Priori Capital Management Investment Fund

Information Memorandum

June 2026

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All defined terms have been emboldened and can be found in the glossary (page 7) for further clarification.

WHAT IS PRIORI?

Priori Capital Management Investment Fund (Priori) is a private investment fund focused on delivering superior risk-adjusted returns using its proprietary frameworks to uncover asymmetric growth opportunities across financial markets.

Priori is a managed investment scheme (structured as a unit trust). Under the one trust, Priori operates four quarterly **Sub-Funds**[1] each of which issue their own respective units. The 'four Sub-Fund structure' is to allow for efficient tracking of investor cashflows and fee calculation. The Sub-Funds mirror each other in investments, trades, and returns. Investors can acquire units of a given fund, the price of which will be proportionate to the fund's **Net Asset Value (NAV)**[2]. The proceeds of unit purchases are pooled together with money from other investors to be invested in various financial assets under the strategic oversight of Priori. The return received by investors is a result of appreciating unit value driven by the performance of Priori's underlying investments. Priori charges a performance fee for its management services, the structure of which is outlined in this document.

The value of Priori's investment portfolio—and therefore all of its units—may fluctuate over time, with the ultimate objective of delivering strong long-term returns. Priori is co-invested in by its Fund Managers, ensuring alignment between the interests of both Priori and its investors.

WHAT DOES PRIORI INVEST IN?

Priori trades and invests in a variety of instruments to achieve maximal risk-adjusted returns including: equities, equity options contracts, and futures contracts. The fund's current target allocation is 75% to equity investments, 20% to a directional futures strategy, and 5% to equity options. Priori will review this composition regularly and alter it when advantageous. Priori considers a plethora of investment opportunities across global markets to achieve its mandate.

PERFORMANCE

Priori is a growth focused fund designed to compound and grow investor capital. It aims to generate **Alpha**[3] relative to the passive returns available in broad market ETFs. Therefore, its performance is measured against the total return of the NZ currency neutral **SPDR S&P 500 ETF (SPY)**[4] (including reinvested dividends), adjusted for any FIF tax attributable to the fund as a benchmark. Each year, Priori attempts to maximally outperform the benchmark while minimising downside risk.

WHO CAN INVEST?

All investors in the Fund must be **Eligible Investors**[5]. To qualify as an Eligible Investor, you must certify in writing that you have previous experience with financial products, are capable of assessing the value and risks of the financial products involved, and the grounds for such certification. A financial adviser, qualified statutory accountant, or a lawyer must sign a written confirmation of your certification.

Priori does not advertise to or solicit funds from retail investors. All investors deemed suitable are privately approached.

HOW TO INVEST

Priori onboards new investors on a scheduled **Transaction Day**[6]. There are four Transaction Days per calendar year, all pertaining to each of the four Sub-Funds and falling on the last day of each quarter. The Transaction Days are:

- 31 December (Priori Q1 Fund)
- 31 March (Priori Q2 Fund)
- 30 June (Priori Q3 Fund)
- 30 September (Priori Q4 Fund)

The process begins with the completion of an Indicative Interest Form. This form will collect key credentials and an indication of how much you would like to invest. Subject to approval, you will then receive the **Subscription Agreement**[7] to finalise the purchase of your units. In completing the Subscription Agreement, investors are required to verify their Eligible Investor status as described in the 'Who Can Invest?' section of this document. Once the Subscription Agreement is completed, the investor will be able to purchase units at the applicable **Unit Price**[8] as at the agreed Transaction Day plus transaction costs (which are then issued the following day). The Unit Price is calculated as:
(***NAV - Applicable Accrued Costs)/Units Outstanding = Unit Price*** *as at the day of valuation.*

HOW TO WITHDRAW FUNDS

From the **Commencement Date**[9] of a given Sub-Fund i.e., the day after the first Transaction Day, all investor funds are locked and withdrawals are prohibited until the next Transaction Day (effectively 1 year). This process then repeats perpetually meaning investors can choose to "roll", increase, or "roll-off" their invested capital once a year per given Sub-Fund.

This presents the opportunity for investors to strategically allocate their capital across the four Sub-Funds for a liquidity profile that is best suited to their needs.

If they wish to withdraw, investors may issue a **Withdrawal Notice**[10] in writing at least 10 business days prior to their desired Transaction Day (where corresponding units will be cancelled). The investor will receive money in their nominated bank account on the **Withdrawal Payment Date**[11] which is no more than 10 business days after the relevant Transaction Day. Outgoing transactions will be executed at the Unit Price as valued on the applicable Transaction Day minus related transaction costs.

FEES

Contrary to industry standard, Priori does not charge a management fee. Instead, fees are calculated using a "bucket system". This means fees are calculated at variable rates based on the extent to which the fund outperforms the benchmark (SPY). The fees are applied incrementally in separate tiers. For instance, the first 10% returned by Priori above SPY will be charged a fee of 20% after which, additional returns between 10-20% of outperformance will be charged a separate increased fee of 30% and so on. The fee rate is capped at 50% as laid out below:

Return above SPY	Fee Rate Charged
0-10%	20%
10-20%	30%
20-50%	40%
50% or more	50%

Priori employs a **High Water Mark (HWM)**[12] for each Sub-Fund, calculated annually as at the relevant Transaction Day. This means performance fees are only charged when the Unit Price (less any performance fee paid or payable per unit) rises above its all-time highest peak on any prior Transaction Day. If the Unit Price is simply recovering from a drawdown, no performance fee is charged until that previous peak value is exceeded.

Priori may issue manager-class units to the managers, on which no performance fee is payable. This avoids circular fee accruals on manager-held capital (to the extent it is reinvested into the funds).

RISKS

As with most investments, investment in Priori involves risk. Prospective investors should carefully consider these risks before making any commitment.

Priori's investments are exposed to a range of risks including market risk, economic risk, liquidity risk, credit risk, counterparty risk, operational risk, and regulatory risk. Changes in interest rates, currency exchange rates, political developments, taxation, and global events may adversely affect the value of the fund's portfolio. The fund may use leverage, derivatives, or other investment techniques that can magnify gains but also magnify losses.

There is no assurance that Priori's investment objectives will be achieved, and investors should be prepared to bear the risk of losing their entire investment. Past performance is not a reliable indicator of future results.

This document does not constitute investment, legal, or tax advice. Each prospective investor can consult their own professional advisers to assess the suitability of an investment in the fund in light of their individual circumstances. Participation in the fund is restricted to Eligible Investors who understand and accept the risks involved.

LEGAL & REGULATORY COMPLIANCE

Priori consists of two legal entities, Priori Capital Management Limited (acting as manager) and Priori Capital Management Trustee Limited (acting as trustee). Together these entities make up the Priori Capital Management Group. The managed investment scheme is constituted under, and governed pursuant to, a Master Trust Deed. Fund Assets (investments and cash) are legally held by Priori Capital Management Trustee Limited on behalf of investors (as beneficiaries). Each Sub-Fund is established under and will be governed by the terms and conditions of the master trust deed and the Sub-Fund's establishment deed.

The Priori Capital Management Group companies are New Zealand incorporated companies with registered financial service provider numbers. Priori Capital Management is not licensed by the Financial Markets Authority.

Priori Capital Management Group is required to comply with anti-money laundering laws which will involve us obtaining verification of identity from you and, in certain circumstances, evidence relating to your source of funds prior to investing in the fund.

INVESTOR RELATIONS AND REPORTING

Priori is committed to clear and transparent communication with its investors.

What you can expect:

- Quarterly Performance Reports which detail fund performance, **Return On Investment (ROI)**[13], NAV, fees, and other relevant metrics.
- Quarterly Intelligence Reports with Priori's up-to-date market outlook.
- Annual letters from the founders.
- Direct and open communication with the Fund Managers via email or mobile.
- Any other material updates the Fund Managers wish to share.

Priori will look to respond within 24 hours to all forms of communication from its investors.

CONTACT DETAILS

Email: fund@prioricapitalmanagement.com

GLOSSARY

Defined terms:

1. **Sub-Fund** - A separate fund under the same legal trust. The Sub-Fund approach is taken for ease of fee calculation and improved fund liquidity profile. Performance and portfolio allocation are mirrored across all Sub-Funds, meaning there is no difference in return or benefit in holding one particular Sub-Fund over another.
2. **Net Asset Value (NAV)** - The total value of the fund's assets less its liabilities.
3. **Alpha** - A measure of a fund's risk-adjusted performance, representing the excess return of the fund relative to its benchmark after adjusting for market risk (beta).
4. **SPDR S&P 500 ETF (SPY)** - An exchange-traded fund listed in the United States that seeks to track the performance of the S&P 500 Index, which comprises large-capitalisation U.S. equities. In our benchmarking we include the benefit of reinvested dividends, which materially uplifts the return of SPY. We adjust SPY's gross return for a FIF-equivalent tax charge, broadly reflecting the fund's own tax treatment. This is estimated as 5% of opening NAV (on 1 April each year) multiplied by the 28% unit trust tax rate, resulting in an approximate 1.4 percentage point annual return drag, plus any applicable quick-sale adjustments. Performance is measured on a NZD currency-neutral basis. We do this as it is more reflective of the total return an investor can achieve passively.
5. **Eligible Investor(s)** - An investor who satisfies the requirements to be an "eligible investor" within the meaning given to that term in Schedule 1, Part 3, clause 41(1) of the Financial Markets Conduct Act 2013.
6. **Transaction Day(s)** - The day (once annually for any given Sub-Fund) upon which external cash flows occur. Investors may choose to purchase new units (issued on the following day), 'roll' their existing funds until the next Transaction Day, or withdraw capital from the Sub-Fund.
7. **Subscription Agreement** - A legal agreement and application form under which an investor applies for and agrees to subscribe for units in a Sub-Fund. By executing the Subscription Agreement, the investor makes certain representations, warranties and acknowledgements (including as to their status as an Eligible Investor) and agrees to be bound by the terms of the fund's governing documents (including the trust deed and the applicable offer or disclosure document) in respect of their investment.
8. **Unit Price -** (NAV - Applicable Accrued Costs)/Units Outstanding = Unit Price as at the day of valuation (generally a Transaction Day for a given Sub-Fund).
9. **Commencement Date** - The inception day of a Sub-Fund. Follows the first Transaction Day of a Sub-Fund.
10. **Withdrawal Notice** - A written request for withdrawal which states the monetary amount / number of units in respect of which the investor wishes to withdraw from the fund - made at least 10 business days before a given Sub-Funds Transaction Day.
11. **Withdrawal Payment Date** - The date when the withdrawal is paid out to the investor - within 10 business days of the relevant Transaction Day of which the investor issued a Withdrawal Notice.
12. **High Water Mark** - In respect of a particular Sub-Fund, the all-time highest Unit Price of the fund calculated as at any prior Transaction Day (less any performance fee per unit paid or payable per unit), provided that in the first year of a fund, the High Water Mark shall be the initial issue price.
13. **Return On Investment (ROI)** - A measure of investment performance, typically expressed as a percentage, calculated as the net profit or loss on an investment divided by the amount of capital invested.