company will pay all of the costs associated with the Offer (gross of tax and excluding disbursements) including Lead Manager fees, legal and Investigating Accountant's fees, independent expert's fees, printing and initial ASX listing fees. The total costs to be paid by the Company have been estimated at \$1,414,206 assuming the Minimum Subscription is achieved, and \$1,827,034 assuming the Maximum Subscription is achieved. A breakdown of these costs for both the Minimum Subscription and the Maximum Subscription is provided in Section 10.5.

14.14 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below.

14. Additional information (continued)

- **Lead Manager**

Ord Minnett has consented to being named as Lead Manager and Authorised Intermediary of the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the Lead Manager.

- **Co-Managers**

BBY Limited (**BBY**) has consented to being named as Co-Manager of the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BBY.

Forsyth Barr Limited (**Forsyth Barr**) has consented to being named as Co-Manager of the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Forsyth Barr.

- **Investigating Accountant**

Hall Chadwick has consented to being named in the corporate directory of this Prospectus and to the inclusion of its Investigating Accountant's Report in Section 11 in the form and context in which it appears.

- **Legal Adviser**

Talbot Sayer Lawyers (**TSL**) has consented to being named in the corporate directory of this Prospectus as legal adviser, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by TSL.

- **Independent Valuer**

BDO has consented to being named in this Prospectus and to the inclusion of its Limited Assurance Report in Section 6 in the form and context in which it appears.

- **Share Registry**

Link Market Services Limited (**Link**) has consented to being named in the corporate directory and elsewhere in this Prospectus as the Share Registry for the Company. Link has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Link has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

- **Manager**

Bailador Investment Management Pty Ltd has consented to being named as the Manager and the inclusion of the statements attributed to it in the Prospectus in the context in which those statements appear.

- **SaleCo**

BTI SaleCo Limited (**SaleCo**) has consented to being named as the SaleCo and the inclusion of the statements attributed to it in the Prospectus in the context in which those statements appear.

14.15 Legal proceedings

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

14.16 Overseas distribution

No action has been taken to register or qualify the offer of Offer Securities under this Prospectus, or to otherwise permit a public offering of Offer Securities, in any jurisdiction outside Australia and New Zealand.

14.16.1 Offer only made where lawful to do so

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. 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. No action has been taken to register or qualify the Offer Securities in any jurisdiction outside Australia and New Zealand. Persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

14.16.2 Hong Kong residents

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute a prospectus (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) (CO) or notice, circular, brochure or advertisement offering any shares to the public in Hong Kong for subscription or purchase, or calculated to invite such offers by the public to subscribe for, or purchase, any Offer Securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to, persons who are "professional investors" as defined in the SFO and any rules made thereunder, or in other circumstances which do not result in this Prospectus being a "prospectus", as defined in the CO, or which do not constitute an offer to the public within the meaning of the CO;

14. Additional information (continued)

and no person may issue or have in its possession for the purposes of issue, this Prospectus or any invitation or document relating to the Offer Securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

This Prospectus is for the exclusive use of the person to whom it is addressed (the recipient) in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Prospectus in Hong Kong. This Prospectus must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

14.16.3 Singapore residents

The Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. The offer or invitation which is the subject of this Prospectus is only allowed to be made to certain categories of investors and not the retail public in Singapore. This is not however a prospectus as defined in the Securities and Futures Act (Chapter 289) of Singapore (SFA). Accordingly, statutory liability under the SFA in relation to the content of this Prospectus would not apply. You should consider carefully whether the investment is suitable for you.

Accordingly, the Offer Securities may not be offered or sold or made the subject of an invitation for investment or purchase to the retail public in Singapore nor may this Prospectus or any other document or material in connection with Offer or sale, or invitation for investment or purchase, of such Offer Securities be circulated or distributed, whether directly or indirectly, to the public or members of the public in Singapore other than:

- to an institutional investor pursuant to section 274 of the SFA (as defined in section 4A(i) of the SFA); or
- to a relevant person as defined in section 275(2) of the SFA, or any person who acquires the Offer Securities as principal pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA; or
- pursuant to, and in accordance with the conditions of, any applicable provision of the SFA.

In particular, it should be noted that there may be transferability restrictions under the SFA where the Offer Securities are initially acquired pursuant to an exemption under the SFA.

It is a condition of the Offer that each person who agrees to invest in the Offer Securities is acquiring such Offer Securities for investment purposes only and not with a view to distribute or resell such Offer Securities.

Subject to the relevant provisions of the SFA, where the Offer Securities are subscribed or purchased under section 275 of the SFA by a relevant person who is a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, such Offer Securities of that corporation shall not be transferable within six months after that corporation has acquired the Offer Securities pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer referred to in Section 275(1A) of the SFA; or
- no consideration is given for the transfer; or
- the transfer is by operation of law.

Subject to the relevant provisions of the SFA, where the Offer Securities are subscribed or purchased under section 275 of the SFA by a relevant person who is a trustee of a trust (who is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor, such beneficiaries' rights and interests in that trust shall not be transferable for six months after that trust has acquired the Offer Securities pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid in cash or by exchange of securities or other assets; or
- no consideration is given for the transfer; or
- the transfer is by operation of law.

The Offer or invitation which is the subject of this Prospectus is not accompanied by any advertisement making an offer or calling attention to the Offer or intended Offer; and no selling or promotional expenses shall be paid or incurred in connection with the Offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by any of the service providers of the Company.

14.16.4 United States residents

The Offer Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

14. Additional information (continued)

14.16.5 Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

14.16.6 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Securities listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

14.17 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in Queensland, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

14.18 Statement of Directors

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

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

15. Glossary

In this document:

Term	Definition
AASB	means the Australian Accounting Standards Board.
AEST	means Australian Eastern Standard Time.
AFSL	means Australian Financial Services Licence.
Applicant	means a person who submits a valid Application Form and the required Application Monies pursuant to this Prospectus.
Application	means an application for Offer Securities under this Prospectus.
Application Amount	means the amount required to be submitted with an Application, being the Issue Price multiplied by the number of Offer Securities applied for.
Application Form	means the Broker Firm Offer Application Form or the General Offer Application Form (as applicable).
Application Monies	means money submitted by Applicants pursuant to their Application.
AR	means Authorised Representation under an AFSL.
ASIC	means the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles	means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Operating Rules	means the operating rules of ASX Settlement Pty Limited as amended from time to time, except to the extent of any express written waiver from ASX Settlement Pty Limited.
ATO	means the Australian Taxation Office.
Australian Accounting Standards	means the accounting standards issued by the AASB.
Authorised Intermediary	means Ord Minnett Limited (AFSL 237 121).
Bailador Fund	means BT 1 Fund and BT 1 Top Up Fund.
Bailador Fund Investors	means the unitholders of the BT 1 Fund and the BT 1 Top Up Fund.
Bailador Trustee	means Bailador Pty Limited ACN 143 060 520.
Bailador Trustee Acquisition	means the acquisition of the shares in the Bailador Trustee, as set out in Section 5.2.
BBY	means BBY Limited ACN 006 707 777.
BDO	means BDO Corporate Finance (Qld) Ltd ACN 010 185 725.
Board	means the board of Directors of the Company.
Broker	means any ASX participating organisation selected by the Lead Manager in consultation with the Company to act as a broker to the Offer.
Broker Firm Offer	has the meaning given in Section 2.1.
Broker Firm Offer Application Form	means the application form attached to or accompanying this Prospectus for investors to apply for Offer Securities under the Broker Firm Offer.

15. Glossary (continued)

Term	Definition
BT 1 Fund	means the Bailador Trust ABN 52 880 505 305.
BT 1 Fund Acquisition	means the acquisition of the units in the BT 1 Fund, as set out in Section 5.2.
BT 1 Top Up Fund	means the Bailador SiteMinder Co-Investment Trust ABN 50 626 213 258.
BT 1 Top Up Fund Acquisition	means the acquisition of the units in the BT 1 Top Up Fund, as set out in Section 5.2.
BT 1 Top Up Fund Companies	means the proprietary limited companies that will be registered and owned by each unitholder in the BT 1 Top Up Fund who is a Participating Foundation Investor and which will ultimately hold the Participating Foundation Investor's BT 1 Top Up Fund units.
CGT	means capital gains tax.
Closing Date	means the date that the Offer closes, which is at 5:00pm (AEST) on 5 November 2014, subject to variation by the Company.
Co-Founders	means David Kirk and Paul Wilson.
Company or Bailador	means Bailador Technology Investments Limited ACN 601 048 275.
Constitution	means the constitution of the Company.
Co-Managers	means BBY and Forsyth Barr.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
CRN	means customer reference number.
Directors	means the directors of the Company as at the date of this Prospectus.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Exposure Period	means the seven day period after the date of lodgement of the Original Prospectus with ASIC (as extended by ASIC (if applicable)).
Financial Information	has the meaning given to it in Section 10.2.
Forsyth Barr	means Forsyth Barr Limited CN 150 925.
Foundation Companies	means SiteMinder, SMI, and Viocorp.
Foundation Portfolio Acquisitions	means the BT 1 Fund Acquisition, the BT 1 Top Up Fund Acquisition, the Viocorp Notes Acquisition and the Bailador Trustee Acquisition.
Foundation Portfolio Acquisitions Completion Date	means the date of completion of the Foundation Portfolio Acquisitions, being the Business Day before the Offer Shares Allotment Date.
Foundation Portfolio Acquisitions Condition	means the condition precedent to completion of the Foundation Portfolio Acquisitions, being the Company receiving notification from ASX that all requirements have been fulfilled for the Company's Securities to be quoted and the Company to be admitted to the Official List, other than any pre-quotation disclosure requirements.
Foundation Portfolio	means the interests in the Bailador Fund and the Viocorp Notes to be acquired by the Company pursuant to the Foundation Portfolio Acquisitions.
Foundation Shares	means the Shares issued by the Company as consideration for the Foundation Portfolio Acquisitions.
Foundation Shares Allotment Date	means the date on which the Foundation Shares are allotted and issued on the Foundation Portfolio Acquisition Completion Date.

15. Glossary (continued)

Term	Definition
Fully Diluted Basis	means on a basis that all investment instruments which are convertible into equity have been converted into equity in accordance with their terms and any non equity contractual rights to share in sale proceeds are treated as if any such amount payable has been paid by the issue of equity.
FY14 Revenue Growth Rate	means the percentage by which revenue for the financial year ending 30 June 2014 is greater than revenue for the financial year ending 30 June 2013.
General Offer	has the meaning ascribed to that term in Section 2.1.
General Offer Application Form	means the application form attached to or accompanying this Prospectus for investors to apply for Offer Securities under the General Offer.
GST	has the meaning given to that term in Section 195 – 1 of the <i>A New Tax System (Goods and Services Tax) Act 1999</i> as amended.
Hall Chadwick	means Hall Chadwick Corporate NSW Limited ACN 080 462 488.
Historical Financial Information	has the meaning given to it in Section 10.2.
Initial Term	means, in respect of the Management Agreement, the period ending 10 years after the commencement date of the Management Agreement.
Institutional Applicant	means an Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA).
Internet-related Businesses	has the meaning given in Section 3.3.1.
Investigating Accountant	means Hall Chadwick.
Investigating Accountant's Report	means the investigating accountant's report provided by the Investigating Accountant and included in Section 11.
Investment	means an investment forming part of or comprised in the Investment Portfolio permitted by the Management Agreement.
Investment Portfolio or Portfolio	means the portfolio of investments held by the Company from time-to-time, to be managed in accordance with the Management Agreement by the Manager pursuant to the investment mandate and strategy set out in this Prospectus, and including the Foundation Portfolio.
Investment Strategy	means the investment objectives, strategy, guidelines, permitted investments and elements of investment set out in Section 3.5.
IRR	means internal rate of return.
Issue Price	means the price per Offer Security (being \$1.00).
ITAA 97	means <i>Income Tax Assessment Act 1997</i> (Cth).
Lead Manager	means Ord Minnett.
LIC	means listed investment company.
Limited Assurance Report	means the report provided by BDO and included in Section 6.

15. Glossary (continued)

Term	Definition
Listing Rules	means the official Listing Rules of ASX as amended or waived from time to time.
Management Agreement	means the agreement between the Company and the Manager dated 25 September 2014 a summary of which is included in Section 13.1.
Manager	means Bailador Investment Management Pty Ltd ACN 143 060 511.
Maximum Subscription	means the maximum amount being sought by the Company under the Offer, being \$40 million (excluding Sell-Down Proceeds).
Minimum Subscription	means the minimum amount being sought by the Company under the Offer, being \$25 million (excluding Sell-Down Proceeds).
NAV	means net asset value.
New Shares	means Shares to be issued by the Company.
Offer	means the offer of: <ul style="list-style-type: none"> • up to 40 million New Shares; and • up to 4.3 million Sell-Down Shares, under this Prospectus, to raise between \$25 million and \$40 million (excluding Sell-Down Proceeds), together with an entitlement to one Option for every one Share allotted or transferred.
Offer Management Agreement	means the agreement between the Company and the Manager in respect of the Offer dated 25 September 2014, a summary of which is included in Section 13.2.
Offer Period	means the period during which investors may subscribe for Offer Securities under the Offer.
Offer Securities	means the New Shares, Sell-Down Shares and Options to be issued or transferred under the Offer.
Offer Shares Allotment Date	means the date on which the New Shares are allotted and issued under the Offer, which is 10 November 2014.
Official List	means the official list of the ASX.
Option	means an option to acquire one Share for every one Share allotted under the Offer. The Options are listed separately from the Shares (under the proposed code 'BAIO') and therefore can be traded separately from the Shares. The Options are exercisable at \$1.00 per Option on or before 31 March 2016.
Option Allotment Date	means the date on which the Options are allotted, which is 17 November 2014.
Optionholder	means the holder of an Option.
Ord Minnett	means Ord Minnett Limited ABN 86 002 733 048 (AFSL 237 121).
Original Prospectus	means the prospectus dated 26 September 2014 and lodged with ASIC on that date (which is replaced by this Prospectus).
Participating Foundation Investors	means those Bailador Fund Investors and Viocorp Investors who have elected to participate in the Foundation Portfolio Acquisitions.
Performance Fee	means the Performance Fee which is payable to the Manager the details of which are set out in Section 13.1.
Portfolio NAV	has the meaning ascribed to that term in Section 13.1.

15. Glossary (continued)

Term	Definition
Pro Forma Financial Information	has the meaning given to it in Section 10.2.
Proposed Investment	means an Investment proposed by the Manager to be made on behalf of the Company.
Prospectus	means this replacement prospectus, dated 3 October 2014, for the issue of Offer Securities to raise between \$25 million and \$40 million, excluding Sell-Down Proceeds.
Retail Applicant	means an Applicant who is not an Institutional Applicant.
SaleCo	means BTI SaleCo Limited ACN 601 568 610.
Section	means a section of this Prospectus.
Securities	means Shares and Options on issue in the Company at any time.
Sell-Down	means the sale of the Sell-Down Shares under the Offer.
Sell-Down Proceeds	means the proceeds from the Sell-Down.
Sell-Down Shares	means Shares to be transferred by the SaleCo under the Sell-Down.
Sell-Down Vendor	means those Participating Foundation Investors who have elected to participate in the Sell-Down and transfer Sell-Down Shares to the SaleCo.
Share	means a fully paid ordinary share in the capital of the Company (to be listed under the proposed code 'BTI').
Shareholder	means a registered holder of a Share.
Share Registry	means Link Market Services Limited ABN 54 083 214 537.
SiteMinder	means Online Ventures Pty Ltd ACN 121 931 744.
SMI	means SMI Holding Company Pty Limited ACN 137 946 171.
Subsidiaries	has the meaning given to it in the Corporations Act.
Viocorp	means Viocorp International Pty Limited ACN 100 186 838.
Viocorp Investors	means the holders of the Viocorp Notes.
Viocorp Notes	means the convertible notes held by the Viocorp Investors in Viocorp.
Viocorp Notes Acquisition	has the meaning given in Section 5.2.
Unit Economics	has the meaning given in Section 3.3.4.
US Securities Act	US Securities Act of 1933 (as amended).

ORD MINNETT

The issuer of this Financial services Guide

This Financial Services Guide (FSG) is issued by Ord Minnett Limited (AFSL 237121) (OML, our, we). OML is a member of the Ord Minnett Group of companies and holds an Australian financial services licence.

Issue of shares and options by Bailador

Technology Investments Limited

OML has entered into an arrangement with Bailador Technology Investments Limited (BTI) to make offers to you to arrange for the issue of the shares and options in BTI being offered by BTI in accordance with the Corporations Act 2001 (Cth). This is the service we are providing to you.

Purpose of this FSG

This FSG has been produced to inform you about the financial services that we will be, or are likely to be, providing to you, the kinds of financial products to which those services relate and the fees that we charge in relation to the service we are providing to you.

This FSG also sets out:

- Your privacy and how we use your personal information
- How we handle complaints if they arise
- The significant relationships and associations that we have
- The remuneration that may be paid to us or to other relevant persons associated with the provision of our services
- How to contact us.

Privacy

We are bound by the National Privacy Principles and will provide you with financial services in a secure and confidential manner.

The purpose of collecting personal information

We will collect and use personal information about you;

- To provide you with products, services or information that you might request or reasonably expect
- To manage our rights and obligations under applicable laws and regulations
- To conduct research, planning, product development, risk assessment and marketing
- For other purposes required or authorised by law.

Disclosure of personal information

We may share your personal information with;

- Any member or affiliate of the Ord Minnett Group of companies
- Any entity carrying out functions on our behalf
- Any other entity that we engage to assist in the provision of services requested by you.

You should note that the personal information we collect about you may be disclosed to third parties if required or authorised by law.

Security of personal information

We will take reasonable steps to preserve the security of the personal information we collect. All stored personal information is protected from unauthorised access by secure passwords, user login requirements or other security procedures.

Your questions about privacy

If you have any questions about our privacy policies, please contact the Privacy Officer by writing to;

Privacy Officer, Ord Minnett Level 8, NAB House
255 George Street, Sydney NSW 2000

You may also access our Privacy Policy at our website www.ords.com.au

Accessing your personal information

If you wish to access and update the personal information we hold about you, please contact your Adviser or the Privacy Officer at the address above.

Telephone calls

Telephone calls to and from our offices may be recorded and monitored to assist in resolving disputes.

Complaints Handling and Procedures

We want to hear all your comments, whether they are favourable or not, because it is in our interests to promptly address any concerns you may have. Ord Minnett has implemented internal complaint handling procedures consistent with Australian Standard ISO 10002, Quality Management – Customer Satisfaction – Guidelines for complaints handling in organisations.

You should firstly contact your Ord Minnett adviser and discuss your concerns. If your concerns are not resolved to your satisfaction, then please write to:

The Compliance Manager,
Ord Minnett, Level 8, NAB House
255 George Street, Sydney NSW 2000

Financial Services Guide (continued)

If you are still dissatisfied you may write to:

Financial ombudsman service

Telephone: 1300 78 08 08

Facsimile: (03) 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

Mail: GPO Box 3, Melbourne VIC 3001

Both OML and Ord Minnett Financial Planning Pty Limited are covered by a Professional Indemnity Insurance Policy which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

Relationships and associations

The Ord Minnett Group of companies includes:

- Ord Minnett Limited
- Ord Minnett Financial Planning Pty Limited
- Ord Minnett Management Limited – which acts as a responsible entity for managed investments such as the Ord Minnett Cash Management Trust.

The Ord Minnett Group is 70% owned by Australian Wealth Management Limited (AWM). In April 2009, AWM merged with IOOF Holdings Limited (IOOF). IOOF is listed on the Australian Securities Exchange (ASX code IFL).

JPMorgan Chase & Co., a world leader in financial services, own 30% of the Ord Minnett Group. Through our close relationship with JPMorgan, we have the ability to access JPMorgan's Australian capital raisings in the form of Initial Public Offerings, placements and underwritings.

Ord Minnett and Pershing

OML has entered into an agreement with Pershing Securities Australia Pty Ltd AFS Licence 338264 and ABN 60 136 184 962 ("Pershing") to settle and clear all ASX transactions executed by OML.

Remuneration

OML who is managing the issue of shares and options by BTI will be paid a management fee of 1.5% (exclusive of GST) of the amount raised by the Company through the issue of the shares and a selling fee of 1.5% (exclusive of GST) of the amount raised by the Company through the issue of shares under the broker firm component of the offer. Assuming (a) the offer raises \$40,000,000; and (b) 75% of the \$40,000,000 is raised through the broker firm offer component of the offer, OML's management fee and selling fee will respectively be \$600,000 (exclusive of GST) and \$450,000 (exclusive of GST).

How to contact us

Adelaide

Level 11
19 Grenfell Street
Adelaide SA 5000
Tel: (08) 8203 2500
Fax: (08) 8203 2525

Brisbane

Level 31,
10 Eagle St
Brisbane QLD 4000
Tel: (07) 3214 5555
Fax: (07) 3214 5550

Buderim, Sunshine Coast

84 Burnett Street
Buderim QLD 4556
Tel: (07) 5430 4444
Fax: (07) 5430 4400

Gold Coast

Level 7,
50 Appel Street, Surfers
Paradise, QLD 4217
Tel: (07) 5557 3333
Fax: (07) 5574 0301

Caloundra, Sunshine Coast

79-81 Bulcock Street
Caloundra QLD 4551
Tel: (07) 5491 3100
Fax: (07) 5491 3222

Canberra

101 Northbourne Avenue
Canberra ACT 2600
Tel: (02) 6206 1700
Fax: (02) 6206 1720

Coffs Harbour

Suite 4
21 Park Avenue
Coffs Harbour NSW
2450
Tel: (02) 6652 7900
Fax: (02) 6652 571

Mackay

45 Gordon Street
Mackay QLD 4740
Tel: (07) 4969
4888 Mackay QLD 4740
Tel: (07) 4969 4888

Melbourne

Level 23
120 Collins Street
Melbourne VIC 3000
Tel: (03) 9608 4111
Fax: (03) 9608 4142

Newcastle

41-45 Newcomen Street
Newcastle NSW 2300
Tel: (02) 4910 2400
Fax: (02) 4910 2424

Sydney

Level 8, NAB House
255 George Street
Sydney NSW 2000
Tel: (02) 8216 6300
Fax: (02) 8216 6311

Tamworth

Suite 3
344-346 Peel Street
Tamworth NSW 2340
Tel: (02) 6761 3333
Fax: (02) 6761 3104

Wollongong

3/55 Kembla Street Cnr
Market and Kembla Streets
Wollongong NSW 2520
Tel: (02) 4226 1688
Fax: (02) 4226 1604

International Hong Kong

1801 Rattonjee House
11 Duddell Street
Central Hong Kong
Tel: (+852) 2912 8980
Fax: (+852) 2813 7212

Corporate directory

Company

Bailador Technology Investments Limited

Suite 908, Level 9
37 Bligh Street
Sydney NSW 2000
bailador.com.au

Directors

David Kirk (Chairman)
Paul Wilson
Andrew Bullock
Heith Mackay-Cruise
Sankar Narayan

Company Secretary

Paul Wilson

Lead Manager and

Authorised Intermediary Ord Minnett

Level 31, 10 Eagle Street
Brisbane QLD 4000
www.ords.com.au

Co-Managers

BBY Limited

Level 17, 60 Margaret St
Sydney NSW 2000
www.bby.com.au

Forsyth Barr Limited

Level 13, 55 Shortland Street
Auckland 1140
www.forsythbarr.co.nz

Auditor

Hall Chadwick

Level 40, 2 Park Street
Sydney NSW 2000 Australia
www.hallchadwick.com.au

Investigating Accountant

Hall Chadwick

Level 40, 2 Park Street
Sydney NSW 2000 Australia
www.hallchadwick.com.au

Legal Adviser

Talbot Sayer Lawyers

Level 4, 293 Queen Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited

Level 12
680 George Street
Sydney NSW 2000
www.linkmarketservices.com.au

Your Guide to the Application Form

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

The Shares to which this Application Form relates are Bailador Technology Investments Limited ("Bailador") Shares. Further details about the Shares are contained in the replacement Prospectus dated 3 October 2014 issued by Bailador. The Prospectus will expire on 25 October 2015. While the Prospectus is current, Bailador will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

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

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

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500 Shares. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Bailador will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Bailador and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Bailador's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to "**Bailador Technology Investments Limited**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 5 November 2014 at:

Mailing Address

Bailador Technology Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

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

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

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

CORRECT FORMS OF REGISTRABLE NAMES

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

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

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

This page is intentionally left blank

