



# Information Memorandum

Convertible Notes Offer – March 2020



# Offer to subscribe for Convertible Notes

## Important Notice

Infocus Wealth Management Limited ACN 103 551 015 (**Company**) is the issuer of this Information Memorandum (**IM**), which relates to the offer of Convertible Notes (**Notes**) in the Company (**Offer**).

The purpose of this IM is to provide Eligible Investors with general information about the Company, to assist Eligible Investors in deciding whether to invest under the Offer.

### Restrictions on distribution of this IM

The Offer is made to persons who qualify as Eligible Investors. The Offer is not open to the public. This IM is provided on a strictly private and confidential basis and is to be used solely by Eligible Investors. It must not be made available to, or discussed with, any other person without the prior written consent of the Company. It is provided to the Eligible Investors solely to provide background information in relation to the Offer and it is not to be used for any other purpose.

### Eligible Investors to conduct own investigation and analysis

This IM is not to be considered as a recommendation by the Company or any of its officers, employees, agents or advisers, that Eligible Investors should invest in Notes, or that an investment in the Company is a suitable investment for Eligible Investors. Eligible Investors should conduct and rely upon their own investigation and analysis of the information in this IM and other matters that may be relevant to their personal circumstances in considering whether to acquire Notes. Each Eligible Investor considering an investment in Notes must make, and will be taken to have made, their own independent investigation and analysis of the information in this IM. Independent expert advice (including from an Eligible Investor's accountant, lawyer or other professional adviser) should be sought before making a decision to invest in Notes.

### Not a document requiring lodgement with ASIC

This IM is not a disclosure document required to be lodged with ASIC. The Offer is only made to persons who, or in circumstances that, fall within one of the exclusions from the disclosure requirements under the Corporations Act. Accordingly, this IM does not contain the information that would be contained in a disclosure document prepared under the Corporations Act and does not purport to contain all of the information that may be necessary or desirable to enable a potential Eligible Investor to properly evaluate and consider an investment in Notes.

### No responsibility for contents of IM

To the maximum extent permitted by law:

- a. no representation, warranty or undertaking, express or implied, is made;
- b. no responsibility or liability is accepted by the Company or any of its officers, employees, agents or advisers or any other person as to the adequacy, accuracy, completeness or reasonableness of this IM;
- c. no responsibility for any errors or omissions from this IM whether arising out of negligence or otherwise is accepted.

This IM contains various opinions, estimates and forecasts which are based upon assumptions that may not prove to be correct or appropriate. Except to the extent implied by law, no representation or warranty as to the validity, certainty or completeness of any of the assumptions or the accuracy of the information, opinions, estimates or forecasts contained in this IM is made by the Company or any of its officers, employees, agents or advisers.

### Further Information

The Company may, but without being under any obligation to do so, update or supplement this IM. Any further information will be provided subject to these conditions.





## **Acknowledgments**

Each Eligible Investor acknowledges that:

- a. no person has been authorised to give any information concerning the Company or Notes other than as contained in this IM and, if given, that information cannot be relied upon as having been authorised by the Company; and
- b. they have been afforded an opportunity to request, and have received and reviewed, all information considered by them to be necessary or appropriate to verify the accuracy of, or to supplement the information contained in, this IM and to make an informed decision about investing in Notes.

## **Accuracy of projections and forecasts**

All projections and forecasts in this IM are for illustrative purposes only, using the assumptions described in this document. Actual results may be materially affected by changes in the economy and other circumstances. The reliance that the Eligible Investors place upon the projections and forecasts is a matter for their own commercial judgment. No representation or warranty is made that any projection, forecast, assumption or estimate contained in this IM should or will be achieved.

## **Speculative investment and liquidity not guaranteed**

An investment in Notes is to be considered speculative. Liquidity in Notes generally cannot be guaranteed and any offer for sale of Notes must be made in accordance with the Corporations Act and any other applicable laws.

## **Forward Looking Statements**

Various statements in this IM constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward-looking statements involving known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

## **Other jurisdictions**

This IM does not constitute an offer or invitation to subscribe for Notes in any jurisdiction where, or to any person to whom, it would not be lawful to make the Offer. Eligible Investors outside Australia should comply with all laws of the relevant jurisdiction applicable to an Application made by that Eligible Investor.

## **Date of IM**

The information contained in this IM has been prepared as of 1 March 2020. Neither the delivery of this IM nor any offer or issue of Notes implies or should be relied upon as a representation or warranty that there has been or will be no change since that date in the affairs or financial condition of the Company, or that the information contained in this IM remains correct at, or at any time after, that date.

## **Definitions**

Throughout this IM abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Glossary in this IM (defined terms are generally identified by the uppercase first letter).

## **Currency**

All amounts in this IM are expressed in Australian dollars, unless stated otherwise.

## **Anti-Money Laundering & Counter-Terrorism Financing Act 2006**

Eligible Investors will be required to provide appropriate identification at the time an Application is lodged, or prior to any Notes in the Company being issued.

**This IM is an important document and should be read in its entirety. This IM is NOT a product disclosure document. The securities offered by this IM are of a speculative nature.**





## Chairman's Letter

10 March 2020

Dear Investor

### Invitation to Invest in Convertible Notes

The Infocus Group, and the broader financial advice industry, is currently going through a period of significant change. This change brings opportunities for Infocus, and as a result of recent structural changes in our business we believe we have the right strategy to take advantage of these opportunities and deliver sound returns for shareholders.

To enable us to successfully execute on this strategy the Company is in need of a short-term injection of capital and is therefore seeking to raise \$300,000 in Convertible Notes. This will be completed by issuing additional Notes to rank alongside the \$2.59 million in Convertible Notes already on issue. The Notes have a maturity date of 6 June 2021, pay a coupon of 9% per annum, and give the Noteholder the option to convert some or all of the holding into ordinary shares in the Company at maturity.

The Company is not utilising the services of a broker to raise these funds and will be limiting the offer to existing shareholders, staff and sophisticated investors known to directors and management. We hope to complete this capital raising over the next 3 weeks. The Offer will open on Tuesday 10 March 2020 with the intention of closing the offer on 27 March 2020 and issuing the securities on 31 March 2020.

On behalf of the directors of Infocus Wealth Management Limited, it is my pleasure to extend this offer to you.

**Roy McKelvie**  
Chairman





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## 1. Key Offer Information

<b>The Offer</b>	The Company is seeking to raise \$300,000 by offering Eligible Investors the opportunity to purchase Notes under the Offer.
<b>The Company</b>	Infocus Wealth Management Limited ACN 103 551 015 is the issuer of the Offer.
<b>Purpose of Issue</b>	To provide working capital to assist the Company in implementing its growth strategy.
<b>Key Dates</b>	The Offer opens on Tuesday 10 March 2020 and closes at 5pm Australian Eastern Standard Time on Friday 27 March 2020.  The Company reserves the right to vary the Closing Date at any time.
<b>Over-Subscription</b>	The Company reserves the right, but is not obligated, to accept over-subscriptions for a total raising of up to \$1.5 million. If the Offer is oversubscribed, the Company's decision as to which Eligible Investors are issued Notes will be final.
<b>Offer Price</b>	The Notes are being issued at \$1.00 each.
<b>What are the Notes?</b>	Notes are essentially debt instruments, under which the Company agrees to pay interest to Noteholders on the Principal Investment Amount. The Notes are unsecured.
<b>Material Terms</b>	The Principal Investment Amount is to be invested in Notes for the Investment Term as follows: <ul style="list-style-type: none"> <li>a. Principal Investment Amount – at least \$25,000</li> <li>b. Investment Term – 14 months</li> <li>c. Fixed Interest Rate (per annum) – 9%</li> </ul> The rights attaching to the Notes are detailed in Section 3 – Terms of Issue.
<b>Interest Payments</b>	The interest rate payable on the Notes is fixed over the Investment Term. The interest payable on the Notes is calculated daily from the Issue Date until the Maturity Date of the Notes and will be payable to Noteholders in arrears on 6 June 2020, 6 December 2020 and on maturity on 6 June 2021.
<b>Preferential Payments</b>	Dividends on Shares in the Company may only be paid if all Money Owing on Notes has been paid.  If principal repayments and interest payments to Noteholders are up to date, a dividend could be paid to Shareholders at that point in time.
<b>Priority of Repayment</b>	Notes will be repaid in order of their Recorded Maturity Date, but otherwise rank equally. The Recorded Maturity Date for these Notes will be 6 June 2021, the same as for the existing Convertible Notes issued on 6 June 2018 and 16 August 2019.  If the Company is wound up, Money Owing to Noteholders will be paid: <ul style="list-style-type: none"> <li>a. after money owing to creditors has been paid;</li> <li>b. but before any money is paid to Shareholders.</li> </ul>
<b>Minimum Amount to be Raised</b>	The Board reserves the right not to proceed with the Offer unless valid Applications are received for a minimum of \$200,000 worth of Notes in aggregate.
<b>Minimum Principal Investment Amount</b>	Each Applicant must invest a minimum Principal Investment Amount of \$25,000, equivalent to 25,000 Notes.
<b>Conversion</b>	Noteholders may elect to convert their Notes to Shares in the Company on the Recorded Maturity Date.  Noteholders must deliver written notice to the Company advising that they wish to convert their Notes at least 20 Business Days prior to the Recorded Maturity Date.



	Upon conversion a Noteholder will receive 2.38 Shares per Note.
<b>Redemption</b>	<p>Noteholders may elect to redeem their Notes on the Recorded Maturity Date.</p> <p>Noteholders must deliver written notice to the Company advising that they wish to redeem their Notes at least 20 Business Days prior to the Recorded Maturity Date.</p>
<b>Early Redemption</b>	<p>At any time after 6 months from the Issue Date, the Company may elect to redeem the Notes (i.e. prior to the Recorded Maturity Date) by giving Noteholders 30 days' notice (<b>Early Redemption Date</b>).</p> <p>The Principal Investment Amount plus interest up to the Early Redemption Date will be payable to the Noteholder on redemption.</p>
<b>Early Conversion</b>	<p>Noteholders will be given the option to convert some or all of their Notes to Shares instead of being redeemed early by the Company. The conversion rate will be the same as that which applies on the Recorded Maturity Date.</p>
<b>How to participate in the Offer</b>	<p>To participate in the Offer, please complete the Application Form attached to this IM and return it with payment of the Application Money on or before 5pm (Australian Eastern Standard Time) on 27 March 2020.</p>

This summary is not intended to provide full details of the investment opportunity. Eligible Investors must read this IM in full to make an informed investment decision.





## 2. Details of Offer

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#### 2.1. The Offer

The Company is inviting Eligible Investors to apply for Notes at a price of \$1.00 each to raise \$300,000. If the Offer is oversubscribed, the Company's decision as to which Eligible Investors are issued Notes will be final.

#### 2.2. Purpose of the Offer

The amount raised under the Offer, after deducting associated costs, will be used by the Company for working capital requirements.

#### 2.3. What are the Notes?

The Notes are essentially debt instruments, under which the Company agrees to pay investors interest in arrears on the Principal Investment Amount.

#### 2.4. Effect on Capital Structure

As at the date of this IM, the Company currently has 43,213,909 Shares and 2,590,000 Convertible Notes on issue. In the event that all of the existing Noteholders elect to convert to Shares on the Maturity Date, a further 6,164,200 shares will be issued.

The issue of Notes under this Offer will not have any effect on the number of Shares on issue in the Company until such time that any Notes are converted to Shares pursuant to the terms of this IM.

The Notes do not provide the Noteholder with any voting rights with respect to the Company.

#### 2.5. Maximum subscription

The Company is seeking to raise \$300,000 under the Offer. To the extent permitted by law, the Company reserves the right, but is not obligated, to accept over-subscriptions up to \$1.5 million total funds raised. If the Offer is oversubscribed, the Company's decision as to which Eligible Investors are issued Notes will be final.

#### 2.6. Minimum subscription

The Company reserves the right not to proceed with the Offer unless valid Applications are received for a minimum of \$200,000 in aggregate.

#### 2.7. Minimum Application

The minimum number of Notes that an Eligible Investor may apply for under the Offer is 25,000, making the minimum Principal Investment Amount \$25,000. Thereafter, Eligible Investors can apply for Notes in multiples of \$1,000.

#### 2.8. Transferability of the Notes

Whilst Noteholders are free to transfer their Notes to third parties during the Investment Term, there is no established secondary market for the Notes.

#### 2.9. Taxation

Interest paid on Notes will generally constitute assessable income for income tax purposes in the hands of Noteholders when it is received. Accordingly, each interest payment received by a Noteholder over the Investment Term will be assessable during the financial year in which the payment is received.

All Eligible Investors should seek and rely on their own advice regarding the possible tax consequences of accepting or declining the Offer. Neither the Company nor any of its Directors or officers, nor its taxation or other advisers, accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

#### 2.10. Brokerage and stamp duty

No brokerage or stamp duty is payable by Noteholders on the issue of the Notes.







## 2.11. Who is eligible to participate in the Offer?

You must be an Eligible Investor in order to participate in the Offer. A person will be an Eligible Investor if they meet the following criteria. Applicants must fall within at least one of the following categories:

<b>Sophisticated Investors</b>	<p>Applicants who:</p> <ul style="list-style-type: none"> <li>• apply for \$500,000 or more worth of Notes; or</li> <li>• are certified by a Qualified Accountant to: <ul style="list-style-type: none"> <li>○ have net assets of at least \$2.5 million; or</li> <li>○ gross income of at least \$250,000 per annum for each of the last two financial years; or</li> </ul> </li> <li>• are certified by an Australian financial services licensee as having sufficient experience in investing in Notes that allows them to assess: <ul style="list-style-type: none"> <li>○ the merits of the Offer;</li> <li>○ the value of the Notes;</li> <li>○ the risks involved in accepting the Offer;</li> <li>○ their own information needs; and</li> <li>○ the adequacy of the information given to them by the Company in relation to the Offer.</li> </ul> </li> </ul>
<b>Professional Investors</b>	<p>Applicants who:</p> <ul style="list-style-type: none"> <li>• have or control gross assets of at least \$10 million; or</li> <li>• hold an Australian financial services licence.</li> </ul>
<b>Senior Managers</b>	Directors or senior management employed by the Company.
<b>Existing Investors</b>	Persons, or their associates, who are currently the registered holders of ordinary shares or Convertible Notes issued by The Company

The Application Form accompanying this IM contains further information Applicants must provide in order to confirm to which of the above categories they belong.

## 2.12. How to participate in the offer

<p><b>Step 1</b></p> <p><i>Complete the Application Form</i></p>	<p>Applications may only be made on the Application Form attached to or accompanying this IM in its paper copy form. Detailed instructions on how to complete the Application Form are set out on the reverse of the Application Form.</p> <p>To participate in the Offer, please insert the number of Notes you wish to apply for in the box at item A of the Application Form. Please note the minimum subscription amounts.</p> <p>The Application Form contains further information Applicants must provide in order to confirm that they are either a Sophisticated Investor, a Professional Investor or a Senior Manager.</p>
<p><b>Step 2</b></p> <p><i>Select your payment option</i></p>	<p>You can pay your Application Money via any one of the following methods.</p> <p><b>Cheque</b> Cheques or bank drafts must be made payable to "Infocus Wealth Management Limited – Convertible Notes Offer" and should be crossed and marked 'Not Negotiable'.</p> <p><b>Electronic funds transfer</b> Account name: Infocus Wealth Management Limited – Convertible Notes Offer Account number: 499839 BSB: 034-676 Payer details: [Applicant's name]</p>





<b>Step 3</b>  <i>Submit your Application Form</i>	<p>Complete a paper copy of the Application Form and send it, with payment, before 5.00pm on the Closing Date to:</p> <p><b>By delivery (appointment only):</b> Level 2, Cnr Maroochydore Rd &amp; Evans Street Maroochydore Qld 4558</p> <p><b>Or by post:</b> PO Box 1856 Sunshine Plaza Qld 4558</p> <p><b>Or email to:</b> companysecretary@infocus.com.au</p>
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**2.13. Enquiries on how to apply should be directed to:**

Raj Daji  
Company Secretary  
Phone: 07 5406 5003  
Email: raj.daji@infocus.com.au

**2.14. Allocation of Notes**

Applications must be submitted by 27 March 2020 and Notes will be issued to successful Applicants on 31 March 2020.

Application Money must be paid to the Company (in cleared funds) on or before 5.00pm (AEST) on 27 March 2020 in order for the Applicant's Notes to be allotted on 31 March 2020.

Notwithstanding anything else contained in this IM, the Company reserves its right to allocate Notes to Applicants under the Offer at its discretion.

**2.15. Other jurisdictions**

This IM does not constitute an offer or invitation to subscribe for Notes in any jurisdiction where, or to any person to whom, it would not be lawful to make the Offer.

**2.16. When to apply**

The Offer will open on **10 March 2020** and will close on the Closing Date of **27 March 2020** or the earlier date on which the Offer is fully subscribed. The Company reserves the right to change the Closing Date at its discretion.

You are encouraged to submit your Application as early as possible as it may close at any time subsequently, without notice.

A binding contract to issue Notes is only formed at the time the Company notifies the Eligible Investor of the issue of a Note.

**2.17. Offer, acceptance and payment**

Only Eligible Investors are invited to participate in the Offer.

Eligible Investors who wish to apply for Notes must complete and lodge:

- a. the Application Form; together with
- b. the Application Money (by cheque or electronic transfer) required for the Notes applied for.

By completing, signing and returning the Application Form, you agree to accept the issue of Notes on the terms and conditions specified in the Application Form and this IM.





A completed and lodged Application Form, together with the required payment for the number of Notes applied for, cannot be withdrawn and constitutes a binding Application for the number of Notes specified in the Application Form on the terms set out in this IM. The Application Form does not need to be signed to be binding.

Do not forward cash. Receipts for payments will not be issued.

If the Application Form is not completed correctly the Company can reject it or treat it as valid. The Company's decision as to whether to reject the Application Form or treat it as valid and how to construe, amend or complete it is final.

#### **2.18. Application of money held in trust**

All Application Money will be held in trust in a bank account maintained for that purpose until Notes are issued. All Application Money will be returned (without interest) if the issue of Notes does not proceed.

Eligible Investors who are issued less than the number of Notes applied for will receive a refund cheque for the relevant amount of Application Money (without interest) within 14 days after the Closing Date.

#### **2.19. Issue of Notes**

Documents in relation to Notes are expected to be dispatched within one month of Notes being issued.

Each Noteholder will receive investment confirmation, confirming:

- a. the number of Notes that they have been issued;
- b. the Principal Investment Amount invested;
- c. the Recorded Maturity Date;
- d. the applicable interest rate payable on the Notes; and
- e. the Investment Term.

#### **2.20. Risk factors**

You should consider the risks involved in investing in the Company prior to investing.

You should satisfy yourself that an investment in the Company is appropriate, having regard to your particular circumstances. Refer to section 8 for further details on the risks associated with an investment in the Company.

#### **2.21. Other information**

Questions about the Company and this Offer should be directed to:

Darren Steinhardt  
Managing Director  
Phone: 07 5406 5000  
Email: darren.steinhardt@infocus.com.au





### 3. Terms of Issue

#### 3.1. Terms of Issue

Each Note has a face value of \$1.00.

Subject to the terms of this IM, the Principal Investment Amount is to be invested in Notes for the Investment Term as follows:

Principal Investment Amount	Investment Term (Months)	Fixed Interest Rate (Per Annum)
Minimum of \$25,000	14	9%

#### 3.2. Calculation of Interest

Interest on the Notes is calculated on the Principal Investment Amount daily from the Issue Date until the Maturity Date and is payable to Noteholders on each Note Payment Period in arrears.

Interest rates payable on the Notes are fixed for the Investment Term.

The Company must ensure that interest payments are made within 10 Business Days from the end of each Note Payment Period.

In any case, where interest is to be paid in respect of a period of less than a full year, the interest payable is to be calculated on the basis of a year of 365 days and the actual number of days elapsed.

The interest rate will be fixed for the Issue Date until the Maturity Date.

#### 3.3. Payment of Principal and Interest

Applicants must nominate on their Application Form a bank account in their name for payments with respect to their Notes.

The Company must cause or procure Money Owing to be paid into each Noteholder's nominated bank account.

A payment to a Noteholder or, in the case of joint holders of a Note, to any of them made in accordance with this section of the IM discharges the Company in respect of that payment.

Without limitation to any other rights, the Company may set off from any Money Owing to a Noteholder any amount payable by the Noteholder to the Company.

#### 3.4. Preferential Payment

Dividends may not be paid to Shareholders in the Company unless all Money Owing has been paid to Noteholders.

Accordingly, if principal repayments and interest payments to Noteholders are up to date, a dividend could be paid to Shareholders at that point in time.

#### 3.5. Maturity Date

The Maturity Date will be the earlier of:

- a. the Recorded Maturity Date;
- b. the date on which an order is made or an effective resolution is passed for the winding up of the Company in accordance with the Corporations Act; or
- c. the date the Company determines to redeem a Note early under these Terms of Issue.

#### 3.6. Effect of Maturity

- a. Two months prior to the Recorded Maturity Date a reminder will be sent to the Noteholder advising them of the upcoming Recorded Maturity Date and seeking their written instructions on what is to be done with the Noteholder's Maturing Money.
- b. The Noteholder must deliver written notice to the Company at least 20 Business Days prior to the Recorded Maturity Date:
  - i. advising that they wish to redeem all of their Notes;
  - ii. advising that they wish to convert all of their Notes; or



- iii. advising they wish to convert a specified number of their Notes (must be at least 10,000 Notes) and redeem the remainder.
- c. If no instructions are received by the Company within this timeframe, then at the Company's discretion:
  - i. the Noteholder's Maturing Money will be repaid to the Noteholder pursuant to clause 3.7;
  - ii. the Noteholder's Notes will be converted to Shares pursuant to clause 3.8; or
  - iii. a combination of the above may take place (i.e. some Notes may be converted, some may be redeemed).

### **3.7. Redemption**

- a. If the Noteholder's Notes are to be redeemed, the Company must pay to the Noteholder, or to the nominated bank account of the Noteholder, the Principal Investment Amount relating to the Notes due for redemption on the Maturity Date, together with any interest accrued to that date, provided that all funds due under this clause are paid to the Noteholder within 10 Business Days after the Maturity Date.
- b. If the Principal Investment Amount and any interest accrued is not paid to the Noteholders within 10 Business Days after the Maturity Date, then the Principal Investment Amount and any interest payable will continue to earn interest at the rate per annum applicable to the Notes on the Issue Date until the Principal Investment Amount and any interest accrued is repaid.

### **3.8. Conversion**

- a. If the Noteholder's Notes are to be converted, the Noteholder's Notes will be converted into Shares in the Company. The number of Shares issued to a Noteholder for each Note converted will be 2.38 Shares.
- b. Any accrued but unpaid interest attaching to the Noteholder's Notes as at the date of conversion will be paid to the Noteholder at the same time as conversion takes place.
- c. The number of Notes to be converted will be:
  - i. Where conversion is requested by the Noteholder – the number of Notes requested to be converted by the Noteholder (subject to clause 3.8(e));
  - ii. Where conversion is to take place at the Company's election – the number of Notes the Company elects to convert.
- d. Accepted conversion requests will be processed and shareholdings notified to the Noteholder within 10 Business Days of request.
- e. Each conversion request from a Noteholder must be for a minimum of at least \$10,000 worth of Notes. If a Noteholder's conversion request would result in the Noteholder holding less than \$10,000 worth of Notes following conversion, the Noteholder will be deemed to have given a notice to convert their entire holding of Notes.
- f. Noteholders may not withdraw their conversion requests without the Company's consent.
- g. Upon conversion, all rights accrued in respect to a Note will be extinguished.
- h. Should the calculation of the number of Shares to be issued on conversion include a fraction, the actual number of Shares to be issued in aggregate to each Noteholder per conversion request will be determined by rounding down the calculation to the nearest whole number.
- i. Shares issued upon conversion of the Notes will rank equally with the other Shares then on issue and will carry the same voting rights.
- j. The value of any holding of Shares may fluctuate from time to time.

### **3.9. Redemption prior to Maturity**

The Company may, in its absolute discretion, redeem Notes prior to the Recorded Maturity Date at the request of a Noteholder. The Company will consider the early redemption of Notes under the following circumstances:



- a. in the event of the death of a Noteholder, upon the request of the Noteholders' legal personal representative all or some Notes may be redeemed and any Money Owing on those redeemed Notes paid to the legal personal representative of the Noteholder; or
- b. if a Noteholder provides a written request for redemption of their Notes prior to the Recorded Maturity Date, outlining unforeseen or exceptional circumstances of hardship. Early redemption will depend upon the circumstances involved and will be at the sole discretion of the Company.

If the Company chooses to permit early redemption, then the relevant Notes will be redeemed within 10 Business Days after the Company makes its decision to permit early redemption.

### **3.10. Early Redemption by Company**

At any time after 6 months from the Issue Date, the Company may, in its absolute discretion, unilaterally redeem any Notes prior to the Recorded Maturity Date. In such circumstances, the Company must give notice to affected Noteholders at least 30 days prior to any proposed redemption of Notes (**Early Redemption Notice**) and must pay to the affected Noteholders the Principal Investment Amount and interest accrued up until the date the Notes are redeemed (**Early Redemption Date**).

### **3.11. Conversion prior to Maturity**

Upon receiving an Early Redemption Notice, a Noteholder may, by notice to the Company no later than 10 days after receiving the Early Redemption Notice, elect to have some or all of their Notes converted to Shares pursuant to clause 3.8 on the Early Redemption Date instead of being redeemed.

The relevant Notes will be converted within 10 Business Days after the request for early conversion is received by the Company.

### **3.12. Priority of Repayment**

Notes will rank equally with each other.

If the Company is wound up, Money Owing to Noteholders will be paid:

- a. after money owing to creditors has been paid;
- b. but before any money is paid to Shareholders.

### **3.13. Security**

The Notes are not secured over the Company's assets and are not guaranteed by the directors of the Company.

### **3.14. Default Event**

- a. Each of the following events is an event of default:
  - i. **(un-remedied default in payment)** if the Company defaults in the payment of any Money Owing in respect of Notes and that default continues un-remedied by the Company for a period of 25 Business Days after demand for those moneys is made by any Noteholder;
  - ii. **(winding-up)** if an order is made or a resolution is effectively passed for the winding-up of the Company, except for the purposes of a reconstruction or amalgamation with the consent of the Noteholders; and
  - iii. **(liquidation)** if the Company enters into liquidation.
- b. If an event of default occurs, the Company must notify Noteholders as soon as practicable. Noteholders may then consider:
  - i. commencing legal proceedings for the winding-up of the Company; or
  - ii. taking other action relating to the enforcement of payment of Money Owing to Noteholders.





## 4. About the Company

### History

Infocus Wealth Management Limited (Infocus) is a national wealth management organisation.

Infocus operates as an unlisted public company with 111 shareholders. Its operating subsidiaries provide a comprehensive range of financial services throughout Australia, with over 185 Authorised Representatives providing advice under the Group's Australian Financial Services Licences. The company, through its Authorised Representatives, provides advice to over 60,000 retail clients representing over \$7.0Bn in funds under advice, approximately \$100m in annual life insurance premiums and over \$530m in funds under management.

The Group had net assets of \$14.1 million at 31 December 2019 and is projecting turnover of approximately \$70 million for the 2019/20 financial year.

The Infocus Group's Vision revolves around the delivery, implementation and management of quality financial advice to our customers. Good financial advice makes a material difference in the lives of our customers, and we believe everyone has the right to good financial advice.

Starting in 1994 as a small financial advice practice based on Queensland's Sunshine Coast Infocus has grown into a national organisation. At 28 February 2020 our team has grown to just over 100 staff with operations spanning financial advice, financial product (including funds management) and wealth technology ('Fintech'). Following the acquisition of the Announcer Group of Companies in late 2017 the organisation's operations have expanded to incorporate mortgage broking, property advisory, taxation services, and accounting and small business advisory.

Infocus offers a true "one-stop-shop" financial advisory service to its valued clients.

### Financial Advice

As an Australian Financial Services Licensee (AFSL) and an Australian Credit License (ACL) holder, the Infocus Group licenses qualified and experienced financial advisers to provide financial advice to clients.

Infocus' financial advisers are either:

- Employees of the Infocus group, where Infocus is providing financial services direct to consumers; or
- Self-employed, where Infocus is providing the tools, systems and support to enable self-employed financial advisers to deliver financial advice to clients.

Infocus' direct-to-consumer financial advice is delivered through a growing network of financial advisers throughout the East Coast of Australia. Growing this part of the Infocus business has been a recent area of focus for management, with a number of acquisitions taking place to create a national employee financial advice division over the past two years. This division provides an element of risk management for the Group through diversification of revenue streams and enables direct engagement between Infocus and consumers.

Infocus' self-employed financial advice model is delivered through a growing network of financial advisers throughout Australia who are self-employed and operating their businesses as an Authorised Representative of Infocus. Infocus supports these licensed financial advisers with a broad support system inclusive of business systems, software, research, business processes and training to help their businesses deliver financial advice for clients in the geographic region in which they choose to operate.

### Financial Product

#### Investment and Funds Management

Infocus' Investment and Funds Management solutions comprise a range of integrated investment options called "model or managed portfolios". These portfolios are developed by the Infocus Research and Funds Management team and are available exclusively to clients of the Infocus Group.

These managed and model portfolio solutions provide sound risk adjusted investment returns and protection against market downside for clients, delivering a unique competitive advantage aligned to our vision for the delivery, implementation and management of quality financial advice to our customers.

Through its asset management subsidiary Alpha Fund Managers Pty Ltd ("Alpha"), Infocus directly manages a series of specialised investment funds on behalf of retail clients - the Alpha Fund Series. Alpha identifies high quality investment





managers in Australia and internationally and sources these managers to become part of a 'multi-manager' investment structure. That is, each Alpha Fund includes a mix of high-quality underlying fund managers carefully selected and blended to optimise investment performance within a defined risk tolerance when included in Alpha's multi-manager structure. Alpha's multi-manager Funds invest in Blue Chip Australian Equities, Small Cap Australian Equities, Global Equities, Property Securities, Fixed Interest Securities, Alternative Investments, Enhanced Yield and Infrastructure Investments.

Further, through its asset management subsidiaries Infocus has entered into licensing arrangements with leading and internationally renowned investment managers Morningstar and UBS to distribute a range of professionally managed funds and separately managed accounts.

### **Investment and Superannuation Administration**

Infocus' Investment and Superannuation Administration solutions comprise a range of administration solutions called "platforms"; these portfolios are made available via license arrangements to clients of the Infocus Group. As at 31 December 2019 Infocus administered via license arrangements, funds under administration of approximately \$3.5Bn in its investment and superannuation administration solutions.

### **Mortgages and Lending**

The in-house team of mortgage professionals with access to a broad choice of loan products and services helps our clients choose the best loan for their circumstances.

### **Property Advice**

Our property advisory team are able to help our clients regardless of whether they are buying or selling property. Our property advisory team specialise in identifying high quality property investment opportunities, and also provide a wide range of property transaction advisory services to help ensure clients get the best outcome for their circumstances.

### **Taxation Services**

Tax implications are an important consideration to an integrated financial plan. In addition to ensuring that tax consequences are properly taken into account, our in-house tax team takes care of preparing and submitting clients' tax returns.

### **Accounting and Small Business Advisory**

This small but growing part of the Group provides accounting and business advisory services to small business clients. More than just bookkeeping services, this team partners with clients to provide a virtual CFO service to help small businesses grow and prosper.

### **Wealth Technology ('Fintech')**

A cornerstone to the success of the Infocus Group is our proprietary 'Fintech' solution, Platformplus. Platformplus delivers CRM, financial advice process management, adviser business management and client engagement solutions. Importantly, the Infocus Group enterprise risk model is embedded into Platformplus, allowing efficient monitoring and supervision of all advisers using the software. This is incredibly powerful in an increasingly assertive regulatory environment.

Platformplus is proven to help transform financial advice practices into systems and process driven businesses, improving their value. Infocus' proprietary software is used by all Infocus Group licensed advisers, as well as being licensed to a number of external financial advisers and advice groups nationally.

In December 2019 we expanded our software offering to include finance brokerage, administration and reporting. In addition to giving the Group full control over the delivery of this important component of its dealer group services, it is also providing a new revenue stream as we offer this service to external advisers and licensee groups.

Our 'Fintech' also provides rich insight into the advice process and customer experience, including automated benchmarking and reporting, and a 'client portal' for online client engagement and sharing of compliance and investment-related information between advisers and clients.







## 5. Strategic Direction

### The Industry

The financial advice industry is a significant contributor to the Australian economy with revenue and profit pools of \$4.7Bn and \$1.5Bn respectively, shared amongst 19,554 businesses participating in the sector. The revenue pool is projected to grow at an annualised 0.7% through to 2024-25 to reach \$4.9Bn\*. The top 3 market participants, being AMP, IOOF and CBA hold an industry market share of approximately 32%\*. Infocus' is a mid-tier market participant with market share of approximately 1.5% by gross revenue.

The financial planning and investment advice industry has undergone significant change over the past five years. The Federal Government implemented the Future of Financial Advice (FOFA) reformed in July 2013 in response to several cases of poor financial advice from industry professionals that led to significant losses for clients. The FOFA reforms aim to ensure the industry's professional integrity and transparency. In addition, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has placed significant regulatory pressure on industry operators. The Commission has found operators in breach of FOFA legislation.

The industry is anticipated to continue restructuring over the next five years as FOFA reforms are refined in line with the recommendations from the Financial Services Royal Commission's final report. Each of the major banks, CBA, ANZ, NAB and Westpac have either commenced, or announced their intentions, to fully or partially exit the industry following the Commission's findings. These exits are forecast to significantly alter the industry's structure over the next five years. While the industry adapts to change, the continued accumulation of funds in the superannuation system and the forecast rise in disposable incomes are expected to continue to bolster demand for financial advice driving continued growth opportunities for the market participants.

As a result of past and present government enquiries, increased regulatory and fiduciary obligations, and enhanced professionalism there is a strengthening trend of financial advisers moving away from the larger, institutionally owned and aligned wealth management businesses and opting towards well-resourced, less conflicted, quality mid-tier groups. Infocus is well placed to capitalise on this trend and our results since the appointment of our new Managing Director in December 2017 and our refreshed Executive team illustrate that we have the skill and capability to deliver.

### Our Objectives

The strategic objectives of the company are:

- to enable our growing clientele to make good financial decisions;
- to be one of Australia's leading financial advice networks, culturally and operationally;
- to actively manage risk through working closely with our adviser networks, industry regulatory and standards setting bodies;
- deliver consistent, profitable growth for shareholders; and
- be a great place to work.

The strategic initiatives to deliver on the above objectives are outlined below.

### Financial Advice

The focus of our financial advice operations includes the continual growth in both the scale and quality of our financial adviser networks and the provision of more and better advice to our growing clientele.

In the short-term (12 months) we have set a target to grow our self-employed financial adviser network to 250 financial advisers (currently 174) with a focus on recruiting quality advisers that are looking for a well-resourced licensee. We are also currently focussing on improving the quality and volume of financial advice provided by enhancing operational efficiencies via the development and implementation of a standardised 'end to end' best practice financial advice framework; this framework will reduce the time taken by the business to produce advice and improve quality controls.

Over the longer-term (2 – 3 years) we'll continue to pursue the growth of our self-employed financial adviser network to more than 500 financial advisers. We will also continue to grow the size of our salaried financial adviser network via the recruitment of additional advisers in all locations, with demand fuelled by existing and new client referral partnerships.





## Financial Product

The focus of our financial product operations is to ensure that our financial adviser networks have access to a range of 'best of breed' superannuation and non-superannuation administration platforms, investment options and solutions and personal risk products. Our model portfolio solutions are now available to advisers and end clients by either managed funds or via separately managed accounts on a choice of leading platforms.

In the short-term (12 months) we plan to continue to enhance our range of investment solutions, the take-up of which will provide efficiencies for our financial advisers and provide a new revenue stream for the Company.

We will also be focussing on integrating the mortgage lending and property advice solutions across the broader business.

## Wealth Technology

The development focus on our wealth technology platform, Platformplus, over the past 12 months has been on the advice generation process enhancing functionality and improving the client engagement experience. We have also had to focus considerable effort in ensuring that changes made to the advice process will enable our advisers to meet the new FASEA requirements in the most efficient and effective manner.

We believe that the delivery of these essential system changes, together with the introduction of a brokerage management system, will help significantly in the recruitment of new self-employed advisers and generate additional opportunities by opening up Platformplus to the broader financial advice industry with external software sales.

*\* Source, IBISWorld October 2019*





## 6. The Board and Executive Team

### Board of Directors



**Roy McKelvie**  
*Non-Executive Chairman*

Roy is an Independent Non-Executive Chairman of the Infocus Group and joined the board in 2016. His career spans financial markets and operational roles in the UK, Europe, Asia and Australia. His last full-time role was as CEO of Transfield Holdings. Prior to this he was the MD & CEO of Gresham Private Equity in Sydney. He previously lived and worked in Hong Kong as MD and Asian Head of Deutsche Bank Capital Partners, and in the UK as a Director of 3i Group.

He is currently Chairman of Encompass Corporation. He is also the Chairman of the Investment Board of AMB Capital Partners, Mayfield Energy, Sonder Holdings and a director of a number of other companies.

He has a BSc in Production Engineering from the University of Strathclyde and an MBA from the University of Edinburgh Business School.



**Darren Steinhardt**  
*Managing Director*

Darren is the founder of the Infocus Group. Originally from Brisbane, Darren has an extensive background with over 30 years' experience in the financial services industry, commencing his career in 1989. It was Darren's vision of 'being financially fit' that became the genesis of Infocus. Together with his wife Stephanie, Darren founded the business on Queensland's Sunshine Coast in 1994.

Darren, a Fellow of the Australian Institute of Management (AIM) and Member of the Australian Institute of Company Directors (AICD), has undertaken studies in finance, law and economics, and holds a Master's Degree in Applied Finance



**David Hasib**  
*Non-Executive Director*  
*Member, Research & Investment Committee*  
*Member, Audit and Risk Committee*

David is a founding Director of Patron Financial Advice, which merged with the Infocus Group in 2014. With over 26 years industry experience, David has a strong track record in establishing wealth management solutions to clients and in particular, wealth advisory businesses. David has served on a number of advisory boards and prior to the formation of Patron ran a corporate practice of 15 advisers.





**Jon Hubbard**

*Non-Executive Director  
Chair, Audit and Risk Committee*

*Member, Research & Investment Committee*

Jon is a professional company director bringing expertise in strategy, business development, industry reform and regulation, finance, risk management, accounting and audit.

Jon was previously a Partner in the Advisory practice of PwC for 12 years. During this period Jon specialised in the energy, resources and infrastructure industries, in respect of which he held a number of leadership roles. His overall career with the firm spanned 24 years across the SME, Audit and Advisory practices, in the Melbourne, London and Brisbane offices.

Jon was appointed to the Infocus group board on 1 July 2013. Jon is also a director of the Australian Energy Market Operator Limited, Tavas Holdings Limited, and is a former director of CS Energy Limited and Territory Generation.



**Karen Smith-Pomeroy**

*Non-Executive Director  
Chair, Research and Investment Committee*

Karen is an independent non-executive director with expertise in risk and governance and with an executive career in the financial services sector spanning more than 30 years. Karen was most recently a senior executive with Suncorp Group, including a period from 2009 to 2013 as the Chief Risk Officer of Suncorp Bank.

Karen is a director of Kina Securities Limited, Infigen Energy Limited, Queensland Treasury Corporation, Stanwell Corporation Limited and National Affordable Housing Consortium Ltd.

Karen is a Fellow of the Institute of Public Accountants, a Fellow of FINSIA, a Member of the Australian Institute of Company Directors.





## Executive Team



**Darren Steinhardt**  
*Managing Director*

As per above



**Mike Laffoley**  
*Chief Financial Officer*

Mike is a chartered accountant with over 35 years of experience, predominantly in financial services with ASX listed entities. Former roles include General Manager Financial Performance at CSG Limited, senior finance roles with Suncorp, CFO of MFS Diversified Group and Managing Director of The Rock Building Society Limited.



**Steve Davis**  
*Chief Operating Officer*

With over 20 years in the financial services industry, Steve joined Infocus in 2018 as an experienced financial services professional with a demonstrated capacity to develop and lead teams, to turn around organisations, drive significant change projects, develop business networks and sales, plan and implement strategic growth initiatives including acquisitions and divestments. Steve's outstanding commercial acumen and passion for quality financial advice perfectly equip him to help drive the execution of our growth plans.



**Richard Herbst**  
*Executive General Manager, Partnerships*

Richard commenced with Infocus in January 2016 where he is responsible for growth of sales and advice revenue as well as management of the Alliance Partner Program. He has over 35 years of experience in Banking and Wealth Management with senior Wealth Management roles at Suncorp (National Manager Wealth Management) and Heritage Bank (Head of Wealth Management) where he was also a Responsible Manager.

Richard's skills include Business and Change Management, Sales Coaching and Operational Leadership. His role at Heritage Bank involved building a profitable Wealth Management business from a zero base into a successful and valuable asset.

Richard holds an Advanced Diploma of Financial Services (Financial Planning).





**Jeff Mitchell**  
*Chief Investment Officer*

Jeff Mitchell joined Infocus as group CIO in August 2018. Prior to this he was with Australian Unity Personal Financial Services (PFS) where he led their investment research group for five and a half years. At PFS he was responsible for capital markets, portfolio construction, direct and managed investments research as well as management of the group's approved product lists. He was also a portfolio manager for PFSIM Pty Ltd, the investment management arm of PFS which runs multi strategy and direct equity Separately Managed Accounts.

Jeff is a Certified Investment Management Analyst (CIMA) and holds the following qualifications: • Graduate Diploma of Applied Finance and Investment • Diploma of Financial Planning • Diploma of Technical Analysis • Diploma of Management



**Craig Meldrum**  
*Head of Professional Standards & Technical Services*

Craig has over 30 years' experience in banking and financial services and has combined senior management duties with technical services to provide accountants, financial planners and risk specialists with strategy, research, compliance and technical guidance on all aspects of wealth accumulation, tax management, business structuring, personal and business estate planning, superannuation and retirement planning, social security and aged care.

Craig holds a Masters in Taxation, a Bachelor of Business and a Graduate Diploma in Financial Planning. He is a Registered Tax Agent and a Chartered Tax Advisor with the Tax Institute, a Senior Fellow of FINSIA, a Fellow of the FPA and a SMSF Specialist Advisor of the SMSF Association.



**Kim Andrew**  
*Head of Strategy & Marketing*

Kim joined Infocus in February 2018 with over 20 years' experience in strategy management, sales and marketing for leading Australian businesses, including government owned joint enterprise organisations, ASX listed companies and her own successful offshoring entity.

Kim applies innovative solutions to marketing, engagement, digital and HR challenges and ultimately helps businesses to better engage their teams in the profitable service of their trade and retail clients.

Kim has a Bachelor of Commerce with majors in Marketing and Human Resource Management. At Infocus, Kim challenges us to think strategically and act purposefully in the pursuit of our objectives, and brings a strong commercial focus to our marketing and engagement activities.



## 7. Financial Information

The financial information based in this section is a combination of actual results based on audited/reviewed statutory financial statements lodged with ASIC, and unaudited forecasts prepared by management and reviewed by the Board.

Forecasts are a best estimate based on current circumstances, resources and levels of investment.

### Statement of Profit or Loss

<b>\$000's</b>	<b>Actual FY17</b>	<b>Actual FY18</b>	<b>Actual FY19</b>	<b>Forecast FY20</b>
<b>REVENUE</b>				
Brokerage Received	46,161	49,308	49,761	61,526
Product Revenue	5,106	5,196	4,947	5,074
Mortgages	0	798	999	1,184
Property	0	688	325	412
Accounting/Tax	0	626	694	525
Other	1,451	2,570	1,425	1,010
<b>Gross Revenue</b>	<b>52,718</b>	<b>57,386</b>	<b>58,151</b>	<b>69,730</b>
Brokerage Paid	(38,705)	(36,947)	(40,119)	(51,052)
<b>Net Revenue</b>	<b>14,013</b>	<b>20,439</b>	<b>18,032</b>	<b>18,678</b>
<b>DIRECT EXPENSES</b>				
Labour	7,787	11,332	10,205	10,606
Other	87	227	413	251
<b>Total Direct Expenses</b>	<b>7,874</b>	<b>11,559</b>	<b>10,618</b>	<b>10,857</b>
<b>CONTRIBUTION MARGIN</b>	<b>6,139</b>	<b>8,880</b>	<b>7,413</b>	<b>7,821</b>
<b>Overheads</b>	<b>4,654</b>	<b>5,889</b>	<b>4,830</b>	<b>4,488</b>
<b>EBITDA</b>	<b>1,485</b>	<b>2,991</b>	<b>2,584</b>	<b>3,333</b>
<i>As % of revenue</i>	<i>10.6%</i>	<i>14.6%</i>	<i>14.3%</i>	<i>17.8%</i>
Impairment of intangibles		356		
Depreciation/Amortisation	709	1,176	1,062	942
Interest	382	809	889	766
Income Tax	(97)	(193)	173	426
<b>NPAT</b>	<b>491</b>	<b>843</b>	<b>460</b>	<b>1,199</b>
<i>Earnings per share (cents)</i>	<i>1.3</i>	<i>2.1</i>	<i>1.1</i>	<i>2.8</i>

### Notes to the Statement of Profit or Loss

1. The results for FY17 to FY19 are as per audited financial statements included in the Annual Report to shareholders for those years.
2. The FY18 results include the contribution from Announcer for 10 months [i.e. from the date of acquisition on 4 September 2017].
3. The FY18 "Other Income" includes a \$1,339k fair value gain on the deferred acquisition liability associated with the acquisition of Announcer.
4. The FY20 forecast is as per a management forecast completed and approved by the Board in December 2019.
5. Following completion of management accounts for the 7 months to 31 January 2020 year-to-date EBITDA of \$1,586k was \$81k ahead of the December 2019 forecast projections.

## Pro-forma Balance Sheet

\$000's	30/06/2019 Actual	31/12/2019 Actual	31/12/2019 Adjustments	31/12/2019 Pro-forma
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	1,118	966		966
Trade and Other Receivables and Contract Assets	7,670	6,973		6,973
Other Current Assets	3	11		11
<b>TOTAL CURRENT ASSETS</b>	<b>8,791</b>	<b>7,950</b>		<b>7,950</b>
<b>NON CURRENT ASSETS</b>				
Other Receivables and Contract Assets	1,150	1,215		1,215
Property, Plant & Equipment	513	540		540
Right-of-use lease Assets	-	2,314		2,314
Deferred Tax Assets	920	904		904
Intangible Assets	22,495	22,740		22,740
<b>TOTAL NON CURRENT ASSETS</b>	<b>25,078</b>	<b>27,713</b>		<b>27,713</b>
<b>TOTAL ASSETS</b>	<b>33,869</b>	<b>35,663</b>		<b>35,663</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	5,284	5,565		5,565
Tax Liabilities	21	-		0
Borrowings	4,281	3,505	(300)	3,205
Provisions	191	18		18
Employee Benefits	810	735		735
Lease Liabilities	-	715		715
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,587</b>	<b>10,538</b>		<b>10,238</b>
<b>NON CURRENT LIABILITIES</b>				
Trade and Other Payables	-	120		120
Borrowings	9,034	8,888	300	9,188
Deferred Tax Liabilities	170	216		216
Employee Benefits	106	114		114
Lease Liabilities	-	1,661		1,661
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>9,310</b>	<b>10,999</b>		<b>11,299</b>
<b>TOTAL LIABILITIES</b>	<b>19,897</b>	<b>21,537</b>		<b>21,537</b>
<b>NET ASSETS</b>	<b>13,972</b>	<b>14,126</b>		<b>14,126</b>
<b>EQUITY</b>				
Issued Capital	14,189	14,189		14,189
Reserves	(489)	(513)		(513)
Retained Profits	262	446		446
Parent Interest	13,962	14,122		14,122
Minority Equity Interest	9	4		4
<b>TOTAL EQUITY</b>	<b>13,971</b>	<b>14,126</b>		<b>14,126</b>

### Notes to the Balance Sheet

- The 30 June 2019 Balance Sheet is as per the audited financial statements included in the latest Annual Report
- The 31 December 2019 Balance Sheet is as per the Company's Half-Year Report lodged with ASIC, and has been adjusted as follows to take account of the impact of the proposed capital raising;
  - Non-current borrowings increased by \$300,000 to take account of the liability to noteholders under this issue; and
  - Current borrowings reduced by \$300,000 with the proceeds from this note issue applied against existing bank overdraft;
- There are no external costs associated with this capital raising.





## 8. Risks

### General

This section identifies the areas believed by the Board to be the major risks associated with an investment in the Company.

An investment in the Company is subject to various risks. Some of these are specific to the Company's business activities, others are more general in nature. These risk factors may affect the future financial position and performance of the Company, its investment strategy and returns, as well as the Company's ability to pay Noteholders the Money Owning.

An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks described in this IM may, if they eventuate, have a material adverse effect on the Company's business, either now or in the future.

This section does not list every risk that may be associated with an investment in the Company or the Notes. Many of the risks are outside of the control of the Company, the Board and its management.

This section should also be read in conjunction with the other information set out in this IM.

There is no guarantee that the Company will achieve its objectives, or that the achievement of any targets will eventuate.

Before deciding whether to make an investment in the Company or to acquire the Notes, Eligible Investors should ensure that they have a sufficient understanding of the matters referred to in this IM and should consider whether the Notes are a suitable investment for that Eligible Investor, having regard to their personal circumstances, including financial and tax position.

Eligible Investors should seek their own professional advice from tax and other independent experts before deciding to participate in the Offer. No representation or warranty, express or implied, is given to any Eligible Investor with respect to the Notes, and, to the extent permitted by law, neither the Company nor its Board will be responsible for any consequences of an Eligible Investor participating in the Offer.

### Acquisition Risks

The Company may actively seek to acquire ventures and other businesses which it believes will improve the underlying value of the Company and further its strategy.

There are inherent risks with mergers and acquisitions. There is a risk that the value of ventures or businesses chosen by the Company may decline in value. The value of such investments will depend upon the financial circumstances and activities of those entities, their profits, earnings and cash flow.

The return on any investment by the Company may also be affected by the quality of any internal management, general economic conditions, government policy and regulations and the general industry sector. The value of a particular asset that the Company may acquire may change or fall over time, which may result in a reduction in the value of the Company and therefore the conversion value of the Notes and potentially the Company's ability to repay the Money Owning.

At the time of preparation of this Information Memorandum, the Company has no current plans for the acquisition of other businesses or ventures.

There is also a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel may be a significant obstacle to growth.

### Regulatory Risk

The conduct of the Company and its business is primarily regulated by the Corporations Act. If the Company were to seriously breach the Corporations Act, the Company may be fined, required to pay compensation to a client, be prohibited from engaging in some business and activities or have limitations or conditions imposed on its business activities.

Regulation and oversight of financial services in Australia is highly politicised at present, and particularly as a result of the Hayne Royal Commission into Financial Services, there will be ongoing regulatory change and changes in behaviour by regulators that may impact on the Company's operations. In February 2019 the Financial Adviser Standards and Ethics Authority (FASEA) issued a Code of Ethics that financial advisers are required to adopt from 1 January 2020. On 31 January 2020 the federal government released draft legislation that will give effect to a further 22 of the recommendations made by Commissioner Hayne. These are just 2 of the latest examples of the changes being made to the regulation of financial advisers in Australia. Whilst any changes may bring new competitive opportunities for the Company they could also lead to additional compliance and risk management costs across the business and the industry. Any shift or increase in government regulations of the industry may therefore have an impact on the profitability of the business.





## Debt Funding

The Company's growth initiatives in recent years, including the acquisition of Announcer, have been funded primarily by debt. This has placed short term pressure on the Company's ability to meet the covenants associated with its bank debt facilities. Whilst this is being actively managed with the Company's bankers it means that there is a reduced likelihood that further debt funding financing will be available as and when needed, or on terms acceptable to the company if future investment opportunities arise. Any inability to obtain finance if and when required may have a material adverse effect on the business and its financial performance, as well as the value of the Notes.

## Risk of Dilution

In the future, the Company may elect to issue further debt or equity instruments or engage in further fundraising to achieve its investment strategy or to fund any potential acquisition. Noteholders' share of the capital of the Company upon conversion to Shares may be diluted as a result of such issues if they elect not to participate in any future fundraising issues.

## Liquidity

Notes will not be listed on any stock exchange and are non-transferrable. As such, there is no secondary market for Noteholders to buy or sell Notes. Therefore, an investment in Notes should be considered non-liquid.

There is also no liquid market for the Company's ordinary Shares. The Company does facilitate a matching service that puts interested buyers of the ordinary Shares in contact with shareholders who have expressed a desire to sell, however, there may be relatively few buyers or sellers of the Shares at any particular time.

## Business Risks

**Litigation risks:** in the ordinary course of business, the Company may be involved in possible disputes. These disputes could give rise to litigation. While the extent of exposure to any disputes cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operation and results of the Company.

**Dividend policy:** The Board has an established dividend policy, however the ability of the Company to pay dividends in the future (including to Noteholders who have converted their Notes to Shares in the future) is dependent on many factors and the Board does not give any assurances regarding the payment of dividends in the future.

**Third Party risk** The performance of the Company's investments will rely to a large extent on the performance of external third parties and entities. There is a risk that these parties may not meet their objectives or responsibilities which may have a negative impact on the Company's ability to achieve its goals, which may in turn affect its financial performance and ability to repay Money Owed.

## Competition and pricing pressure

The financial services industry is intensely competitive. The Company competes on the basis of a number of factors including the quality of advice and service, innovation, reputation and price. Many competitors have a greater range of products and services, greater financial and marketing resources and a larger client basis than the Company.

The Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market shares. Increased competitiveness in the industry could result in price reductions, reduced gross margins and loss of market share, any of which could adversely affect the Company's operating results.

Competition in the financial planning industry and pressure from clients may require the financial planning industry to reduce the fees it charges for providing financial advice. The Company may not be immune to these fee pressures and reductions in fees could negatively impact upon the financial and operating performance of the Company.

## Market Risks

The Company is subject to general market risks that are inherent in all securities. The value of the Notes may rise or fall due to a number of factors including, but not limited to:

- General economic conditions in Australia and globally, including interest rates, exchange rates, inflation rates and general share prices;
- Fluctuations in local and global markets;
- The nature of markets in which the Company operates;
- Global economic and geopolitical circumstances;
- Changes to Australian accounting standards set by the Australian Accounting Standards Board;



- 
- Changes to the current taxation regime in Australia or overseas may affect the Company.

### **Operational and compliance risk**

Operational risk relates to the risk of loss resulting from inadequate or failed internal control processes, information technology systems or from external service providers which may impact on the Company's business. The Company and its business are exposed to operational risk including, but not limited to, risks arising from processing errors, fraud, information technology system failures, failure of security and physical protection systems, and investment pricing errors. Operational risks have the potential to have a negative effect on the Company's financial performance as well as its reputation.

**The above is not an exhaustive list of risks. Investors are reminded to consider their personal circumstances and the likelihood of risks eventuating before making an investment in the Company.**

## 9. Additional Information

### a. Shareholdings

#### Ordinary Shares held by Directors and their Associates

Director	Number of shares	% of total on issue
Darren Steinhardt	21,684,312	50.18%
David Hasib	5,000,757	11.57%

#### Ordinary Shares held by Other Substantial Shareholders

Shareholder	Number of shares	% of total on issue
Cooroola Pty Ltd ATF The Cooroola Trust	3,212,491	7.43%
FGF Creative Pty Ltd	3,007,169	6.96%

#### Distribution of Ordinary Shares

Range	Total holders	No. of shares	% of total on issue
1 - 1,000	1	438	0.00%
1,001 - 5,000	9	36,530	0.08%
5,001 - 10,000	21	159,912	0.37%
10,001 - 100,000	55	1,954,683	4.52%
100,001 and over	25	41,062,067	95.02%
All	111	43,213,630	100.00%

### b. Convertible Notes

#### Notes held by Directors and their Associates

Director	Number of Notes	% of total on issue
Roy McKelvie	100,000	3.86%
Darren Steinhardt	75,000	2.90%
Jon Hubbard	25,000	0.96%
Karen Smith-Pomeroy	25,000	0.96%

#### Notes held by Other Substantial Shareholders

Shareholder	Number of Notes	% of total on issue
None	Nil	Nil

#### Distribution of Convertible Notes

Range	Total holders	No. of Notes	% of total on issue
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	26	1,240,000	47.88%
100,001 and over	7	1,350,000	52.12%
All	33	2,590,000	100.00%



## **c. Material Contracts**

### **Constitution**

The following is a summary of the major provisions of the Company's constitution.

#### **Powers of the Board**

The management and control of the business of the Company are vested in the Board. The Board may exercise all powers of the Company including the power to loan money, give security, issue shares and appoint Directors.

#### **Appointment of Directors**

The directors may at any time appoint any individual as a director, whether to fill a casual vacancy or as an additional director in compliance with the then current maximum number of directors.

Any director appointed by the directors must cease to be a director at the end of the next annual meeting, except where the Company confirms the appointment by resolution of that annual general meeting.

#### **Remuneration of Directors**

The directors are entitled to payment of any fees for their service as directors as determined by the Board, but not exceeding in aggregate any maximum amount specified at any time in any resolution passed in general meeting.

#### **Shareholders' meetings**

General meetings of the Company may be called and held at times and places and in the manner determined by the Board. All shareholders entitled to receive notice of the meeting must be given not less than 21 days' notice of a shareholders' meeting.

Shareholders may call and arrange to hold a general meeting, where the Shareholders have at least 5% of the votes that may be cast at a general meeting as at midnight of the day immediately preceding the date of calling the meeting.

#### **Quorum**

The quorum for a shareholders' meeting is at least 2 shareholders.

#### **Voting**

Each resolution put before a shareholders' meeting is to be decided in first instance by a show of hands of the shareholders present and entitled to vote unless a poll is demanded. On a poll each shareholder has one vote for every fully paid share held which is not subject to voting restrictions.

#### **Proxies**

Any shareholder entitled to vote may appoint a proxy. The instrument appointing the proxy must be duly signed and delivered to the Company's office prior to commencement or resumption of the general meeting.

#### **Dividends**

The directors may at any time fix for payment or declare any dividend on any Share, as decided by the directors in compliance with Corporations Act and the issue provisions of any Share or Share class.

#### **Share transfers**

The Company's constitution contains specific rules to be followed where shareholders seek to transfer their shares to other existing shareholders, or shareholders holding more than 5% of the ordinary share capital of the Company seek to transfer some or all of their holding. Sections 6, 7, 8 and 9 of the Company's constitution set out these rules.

Shareholders holding 5% or less of the ordinary share capital of the Company may transfer any or all of their shares in the Company to a third party who is not an existing shareholder in the Company without having to comply with sections 6 and 7 of the Company's Constitution.

#### **Variation of Shareholder Rights**

The Constitution provides that the rights attaching to any class of shares may only be varied with the consent in writing of members with at least 75% of the votes in that class, or by special resolution passed at a separate meeting of the holders of shares of that class.

At present the Company only has one class of shares, being ordinary shares.





## Business Finance Agreement – Westpac Banking Corporation

The Company has two Bank Bill Business Loan facilities with Westpac Banking Corporation.

- Facility A had a balance of \$3,441,408 at 31 January 2020 and is repayable by 29 June 2022.
- Facility B had a balance of \$3,890,749 at 31 January 2020 and is repayable by 3 September 2022.

Both facilities have principal and interest repayments, have a fixed line facility of 1.20% per annum and incur variable rate interest based on a margin over the 90-day bank bill swap rate (“BBSY”).

The Company also has an overdraft facility of up to \$2million with a line fee of 1.20% per annum and a variable interest rate based on a fixed margin over the Bank’s market linked debit interest rate.

The terms of these borrowing facilities require the Company to ensure that it meets the following bank covenant requirements: -

- Interest cover ratio (EBIT/Gross Interest Expense) to be at all times not less than 2.50 times;
- Financial Debt to EBITDA ratio (Financial Debt/EBITDA) to be at all times less than 3.50 times; and
- Equity Ratio (Total Shareholder Funds/Total Tangible Assets x 100) to be at all times not less than 30%.

The interest cover ratio is to be tested half-yearly based on the 6-month results to 31 December, and the 12 months to 30 June each year.

The Debt to EBITDA and Equity ratios are to be tested annually at 30 June each year.

Based on the Company’s reported results for the 6 months ended 31 December 2019 and management’s forecasts for the remainder of the current financial year, it is projected that the Company will meet all of these covenant requirements when next tested at 30 June 2020. The Company is liaising closely with Westpac who have indicated they do not intend to enforce their rights for breach of covenant so long as the Company continues to meet its repayment obligations.





## 10. Glossary

Term	Description
<b>Announcer Group</b>	Announcer Group Pty Limited ACN 111 823 388 and its controlled entities.
<b>Applicant</b>	a person who submits an Application Form.
<b>Application</b>	an application for Notes under this IM.
<b>Application Form</b>	an application form attached to this IM.
<b>Application Money</b>	the money received by the Company pursuant to the Offer, being the Offer Price multiplied by the number of Notes applied for.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ATO</b>	Australian Tax Office.
<b>Board</b>	the board of directors of the Company.
<b>Business Day</b>	a day which is not a Saturday or Sunday or public holiday in Maroochydore, Queensland.
<b>Closing Date</b>	the date on which the Offer closes, being 27 March 2020 or another date nominated by the Company.
<b>Company</b>	Infocus Wealth Management Limited ACN 103 551 015
<b>Corporations Act</b>	Corporations Act 2001 [Cth].
<b>Directors</b>	the directors of the Company.
<b>Eligible Investor</b>	an Australian resident investor who qualifies as a Professional Investor, Sophisticated Investor or Senior Manager.
<b>Information Memorandum or IM</b>	this document.
<b>Investment Term</b>	the period from and including the Issue Date until the Recorded Maturity Date.
<b>Issue Date</b>	the date Notes are issued to an Applicant by the Company.
<b>Maturing Money</b>	the Principal Investment Amount plus any accrued but unpaid interest less any amount subject to earlier redemption or conversion under this IM.
<b>Maturity Date</b>	has the meaning given to that term by clause 3.5.
<b>Money Owing</b>	the Principal Investment Amount, any interest and any amounts under clause 3.10 which are payable on the Notes and, in relation to a Note, means that portion of those moneys which is owing to that Noteholder.
<b>Note</b>	convertible note debt instruments issued by the Company.
<b>Noteholder</b>	a person who holds a Note.
<b>Offer</b>	the offer of Notes under this IM.
<b>Offer Price</b>	\$1.00 per Note.
<b>Paying Agent</b>	a person appointed by the Company to act as paying agent to distribute Money Owing to Noteholders.





<b>Payment Period</b>	for: <ul style="list-style-type: none"><li>a. the first Note Payment Period, the period commencing on the Issue Date up until and including 6 June 2020;</li><li>b. Note Payment Periods thereafter, the first day after the previous Note Payment Period up until and including the day which is six months after that day;</li><li>c. the final Note Payment Period, the period commencing the day after the previous Note Payment Period up until the Maturity Date.</li></ul>
<b>Principal Investment Amount</b>	Offer Price multiplied by the number of Notes issued to a Noteholder.
<b>Professional Investor</b>	has the meaning given to that term in clause 2.11.
<b>Qualified Accountant</b>	means a person who is a member of one or more of the professional bodies mentioned below: <ul style="list-style-type: none"><li>a. CPA Australia who is entitled to use the post nominals 'CPA' or 'FCPA';</li><li>b. the Institute of Chartered Accountants in Australia &amp; New Zealand who is entitled to use the post nominals 'CA' or 'FCA';</li><li>c. the National Institute of Accountants who is entitled to use the post nominals 'PNA', 'FPNA', 'MNIA' or 'FNIA'; or</li><li>d. a member of a foreign professional accounting body which is approved by ASIC.</li></ul>
<b>Recorded Maturity Date</b>	the Recorded Maturity Date for a Note is 6 June 2021
<b>Retail Investor</b>	means an Eligible Investor who is not a Sophisticated Investor, Professional Investor or Senior Manager.
<b>Senior Manager</b>	has the meaning given to that term in clause 2.11.
<b>Share</b>	an ordinary fully paid share issued in the share capital of the Company.
<b>Shareholder</b>	a person who holds a Share.
<b>Sophisticated Investor</b>	has the meaning given to that term in clause 2.11.
<b>Us or we</b>	the Company.
<b>You</b>	the investors under this IM.







## 11. Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact a professional adviser without delay. By completing this Application Form, you acknowledge that you have received a completed and unaltered IM accompanying this Application Form. Capitalised terms used in this Application Form have the same meaning as in the IM that has been provided to you. You should read the entire IM carefully before completing this Application Form.

**Please read all instructions on the reverse of this Application Form**

Personal Details			
<b>A. Principal Investment Amount</b>	Amount to be invested: \$ (must be no less than \$25,000)		
<b>B. Your name</b>	[Title, Given Name(s) (no initials) and Surname or Company Name and ACN]		
<b>If Joint Application</b>	[Title, Given Name(s) (no initials) and Surname or Company Name and ACN]		
<b>C. Tax File Number or ABN</b>			
<b>D. Postal address</b>	[Number/street]  [Suburb/town]  [State] [Postcode]		
<b>E. Email address</b>			
<b>Contact Number 1</b>		<b>Contact Number 2</b>	
<b>F. Direct Credit for Distributions</b>	[Name of Account to be credited]  [Bank and Branch Name]  [BSB Number] [Account Number]		





<p><b>G. Eligible Investor</b></p> <p>In order to participate in the Offer, you must be an Eligible Investor.</p> <p>Please complete <b>this section</b> so that the Company can determine whether you are eligible to participate in the Offer.</p>		
<p><b>Part 1 – Investor Category</b></p> <p>Each Applicant must mark the box which best describes the category of investor they are.</p>		
<p><b>(a) Sophisticated Investor</b></p>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	
		I am applying for \$500,000 or more worth of Notes.
		I have net assets of at least \$2.5 million (please arrange for a Qualified Accountant to complete Part 2 of this Application Form).
		I have earned at least \$250,000 per annum for each of the last two financial years (please arrange for a Qualified Accountant to complete Part 2 of this Application Form).
		I have sufficient experience in investing in securities (please arrange for an AFSL holder or an authorised representative to complete Part 3 of this Application Form).
<p><b>(b) Professional Investor</b></p>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	
		I have or control gross assets of at least \$10 million (please arrange for a Qualified Accountant to complete Part 2 of this Application Form).
		I hold Australian Financial Services Licence No. _____ (please provide AFSL no.)
<p><b>(c) Senior Manager</b></p> <p>I am employed by the company and hold the following position:</p>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	
		Director
		Chief Financial Officer
		General Manager
		Other (please specify):





Part 2 – To be completed by a Qualified Accountant*		
Insert full name and address of Qualified Accountant:		
<b>Name</b>		
<b>Address</b>		
<b>Contact number</b>	(Business)	(Private)
<b>Email</b>		
I, the Qualified Accountant named above, certify that the following is true and correct:		
(a) I am a Qualified Accountant*; and (b) This certificate is given at the request of the Applicant described above in relation to the Notes to be issued by the Company; and (please indicate which option below applies by marking the relevant box for each Applicant):		
<b>Option 1</b>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	The Applicant is known to me and for the purposes of section 708(8) Corporations Act and the Applicant, either personally or in conjunction with a company or trust controlled by the Applicant, has:
		Net assets of at least \$2.5 million; or
		A gross income for each of the last two financial years of at least \$250,000 a year.
<b>Option 2</b>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	The Applicant is a company or trust controlled by a person known to me for the purposes of section 708(8) Corporations Act, who has:
		Net assets of at least \$2.5 million; or
		A gross income for each of the last two financial years of at least \$250,000 a year
<b>Option 3</b>		
<b>Applicant 1</b>	<b>Applicant 2</b> (if joint application)	
		For the purposes of section 703(11)(b) Corporations Act the Applicant has or controls gross assets of at least \$10 million (including any assets held by an associate or under trust that the Applicant manages).

\_\_\_\_\_  
Signature of Qualified Accountant

\_\_\_\_\_  
Date

\*Qualified Accountant is defined in the IM.





**Part 3 – To be completed by the Applicant and an Australian financial services licensee or authorised representative**

I/We, the Applicant(s) acknowledge that the financial services licensee or authorised representative named below has not given me/us a disclosure document as referred to in Part 6D Corporations Act in relation to the Offer to acquire Notes to be issued by the Company.

\_\_\_\_\_

Signature of Applicant 1

\_\_\_\_\_

Signature of Applicant 2

Financial services licensee or authorised representative to complete this section.

I am the financial services licensee no. \_\_\_\_\_ OR authorised representative no. \_\_\_\_\_ of financial services licensee no. \_\_\_\_\_ and certify that the following is true and correct:

(a) The Offer of Notes in the Company to the Applicant(s) is made through me. I am satisfied on reasonable grounds that the Applicant(s) have previous experience in investing in securities that allows them to assess:

- a. the merits of subscribing for the Notes under the Offer;
- b. the value of the Notes in the Offer;
- c. the risks involved in accepting the Offer;
- d. their information needs;
- e. the adequacy of the information given by the Company; and

(b) I have given the Applicant(s) a written statement of my reasons for being satisfied on these matters, as required by section 708(10).

\_\_\_\_\_

Signature of Financial services licensee/authorised representative      Date

\_\_\_\_\_

Print name of Financial services licensee/authorised representative

<b>H. Noteholder Communications</b>			
Please indicate how you would like to receive Noteholder communications from the Company.			
	<b>Email</b>	<b>Post</b>	<b>I do not wish to receive a copy of this</b>
<b>Financial reports</b>			
<b>Interest statements</b>			





I. Declaration
I/We agree to take any number of Notes equal to or less than the number of Notes shown at Item A above that may be allotted to the Applicants pursuant to the IM. I/We declare that the information in this Application is true and correct and has been completed in accordance with the guidance statements on the reverse of this form and agree to be bound by the terms of the IM. The return of this Application Form will constitute your offer to subscribe for Notes on the terms set out in the IM.
_____ Signature of Holder 1/Director
_____ Print name
_____ Signature of Holder 2 (if joint holding) / Director/Secretary
_____ Print name

Signed copies of your Application Form are to be sent with payment, before 5.00pm on the Closing Date to:

**By delivery (appointment only):**  
Level 2, Cnr Maroochydore Rd & Evans Street  
Maroochydore Qld 4558

**Or by post:**  
Po Box 1856  
Sunshine Plaza  
Qld 4558

**Or email to:**  
companysecretary@infocus.com.au





## Guide to the Application Form

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable names to use on the Application Form are contained in the table below.

<b>A</b>	<p>Please insert the amount you wish to invest. Notes are issued at \$1.00 each. The Company may reject your Application in whole or in part for any reason. Application Money must be paid at the time you apply for Notes. You may pay your Application Money by non-negotiable cheque made out to “Infocus Wealth Management Limited – Convertible Note Offer” or by electronic funds transfer paid to the following bank account:</p> <p>Account name: Infocus Wealth Management Limited – Convertible Note Offer</p> <p>Account no.: 499839</p> <p>BSB: 034-676</p>
<b>B</b>	<p>Write the full name you wish to appear on the note holding statement. Up to 2 joint Applicants may register. You should refer to the table below for the correct forms of registrable name. Applications using the wrong form of name may be rejected.</p>
<b>C</b>	<p>Enter your Tax File Number(s) (TFN) Australian Business Number(s) (ABN) or exemption category. Where applicable, please enter the TFN ABN for each joint Applicant.</p> <p>Collection of TFNs and ABNs is authorised by taxation laws. Quotation of your TFN or ABN is not compulsory and will not affect your Application. However, if you fail to disclose your TFN or ABN, the Company will be required to deduct withholding tax from any interest payments made to you at the highest marginal tax rate plus the Medicare Levy, which currently equates to 47%.</p>
<b>D</b>	<p>Please enter your postal address and email address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as completed on the Application Form. For joint Applicants, only one address can be entered.</p>
<b>E</b>	<p>Please enter your email and a contact number(s) (including the relevant area code) in case we need to contact you in relation to your Application.</p>
<b>F</b>	<p>Please provide direct credit details for distribution of interest payments. The name of the account which is to be credited should be inserted.</p>
<b>G</b>	<p>In order to participate in the Offer, you must qualify as an Eligible Investor. If you are relying on the Sophisticated Investor or Professional Investor exception you may need to arrange for a Qualified Accountant or Australian financial services licence holder (or its authorised representative) to complete Part 2 or 3 (respectively).</p>
<b>H</b>	<p>Please indicate how you would like to receive your financial reports and interest statements from the Company.</p>
<b>I</b>	<p>Before completing the Application Form Applicant(s) should read the IM to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Notes in the Company upon and subject to the terms of the IM, agrees to take any number of Notes (under the Offer) equal to or less than the number of Notes indicated in Item A that may be allotted to the Applicant(s) pursuant to the IM and declares that all details and statements made are complete and accurate.</p>





## Correct Form of Registrable Title

Note that only legal entities are allowed to hold Notes. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. 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 example of correct forms of registrable title below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
<b>Individual</b> Use given names in full, not initials	Mr John Alfred Smith	J A Smith
<b>Minor</b> (a person under the age of 18) Use the name of a responsible adult, do not use the name of the minor.	John Alfred Smith < Peter Smith >	Peter Smith
<b>Company</b> Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
<b>Trusts</b> Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith < Sue Smith Family A/C >	Sue Smith Family Trust
<b>Deceased Estates</b> Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith < Est John Smith A/C >	Estate of late John Smith
<b>Partnerships</b> Use partners' personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith < John Smith and Son A/C >	John Smith and Son
<b>Clubs/Unincorporated Bodies/ Business Names</b> Use office bearer(s) personal name(s), do not use the name of the club etc.	Mr Michael Smith < ABC Tennis Association A/C >	ABC Tennis Association
<b>Superannuation Funds</b> Use name of trustee of the fund, do not use the name of the fund	Jane Smith Pty Ltd < Super Fund A/C >	Jane Smith Pty Ltd Superannuation Fund
Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated space(s) at Section B on the Application Form.		





## 12. Corporate Directory

Company	Infocus Wealth Management Limited ABN 28 103 551 015
Registered Office	Level 2, Cnr Maroochydore Road & Evans Street Maroochydore QLD 4558
Directors	Mr Roy McKelvie (Chairman) Mr Darren Steinhardt (Managing Director) Mr Jon Hubbard Ms Karen Smith-Pomeroy Mr David Hasib
Company Secretaries	Mr Michael Laffoley Mr Raj Daji
Auditors	Mr Paul Gallagher BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000
Solicitors	New Era Lawyers Unit 2-3, 38 Burnett Street, Mooloolaba QLD 4557 <b>or</b> PO Box 1076 Mooloolaba QLD 4558 Phone: (07) 5444 5496 Email: <a href="mailto:admin@neweralaw.com.au">admin@neweralaw.com.au</a> Web: <a href="http://www.neweralaw.com.au">www.neweralaw.com.au</a>

