PRIORI CAPITAL MANAGEMENT

INFORMATION MEMORANDUM

Priori Capital Management Investment Fund

16 September 2026

CONTENTS

THE FUND

STRUCTURE
Managed investment scheme (unit trust)

MANAGER
Priori Capital Management Limited

TRUSTEE
Priori Capital Management Trustee Limited

TRUST
Priori Capital Management Trust (holds the Fund Assets)

INVESTORS
Wholesale or eligible investors only

BENCHMARK
SPDR S&P 500 ETF (SPY) total return, NZD-neutral, net of attributable tax

FEES
No management fee; tiered performance fee of 20–50% on returns above SPY, payable only above a High Water Mark

TRANSACTION DAYS
31 Dec · 31 Mar · 30 Jun · 30 Sep

DATED
16 September 2026

CONTACT
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prioricapitalmanagement.com

All defined terms have been emboldened and can be found in the glossary (page 8) for further clarification.

What is Priori?

Priori Capital Management Investment Fund (Priori) is a private investment fund. Its mandate is to maximise the long-term growth of investor wealth, after fees, while avoiding permanent impairment of capital. Positions are backed by deep research, risk analysis and continual re-underwriting of every trade idea. Priori is intended as a satellite allocation alongside an investor's core holdings, providing asymmetric exposure at the portfolio level.

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.

All four Sub-Funds hold mirrored exposure. They exist so that investor cashflows and fees can be tracked cleanly, and so that investors with different time-based constraints, such as tax year cut-offs or known liquidation requirements, can choose an annual liquidity date that suits them. There is no difference in return or benefit between holding one Sub-Fund over another.

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. Both fund managers are co-invested alongside external investors, ensuring alignment between the interests of both Priori and its investors.

What Does Priori Invest In?

Priori trades global equities, equity options, and index and commodity futures. The equity book is built on company-specific analysis led by a specialist in semiconductors and AI infrastructure. The derivatives book applies futures positioning grounded in statistical reasoning, structural analysis and disciplined logic. Principal is allocated 80% to equities and 20% to derivatives, and realised weights move with performance. 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.

80%	20%
equities	derivatives (index and commodity futures and equity options)

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 **SPDR S&P 500 ETF (SPY)**[4] (including reinvested dividends), sourced from S&P Capital IQ, converted to New Zealand dollars at a rate locked at the start of each **Fund Year**[5], less any tax liability of the Fund directly attributable to that return, as a benchmark. Each year, Priori attempts to maximally outperform the benchmark while minimising downside risk.

Who Can Invest?

Units are offered only to wholesale or eligible investors within the meaning of Schedule 1 of the Financial Markets Conduct Act 2013. All investors in the Fund must be **Eligible Investors**[6]. 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**[7]. 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)

Onboarding follows five steps:

01 **Indicative interest** Indicative amount, intended investment term and chosen Sub-Fund.	02 **Eligible investor certificate** Certification, confirmed by an adviser, accountant or lawyer.	03 **AML and CFT** Identity and source of funds verification.	04 **Subscription agreement** Executed at the agreed unit price plus transaction costs.	05 **Unit issue** Units issued on the Transaction Day.

In completing the **Subscription Agreement**[8], 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**[9] as at the agreed Transaction Day plus transaction costs. The Unit Price is calculated as:

*(**NAV - Applicable Accrued Costs)/Units Outstanding** = **Unit Price** as at the day of valuation.*

Onboarding is completed once. Further investment can then be arranged flexibly ahead of any desired Transaction Day, and investors who take no action simply continue in the Sub-Fund for a further 12 months.

How to Withdraw Funds

From the **Commencement Date**[10] 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.

COMMENCEMENT DATE	LOCKED	TRANSACTION DAY
The day after the first Transaction Day	Until the next Transaction Day (effectively 1 year)	Roll, increase, or roll-off

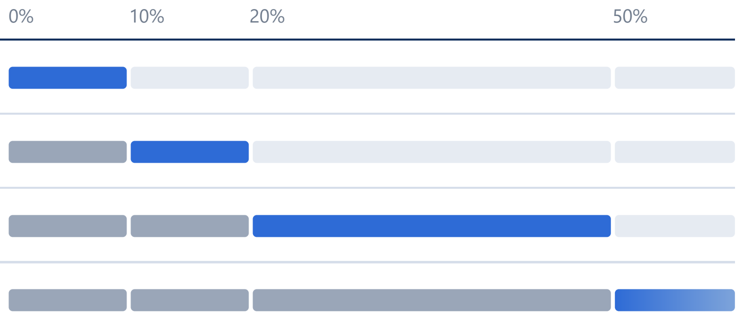
This presents the opportunity for investors to strategically allocate their capital across the four Sub-Funds for a liquidity profile that is best suited to their needs.

If they wish to withdraw, investors may issue a **Withdrawal Notice**[11] 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**[12] 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, Priori applies a tiered performance fee charged on excess return above the SPY total return benchmark, payable only above the **High Water Mark**[13] of the relevant Sub-Fund. 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	INVESTOR RETAINS
0-10%	**20%**	80%
10-20%	**30%**	70%
20-50%	**40%**	60%
50% or more	**50%**	50%



Outperformance charged at this rate · Charged at lower tier rates · Higher tiers

Each bucket takes only the outperformance that falls within it. A bucket must fill before any excess overflows into the next and is charged at the higher rate. A higher rate is never applied to the whole of the excess return.

Worked example, 25% outperformance of SPY. The first 10 points are charged at 20% (2.0 points), the next 10 points at 30% (3.0 points) and the final 5 points at 40% (2.0 points): a total performance fee of 7.0 points, or 28% effective. A flat 40% rate on the same 25 points would charge 10.0 points; the bucket system charges 7.0.

Priori employs a **High Water Mark (HWM)**[13] 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 is a tax and transaction efficiency: it avoids charging fees on manager-held capital that is reinvested into the Sub-Funds.

Operating Model and Oversight

Priori runs its back office on agentic AI connected to the firm's internal database. Tax accounting, fund administration, unit pricing and reconciliation run continuously rather than in a monthly batch. The two managers remain responsible for market research and execution, and review the entire operation.

DIRECTORS ONLY

Manager-led

- Trade execution
- Position sizing
- Portfolio construction
- Research interpretation
- Investment decisions
- Risk appetite
- Final approval of all reporting

MANAGER DIRECTED

AI-enhanced

- Research coverage and data gathering
- Market and position monitoring
- Routine risk analysis
- Fund metric tracking
- Scenario and sensitivity runs
- Document and filing review

UNDER MANAGER OVERSIGHT

AI-led

- Tax accounting
- Mark-to-market NAV calculation
- Unit pricing
- Trade reconciliation
- Fee and tax accrual
- Reporting data and design
- Audit trail

WHY IT MATTERS TO AN INVESTOR

A substantial proportion of repetitive back-office work is automated, which keeps overheads low and lets a small team spend its time on security selection, portfolio construction and risk management. Those savings are passed to investors through the absence of a management fee.

AUDITABILITY

Administration runs against a single internal database, so valuations, unit prices, fee accruals and tax provisions are reproducible from source records rather than reconstructed at period end. Nothing is released without manager review.

SCALABILITY

The operating model is designed to scale without a corresponding increase in headcount. Administration, valuation, tax and reporting are integrated through proprietary back-end platforms rather than assembled from disconnected spreadsheets, so the cost of servicing an additional investor or sub-fund is close to unchanged. Each function draws on one governed data source with permissioned access and a complete audit trail, which lets capacity grow without diluting control.

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, concentration risk, leverage risk, derivatives 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.

Priori’s equity book is deliberately concentrated. Multiple independent lines of research tend to identify the same economic themes as offering the strongest prospective returns, and diversification into lower-conviction businesses would dilute expected returns without necessarily improving resilience. Position sizes are supported by intensive monitoring, explicit valuation work and a disciplined distinction between temporary price volatility and permanent impairment of capital. Concentration means that the performance of a small number of holdings can have a material effect on the value of the Fund, in either direction.

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 held by the Priori Capital Management Trust under the Master Trust Deed and a Sub-Fund establishment deed per vintage, with Priori Capital Management Trustee Limited as trustee on behalf of investors (as beneficiaries). The Manager is responsible for investment management, administration, valuation and reporting; the Trustee oversees the operation of the Fund on behalf of investors. 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.

Priori Capital Management Group

Priori Capital Management Limited	**Priori Capital Management Trustee Limited**	**Priori Capital Management Trust**
(acting as manager)	(acting as trustee)	(holds the Fund Assets)

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)**[14], NAV, fees, and other relevant metrics.
- Quarterly Intelligence Reports with Priori's up-to-date market outlook.
- An Annual Report: a holistic review of the completed year covering strategic, operational and ESG matters alongside the financial result.
- Annual letters from the founders.
- Direct manager access: portfolio-level questions go to the manager responsible, not to a relationship desk.
- Any other material updates the Fund Managers wish to share.

Priori will look to respond **within one business day** to all forms of communication from its investors.

Contact Details

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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. The benchmark return is sourced from S&P Capital IQ and converted to New Zealand dollars at a rate locked at the start of each Fund Year, so that performance is measured on a NZD currency-neutral basis. We deduct the tax liability of the Fund directly attributable to that return. As an explanation of scale, the FIF-equivalent charge is estimated as 5% of opening NAV multiplied by the 28% unit trust tax rate, an approximate 1.4 percentage point annual return drag, plus any applicable quick-sale adjustments and Financial Arrangements (or equivalent) tax charges the fund experiences as a result of its derivative trades. We do this as it is more reflective of the total return an investor can achieve passively.

5. **Fund Year** - For a Sub-Fund, the 12-month period from its Commencement Date to the next Transaction Day.

6. **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, or who is otherwise a wholesale investor under Schedule 1 of that Act.

7. **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.

8. **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.

9. **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).

10. **Commencement Date** - The inception day of a Sub-Fund. Follows the first Transaction Day of a Sub-Fund.

11. **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.

12. **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.

13. **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.

14. **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.