

**HB BIOTECHNOLOGY
UNIT TRUST NO. 1**



1 MARCH 2022



Directory

The Trust

HB Biotechnology Unit Trust No. 1

Trust Manager

HB Biotechnology Limited

ABN: 34 643 875 058

Registered Office

Level 1, 50 Pitt Street

Sydney NSW 2000

Australia

Phone: (02) 9223 4044

Fax: (02) 9252 0325

Email: info@hbbiotechnology.com.au

Website: www.hbbiotechnology.com.au

Postal Address

PO Box N697

Grosvenor Place NSW 1220

Australia

Trustee

Harper Bernays Limited

AFSL 230635

Custodian

WealthHub Securities Limited

(a wholly owned subsidiary of

NATIONAL AUSTRALIA BANK)

Auditor

Rothsay Chartered Accountants

1/6-10 O'Connell St,

Sydney NSW 2000

Consulting Actuaries

Professional Financial Solutions

Legal Advisors

HWL Ebsworth Lawyers

McCullough Robertson Lawyers

**HB Biotechnology Limited holds an
Australian Financial Services Licence
No. 527435**

Disclaimer: This document is provided by way of general information only. HB Biotechnology makes no warranties, express or implied, regarding the completeness or accuracy of the information contained herein. This document contains no guarantee or warranty as to the future performance of any investments undertaken by HB Biotechnology on behalf of any client.

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1. Notice to Investors

This Information Memorandum dated March 1, 2022 relates to an offer of units in a managed investment scheme called HB Biotechnology Unit Trust No. 1 (the **Trust Fund**) to eligible subscribers who are wholesale clients under 761G(7) of the Corporations Act 2001 (Cth) (the **Corporations Act**). The provisions for registered managed investment schemes, fundraising and the financial services do not apply to the offer of units in the Trust Fund under this Information Memorandum. Accordingly this document is not a prospectus required to be lodged with ASIC and does not contain information that may be expected to be found in a prospectus or other regulated disclosure document.

The Information Memorandum is for the sole use of, and may be acted upon only by its recipient. This Information Memorandum may not be distributed by the recipient to any other person without the prior written consent of HB Biotechnology Limited (the **Manager**)

The Information Memorandum has been prepared by the Manager to provide recipients with information relating to the Trust Fund.

Disclaimer

The Information Memorandum is not a recommendation or a statement of opinion (or a report of either of those things) that you acquire units issued by the Trust Fund and neither the Manager nor Harper Bernays Limited, (the **Trustee**) is acting as your advisor or assuming a duty of care in this respect. You need to make your own assessment as to the appropriateness of any investment and should consider seeking advice from your own advisors in making this assessment.

The Manager makes no representation or warranty as to the accuracy reliability or completeness of this document or information relating to the Trust Fund subsequently provided to the recipients or their advisers. The Manager and its directors, employees, agents, advisers, and consultants will have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of or contained in or derived from, or for any omissions from, the information provided to recipients or their advisers, except liability under statute that cannot be excluded.

The performance of the Trust Fund is not guaranteed by any person or organisation including the Manager and the Trustee.

2. Key Features of the Trust

Management of the Trust

Management of the Trust is provided by HB Biotechnology Limited, (ABN 34 643 875 058) a specialist Australian Equities Fund Manager.

Administration of the Trust

Administration of the Trust is provided by both Harper Bernays Limited acting as the Trustee and WealthHub Securities Limited acting as Custodian of the Trust's assets.

Eligible Subscribers

To be eligible to apply for units in the Trust Fund, the applicants must satisfy the investment and/or financial criteria that applies to 'wholesale clients' under the Corporations Act and includes where a person:

- Is a professional investor (as that term is defined in Corporations Act);
- invests at least \$500,000 into the Fund; or
- meets the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements set out in the Corporations Act.

Authorised Investments

Primarily shares or debentures of biotechnology and medical technology companies listed on globally recognised exchanges with a focus on the United States, Australian and European markets. The Trust Fund will not be geared and will not deal in exchange traded options, futures or any other derivatives. The fund will not short sell. The Trust Fund will not lend scrip.

Application/withdrawal fees

There are no application or withdrawal fees.

Fees and Expenses

Management Fee: 1.98% per annum, inclusive of GST. If certain performance criteria are met, a performance fee may be payable from time to time.

Details on fees are contained on page 14 and in the table on page 15 of this memorandum.

Minimum Investment

The minimum initial investment is A\$250,000 (subject to the investor being an eligible subscriber and satisfying the wholesale client criteria set out in the Corporations Act).

Minimum Additional Investment

The minimum additional investment is A\$50,000 and multiples of A\$50,000 thereafter.

Automatic Reinvestment

An investor can elect to automatically reinvest income distributions from the Trust Fund in additional units.

Minimum redemption amount

The minimum redemption amount is the lesser dollar amount of \$50,000 or 50,000 units.

Applications

Will be accepted during the 5 business days prior to the end of each quarter.

Withdrawals

Subject to liquidity constraints withdrawals may be made on the first business day of each quarter. Redemption requests must be provided by investors at least 30 days prior to the relevant redemption date.

Unit Prices

After the initial offering calculated by the Trustee or Custodian as at the last day of each quarter.

Income Distributions

The net income of the Trust will be distributed to unit holders half yearly within 30 days of June 30 and December 31 each year.

How to Invest

Please complete the attached Application Form and forward it to:

Email: charlie@hbbiotechnology.com.au

or

HB Biotechnology Limited

PO Box N697

Grosvenor Place NSW 1220

Along with a completed application, please deposit funds via Electronic Funds Transfer (EFT):

Bank: National Australia Bank

Name: WealthHub Securities Limited ACF
<HB Biotechnology Unit Trust No.1>

BSB: 083 052

Acc: 305365148

Ref: <Client Name>

Or by BPAY:

Biller Code: 102426

Reference No: 3052305365148

3. The Offer

This Information Memorandum offers to eligible subscribers the opportunity to invest sums of \$250,000 and multiples of \$50,000 thereafter in the Trust Fund.

The Manager, Trustee and Custodian

The Manager is HB Biotechnology Limited. The Manager holds an Australian Financial Services licence under the Corporations Act 2001 (Cth) (**'The Corporations Act'**). The AFS licence number is 527435.

The Trustee is Harper Bernays Limited (**'Trustee'**). The Trustee holds an Australian Financial Services licence under the Corporations Act. The AFS licence number is 230635.

The Custodian is WealthHub Securities Limited (a wholly owned subsidiary of NATIONAL AUSTRALIA BANK).

The Trust Fund

The Trust Fund is a unitised managed investment scheme which applies to 'wholesale clients' as that term is defined by the Corporations Act. The Trust Fund is not a registered managed investment scheme and therefore the rules for managed investment schemes contained in the Corporations Act do not apply to the Trust Fund. The governing rules of the Trust Fund are set out in the Trust Deed.

Investment objective and strategy

The Trust Fund is a long term (minimum 3 – 5 year time horizon) investor in biotechnology and medical technology securities listed on globally recognised exchanges with a focus on the United States, Australian and European markets. Funds not invested in listed securities will be held in either cash or interest bearing securities authorised by the Trust Deed. The Trust Fund will not borrow. The Trust Fund will not deal in futures, exchange traded options or any form of derivatives. The Trust Fund will not short sell securities. The Trust Fund will not lend scrip.

Risk Factors

Investors should be aware that the value of units in the Trust Fund may fall as well as rise. Whilst it is the intention of the Manager to implement its strategy in such a way as to achieve its objective, there can be no assurance that this strategy will be successful.

Investment in units of the Trust Fund may be more volatile and risky than some other forms of investment.

4. About the Manager

HB Biotechnology Limited (“**HB Biotechnology**”) is an independent investment manager and licensed securities dealer.

The business is owned by Dr Charles Williams and Harper Bernays Limited and has no formal or financial links with any other organisations.

Harper Bernays Limited, established in 1988, is a bespoke, discreet, Investment Management and Family Office business providing a highly personalised service to its high net worth and not-for-profit clients.

Dr. Williams, who has a Ph.D. in Biomedical Engineering, has built an impressive reputation as a specialist investor in biotechnology and medical technology businesses.

HB Biotechnology operates under an Australian Financial Services Licence (“**AFSL**”) issued by the Australian Securities and Investment Commission (“**ASIC**”), allowing it to operate as an Investment Manager on behalf of wholesale or sophisticated investors. It manages portfolios on behalf of clients that invest only in carefully chosen biotechnology and medical technology companies.

HB Biotechnology’ clients include private individuals, trustees, companies and superannuation funds. They all benefit from the strong network which HB Biotechnology has developed with major institutional stockbrokers, analysts and underwriters, as well as expert advice from experienced investment professionals.

Its investment style, principles of operation, and focus place a strong emphasis on ethical behaviour and governance.

HB Biotechnology does not have, nor does it wish to have, a license capacity to provide formal financial advice. The conflict of interest issues associated with being both a direct product provider and a provider of independent advice has always been an issue for us in this regard.

5. Organisation, Key Staff and Directors

Name	Title	Age	Finance/Securities Industry Experience
Charles Williams	Managing Director	42	9 years
Peter Harper	Chairman	71	49 years
Antony O'Regan	Head of Operations, HBL	50	24 years
Ron Heinrich	Non-Executive Director	73	
Alan Mason	Chair, Audit Committee	73	

The CV's of these key investment staff and non-executive directors can be found at <https://www.hbbiotechnology.com.au/meet-the-team/>

All key staff have very substantial analytical experience, either in industry, or in Funds Management, or both.

6. Our Investment Philosophy

(i) Investing in Biotechnology and Medical Technology

Knowing how to identify and invest in good science at the right time has always been rewarding.

This is most especially the case with biotechnology and medical technology.

Rigorous research and skill are paramount in both identifying and then carefully monitoring investments in biotechnology and medical technology to ensure success.

Whilst superior returns have been traditionally achievable by investing in this sector, it has also been more volatile than Equity markets in general.

This dictates that taking a portfolio approach to investing in this sector, and ensuring that the defined investable universe is of sufficient size and quality to allow construction of a suitable portfolio, is critical to ensuring that we deliver superior, risk adjusted returns for our clients.

HB Biotechnology's professional skills, industry contacts, and portfolio construction and risk management processes are all focussed on producing superior risk adjusted returns.

(ii) Our Investment Universe

We invest only in Publicly listed and tradeable securities.

Our portfolios have worldwide diversification, with a particular focus on the United States, European and Australian markets.

Typically, initial entry into our chosen investments will be into companies with a market capitalisation of \$US 5 billion or less.

Stocks in this category encompass what is referred to in the United States as their Mid-caps and Small-caps markets in biotechnology and medical technology companies.

Our worldwide focus will ensure a significantly large enough initial investment universe to allow our rigorous research and risk management processes to produce portfolios which are both of high quality and adequately diversified from a risk management perspective.

(iii) Key Characteristics of our Investment Proposition

Our investment proposition is to focus at all times on identifying the best possible mix and weightings of biomedical and medical technology stocks in a portfolio which optimises risk adjusted, long term returns for our clients.

HB Biotechnology portfolios are:

Long only	There is no short selling, script lending, or debt or equity leverage in our portfolios.
Both domestic and international in focus	Our investments will be listed on selected North American, European and Australian Exchanges.
Unhedged for currency exposure	We manage individual investments in their local currency. We report to you in Australian dollars.
Fundamentally Driven	Our investments are underpinned by extensive research and a bottom-up, stock picking approach to portfolio construction.
Concentrated	Typically comprised of no more than 15-20 positions at any one time. Whilst this may vary slightly from time to time, our investment disciplines will ensure we always concentrate on managing tightly controlled, high conviction portfolios.
Managed within Board mandated Risk Management Rules	Our risk management protocols pay particular attention to risk/reward ratios and liquidity, amongst other factors.
Event Driven	Proof of concept and trial results, discovery and other marketing deals, and buy-in or takeover activity
Long term in their outlook	Seeking quality investments with potential for significant appreciation over time – not seeking to trade sentiment / positions.
Not aligned with market weightings	Individual stock holdings reflect our view of both absolute and relative merit based upon our risk assessment criteria

(iv) Sector Characteristics, and Investment Timelines

Investing in healthcare in general, and biotechnology and medical technology in particular, has, over the long term, generated strong returns, irrespective of general business conditions or cycles.

Returns in this sector have traditionally shown a relatively low correlation with general market conditions or movements.

This relative insulation from general market movements, whilst positive in itself, comes with a sector which generally experiences greater month on month volatility than broader market indices, both in Australia and other major overseas Equity markets.

Volatility can be very considerable indeed at an individual stock level, given that key events, e.g. the results of clinical trials, can, depending upon their success or otherwise, produce substantial positive or negative stock price movements in extremely short timeframes.

Whilst investing in the sector can produce superior returns, its characteristics dictate that the way to generate the best risk adjusted returns is to:

Take a portfolio approach to investing.

HB Biotechnology’s portfolio structuring procedures and risk management protocols reflect this requirement.

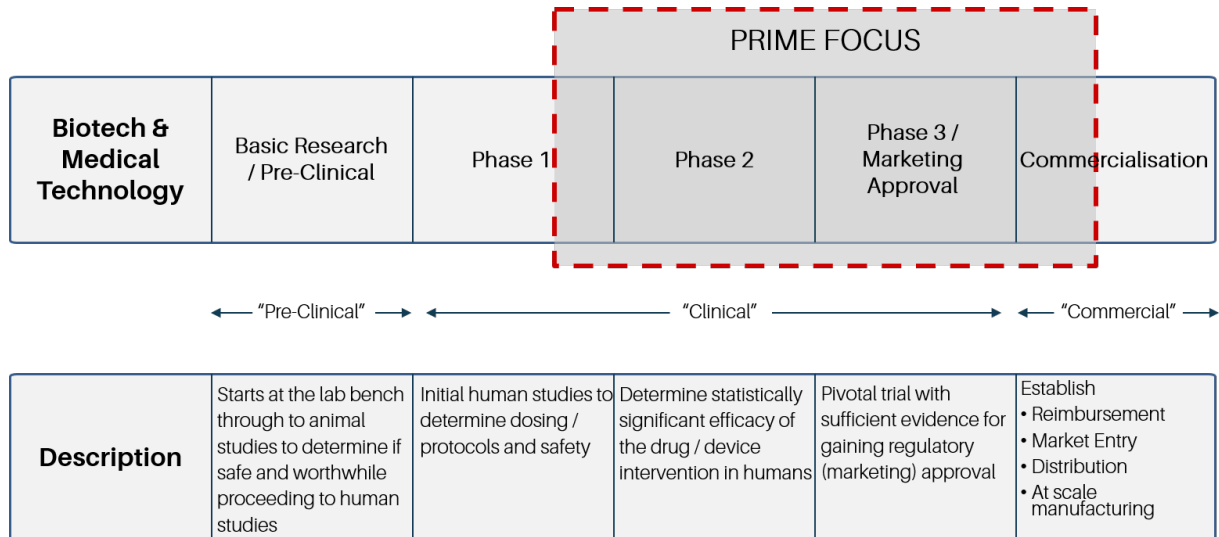
Have an adequate timeframe to give the Portfolio the best chance of achieving superior risk adjusted returns.

Investors should have a minimum 3, and preferably 5, year time horizon for monies invested in HB Biotechnology portfolios. This is not to say that superior returns will not be generated in lesser periods, but prudence dictates taking a long-term perspective when investing in this sector.

(v) Portfolio Construction and Management

As a stock-picker, our focus will always be on identifying high quality, well run companies with superior assets in terms of their prospects, competent professional management, and adequate transparency.

The diagram below identifies where we will concentrate our research to find suitable businesses with good assets as prospective investments for our portfolio.



Good investments will be good businesses with good assets at an attractive entry price, typically seeking to identify assets we believe are mis-priced on a relative risk/reward basis.

Continuing management of all of the portfolio’s investments from time to time will be largely events driven, with an eye constantly on risk adjusted, relative value.

7. Our Investment Objectives

Longer term outperformance

Over the longer term, our investment objective is to provide a superior rate of return to the general market.

Returns

To maximise the benefits of our investment style, our clients should share our approach to the market. That is, that the best returns are generated by long term, patient investment in good securities.

The investments

From the outset it should be appreciated that, as an asset class, an investment in shares is unlike an investment in cash or property, and especially so in biotechnology and medical technology. Investing in shares, we are buying a stake in a business operated by managers where perceptions of value can, and do, vary widely.

Valuations as represented through share prices are subjective and reflect, many factors of varying importance. We are constantly looking at the relationship between price and value to purchase what we believe to be mispriced assets.

Our resolve to invest with a long-term objective is important as it ensures that during periods of extreme volatility, investment decisions do not yield to investor emotions. At all times, however, we are aware of the need to remain focused on the reasons which led us to invest in a company so that we can identify and respond accordingly when conditions or markets change.

Performance History

The volatility and performance for every portfolio, as well as the total funds under HB Biotechnology' management, is periodically independently assessed by Professional Financial Services, Actuaries & Consultants.

The Trustee and the Manager also actively assess Fund performance on a regular basis as normal practice.

Performance of the Manager can be accessed on the HBB website:

https://www.hbbiotechnology.com.au/performance_detail/

8. Important Investor Information

<p>Investing in Units</p> <p>Completed applications should be forwarded to:</p> <p>HB Biotechnology Limited PO Box N697 Grosvenor Place NSW 1220</p> <p><u>For Cash Transfers:</u> Bank: National Australia Bank Address: GPO Box 4545, Melbourne, VIC, 3001 A/c name: WealthHub Securities Limited ACF <HB Biotechnology Unit Trust No. 1> BSB: 083-052 A/c no: 305365148</p> <p>BPAY: Biller Code: 102426 Reference No: 3052305365148</p> <p>The minimum investment amount for the HB Biotechnology Unit Trust No. 1 is A\$250,000. Additional investments may be made in multiples of A\$50,000.</p> <p>Applications</p> <p>An application form which forms part of this Information Memorandum must be completed.</p> <p>The opportunity to apply for units will be provided to eligible subscribers four times per year. In each instance, the window to invest will be the five business days prior to the end of each calendar quarter. Investment in new units will be at the issue price which will be the unit price as at the completion of business on the last business day of the quarter prior to processing, plus any costs associated with converting the application money into authorised investments. Clients subscriptions will be in cash.</p> <p>Applications for units are processed at the beginning of each quarter. Units are allotted within the first 5 business days of each quarter.</p> <p>The Manager has the discretion to refuse an application. Upon receiving a valid application for units, the Manager will issue an acknowledgement setting out the number of units issued.</p>	<p>Minimum investment</p> <p>The Manager has imposed a minimum initial investment requirement of \$250,000 for eligible subscribers.</p> <p>Buying Additional Units</p> <p>Existing unit holders in the Trust may invest further amounts of A\$50,000 or multiples thereof, at the prescribed times allowed for applications (See Applications/Redemptions). You can simply forward a signed application form completed to show your existing unit holder details to our address as set out under the heading "Investing in Units", accompanied by either a cheque or indication of EFT.</p> <p>Calculation of Unit Values</p> <p>Unit values will be calculated at the conclusion of each calendar quarter (ie. as at March 31, June 30, September 30 and December 31) and will be provided to the unit holders with the formal quarterly report.</p> <p>Redeeming Units</p> <p>All or part of an investment can be converted into cash by redeeming units. Unit holders will only be able to redeem units on the first business day of each calendar quarter. All requests for the redemption of units must be in accordance with the procedure for redeeming units set out in the Trust Deed. Minimum redemption size will be \$50,000 or 50,000 units whichever is the lesser dollar value.</p> <p>Unit holders wishing to withdraw funds must provide a redemption request to the Manager by 5.00pm on a business day that is at least 30 days prior to the intended redemption date.</p> <p>Unit holders may in exceptional circumstances be able to redeem their units outside the time period referred to above at a pre-agreed cost to be borne by the unit holder. In order to do so not only must the procedure for redeeming units be followed but both the Trustee and the Manager must agree in writing to the unit holder redeeming their units.</p>
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<p>The Manager is permitted to delay effecting redemption where the Manager is of the view that it would have to dispose of assets other than at a fair market value in order to effect redemption. Further the Manager may delay redemption if it is unable to satisfy a request for redemption due to circumstances outside its control.</p> <p>Redemption monies may be collected from the office of the Trustee, paid directly to a nominated bank account, or mailed by cheque. It is the policy of the Manager that redemption monies will be available within 7 days, although the Trust Deed allows a maximum of 30 days.</p> <p>Units Prices</p> <p>Issue Price</p> <p>Units are issued at the issue price, which will be calculated as follows:</p> <ol style="list-style-type: none"> a) if the unit is issued on the first application for units accepted by the Manager the sum of \$1. b) in all other cases the unit value as at the time of issue of the unit. The unit value is calculated by dividing the net value of the Trust Fund by the number of units on issue at the close of business on that day <p>Applications must be received in the 5 business days prior to the end of each calendar quarter.</p> <p>Application monies will be banked into a dedicated application account upon receipt. Monies received prior to the prescribed application day will earn interest upon deposit. Any interest earned will be allocated to the Trust Fund.</p> <p>For unit holders electing to have income automatically reinvested, the issue price of units is calculated in the same manner as outlined above.</p> <p>The Manager may issue fractions of units</p> <p>Redemption Price</p> <p>The Redemption Price of units is determined as follows:</p> <ol style="list-style-type: none"> a) Whilst the Trust Fund is liquid the unit value at the time of redemption less any costs associated with the realisation or conversion into cash of the Trust Fund to satisfy the request. b) Whilst the trust is not liquid the amount worked out by the Manager in accordance with the Trust Deed less any costs associated with the realisation or conversion into cash of the Trust Fund to satisfy the request; 	<p>Eligible Subscribers</p> <p>To be eligible to apply for units in the Trust Fund, each applicant must be a wholesale client as defined by the Corporations Act</p> <p>Fees and Expenses</p> <p>Management & Trustee Fees</p> <p>The fees and expenses of the Manager and the Trustee are set out in the following schedule (Schedule 1)</p> <p>Investment costs:</p> <p>The costs of converting application money into authorised investments will be subject to review from time to time and are in accordance with normal commercial rates. The Trust Fund's quarterly unit prices will be net of these fees and expenses.</p> <p>Administration expenses:</p> <p>The Trust Deed allows the Manager and the Trustee to be reimbursed for all expenses incurred in properly performing their duties including audit, legal and transaction costs. The type of expenses reimbursed may change at any time without notification to investors.</p>
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SCHEDULE 1

TRUSTEE'S FEES

The Trustee's fees are:

An ongoing fee (excluding GST and taken quarterly in arrears as follows):

- \$25,000 per annum or
- 0.1% of the gross assets of the Trust,

whichever is the greater.

The fee includes performance of all obligations contained in the Trust Deed.

MANAGER'S FEES

A) ENTRY FEE	Nil
B) EXIT FEE	Nil
C) MANAGEMENT FEE (inclusive of: GST, , all administrative and Reporting services but exclusive of Brokerage, legal, audit and banking charges, payable monthly in arrears).	1.98% p.a.
D) PERFORMANCE FEE Performance of the Trust Fund will be calculated on 30 June and 31 December (inclusive) for the prior 6 monthly period, net of administration expenses and management fees for the period. No performance fee will be payable in any 6 monthly period irrespective of whether the fund has outperformed the Relevant Index unless the previous 6 monthly high water mark is exceeded.	20% of profits in excess of the Relevant Index.
E) RELEVANT INDEX	S&P Biotech Select Industry Index (Total Return), calculated in Australian Dollars

Distribution of Income

The income of the Trust may include dividends, interest, and net capital gains from the sale of investments. Expenses and fees are deducted to calculate net income, which will be distributed to unit holders within 30 days after each June 30 and December 31.

Payments

Income distributions can be deposited directly to a bank account nominated by a unit holder or mailed to unit holders by cheque.

Unit holders may choose to reinvest their income distributions in the Trust Fund.

In this case:

- Additional units are issued on June 30 and December 31
- The issue price of units shall be free of transaction costs and no entry fee shall be payable.

Taxation

The tax information provided here is a brief guide only and is based on current laws and interpretation at the date of this Information Memorandum. The effects of taxation on managed funds can be complex and may change over time. It is recommended that investors seek professional accounting and/ or tax advice before investing in the Trust Fund

Under existing legislation, a unit trust generally does not pay Australian income tax provided that it distributes its net income to unit holders. The Manager intends to distribute the net income of the HB Biotechnology Unit Trust No. 1 so that no Australian income tax should be payable by the Trust.

You are not required to give the Manager or Trustee your Tax File Number ('TFN') or Australian Business Number ('ABN'). However, if you don't quote either of them, the Trust will be required to withhold tax (at the highest marginal rate) from income paid to you from the Trust Fund.

Unit holders who give an address outside of Australia are treated as non-residents and distributions may be subject to the relevant withholding tax provisions of the Australian income tax laws. Unit holders are advised to seek professional taxation advice relevant to their personal circumstances.

Unit Holders are Kept Informed

Unit Holders receive written acknowledgement of their investment in the Trust, and also receive:

- A detailed quarterly statement from the Custodian showing all the investments held by the Trust and outlining each investment's, and the total portfolio's, performance.
- An income distribution statement following each distribution period
- An annual tax statement to assist in preparing income tax returns
- A copy of the audited financial statements of the Trust

Privacy Statement

The Manager and Trustee respect the confidentiality of your personal information. The handling of personal information by the Manager and Trustee is regulated by National Privacy laws. Except for some limited circumstances in which we may not do so, the Manager and the Trustee will, on request, give you details of the personal information that it holds about you.

The personal information that we obtain from you on the Application Form is used to establish and administer the register of unit holders of the HB Biotechnology Unit Trust No. 1.

Under taxation, superannuation and social security laws the Trustee may be required to provide information about you to other organisations including the Australian Taxation Office, Centrelink, the Department of Veterans Affairs and the Office of State Revenue. The Manager and the Trustee may also disclose personal information to service providers in relation to the conduct and management of the HB Biotechnology Unit Trust No. 1 and professional advisers engaged by it. These persons may only use the information provided for the purpose for which the Manager or the Trustee provides it to them.

Under no other circumstances, except as required by law or at the express written request of the unit holder or applicant, will any information relating to a unit holder or applicant be released to any other party.

In the Application Form you consent to the use and disclosure of the information that you provide in accordance with the above privacy statement.

9. Additional Investor Information

1. THE TRUST DEED

The establishment and operation of the HB Biotechnology Unit Trust No. 1 is regulated by the Trust Deed of the HB Biotechnology Unit Trust No. 1 dated February 22, 2022.

The Trust Deed may be inspected during normal business hours at the offices of the Trustee. The principal provisions of the Trust Deed are referred to in this Information Memorandum.

The Trust Deed may be modified, repealed or replaced by special resolution of Unit Holders or by the Manager and Trustee if they reasonably consider the change will not adversely affect the rights of the Unit Holders.

A special resolution requires at least 75% of Unit Holders present and voting at a duly convened meeting to vote in favour of the resolution. The primary provisions of the Trust Deed deal with:

- The duties and obligations of the Trustee
- Rights, interest and liabilities of the Unit Holders
- Investment, valuation and borrowing powers
- Fees and recoverable expenses
- Unit issue and redemptions
- Unit Holder meetings
- Duration and termination of the Trust.

2. PERIOD AND TERMINATION OF THE TRUST

If the Trust is not terminated in accordance with the Trust Deed, it will terminate on the expiration of the 80 years from the day the Trust is established.

The Trust Deed provides for the early termination of the Trust in certain circumstances, including where:

- The Manager determines to terminate the Trust
- Unit Holders by special resolution vote accordingly at a duly convened meeting
- An amendment to the Trust Deed is required to comply with the requirements of the Corporations Act 2001, or any other statute, ordinance, rule, regulation or by-law, and the Trustee is of the opinion that it is in the interests of Unit Holders for the Trust to be wound up.

3. INTERESTS AND RIGHTS OF UNIT HOLDERS

Unit Holders in a Managed Investment Scheme ("Scheme") have a beneficial interest in the assets of the Scheme.

However, this does not give a right to control any particular asset or group of assets, nor does it confer any rights over the management of the Scheme.

Each Unit Holder in the HB Biotechnology Unit Trust No. 1 is, subject to the terms of the Trust Deed, entitled to:

- receive a share of the distributable income of the Trust
- have units redeemed while the Scheme is liquid
- transfer units
- requisition, attend and vote at meetings of Unit Holders
- receive acknowledgement of units held
- receive the annual audited accounts of the Trust
- inspect the register of Unit Holders

4. MEETINGS OF UNIT HOLDERS

Meetings of Unit Holders may be convened at any time by the Trustee or Manager.

5. THE ROLE OF THE MANAGER

The Manager of the HB Biotechnology Unit Trust No. 1 is HB Biotechnology Limited.

The primary duty of the Manager is to manage the Trust in a proper and efficient manner. In doing so, it must comply with all of its obligations set out in the Trust Deed and other laws.

Subject to compliance with the Trust Deed, the Manager has absolute and uncontrolled discretion as to the investment of the funds of the Trust, and it must at all times maintain adequate arrangements for the redemption and buy-back of units.

6. FINANCIAL REPORTS

The Manager must keep or cause to be kept the financial statements of the Trust in accordance with the Accounting Standards. The financial statements of the Trust are audited by HLB Mann Judd and will be available, if requested, within 3 months after the end of each financial year.

7. THE AUDITORS

The auditors are appointed by the Manager and must be registered company auditors.

The current auditor of the HB Biotechnology Unit Trust No. 1 is HLB Mann Judd, of 207 Kent Street, Sydney 2000.

8. THE CUSTODIAN

The Trustee is responsible for the appointment of the custodian, and has appointed WealthHub Securities Limited (a wholly owned subsidiary of National Australia Bank) to hold the assets of the Trust.

The Custodian has had no involvement in the preparation of, takes no responsibility for, and has not caused or authorised the issue of this Information Memorandum.

9. AUTHORISED INVESTMENTS

The Authorised Investments of the Trust are as follows:

- (a) shares in or debentures of a body listed on stock exchanges approved by the Manager's Board of Directors from time to time;
- (b) an option to acquire by way of transfer shares in or debentures of a body listed on stock exchanges approved by the Manager's Board of Directors from time to time;
- (c) cash deposited with any:
 - (i) Australian bank; or
 - (ii) Authorised money market dealer; or
 - (iii) member of the Australian Merchant Bankers Association;
- (d) bills of exchange and promissory notes drawn, issued, endorsed or accepted by any:
 - (i) Australian bank; or
 - (ii) State or federal statutory authority; or
 - (iii) ASX listed body corporate with paid up share capital in excess of \$20,000,000;
- (e) certificates of deposit issued by any:
 - (i) Australian bank; or
 - (ii) ASX listed body corporate with paid up share capital in excess of \$20,000,000; or
- (f) stocks, bonds, funds and securities issued by any State or federal statutory authority; or
- (g) contracts to underwrite or sub-underwrite any issues of Authorised Investments covered by paragraph (a), (b), (c), (d), (e) and (f).

Trust Assets are not permitted to be invested in or lent to the Manager or Trustee, or any associate of the Manager or Trustee.

10. BORROWING POWER

The Trust Deed does not permit the Manager or Trustee to borrow on behalf of the Trust.

11. TAX INDEMNITY

In the event that the Manager or Trustee incurs a liability for any kind of tax or impost on account of a Unit Holder, the Manager or the Trustee has broad powers of recoupment from income due to the Unit Holder.

In the event that the Manager or Trustee is required under any statutory or common law to pay tax in their capacity as Manager or Trustee of the Trust, the Manager or Trustee is empowered under the Trust Deed to pay the tax from the assets of the Trust.

HB BIOTECHNOLOGY UNIT TRUST NO. 1

9. APPLICATION FORM

I/We confirm that I/we wish to subscribe for units in the HB BIOTECHNOLOGY Unit Trust No. 1 as follows:

Payment Details

Make cheque payable to:

WealthHub Securities Limited ACF
<HB Biotechnology Unit Trust No. 1>

Electronic Funds Transfer investment amount

Initial minimum \$250,000 Multiples of \$50,000 thereafter.

(\$)

New Account Details:

Name of account:
(either personal or company name)

ACN
number:

ABN
number:

Tax File
Number:

Address:

Distribution Instructions:

How do you want to receive your income? Reinvest To nominated account Cheque

Name of institution:

Branch Location:

BSB Number:

Account Number:

Account Holder Name:

Authorised Representatives *(complete this section only if appropriate)*

I/We wish to appoint as my/our Authorised Representative:

Given Names

Surname

Specimen Signature of Authorised Representative

Declaration and Signature:

By signing this Application Form I/we acknowledge and declare that I/we:

- have read the Information Memorandum to which this Application is attached;
- have had the opportunity to discuss and clarify its contents with a representative of the Trust's Manager;
- agree to be bound by the provisions of the Constitution governing the funds held by the Trust;
- in the case of joint applications, the joint applicants agree that unless otherwise expressly indicated on this Application Form, the units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions, including additional deposits and withdrawals, including withdrawals by phone, fax and internet;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this Application unless we have already sighted it);
- if investing as Trustee, on behalf of a superannuation fund or trust I/we am/are acting in accordance with my/our designated powers and authority under the Trust Deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act;
- consent to the use and disclosure of the information provided in this Application in accordance with the Privacy Statement on page 15.

Signature of Investor 1 or company officer

X

/ /

Print name:

Position *:

Signature of Investor 2 or company officer

X

/ /

Print name:

Position *:

* (eg. Director, Sole Director & Company Secretary, Company Secretary, etc.)