

Unit Pricing Policy

Cyan SIV Emerging Companies Fund

Nelson Wheeler Kerner Private Equity Fund

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1. Overview

Introduction

Vasco Investment Managers Limited (Trustee) is the Trustee of the Cyan SIV Emerging Companies Fund and Nelson Wheeler Kerner Private Equity Fund (Funds). This document provides guidance on how the Trustee will exercise the discretions permitted under the constitutions of the Funds to determine the application price and redemption price (the policy).

Policy scope

This policy sets out the circumstances in which the Trustee's discretion is exercised and aims to ensure that:

- unit prices are calculated fairly and equitably;
- the process of calculating unit prices is transparent and consistently applied; and
- the methodologies adopted are reviewed at appropriate intervals and revised as necessary to meet commercial and regulatory requirements.

The exercise of any discretion is subject to the general duties of a Trustee under section 601FC of the Corporations Act, to exercise its powers and carry on its duties in the best interests of unitholders and to exercise the discretions with a reasonable degree of care and diligence.

This policy is designed to meet the requirements of ASIC Class Order [CO 05/26] 'Constitutional provisions about the consideration to acquire interests'. This class order allows the Trustee to decide a matter that affects the method or formula used to calculate the unit price of the Fund where the conditions under the class order are met. This includes the documentation of the Trustee's policy on the discretions permitted under the constitutions of the Funds.

Outsourcing arrangements

The discretions permitted under the constitution of the Funds are exercised by the Trustee.

Although the functional elements of the unit pricing process may be carried out by a third party, the Trustee does not outsource its responsibility to unitholders regarding the calculation of unit prices. The ultimate responsibility for ensuring that unit prices are determined appropriately lies with the Trustee.

2. Unit pricing

How do we calculate our unit prices?

The Fund's constitution sets out the method that the Trustee uses to calculate the issue price and redemption price of the Fund. This is generally expressed as follows:

$$\text{Application price} = \frac{\text{Net asset value} + \text{Transaction cost}}{\text{Number of Units on issue}}$$

$$\text{Redemption price} = \frac{\text{Net asset value} - \text{Transaction costs}}{\text{Number of Units on issue}}$$

What type of discretions do we exercise?

In accordance with the above formula, the Trustee has identified the following discretions that it is likely to exercise in calculating the issue and redemption price of the Funds:

- Estimating an allowance for transactions costs.
- Selecting a valuation method.
- Determining entry or exit fees or other management and performance fees.
- Determining the total net asset value of the Fund.
- Allocating assets, liabilities, revenue and expenses between classes of units (if any).
- Rounding unit prices.
- Determining a time at which unit prices are calculated.
- Determining a time at which assets and liabilities are valued.
- Frequency of unit pricing.

What records will we keep?

In accordance with ASIC Class Order [CO 05/26], the Trustee will retain this policy for seven years after this policy ceases to be current. The Trustee will also retain documentation of circumstances where the exercises of discretions are not covered by this policy or involve a departure from this policy.

What if discretion is not in this policy?

If the Trustee exercises a discretion for which there is no documented policy current at the time or in a way that involves a departure from this policy, the Trustee will prepare a document that sets out the following:

- The date on which the discretion was exercised

- If the discretion was exercised by a person/entity nominated by the Trustee, the identity of the nominee
- How the discretion was exercised
- An explanation as to why it was reasonable to exercise the discretion the way it was exercised
- If the discretion was exercised in a way that was not consistent with the Fund property being valued in accordance with ordinary commercial practice, an explanation as to why it was impracticable to do so.

Will this policy be regularly updated?

This policy may be updated from time to time.

The most current policy and any additional document that sets out the discretions not covered in the policy are available from our website at www.vascofm.com. Alternatively, you may request a softcopy at no charge by contacting us on (03) 8352 7120.

3. Our discretions – the policy

Allowance for transaction costs for Cyan SIV Emerging Companies Fund

Transaction costs are allocated when an investor buys or sells units in a Fund by incorporating a buy/sell spread in the relevant entry and/or exit unit price. A buy/sell spread is a cost charged to enter (buy units) or exit (sell units) a Fund. This aims to ensure that other members do not pay the transaction costs associated with a particular investor buying or selling units in the Fund.

The transaction costs relevant to a Fund are specified in the Information Memorandum (IM) as being +0.5% of the unit price for applications and -0.5% for redemptions

The following factors have been taken into account in determining the buy/sell spread:

- brokerage costs;
- government charges (such as stamp duty); and
- other costs directly associated with the acquisition or disposal of assets of the kind held within each Fund, such as settlement, valuation, legal or clearing costs.

In some circumstances, the Trustee may waive or reduce the buy/sell spread where there is no transaction costs associated with the purchase or sale of assets.

Some examples of circumstances where the Trustee may waive or reduce the buy/sell spread include:

- transfer of Fund interests between Fund unitholders;
- in species transfer of assets into and out of the Fund;
- re-investment of distributions by unitholders into the Fund; and
- investing into unlisted securities or unit trusts which do not charge a buy/sell spread.

Offsetting

When estimating acquisition or disposal costs, no allowance will be made for the possible offsetting of application and withdrawal cash flows within the Fund. This approach has been adopted as the offsetting of transactions cannot be predicted, and overestimation of the level of offset would result in a disadvantage to existing members in the Fund when transaction costs are incurred.

Where actual transaction costs vary from the allowance within the application and redemption price, the impact will be borne by the overall Fund. This approach is reviewed on an annual basis.

Valuation

Under each Fund's constitution, the total net asset value is calculated as the value of the assets less the liabilities. The Trustee has discretion to determine how the assets are valued including the valuation methodology and the timing of the valuation.

The net asset value of a Fund is calculated by deducting the value of the liabilities from the gross assets. Investments within the Fund are generally valued at their market value consistent with Financial Services Council standards. The assets of a Fund include all investment assets, capital, income, property and rights of the Fund.

Valuations of assets that are actively traded on a recognised securities exchange are generally determined by reference to the latest available market price, normally represented by the official closing price. Valuation of assets that are infrequently traded on a recognised securities exchange may be determined by reference to the latest available market information where no market price is available. The market prices are sourced by the Trustee's appointed custodian and from independent third party information providers. Where assets are not traded on a recognised securities exchange the Trustee will determine the value based upon generally recognised valuation criteria.

The Trustee will be responsible for ensuring that all asset valuations are determined in accordance with the Constitution, IM and legislative requirements.

The liabilities of a Fund include all borrowings, contingent liabilities, accrued fees payable, and any other relevant liabilities of a Fund. Other liabilities in the Fund, which may include tax, fees and rebates, are valued in good faith in accordance with industry standards (refer Financial Services Council Standard No. 9.00). In particular:

- Fees and rebates will be accrued on a daily basis.
- Expenses will be accrued daily using a reasonable estimate of annual expenses, with reconciliations and wash-ups against actual expenses occurring at least annually.
- A calculation of the management and performance fees will be determined and accrued on a daily basis. The Fund's management and performance fee methodology is outlined in the Fund's IM and Constitution.
- Tax liabilities of assets are calculated in accordance with relevant taxation laws. As tax is paid in the hands of the member, a tax provision is not included in the unit price for the Fund.

- The unit price of a Fund does not take into account tax credits collected by the Funds.

Tax credits will be distributed to members at each distribution period.

Allocating assets, liabilities, revenue and expenses between classes of units

The Trustee has discretion under a Fund's constitution to issue different classes of units and to determine the rights, liabilities, obligations and restrictions which attach to each class.

Where this occurs, the relevant IM for the Fund will set out the strategy of the Fund which in turn is used to determine the allocation of assets, liabilities, revenue and expenses between classes.

Rounding

All unit prices are rounded to four (4) decimal places. A "4" or less in the next decimal place is rounded down, a "5" or greater in the next decimal place is rounded up.

4. Timing

Determining a time at which assets and liabilities are valued

The Trustee has discretion under the Fund's constitution to determine when the Fund's assets and liabilities are valued. The Trustee has exercised its discretion to determine that the assets and liabilities will generally be valued on the first business day of each month.

Determining a time at which unit prices are calculated

The Trustee has discretion under the Fund's constitution to determine when unit prices are calculated.

The Trustee has exercised its discretion to determine that the unit price of each Fund will generally be calculated on the first business day of each month.

Unit pricing can be carried out using forward pricing or historic pricing.

- Forward pricing is when applications to buy and sell units are processed using a price based on asset data effective after the applications have been received.
- Historic pricing is when applications to buy and sell units are processed using a price calculated prior to the receipt of applications.

The Trustee calculates unit prices by using forward pricing.

When using a forward pricing methodology, a cut-off time must be applied to determine which transactions will receive a particular unit price. The cut-off time is specified in the IM.

Applications or redemption requests received before the cut-off time on a business day will receive the relevant price for that day. Transaction requests received after the pricing cut-off

time are processed using the unit price calculated on the next pricing day following the day of receipt of the transaction request.

The Trustee may suspend the calculation of unit prices in certain circumstances, including:

- it is desirable for the protection of the Fund or in the interest of unitholders as a whole including if any relevant financial, stock, bond, note, derivative or foreign exchange market is closed or trading on any such market is restricted;
- a situation (including caused by a mechanical or electronic malfunction) exists as a result of which it is not reasonably practicable to acquire or dispose of Fund assets or to determine fairly unit prices;
- any state of affairs exists as a result of which the Trustee considers or determines that it is not or may not be reasonably practicable for the Fund to acquire or dispose of assets or determine fairly the amount of the redemption price of a unit (including any moratorium declared by a government of any country), the state of affairs will or may affect to a significant degree the ability of the Trustee to acquire or dispose of assets or the prices at which the Trustee may acquire or dispose of assets;
- the realisation of assets cannot be effected at prices or on terms which would be obtainable if assets were realised in an orderly fashion over a reasonable period in a stable market; or
- it is in the interest of unitholders.

Unit prices may also be delayed during interim and year end distribution periods.

5. Distributions

Frequency of distributions

The frequency with which the Fund distributes income and realised capital gains in most circumstances is set out in the IM. However, the Trustee may exercise its discretion to vary this frequency, based on the amount and timing of taxable income and capital gains within the Fund and other factors such as expected cash flows.

The Trustee calculates interim distributions based on estimated income in accordance with the Fund's constitution. The Trustee may also exercise its discretion as to whether the Fund should distribute in a particular period and the amount of the interim distribution. In exercising this discretion, the Fund will have regard to anticipated cash flows in the Fund and any anticipated large deposits into or withdrawals from the Fund, in order to ensure as far as possible that all unitholders are treated fairly.

The Trustee believes that exercising its discretion in this way is reasonable because it ensures that the income of the Fund is distributed fairly to unitholders and that the income and capital gains of the Fund can be distributed in a way which does not impose an unfair tax burden on particular unitholders.

Special distributions

Where a large deposit is made into, or a large withdrawal is made from a Fund, the Trustee may assess the tax position of a Fund to decide if a special distribution is required. A special

distribution will be made if a Fund considers that it is appropriate to distribute a Fund's income before the deposit or withdrawal, to ensure that all unitholders in a Fund are treated fairly for tax purposes, and that no group of unitholders/investors bears a disproportionate share of the tax on a Fund's income or realised gains.