



SMILE RIGHT
INFORMATION MEMORANDUM

SMILE RIGHT

FIXED INCOME DENTAL INDUSTRY FUND

Important Information

This Information Memorandum (Information Memorandum), dated 22 December 2017, is an important document and should be carefully read in its entirety.

This Information Memorandum has been prepared by KNR Investments Pty Ltd (ACN 114 490 087) (KNR), as the Trustee of the Smile Right Fixed Income Dental Industry Fund (Fund).

The investment opportunity presented by KNR is for Units as described in this Information Memorandum (Offer). KNR has appointed Smile Right Pty Ltd (ACN 601 445 041) (Manager) as the manager of the Fund. The Manager is not responsible for the contents of this Information Memorandum, and does not endorse or support any statements or projections made in it. KNR is limited to offering, receiving application monies and arranging for the issue of the Units offered under this Information Memorandum.

KNR has engaged Questus Capital Solutions Limited (QCS), Australian Financial Services Licence No 227201 to issue the units being applied for under this Information Memorandum. Neither the Manager QCS nor KNR guarantees the performance of an investment under this Information Memorandum or the obligations of any other persons in connection with the Offer. Further details of KNR are set out in Section 5 of this Information Memorandum.

The information presented in this Information Memorandum is for the sole use of, and may only be acted upon by, its recipient. It may not be distributed by the recipient to any other person without the prior written consent of KNR.

The Information Memorandum has been prepared by KNR based on information available and facts and circumstances known to it as at the date of the Information Memorandum.

This Information Memorandum may contain some general investment advice, however, it does not take into account an individual Investor's financial objectives, financial situation or needs, and each investor should consider the appropriateness of the information contained in this Information Memorandum.

Each investor should seek their own financial advice from a suitably qualified and licenced adviser or authorised representative. This Information Memorandum is available in electronic format. If you receive this Information Memorandum electronically, please ensure you have received the whole Information Memorandum. If you are unsure, please contact KNR on 08 9489 4444 or the Manager on 1300 793 983.

All amounts referred to in this Information Memorandum are in Australian dollars. Throughout this Information Memorandum certain terms are used and we have included a glossary of terms in section 11 of this Information Memorandum.

This Information Memorandum does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person whom, it would not be lawful to make such an offer or to issue this Information Memorandum. It is the responsibility of any investors outside Australia to obtain all necessary approvals for the issue of Units to an investor pursuant to this Information Memorandum. The receipt of a completed application form by KNR will constitute a representation and warranty by an investor that all relevant approvals and consents have been obtained by the investor in relation to an investment in the Fund.

Photographs contained within this Information Memorandum are for illustrative purposes only.

All investors are advised to obtain independent legal and taxation advice in regard to an investment in the Fund.

This Information Memorandum is intended only for "wholesale client" investors (as defined under sections 761G and 761GA of the Corporations Act). This document is not a disclosure document or product disclosure statement for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. This Information Memorandum has not been prepared to the same level of disclosure required for a product disclosure statement or prospectus.

Offer by KNR

The offer under this Information Memorandum is made by KNR. KNR is the holder of Australian Financial Services Licence (AFSL) No. 356442 which allows KNR to deal in financial products including the Units offered under this Information Memorandum.

KNR in its capacity as trustee of the Fund has entered into the Management Agreement with the Manager.

All application forms and application money must be sent to KNR. Application money cheques must be made payable to KNR. Once an application is accepted by KNR, KNR will arrange for the issue of the Units to the successful applicant. Refer to section 7 for more information on how to apply.

The functions performed by KNR should not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer to any person. KNR does not guarantee the success or performance of an investment under the Offer or the return to be achieved by investors.

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INTRODUCTION

The Fund is a dental industry disruptor providing patient communication and consumer credit products for dental procedures.

The team behind the Fund have identified many significant gaps in most dental practices communication strategies, business practices and compliance procedures. In the process of solving these problems, the team has built a unique business model that encourages a participating dental practice to offer the Fund's finance products to ALL of their patients.

The team have developed a unique dental treatment communication and financing platform through the use of a mobile and desktop application that allows participating dental practices to prepare a tailored treatment plan for each patient who can then take full control of their treatment plan and financing (Smile Right Platform). With the Smile Right Platform there is no waiting for credit checks, or tedious paperwork to be completed. Patients simply follow the steps as the Smile Right Platform guides them through the application process. Once approved, the Fund will handle the transfer of funds directly to the dental practice once they have completed the patient's treatment, giving each patient the peace of mind that the costly finance side of the process has been handled automatically and professionally.

The use of the Smile Right Platform is free to the dental practice, meaning there are no barriers to entry, and provides the potential to dramatically improve patient communication, practice efficiency and overall profitability for the practice. The Smile Right Platform improves the accessibility of costly dental procedures for a wide range of patients where funds previously may not have been immediately available. For this reason, the team behind the Fund expect widespread industry uptake.

The Fund makes dental treatment more affordable for a far greater range of patients who may never have been offered finance for dental procedures in the past, whilst concurrently building a finance portfolio of performing consumer loans.

This makes the Fund and the Smile Right Platform a unique fintech offering in the marketplace.

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KEY FEATURES OF THE FUND

Feature	Description	
The Fund	The Smile Right Fixed Income Dental Industry Fund	
Trustee or Responsible Entity	KNR Investments Pty Ltd (ACN 114 490 087), which holds Australian Financial Services Licence (AFSL) No. 356 442 issued by ASIC	
Manager	Smile Right Pty Ltd (ACN 601 445 041)	
Investment Portfolio	The Fund will raise equity to provide a Finance Facility to Smile Right Capital to fund business development and competitive loans to dental patients using the Smile Right Platform.	
Fund Size	The Fund is an open ended fund, however the Fund's target size is \$20,000,000. There is no minimum subscription required for the fund to proceed.	
Unit Price	\$1.00 per unit	
Investor Eligibility	Investment through the Fund is only available to wholesale investors (as defined in the Corporations Act)	
Minimum Investment Amount	\$10,000	
Investment Term	<p>Terms of 3 and 5 years will be offered to potential investors. Class A Units will be automatically redeemed after 3 years, whereas Class B Units will be automatically redeemed after 5 years (subject to certain events occurring).</p> <p>Near to the end of the respective investment term, investors will be provided an opportunity to reinvest in the Fund on the terms and conditions that prevail at that time.</p> <p>If an investor chooses not to reinvest in the Fund, at the end of the selected term the Units will be automatically redeemed. The Redemption Price of the Unit will be calculated at the Net Assets Value per Unit at the time of the redemption.</p>	
Return Target / Distributions	<p>The targeted returns to Investors after the payment of Fund expenses and the Managers fees are:</p> <p>Class A Units 3 year term – 5.5% pa Class B Units 5 year term – 7.5% pa Distributions to Unit Holders will be paid quarterly.</p>	
Capital Underwriting	This offer is not underwritten.	
Fees	Licensing Fee	\$12,000
	Information Memorandum & Services Fee	\$20,000
	Quarterly Compliance Fee (paid quarterly in arrears)	\$4,000/quarter – FUM \$5.0 million \$6,000/quarter – FUM \$10.0 million \$8,000/quarter – FUM \$25.0 million \$15,000/quarter – FUM \$100.0 million
	Capital Raising Fee	Where the Capital for the Trust is raised by the Manager, no fee is payable on that portion of the Capital raised. Where the funds are raised by the Trustee/ Responsible Entity or its agents, up to 3% of the funds raised for a 3 year investment term and up to 5% for a 5 year investment term.
	Management Fee	Calculated as the Net Income of the Fund over and above the targeted returns.

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ABOUT THE SMILE RIGHT PLATFORM

3.1 Dental Marketplace and the Smile Right Platform

The Trustee on behalf of the Fund has entered into a Finance Facility Agreement with Smile Right Capital to lend to Smile Right Capital funds to finance the credit products provided for dental procedures. The opportunity to provide the finance for the dental procedures is driven by the deployment of the Smile Right Platform into the Dental Practices.

As set out in section 3.2 below, the dental marketplace is undergoing change. It is for these reasons that the team behind the Fund, and the Smile Right Platform, have identified a unique opportunity to disrupt the dental industry. Through applying principles from other industries and the use of the Smile Right Platform, the opportunity exists to make costly dental procedures more affordable to a wider range of patients through offering affordable and competitive financing options, specifically tailored to each patient's specific health needs. By delivering more competitive and tailored financing options, both patients and dental practices will benefit from a more hassle-free process therefore improving practice utilisation and profitability.

The financing extends to a wide range of restorative, cosmetic and preventative dental procedures including, but not limited to: dental braces, bridges, dentures, veneers, crowns, fillings, implants, bleaching, whitening and wisdom teeth extraction. The wide range of procedures that may be financed increases the potential pool of patients that will opt for financing through the Smile Right Platform.

3.2 The Dental Marketplace is Changing

Australian dental practices are experiencing unprecedented competition and pressures on practice income and profitability. The main problems faced by dentists today are:

1. Supply & Demand

The supply of dentists exceeds the demand for their services, with projections from the Australian Dental Association that there will be a surplus of approximately 1,000 dentists by 2020.

2. High cost of procedures

The high cost of many dental procedures puts them out of reach for many patients. Dentists are often compelled to provide cheaper treatment plans to ensure affordability, with such lower cost procedures often being sub-optimal for the patient and considerably less profitable for the dental practice.

3. Dental Tourism

Low-cost overseas jurisdictions are emerging as competing providers to Australian practices, particularly for more expensive cosmetic dental interventions.

4. Under-utilised practices

The shortage of demand means that many dental practices have surplus capacity within their dental practice – with a significant fixed cost base, the cost to the practice of undertaking additional dental procedures is low.

5. Insurer competition

Industry insurers have established competing dental practices through which favourable rebates are available to patients.



Improved procedure affordability and practice utilisation are critical factors for Australian dental practices.

3.3 Why do dentists need to offer finance?

It is widely accepted that if you offer finance, business is likely to improve. This poses the question: Why aren't dentists offering finance to all their patients? With a tightening economy, and increased competition from health insurers, many dental practices are starting to feel the need to become more creative in their offerings to patients. For many dental practices in the past, offering finance was just too hard. It required too much paperwork, too much staff time, and often the finance company demanded a large proportion of the treatment fee through pushing dental practices towards offering products including interest free periods. Dental practices that can offer patients flexible, competitive and affordable finance options however, can expect more business and greater returns from those patients.

3.4 Why sustainable repayments?

It's important to consider the fact that financing treatment is distinct from the treatment itself and the patient-care function of a dental practice. It requires a different, and sometimes opposing, business philosophy. The law states that credit providers must not enter into a contract that is unsuitable for the borrower, such as a loan they can't repay without suffering hardship or a contract that doesn't meet the borrower's requirements and objectives. The only way this can be achieved is by offering affordable repayments.

When a patient's ability to repay a loan is assessed, the Smile Right Platform will consider the surplus income at the end of each week for each patient, that is their income less all living expenses. The Smile Right Platform allows for a margin for unexpected events such as sickness, loss of job, unexpected expenses, etc., and if after all of this has been taken into consideration the patient will have sufficient capacity to service a loan, then approval is granted. This is illustrated through an income and expense comparison diagram as the patient moves through the application process.

What is telling is for a significant number of consumers, is that this "surplus" can be less than \$100 per week and if you watch the news, more and more we are hearing about financial stress becoming a major social issue. Recommending short term payment plans or interest free periods with large monthly repayments (as some other lenders do), will only compound the problems faced by borrowers.



3.5 Why Invest?

The Fund is assisting in changing the dental industry by applying principles successfully applied in other industries. Specialising in banking and finance, the team behind the Fund are serial fintech disruptors with extensive background and experience. The team has seen what other industries do well, and are amazed how ripe the dental industry is for disruption.

With the Smile Right Platform there are no closing times, annual leave or days off. With the Fund, you can invest with confidence knowing the Smile Right Platform is always working hard for you.

3.6 How the Smile Right Platform works

With the Smile Right Platform patients can request finance quickly and easily. The dentist prepares a treatment plan for the patient and using the Smile Right Platform selects the nature of the treatment. The patient is sent the “treatment plan” as well as supportive “sales information” appropriate to the procedures selected.

With the Smile Right Platform, the treatment plans have videos and/or brochures attached explaining the benefits of the various treatments being offered. The “sales information” is all maintained in one location ensuring uniform delivery of all communication which is branded with the dental practice’s details.

The patient receives an invitation electronically (by email and text) that directs them to an online “Clinical review/Patient card” to make a decision about which treatment to undertake.

Currently in most dental practices a significant portion of patients are presented with a full fee for treatment as they leave the dental surgery and are left to consider the costly procedure without being offered any additional solution-based financing options or supporting sales documentation.

Proactive dental practices may follow up with the patient to inquire if they’ve made a decision regarding the proposed treatment, but many practices resist this as it may deter the patient away from undergoing the procedure. Many patients delay or ignore treatment

because there is no system in place to track and encourage a response to the presented treatment. This is where the Smile Right Platform offers its most significant value proposition.

Each dental practice utilising the Smile Right Platform puts each treatment plan through the online portal. The treatment plan is then “presented” a number of options – proceed with cash or card, defer, decline and an option to finance. That way all proposed treatments are tracked, and with fully automated reminders the computer system gently “nudges” patients towards a decision regarding the proposed treatment. The practice sits behind the fact it’s the Smile Right Platform contacting the patient and not the dental practice itself which dramatically changes the dynamics of the process.

Even where the decision is no, the Smile Right Platform surveys the patient as to the reasons why they are not proceeding (i.e. Fear, Cost, Not what I wanted) giving the dental practice the best opportunity to determine why the patient has decided against treatment and to adapt the practice’s systems accordingly, or to follow up the patient if required to discuss in person.

Finance is the Fund's Trojan horse

Ever bought a car? There is a limited expectation that a buyer will pay cash for it. It's almost assumed a buyer will finance the purchase. Why should costly dental procedures be any different? A few implants or a smile full of veneers can be just as costly as a new car.

Every treatment plan a practice prepares is automatically funnelled through the Smile Right Platform which then offers the patient competitive and affordable finance through a sophisticated, professional, elegant and easy-to-use operating system. The genius of this is that it lets the practice keep track of all suggested, recommended and diagnosed treatments through the use of regular notifications and updates. The patients are never pressured, they don't have to use the finance, but the option is presented at every possible opportunity in a non-invasive manner.

Value proposition to practices

Ongoing access to the Smile Right Platform is free. The Fund proposes to generate revenue through financing dental treatments. The Smile Right Platform's presentation is subtle with finance being just one of the potential options the patient is given.

The team behind the Fund knows that if every plan is put through the Smile Right Platform enough patients will choose the financing option for the rest of the service to be able to be provided for free. In addition, the Smile Right Platform integrates with each dental practice to provide a unique finance page for each practice's website. An example can be seen at www.leadingedgedental.com.au/finance.



3.7 Leveraging the Latest Technology

With the Smile Right Platform, patients can request finance quickly and easily – or can be invited to apply directly – with the unique technology providing patients with a real-time response.

There's no waiting period or requirement to fill out tedious paperwork, patients simply follow the steps as the application guides them efficiently and effectively through the finance process. Once approved, all loan documentation is signed online (no paperwork) by the patient and the Fund will settle the funds electronically directly to the dental practice once treatment has been completed, providing complete peace of mind that at all times the process is being handled professionally with all appropriate safe guards in place.

At a glance, the key technologies utilised by the Smile Right Platform are:



Auto-fill technology

The team behind the Fund acknowledge that filling out tedious paperwork, as is the requirement at most banks and credit providers, can be repetitive and time consuming. As such the Smile Right Platform pre-fills certain sections of the patient's application saving considerable time and hassle.



Commanding views

As the patient moves through the application process, the Smile Right Platform will display the patients income and expense comparisons giving them a clear illustrative view of the affordability of the finance. The Smile Right Platform also lets the patient clearly see that status of their application using a timeline at the top of the application page.



Instant credit and ID checks

Obtaining credit and ID checks is arguably one of the most time-consuming aspects of any finance application, however with the Smile Right Platform these checks are instant providing applicants with immediate responses.



Digital document signing

The Smile Right Platform utilises unique technology allowing all documentation to be signed digitally, eliminating the need to scan paperwork back and forth between applicants and credit providers.



Instant funds

Once an application has been approved the Smile Right Platform immediately notifies the dental practice with the settlement of funds from the Fund occurring after treatment has been completed.

Applications anytime

The Smile Right Platform is like having a personal finance representative on hand at all times. The Smile Right Platform provides technology which allows patients to apply for finance via a personalised financial products page on the practice's website at any time of the day.

The team behind the fund acknowledge that with many dental procedures, particularly restorative and preventative procedures, that time is of the essence and for this reason have developed a straightforward application process that takes a few minutes to go through, and the automated checks happen in the background without the applicant even noticing. The Smile Right Platform's software collects information as the patient moves through the application process, and pre-fills relevant sections where possible.

Personalised finance for a personalised experience

From the application invite screen, the dental practice can personalise each patient's invitation for finance with the product and finance details which best suit their particular needs, and can write a short message to accompany the email each patient receives.

Once sent, the patient receives their personalised "patient card" link via email and SMS which takes them to the start of the application process. Once the application has been accessed the patient can review the proposed treatment and optional financing information in a modern, user-friendly interface utilising the latest technologies as set out above.

The patient can choose whether they wish to proceed with the treatment and are presented with information on the various methods of payment, including the option to apply for finance.

The Dashboard

The dashboard within the Smile Right Platform is the command centre. At a glance, it allows the dental practice to know:

1. Which patients have been sent an invitation for finance;
2. If the invitation has been read or not by the patient; and
3. Which patients are proceeding with finance, and the status of each application.

The dashboard saves the dental practice considerable time by eliminating the need for endless follow up phone calls and emails which more often than not deter patients away from treatment.

Keeping the dental practice one step ahead

As the patient progresses through their application, the Smile Right Platform keeps the dental practice updated through a series of notifications explaining the status of each application.

When the patient's finance has been approved, when the patient is ready to begin treatment, or if there's any issues with finance, the dental practice will be informed straight away.

The practice of the future

The Smile Right Platform can run on almost any internet connected mobile device with a web browser. A patient, handed a tablet PC in the dental practices reception area, could arrange quick, competitive and affordable finance for their procedure on the spot eliminating any lag time or potential for the patient to enquire at competing dental practices.

Email & SMS notifications

Patients and dental practices are kept informed every step of the way with all potential applications through a series of SMS and email notifications.

From their initial invitation for finance through to the final settlement, dental practices and patients alike will receive updates about the application directly. Every communication sent and received is recorded, and the dental practice can see when the patient views the notification, as well as when they take action.

In addition, if a patient overlooks an application, or an invitation is at risk of expiring due to inaction, the patient will receive automated periodic text and email reminders. The dental practice also receives these reminders.

Step-by-step applications

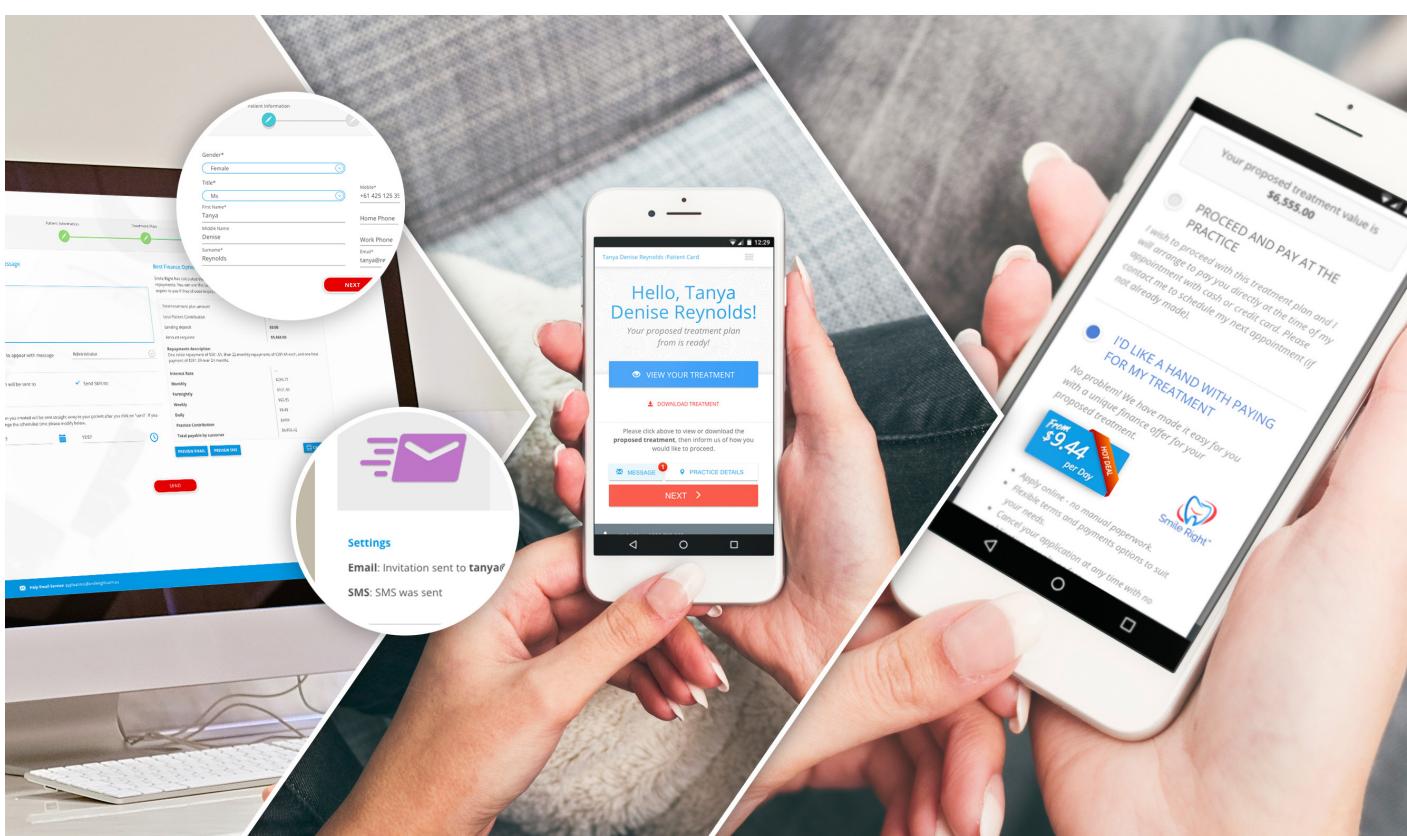
The application process on the Smile Right Platform takes only minutes to complete, and runs all the required background checks on the spot, providing the patient with immediate feedback on the status of their application.

Initially, the patient provides all their basic identity and financial details. The Smile Right Platform then cross-checks the identity and credit information of each patient, and provides them with feedback about their application through SMS and email messages.

Once a patient is conditionally approved for finance, the Smile Right Platform presents the patient with the contract and legal documentation to digitally sign. Once approved, the patient and the dental practice are notified so that treatment can commence at a time that is mutually agreed upon between the dental practice and patient. Funds are settled directly into the dental practices account. Settlement can occur in one up-front payment if appropriate, or over time in multiple payments as treatment is performed.

Stop, start. Any time.

A key advantage is that the Smile Right Platform remembers where a patient is up to in their application at all times. If a patient needs to leave the application for any reason, or simply wishes to stop and pick up the application at a later stage, the system remembers where the application was up to.



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**ABOUT
THE FUND**

4.1 Corporate Structure

The Trustee on behalf of the Fund has entered into a Finance Facility Agreement with Smile Right Capital to lend to Smile Right Capital funds to finance the credit products provided for dental procedures.

The Manager is a Credit Representative (No 496359) under Australian Credit License: 468425, issued to the Licensee, and has entered into a servicing agreement with Smile Right Capital for the origination and Management of the loans to the patients. Smile Right Capital is the Lender of Record. The Manager is a specialist provider of consumer credit products for dental procedures. The finance products are offered to patients through, and in partnership with, dental practices.

The Manager on behalf of Smile Right Capital enters into the Loan agreement with the borrower to finance the borrower's dental procedures. Smile Right Capital pays the dentist for the procedures when the dental procedures have been completed. Upon the borrower making the first loan payment, the loan is considered to be a Performing Loan and Smile Right Capital will draw down under the Finance Facility the value of the outstanding principle amount, less the Retention Amount. The major terms of the Finance Facility Agreement between the Fund and Smile Right Capital:

- **Security:** The Fund will hold a Specific Charge over the portfolio of Performing Loans of Smile Right Capital.
- **Repayment:** The repayment term for each draw down by Smile Right Capital reflects the repayment term of the respective Performing Loan between Smile Right Capital and the Borrower. Borrower repayments are housed in a separate bank account that forms part of security provided to the Fund. Funds in this account can be applied to meet the obligations by Smile Right Capital to the Fund.
- **Retention Amount:** On the draw down made by Smile Right Capital for a Performing Loan, an amount equal to 3% of the principle amount outstanding on the Performing Loan is retained as a security provision for the benefit of the Fund.
- **Non Performing Consumer Loans:** Where any Performing Loan which forms part of the Security stops performing (e.g. borrower declaring insolvency) or is 45 days or more in arrears with their repayments, it is considered to be a Non-Performing Loan and Smile Right Capital is required to repay to the Fund the principle and interest outstanding of the Non-Performing Loan minus the Retention Amount.
- Where a dispute arises between the patient and the Dental Practice over the dental procedures performed, Smile Right Capital is required to ensure that the Dental Practice indemnifies Smile Right Capital against any loss or damages suffered as the result of the dispute.

Pursuant to the Management Agreement, the Manager, Smile Right Pty Ltd, is required to do all acts, matters or things reasonably necessary for the management of the Fund. A summary of the Management Agreement is contained in Section 4.5.

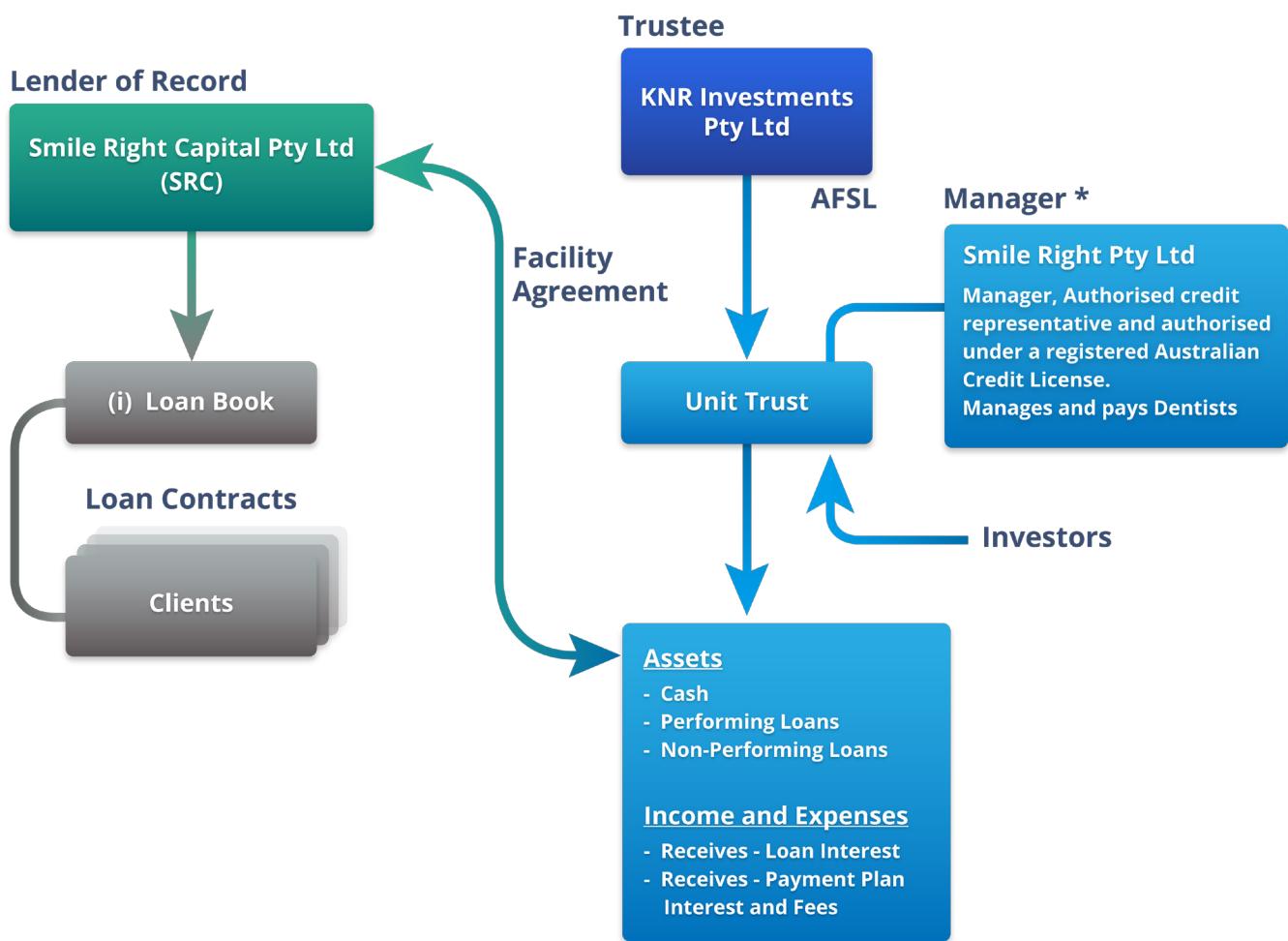
In performing its management duties pursuant to the Management Agreement, the Manager is responsible for various operational, accounting, management and facilities support including managing the Facility Agreement and calculating the net asset value and net asset value per Unit in accordance with the Trust Deed.

Smile Right Capital has delegated the all of the administration and management of the loans to the Licensee who have sub-delegated these obligations to the Manager.

The Trust Deed provides that KNR may determine, in its discretion, valuation methods and policies for the Units and change them from time to time. Unless KNR determines otherwise, the value of a Unit for the purpose of calculating Net Class Value will be its net asset value calculated in accordance with the Australian Accounting Standards.

The Manager has entered into outsource loan servicing and software licensing agreements – thereby ensuring regulatory compliance and avoiding fixed or up-front establishment costs associated with these key activities.

Smile Right Capital is a responsible lender and as such the Manager will only provide sustainable and affordable loans to borrowers who satisfy a rigorous screening process. It is for these reasons that the Fund's Security for the Finance Facility will contain an extensive loan book of performing loans, which will mitigate any risk associated with loans becoming non-performing ensuring consistent returns for investors.



4.2 Business model

The Fund will earn its interest revenue through borrowings to Smile Right Capital under the Finance Facility Agreement which the funds are used for the financing of dental treatments to patients.

The interest charged to the patients on their loans will vary depending of the type of loan taken. The interest rate charged varies between 13.95% and 16.95% and is subject to change. The loan products available to patients on the dental procedures involved and may vary from time to time. For further information on the loan products offered by Smile Right Capital can be found at <https://smilerright.com.au/products.html>

If Smile Right Capital is not able to generate the loans from dental patients and is not required to drawdown under the Finance Facility Agreement, and if the Trustee considers it to be in the best interest of the Unitholders, the Trustee may redeem the Units to the Unitholders.

The direct fund expenses and costs incurred by the Manager on behalf of the Fund are paid out of the Fund's revenue. The formation expenses will be amortised in accordance with the initial investment terms and are included in calculating the net income of the Fund. After the payment of all Fund expenses, the Fund has a targeted return to investors of:

- *5.5% for a 3-year investment term; and*
- *7.5% for a 5-year investment term.*

Please note that these are not forecasts or guarantees, but are merely targeted returns.

The net income of the Fund is calculated as follows;

Interest and fees from Smile Right Capital under the Finance Facility Agreement

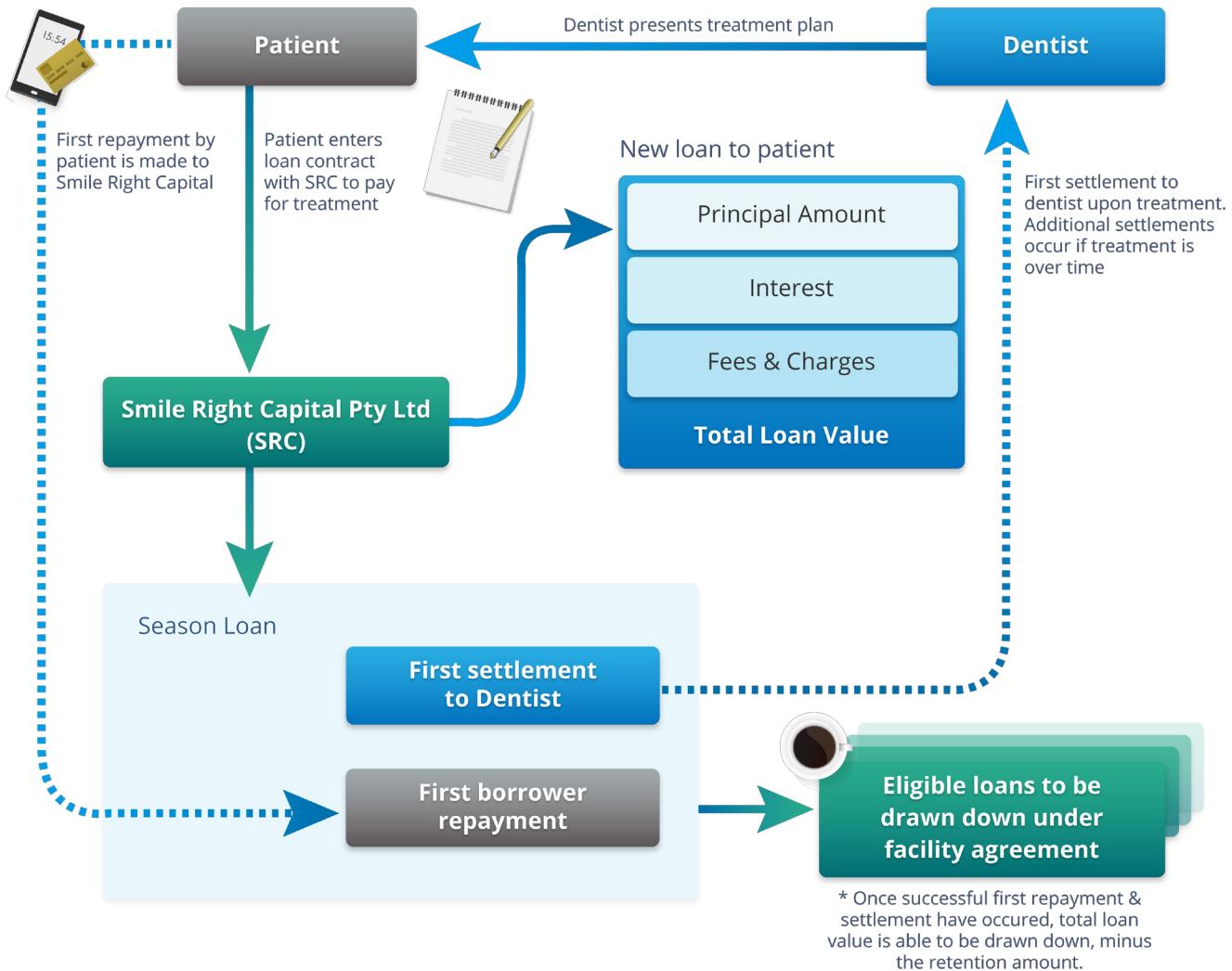
add	Other interest received
less	Fund expenses
less	Management Fee
equals	Net Income of the Fund

In consideration for managing the affairs of the Fund, the Manager is entitled to a fee. However, the fees payable to the Manager are fully performance based. If the Fund does not meet its targeted returns, then the Manager is not entitled to receive a Management Fee. Where the net income of the Fund exceeds the targeted returns, prior to the management fee being deducted, then the Manager is entitled to a fee equal to the amount of the net income of the Fund over and above the targeted returns. Please refer to Section 9 for more details of the fees.

The Fund will at all times retain at least 3% of funds under management in cash reserves to fund unforeseen expenses and non-performing loans until they have been repaid by Smile Right Capital to ensure targeted distributions are met, the Fund will retain an amount equal to the first interest payment for the loan at the time of its settlement.

In addition Borrower repayments on Performing Loans are housed in a bank account that forms part of security provided to the fund. Funds in this account can be applied to meet all obligations by Smile Right Capital to the Fund.

The loan origination process is demonstrated diagrammatically below:



4.3 Security of Investments

The assets of the Fund will be made up of cash at bank and the principal amount outstanding of all Performing Loans under the Finance facility Agreement.

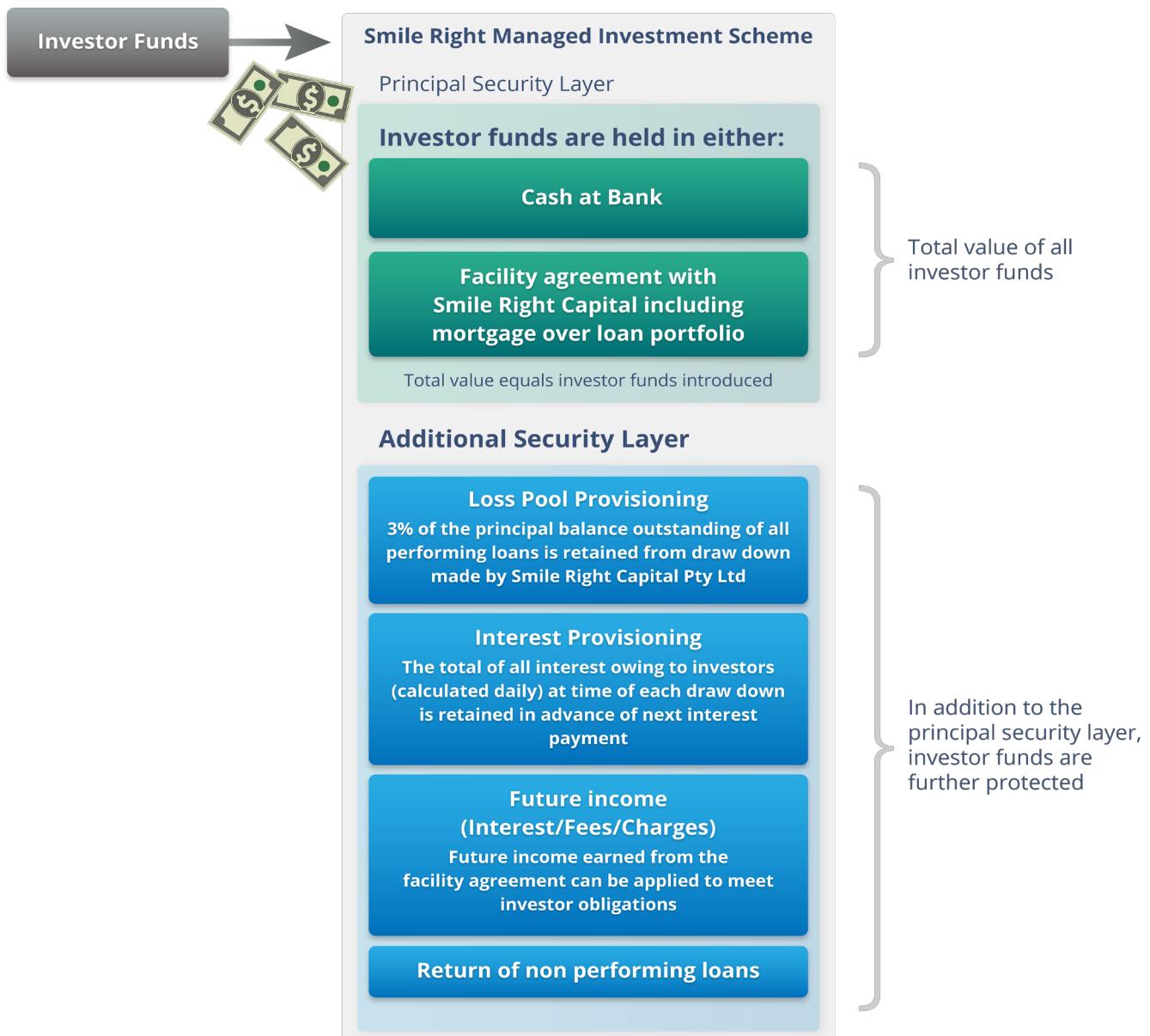
The originator of the loans to the dental patients is the Manager on behalf of Smile Right Capital (ACN 139 675 424) who is the Lender of Record. The Manager is Credit Representative (No 496359) authorised under the Credit License of Automated Collection Services Pty Ltd (ACN 144 738 796) (Australian Credit Licence No 468425).

Upon a borrower making the first loan payment to Smile Right Capital, the loan is considered to be a Performing Loan and Smile Right Capital will draw down from the Finance Facility the value of the outstanding principle amount, less the Retention Amount.

The Fund will hold Specific Charge over the portfolio of Performing Loans of Smile Right Capital.

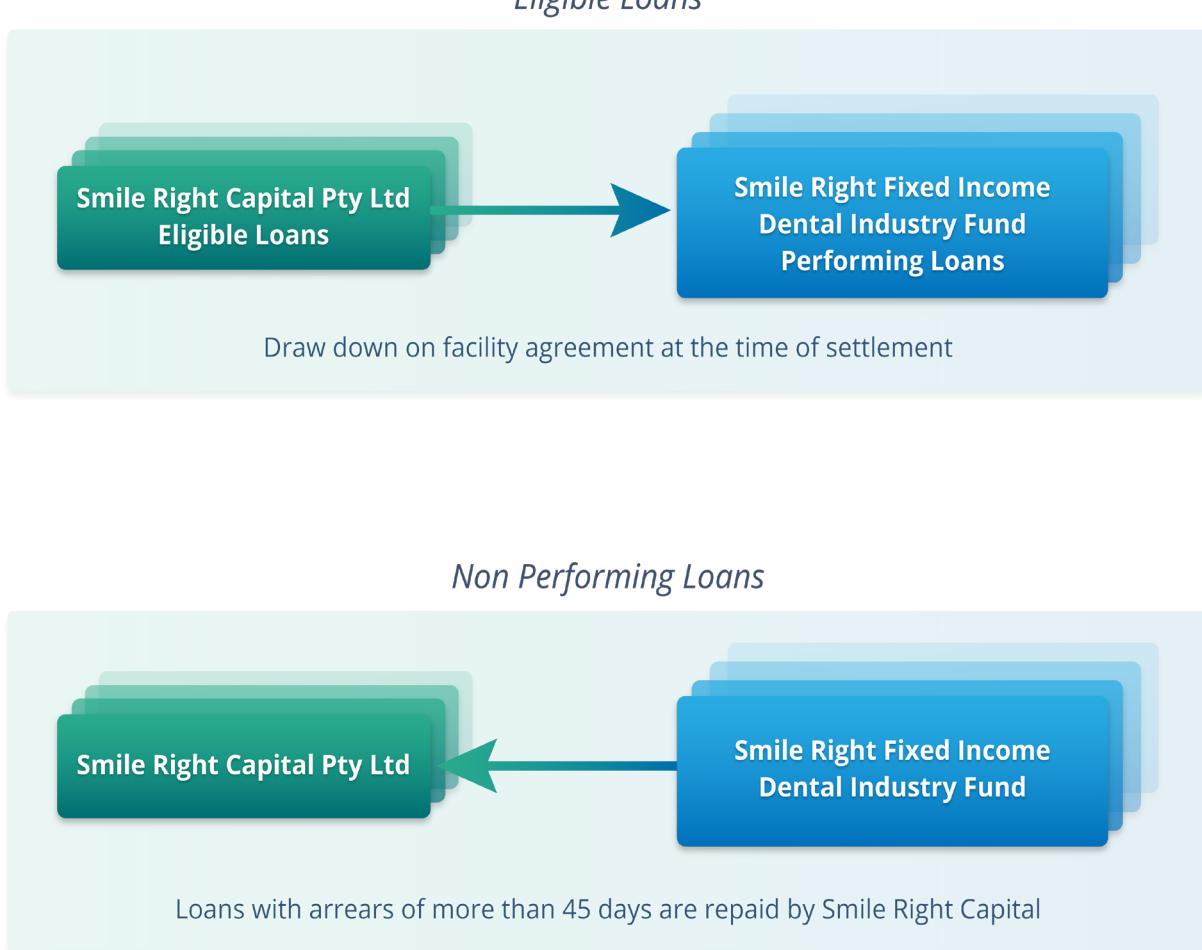
Where any Performing Loan which forms part of the Security stops performing, or is 45 days or more in arrears with their repayments, it is considered to be a Non-Performing Loan and Smile Right Capital is required to repay to the Fund the principle amount and outstanding interest of the Non Performing Loan minus the Retention Amount. Therefore, the loan portfolio making up the security will only ever contain Performing Loans, and the risks associated with Non-Performing Loans is the responsibility of Smile Right Capital.

In addition Borrower repayments on Performing Loans are housed in a bank account that forms part of security provided to the fund. Funds in this account can be applied to meet the obligations by Smile Right Capital to the Fund.



For any loan that forms part of the security, stops performing or has arrears greater than 45 days, Smile Right Capital is required to repay the outstanding principle and interest relating to non performing loan. Thus the portfolio only ever contains performing loans.

4.3 Security of Investments (cont.)



4.4 Pro-Forma Balance Sheet

The Pro-Forma Balance Sheet of the Fund is based on the successful completion of the following:

- Successful applications are received for the issue of 20,000,000 Units in the Fund at \$1.00 per Unit (note that the Fund is open ended and as such the Fund is likely to issue additional Units);
- Proceeds from the issue of Units are invested into an interest-bearing bank account and are available for future loan investments to successful applicants under the Smile Right Platform;
- The following Fund formation expenses are paid from the proceeds from the issue of the Units:
 - Capital raising fees paid to KNR calculated at 3% of equity raised for a 3-year investment term.
Note: If capital is raised via the Manager then no Capital raising fee will be paid;
 - Licensing fee - \$12,000; and
 - Documentation and services fee - \$20,000

Current Assets

Cash at Bank	19,368,000
Total Current Assets	19,368,000
Non-Current Assets	
Intangible Assets-Formation Expenses	620,000
Total Non-Current Assets	620,000
Net Assets	19,988,000

Unitholders Funds

Issued Units	20,000,000
Accumulated Profits / (Losses)	(12,000)
Total Shareholders' Equity	19,988,000
Net Tangible Assets Backing per unit	96.84c per unit

The Net Tangible Assets backing is calculated by dividing the Net Tangible Assets by the proposed number of Units to be issued (20,000,000).

Net Tangible Assets are the Net Assets of the Fund minus the Intangible Assets (Formation Expenses).

4.5 Summary of Management Agreement

Smile Right Pty Ltd has been appointed as Manager of the Fund pursuant to a Management Agreement between KNR as Trustee for the Fund and Smile Right Pty Ltd dated [insert date]. A summary of the terms of the Management Agreement is as follows:

- The Manager is able to manage the Fund in its absolute discretion and carry out any and all things considered necessary or desirable in managing the Fund.
- The Manager shall do all acts and matters of things as are reasonably necessary for the Management of the Fund. However, the Manager, in its discretion, may delegate or subdelegate any of its duties or functions to any person, as it sees fit. The primary liability for any duties or functions delegated or sub-delegated will be borne by the Manager unless the appointment was made in good faith and without negligence.
- The Trustee shall ensure identification checks are conducted in line with the anti-money laundering laws. However, the Manager has the right to request further information, confirmations or statements that it deems necessary for anti-money laundering purposes.

- The Manager may act as Manager for any other persons or on such terms as agreed with that person without disclosure to the Trustee, and may acquire, hold or deal with any client's Units issued by the Fund or any Investment in which the Fund is authorised to invest, without having to account to the Trustee for any profit arising.
- The Manager's services may be terminated by either the Trustee or the Manager providing 90 days' notice.
- The Trustee confirms that it shall not unreasonably stop, restrict or restrain the Manager's arrangements or instructions, to the extent that the Manager has acted in good faith and in accordance with the Management Agreement.
- The Manager of the Fund also manages the loan portfolio on behalf of Smile Right Capital which gives rise to potential conflicts of interest. Where a conflict of Interest arises, the Manager must address the issue in a manner where the Fund is not disadvantaged in any way, or the Fund's Security under the Finance Facility Agreement is not diminished.
- On the condition that the Manager has acted in good faith, honestly and without negligence, the Manager shall not be liable to the Trustee or any Unit Holder for anything done, omitted or suffered by the Manager.
- The Manager shall also not be liable to the Trustee or any Unit holder for any loss, liability, claim, demand or expenses which may be suffered or incurred to the extent that the loss, liability, claim, demand or expense was suffered, sustained or incurred:
 - In the purchase, holding or sale of any Investment by the Trustee of the Fund;
 - By the acquisition or any Investment or entry into of any arrangements by the Trustee or any Unit Holder;
 - As a result of any inaccuracies in any report or information produced or prepared by the Manager;
 - As a result of a delay or loss of any communication or transmissions by the Manager;
 - In accordance with or pursuant to any instructions or advice of the Trustee;
 - In accordance with any legal opinion or reasonable legal advice; and
 - In reliance upon any opinion, information or advice provided by any expert competent to give or provide such advice, opinion or information.
- The Manager shall be entitled to receive a management fee calculated as the net income of the Fund for the distribution period before the payment of the Manager's fee less the target distributions. Where the target distributions exceed the Fund's net income, no Manager's fee is payable.
- The Manager shall be liable for any expenses arising from the performance of their Management duties and powers, but shall be reimbursed for all costs or expenses incurred on behalf of the Fund.

4.6 Summary of Facility Agreement

The Trustee in its capacity as trustee of the Fund has entered into a Facility Agreement with Smile Right Capital to finance the credit products provided for dental procedures. A summary of the terms of the Finance Facility are as follows:

- The Fund has agreed to make available to Smile Right Capital a cash advance facility
- The following Conditions Precedent are required to be satisfied before the facility is drawdown
 - a. the proposed Advance Date is a Business Day;
 - b. the proposed Advance is equal to or less than the principal due in respect of one or more Performing Loans in respect of which the Smile Right Capital has not previously obtained any financial accommodation from any source, less the Retention Amount
 - c. no event has occurred which constitutes or which with the giving of notice, the lapse of time, and/or a relevant determination by the Lender would constitute an Event of Default; and
 - d. the Fund has money available to lend.
- The Smile Right Capital must pay interest to the Lender on the daily balance owing of each Advance at the rate agreed between the Smile Right Capital and the Fund. Interest must be paid on the 5th day of each of February, May, August, and November; being interest that accrued in the preceding calendar quarter ending on the last day of January, April, July, and October.
- Smile Right Capital must cause the repayments to be paid into the Collections Account
- The Fund has been granted a charge over the Security to the Lender:
 - for payment of the Secured Money; and
 - to secure performance of the obligations imposed on the Smile Right Capital under the Facility Agreement;
- Smile Right Capital has granted the charge and security interest as legal and beneficial owner of the Security.
- Whilst the Fund holds a charge over the Security, Smile Right Capital must comply with the followings:
 - Not sell, assign, let, part with possession, mortgage, charge, encumber, grant a security interest, give control, or otherwise dispose of or deal with the Secured Property despite any power implied by statute or otherwise.
 - Unless an Event of Default occurs, the Smile Right Capital may retain possession of the Secured Property and may use, operate, maintain, and control the Secured Property.
 - If a law allows the Smile Right Capital to charge or grant a security interest in the Secured Property to a person without the Lender's consent, then Smile Right Capital must before doing so arrange for that person to enter into a written priority agreement with the Lender on terms satisfactory to the Lender.
- Smile Right Capital's must maintain its rights to and under the Security. Smile Right Capital must not cause or permit anything to be done by which any part of the Security may be rendered void, voidable, unenforceable, or of limited or reduced force, effect, or value.
- Smile Right Capital must comply with and observe the provisions of every act, ordinance, regulation, and all requirements of any authority at any time imposing any duty, obligation, charge, or fee on or in relation to the Security.
- Smile Right Capital must pay all money secured by, and carry out, observe, and perform promptly all of the terms, covenants, and conditions contained in or implied by every other security, if any, over the Security.

- Smile Right Capital must make all payments due under Facility Agreement or under any Transaction Documents despite anything that happens to the Security.
- Smile Right Capital must sign anything and do anything the Trustee requires to further or more effectively secure the Fund's rights over the Security, to register this security interest, or take control of any of the Security.
- Smile Right Capital must give written notice to the Trustee as soon as Smile Right Capital becomes aware of the following.
 - Any claim for compensation which arises or may arise in relation to the Security.
 - Any claim under any policy of insurance which arises or may arise in relation to the Security.
 - Any charge or security interest on the Security which arises in favour of any person including any notification of a security interest in any of the Security on the Personal Property Securities Register.
 - Any damage to or defects in the Security.
 - Any event or circumstance by which the value of the Security is or may be adversely affected.
 - Any Event of Default occurring.
- Smile Right Capital must not pledge or allow any lien to be created on any of the Security.
- Smile Right Capital must promptly discharge and satisfy all liens or pledges which attach to the Security.
- The Trustee may assign, novate or otherwise deal with its rights and/or obligations under the Facility Agreement, the Security, any other collateral document or security, or any part of them.
- Smile Right Capital must not assign, novate, or otherwise deal with its rights or obligations under the Facility Agreement, the Security, or any other collateral document or security

SMILE RIGHT
INFORMATION MEMORANDUM

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**ABOUT
KNR Investments Pty Ltd,
Smile Right Pty Ltd and
Smile Right Capital Pty Ltd**

5.1 KNR Investments Pty Ltd (KNR)

KNR is the Trustee of the Fund and holder of Australian Financial Service Licence Number 356442, issued by ASIC.

KNR's responsibilities and obligations as the Fund's Trustee are prescribed by the Fund's Trust Deed and the Corporations Act.

KNR's key management consists of David Somerville, Robert Olde, Elizabeth Lee, Alexander James Kelly and Graeme Goff. Biographies for each of the members of the key management team are set out below:

David Somerville – Chief Executive Officer

B. Bus, MBA, CPA, AFAIM

David is the Executive Chairman of Questus Limited, a funds management company he founded in 2003 – which has facilitated, developed and delivered over 2,600 affordable homes under the Federal Government's National Rental Affordability Scheme (NRAS).

David is the Chairman of the National Affordable Housing Providers Limited, and has appeared before a Senate Economics Reference Committee into Affordable Housing, several Australian Housing and Urban Research Institute investigative programs, Federal Government Ministerial Taskforces and has presented industry papers on Affordable Housing at industry seminars.

David is also Chairman of CI Resources Limited (CIR) ASX listed.

Robert Olde – Director

Dip FS, AIMM

Robert has over 20 years' experience in property investment and financial services, with a skill set encompassing core real estate development, property investment and management of direct property in both the listed and unlisted property fund arenas.

Robert studied commerce at Murdoch University and holds a Diploma of Financial Services.

Robert has worked extensively in the Australian Financial Services arena, in particular the ASIC regulated AFSL sector. Robert is currently the director of Questus' AFS licencees and a responsible manager.

Robert has previously worked for a number of private development and listed investment companies, including Kareelya Limited and Caversham Properties Group, part of the ASX listed Futuris Group of Companies. Robert has a strong background in asset identification, negotiation and funding, coupled with over 10 years in investment structuring and capital raising in the retail and wholesale investment sectors.

Robert has considerable project management experience having overseen a wide array of land subdivision, residential apartments and commercials projects, with direct handling and liaison of project consultants, statutory bodies, contractors and tenants.

Graeme Goff – Director and Company Secretary

B. Bus

Graeme is a qualified accountant with over 30 years' experience in Public Practice and Commerce with a strong focus on compliance, management systems, year-end financial reporting and taxation. He commenced his professional career in 1986 with PricewaterhouseCoopers, where he rose to the position as a Director. Graeme completed the ACA Professional Year and was admitted to the Institute of Chartered Accountants in 1992.

In 1999, Graeme joined the Kareelya Property Group as Group financial controller and was involved in the preparation of an IPO for the listing property Trust on the ASX. Graeme was also the Compliance Officer to a number of private registered management investment scheme and the director of a Responsible Entity company. Over this time Graeme has gained a wealth of experience in the property development and funds management sectors.

Elizabeth Lee – Company Secretary

B. Bus, FCIS, Grad. Dip. Corp.

Gov. ASX Listed Entities

Elizabeth has over 19 years' experience in the areas of corporate governance and company secretarial functions. Prior to joining Questus, Elizabeth held company secretarial positions for Phosphate Resources Ltd, Macmahon Holdings Ltd, Corporate Compliance Partners and Lend Lease Primelife Ltd. Elizabeth also performs contract company secretarial roles with Macquarie Bank Ltd and Austock Group Ltd.

Elizabeth holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University, a Graduate Diploma in Corporate Governance from Chartered Secretaries Australia, a Graduate Diploma in Corporate Governance for ASX listed entities from Kaplan Financial Institute and is a Fellow member of the Chartered Secretaries Australia.

KNR is part of the Questus Capital Group . For more information go to:

<http://www.questus.com.au>

Alexander James (“Jamie”) Kelly –

Compliance Manager

Dip FS, FFPA, MA

Jamie holds a Masters of Arts majoring in Funds Management from Macquarie University and a Diploma in Financial Planning Deakin University. Jamie held various positions with the Commonwealth Bank of Australia, before commencing with Mercantile Mutual in 1988 as Manager of Investment Products, in WA, then NSW and the ACT. Jamie commenced with Challenger Financial Services Group in 2000 and held the roles of State Manager in NSW, National Sales Manager of Investment Products and Manager of a range of Managed Investment Products. Jamie has extensive experience in both the retail and wholesale funds management environment.

He is a Fellow of the Financial Planner Association and has served as a committee member for the Sydney and Perth Chapters as well as service on a number of national committees. Jamie also lectures for Kaplan Education for their Diploma in Financial Services and Advanced Diploma in Financial Services. Jamie has over 30 years' experience in the funds management industry holding a number of senior executive positions, covering areas from sales, product design, funds management to compliance. Jamie is also head of Group Compliance for Questus Limited.

5.2 Smile Right Pty Ltd and Smile Right Capital Pty Ltd

Smile Right Pty Ltd Credit Representative Number 496359 is authorised under Australian Credit License: 468425, and has been appointed as the Manager of the Fund pursuant to the Management Agreement. Smile Right Capital is the Lender of Record of the loans to the dental patients.

The Manager's responsibilities and obligations as the Fund's manager are set out in the Management Agreement (refer Section 4.5). Any fees the Manager is entitled to are completely performance based. Where the net income of the Fund exceeds the targeted returns, prior to the management fee being deducted, then the Manager is entitled to a fee equal to the amount of the net income of the Fund over and above the targeted returns.

The Manager and Smile Right Capital key management consists of Steve Brown and Dr Brett Taylor. Biographies for each of the members of the key management team are set out below:

Steve Brown – Executive Director

Mr. Brown has extensive technical experience in software design, development and project management.

Formally trained as a software programmer, he has had a diverse career encompassing many aspects of the fintech and financing industry and has been actively involved in the hardware and software sectors of the computer industry specialising in system architecture and business automation.

Mr Brown's career background has included founding several high technology companies, managing technology and consulting to technology start up organisations particularly in the technical systems and development of e-commerce, electronic payment and loan management systems. Mr Brown has also been responsible for the capital raising, seed funding and business development of a number of consumer loan portfolios.

Dr Brett Taylor

BDS, FICD, FPFA, FADI

Dr Taylor has maintained a successful private dental practice for 31 years and has extensive industry contacts. He has lectured, and been published, nationally and internationally on communication related topics.

He has held dental leadership positions locally and at the State level for over 20 years, including being on the board of the Australian Dental Association NSW Branch and the ADA NSW Centre for Professional Development. He has held teaching appointments at the University of Sydney, and for various private institutions during most of his career.

In 2006 he was awarded the inaugural ADA NSW Branch Medallion for "Outstanding Contribution to Dentistry".



SMILE RIGHT
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THE INVESTMENT OFFER

6.1 The Fund Structure

The Fund has been established as a unit trust with the capacity to become a registered managed investment scheme.

The Fund was established to accept applications from wholesale investors (as defined in the Corporations Act) interested in investing in the Fund.

6.2 The Trustee or Responsible Entity

KNR Investments Pty Ltd is the Trustee of the Fund and will issue the Units applied for under this Information Memorandum.

6.3 The Manager

Smile Right Pty Ltd is the Manager of the Fund.

6.4 Offer to Investors

This offer is to raise up to \$20,000,000 from wholesale investors subscribing a minimum of 10,000 units at \$1.00 per Unit. Each Investor will elect to subscribe for either of the following classes of Units in accordance with the Trust Deed:

- *Class A Units for a 3 year term providing a targeted return of 5.5% per annum*
- *Class B Units for a 5 year term providing a targeted return of 7.5% per annum*

6.5 Investment Strategy

The Fund will raise equity to fund loans to Smile Right Capital under the Facility Agreement.

6.6 Investment Return Objective

The Manager will be targeting a 5.5% return for a 3-year investment term and a 7.5% return for a 5-year investment term.

Investors should note that these returns are not guaranteed, they are simply targets.

6.7 Minimum Subscription

The minimum investment by a prospective Investor is \$10,000 represented by an allotment of ten thousand Units at \$1.00 per Unit.

6.8 Units

All investors will apply for either Class A Units or Class B Units in the Fund, which will entitle investors to share in the income of the Fund.

Units issued in accordance with the provisions of the Trust Deed of the Fund entitle the Investor to receive, on a proportional basis to each Class of Unit, the income of the Fund. Income distributions are proposed to be made quarterly to investors.

We advise seeking independent financial advice in regard to the taxation implications of an investment in the Fund based on your personal situation.

6.9 Distribution Policy

Distributions to Unit Holders will represent the income of the Fund.

6.10 Redemption of Units

The Investors have an option of investment term of either 3 or 5 years. Near to the end of the respective investment term, Investors will be provided an opportunity to reinvest in the Fund on the terms and conditions that prevail at that time.

If an Investor chooses not to reinvest in the Fund, at the end of the selected term the Units will be automatically redeemed.

Compulsory withdrawal

The Trustee may redeem the Units of any Unitholder without the need for a withdrawal request in any of the following circumstances:

- a. The Trust is not a registered managed investment scheme.
- b. The redemption is permitted under the Terms of Issue which apply to those Units.
- c. The Trustee's is advised by the Manager the Trust has cash reserves in excess to its requirements, and in the Trustee's opinion, the cash reserves are not able to be invested in suitable investments that will generate income to the Trust to meet the Targeted Distributions.
- d. The Trust has failed or is likely to fail to meet any criteria which must be met so as to ensure the Trustee or the Unitholders are not subject to adverse Tax consequences as determined from time-to-time by the Trustee.
- e. The redemption is required by operation of:
 - legislation where the mechanism for redemption is contained in that legislation;
 - a provision in this Constitution which has been included in mandatory compliance with Australian legislation;
 - the order of a court of competent jurisdiction; or
 - a lien, the exercise of which results in a redemption.
- f. The Unitholder holds less than any minimum Unit holding amount set by the Trustee

A close-up photograph of a woman's face. She has long, dark hair and is wearing round-rimmed glasses. She is wearing a light-colored denim jacket over a dark top. Her hands are clasped in front of her.

SMILE RIGHT
INFORMATION MEMORANDUM

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HOW TO APPLY

7.1 No Cooling Off

Investors should note there is no cooling off period in relation to an application for Units in the Fund. Please ensure you have read the Information Memorandum before completing the application form (Application Form).

7.2 Application

Upon receipt of the completed Application Form and application money (Application Money), KNR will process the application for Units in the Fund. KNR may accept or reject an application in whole or in part, for any reason in its sole discretion. If your application is rejected (in whole or in part), then KNR will repay the applicable Application Money to you, less any applicable taxes, bank fees and charges.

7.3 Incomplete Applications

There may be instances where KNR is unable to process an application, for example in the event the Application Form is incomplete or incorrectly completed, or KNR does not have sufficient information from the Investor. Where this happens, KNR will contact the investor to request the necessary information. KNR is not liable for any circumstances arising from a delay in the provision of information by an Investor. KNR recommends that each Investor carefully complete the Application Form.

7.4 Providing your Tax File Number (“TFN”)

Each Investor may decide whether they wish to provide their TFN on the Application Form. However, if KNR does not receive a TFN, ABN or appropriate exemption information, KNR must withhold tax at the highest marginal tax rate (plus levies) from distributions paid to the relevant investor.

7.5 Anti-Money Laundering

In 2006, the Australian Government introduced the AML/CTF Act which required reporting entities, such as financial advisers and product issuers, to conduct client identification and verification checks. KNR is required to comply with the AML/CTF Act.

By applying for Units in the Fund an Investor agrees to the following:

- At the reasonable request of KNR, to supply, or procure the supply of, any documentation and other evidence and perform any acts to enable KNR to comply with the laws relating to AML/CTF Act; and
- KNR may report the details of any transactions or activity, or proposed transaction or activity in relation to the Units held by an Investor (including any personal information, as defined in the Privacy Act 1988 (Cth), that an investor has provided to KNR) to any reporting body authorised to accept reports under any laws relating to anti-money laundering and counter terrorism applicable in Australia or elsewhere that is in KNR's reasonable opinion is required to comply with any anti-money laundering and counter terrorism law.

7.6 Investor Information

Only legal entities are allowed to hold Units in the Fund. Applications must be in the name of natural persons, companies or other legal entities. At least one full 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 requested. Please ensure account designations are completed as shown below:

Investor Type	Correct Form	Incorrect Form
Individual Use given names in full, not initials	John William Smith	J.W. Smith
Company Use full company name, not abbreviations. Directors' names must be completed within the 'Applicant Details' section.	J W Smith Pty Ltd	J W Smith P/L J W Smith Co
Trusts Use the name of the trustees of the trust. Use the name of the trust in the 'Account Designator' section.	John William Smith as trustee for <John Smith Family Trust>	John Smith Family Trust
Superannuation Funds Use the name of the trustees of the fund. Use the name of the fund in the 'Account Designator' section.	J W Smith Pty Ltd as trustee for <Super Fund A/C>	Smith Superannuation Fund
Minor (under 18 years of age) Use the name of the parent/guardian. Use the name of the minor in the 'Account Designator' section.	John William Smith <William Smith Junior>	William Smith Junior



7.7 Identification Requirements

The table below sets out the identification documents required:

Investor Type	Identification Documents Required
Individual	<p>Original certified copy of any of the following that identify your (the applicant's) full name and either date of birth and/or residential address:</p> <ul style="list-style-type: none">• Driver's Licence; or• Passport containing photo identification. <p>Alternative identification documents can be provided if you cannot provide one of these documents.</p>
Company	<p>Copy of the Certificate of Registration/Incorporation confirming the company's name, identification number and whether the company is a public or proprietary company.</p> <p>Beneficial owners: Provide the following:</p> <ul style="list-style-type: none">• The full name of all the current directors of the company; and• Details of all persons (including full name and residential address) who are the beneficial owners of more than 25% of the company's issued capital. <p>This information may be included in a company search.</p> <p>Directors: For at least one director, provide the information required for an Individual.</p>
Trusts	<p>Original certified extract of the trust deed, e.g., first page and schedule of the trust deed, to verify the full name of the trust. Alternative documents can be provided, e.g., a letter from a solicitor or qualified accountant that confirms the name of the trust.</p> <p>Trustees: One of the trustees is required to be identified. Accordingly, please provide one of the following:</p> <ul style="list-style-type: none">• For an individual trustee, provide the information required for an Individual;• For a corporate trustee, provide the information required for a Company. <p>Beneficial Owners: Provide the following details about the beneficiaries and beneficial owners of one trust:</p> <ul style="list-style-type: none">• Full name of each beneficiary or beneficial owner; or• Details of the beneficiary classes (e.g., children, family members of named person, charitable purpose). <p>Settlor: Provide the information required for an Individual, unless the settlor is deceased or the trust was settled for an amount less than \$10,000.</p> <p>This information may be provided from the certified extract of the trust deed.</p>
Superannuation Funds	<p>Original certified extract of the trust deed to verify the full name of the superannuation fund, e.g. the first page and schedule of the trust deed.</p> <p>We may also undertake a search of the ATO's website (www.superfundlookup.gov.au) to verify the full name of the superannuation fund and that it is regulated by the ATO.</p> <p>Trustees: One of the trustees is required to be identified. Accordingly, please provide one of the following:</p> <ul style="list-style-type: none">• For an individual trustee, provide the information required for an Individual;• For a corporate trustee, provide the information required for a Company.
Partnership	<p>Provide one of the following documents to verify the identity of the partnership:</p> <ul style="list-style-type: none">• Original certified copy or certified extract of the partnership agreement; or• Original certified copy of a certified extract of minutes of a partnership meeting. <p>Partners: Provide the following:</p> <ul style="list-style-type: none">• For an individual partner, provide the information required for an Individual;• For a corporate partner, provide the information required for a Company.

7.8 Certification of Documents

If you are required to provide a copy of a document as part of the application (e.g., a driver's licence, passport or trust deed extract), then the copy must be certified, which requires an original signature of the certifier and the date of the certification. Do not send original documents, only certified true copies.

A certified copy of a document is a copy that has been certified as a true copy of an original document by a person who is authorised by law to do so.

The identification documents must also be dated, and have the signature, printed name, occupation, employer and address of the person certifying the document.

Persons who may certify copies of original identification documents include:

- Officer with or authorised representative of an AFSL holder with two or more years of continuous service with one or more licensees;
- Chartered Accountant, Certified Practicing Accountant or member of the National Institute of Accountants with two or more years of continuous membership;
- Officer of a financial institution or finance company with two or more years of continuous service with one or more institutions or companies;
- Permanent employee of the Australian Postal Corporation with two or more years of continuous service, or someone who operates as an agent of the Australian Postal Corporation;
- Police officer;
- A person who, under the law in force in a state or territory, is currently licenced or registered to practice as a chiropractor, dentist, legal practitioner, medical practitioner, nurse, optometrist, pharmacist, physiotherapist, psychologist or veterinary surgeon; and
- Lawyer, Magistrate, Registrar of the Court or a Justice of the Peace.

Other types of people are also permitted to certify documents. Please contact us if you would like assistance in sourcing a suitable person to certify your documents.

7.9 I Want to Invest

The Application Form can be completed online at:

<https://dentalfund.smileright.com.au>

SMILE RIGHT
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RISKS

Investors should be aware that any investment involves various risks. Prospective investors should be aware that there is no guarantee this Fund will not result in losses to Unit Holders. As investing in the Fund involves exposing your investment of a range of risks, it is important that you understand:

- The risks involved in investing in the Fund;
- How these risks compare with the risks of other investments;
- How comfortable you are in exposing your investment to risk; and
- The extent to which the Fund fits your overall investment strategy.

Risk can mean different things to different people. It can mean the risk that your investment may fail to achieve the returns that you expect. This includes situations in which your investment may suffer substantial declines in value. It also includes situations in which your investment goals will not be met because the type of investments you chose did not provide the potential for adequate returns. Risk also generally refers to the volatility of an investment. That means the extent to which an investment varies in value over a given period. Often, investments offering high levels of return also exhibit high levels of short-term volatility.

8.1 General Investment Risks

Changes to the regulatory environment relating to financial services, taxation and other regimes may adversely affect the investors in the Fund. Government policies can affect the Fund in a number of ways that could be detrimental or beneficial to the Investors in the Fund. There can be no guarantee that investor's confidence in investment will not change in a manner adverse to the Investors in the Fund.

The general economic and political climate in which the Fund operates or other like events are outside the control of KNR and the Manager.

8.2 Credit Risk

There is a risk that patients who have been approved for finance will default on their obligations due to insolvency or financial distress, which may affect the ability of Smile Right Capital to meet its commitments under the Finance Facility Agreement, resulting in an adverse effect on the value of the Fund and hence the net asset value per Unit.

8.3 Financial Risks

There is no guarantee of the future income distributions of the Fund. There is no guarantee of a return of capital from the Fund.

Fluctuating interest rates may have an impact on the financial performance of the Fund. These impacts may be mitigated in the medium term by a hedge instrument.

8.4 Regulatory Risk

Changes in government policies (including taxation), regulations and laws could affect the value, and/or tax treatment of an investment in the Fund.

8.5 Trustee/Responsible Entity Risk

Your investment in Fund is governed by the terms of the Trust Deed and this Information Memorandum. There is a risk that KNR may be removed as the Trustee (or Responsible Entity) of the Fund.

8.6 Managerial Risk

There is a risk that the Manager may be removed as Manager or a change to the key personnel of the Manager which may adversely affect the way in which the Fund is managed. The Manager of the Fund also manages the loan portfolio on behalf of Smile Right Capital which gives rise to potential conflicts of interest. Where a conflict of Interest arises, the Manger must address the issue in a manner where the Fund is not disadvantaged in any way, and the Fund's Security under the Finance Facility Agreement is not diminished.

8.7 Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third-party failures or crisis events.

8.8 Liquidity Risks

Due to the nature of the Fund and that investment proceeds will be used to finance loans of varying lengths of time, the Fund is likely to be illiquid until the end of each Term.

8.9 Changes to the Dental Industry

Changes to the dental industry in general and the willingness of patients to undergo costly dental procedures, particularly cosmetic procedures, may change as general economic conditions change. There is a risk that these changes may have an adverse effect on the number of patients that are willing to undertake financing for discretionary items such as cosmetic dental surgery which may in turn have an adverse effect on the value of the Fund.

8.10 Redemption Risk

In certain circumstances, there is a risk that the anticipated timeframe for meeting redemptions may not be able to be met. This may due to illiquidity within the Fund due to a large proportion of funds being used to services performing loans. In this case, redemption from the Fund may take longer than the anticipated timeframe or may be suspended or limited. If an investment in the Fund is not redeemed by the due date, the Units will continue to be entitled to a proportional share of the Income for that Class of Unit until the Units are fully redeemed.

8.11 Conclusion

The above list of risks is not to be considered complete or inclusive of all the risks that may be attributable to an investment in the Fund.

These risks, as well as other risks, which have not been identified, may affect the future financial performance of the Fund and the return of capital or income distributions to investors.



SMILE RIGHT
INFORMATION MEMORANDUM

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FEES & COSTS

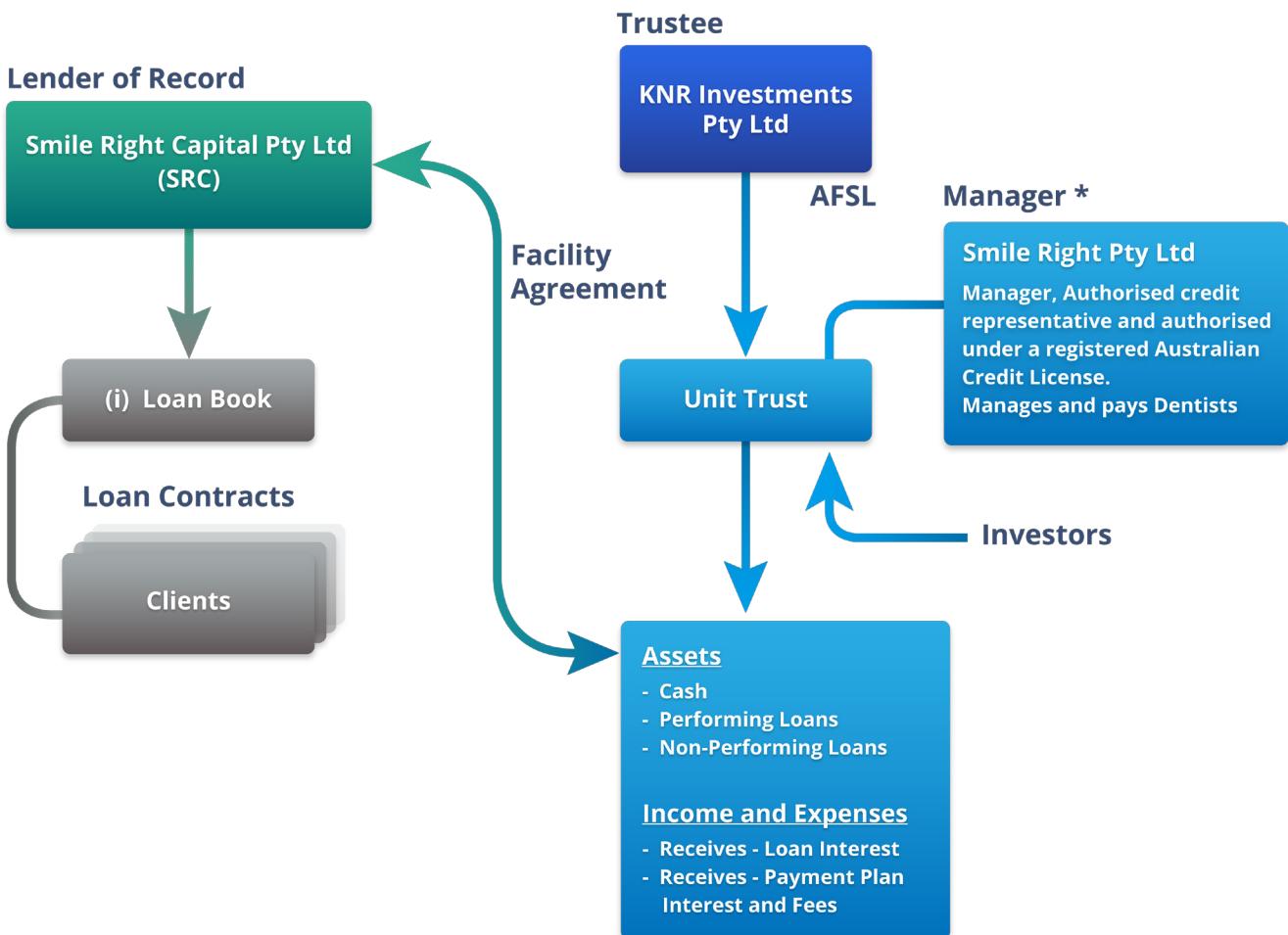
The section below outlines the fees and costs associated with an investment in the Fund. Investors should read all information about fees and costs, as it is important to understand their potential impact on an investment in the Fund. Under the Trust Deed, the Manager and/or KNR is entitled to all the fees and reimbursement of expenses listed below.

All fees and costs are stated exclusive of goods and services tax (GST) of 10% that will be incurred.

Type of Fee or Cost	Amount	How & When Paid
Entry Fee	Nil	
Exit Fee	Nil	
Management Fee	Net Income over and above the targeted returns of the Fund.	This fee equates to the surplus net income received over the targeted returns, paid quarterly in arrears to the Manager.
Extraordinary Expense Recoveries	At cost	The Manager may seek reimbursement for any extraordinary costs incurred on behalf of the Fund from time to time, paid as they are incurred.
Licence Access Fee	\$12,000	Payable to the Trustee from the first capital raising
Documentation and Services Fee	\$20,000	Payable to the Trustee from the first capital raising
Quarterly Compliance Fee	\$4,000/quarter – FUM \$5.0 million \$6,000/quarter- FUM \$10.0 million \$8,000/quarter- FUM \$25.0 million \$15,000/quarter- FUM \$100.0 million	Paid to the Trustee quarterly in arrears from the Fund.
Capital Raising Fee	Where the Capital for the Trust is raised by the Manager, no fee is payable on that portion of the Capital raised. Where the funds are raised by the Trustee/ Responsible Entity or its agents, up to 3% of the funds raised for a 3 year investment term and up to 5% for a 5 year investment term.	Payable on deposit of raised funds.

9.1 Relevant Parties

1. Smile Right Pty Ltd – Manager, Authorised Representative
2. Smile Right Capital Pty Ltd – Lender of Record
3. KNR Investments Pty Ltd – Trustee



9.2 Smile Right Pty Ltd

1. Management Fee

In consideration for managing the affairs of the Fund, the Manager is entitled to a fee. However, the fees payable to the Manager are 100% performance based. If the Fund does not meet its targeted returns, then the Manager is not entitled to receive a Management Fee. Where the net income of the Fund exceeds the targeted returns, prior to the Management Fee being deducted, then the Manager is entitled to a management fee equal to the amount of the net income of the Fund over and above the targeted returns.

2. Extraordinary Expense Recoveries

Whilst the operating expenses of the Fund are generally paid from our management fee, the Manager may recover extraordinary expenses from the Fund. Extraordinary expenses include those expenses outside the normal operation of the fund, such as costs of Investor meetings or costs of defending or initiating legal proceedings.

Some of these expenses may be paid to parties related to the Trustee of the Manager.

3. Adviser Remuneration

Smile Right or a related party may pay fees or provide other financial assistance (for seminars, advertising, etc.) to financial service intermediaries. These may be fixed dollar amounts or percentage of funds invested. If they do, they will make these payments from amounts disclosed above, and will not be in addition to nor paid from the Fund assets.

Fees may be paid by the Manager to related parties that introduce investors.

4. Changes in Fees

Fees may change as a consequence of changing economic conditions and regulations; however, the Manager is not able to charge more than the Investment Management Agreement, Trust Deed or the law allows without Investor approval.

9.3 KNR Investments

1. Licence Access Fee

KNR has been issued an Australian Financial Services Licence (Licence No. 356442) with the capacity for the distribution of financial products. The Units issued under this Information Memorandum are considered to be a financial product.

For providing access to the licence to raise capital under this Information Memorandum, KNR is entitled to a fee of \$12,000.

2. Documentation and Services Fee

The documentation and services fee relates to costs incurred in the preparation of this Information Memorandum and the drafting and review of the Fund's Trust Deed.

3. Quarterly Compliance Fee

The quarterly compliance fees are payable to KNR for the review of the Fund's operations and to ensure the Fund is being managed in accordance with its Trust Deed. If the Fund is registered as a managed investment scheme with ASIC, KNR will ensure compliance with the Fund's Compliance Plan and the Corporations Act.

4. Capital Raising Fee

Where KNR raises capital for the Fund for a 3-year investment term, KNR is entitled to a capital raising fee equal to 3% of the funds raised.

Where KNR raises capital for the Fund for a 5-year investment term, KNR is entitled to a capital raising fee equal to 5% of the funds raised.

5. Changes in Fees

Fees may change as a consequence of changing economic conditions and regulations; however, KNR are not able to charge more than the Trust Deed or the law allows without Investor approval.

6. Waiver, deferral or rebate of fees

KNR may, in its absolute discretion, accept lower fees and expenses that they are entitled to receive, or they may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, KNR may waive, negotiate or rebate its fees, for example, in the case of a large investment amount.

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A black and white photograph of a young couple sitting on a grassy field. The woman, with long blonde hair, is laughing and looking towards the camera. The man, with short brown hair, is also laughing and looking towards the camera. They are holding two babies in their laps; one baby is looking down, and the other is looking towards the camera. The background is a soft-focus landscape.

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**ADDITIONAL
INFORMATION**

10.1 No Personal Advice

KNR's AFSL does not authorise it to provide any personal advice. Any financial product advice that KNR provides will be general advice only and will not take into account each Investor's objectives, financial situation or needs.

10.2 Corporate Governance

The management of the Fund is governed by the Fund's Trust Deed.

10.3 Trust Deed

The Trust Deed sets out the rules and operation of the Fund, and operates as a deed binding on all investors, the Manager and KNR.

The Fund is a unit trust with the capacity to become a registered managed investment scheme for the purposes of the Corporations Act.

Investors may obtain a copy of the Trust Deed by contacting the Manager on 1300 793 983.

10.4 KNR

KNR has been appointed and agrees to act as Trustee and/or Responsible Entity of the Fund.

10.5 Compliance Plan

If the Fund is registered as a managed investment scheme, then a compliance plan for the Fund will be lodged with ASIC and will outline the principles and procedures that KNR will apply to ensure that it continues to adhere to the provisions of the Corporations Act, ASIC policies and regulations and the Trust Deed.

10.6 Unit Trust

The Fund is established as a widely held Hybrid Trust for taxation purposes.

10.7 Application Price

To acquire an interest in the Fund an Applicant must pay the applicable Application Funds.

Refer to section 9 of this Information Memorandum for details of fees and costs.

10.8 Receiving Monies

KNR must hold all Application Funds on trust for the successful applicants. KNR will open a separate bank account (to hold application funds).

10.9 Complaints

KNR may appoint a Complaints Handling Officer to deal with complaints made by investors holding an interest in the Fund. In the event a Complaints Handling Officer has not been appointed by KNR, KNR will assume the role of Complaints Handling Officer.

KNR must acknowledge the complaint immediately, or if this is not possible, then as soon as practicable, after receiving the complaint. If possible, KNR will attempt to respond fully to or resolve the complaint as part of the first response.

If the complaint is not able to be resolved as part of the first response, then KNR (through the complaints handling officer or their appointee) must keep the complainant informed of the progress of their complaint.

KNR must provide a 'final response' to a complaint within 45 days from the date of receipt of the complaint. However, KNR will endeavour to provide a final response to complaints in less than 45 days wherever possible.

If a complaint cannot be resolved to the satisfaction of

the complainant, then the complainant may:

- (a) lodge a complaint with an external complaints resolution body of which KNR is a member; or
- (b) take whatever other action is open to the complainant under the general law, including:
 - i. requesting an apology from KNR; or
 - ii. seeking compensation for loss incurred by the complainant as a direct result of the breach of the Trust Deed, if any.

KNR is a member of the Financial Ombudsman Service Limited, member No 15518

10.10 Winding Up

KNR must wind up the Fund or cause the Fund to be wound up if the Trust comes to the end of its term as set out in the Trust Deed.

To wind up the Fund KNR must act in accordance with the Trust Deed and the Corporations Act.

10.11 Fees and Expenses

KNR is entitled to be paid, in respect of the Fund, for those fees provided for in the Trust Deed by way of remuneration for carrying out its duties and obligations under the Trust Deed.

The Manager is entitled to be paid, in respect of the Fund, for those fees provided for in the Trust Deed and Management Agreement, and detailed in section 9 of this Information Memorandum for carrying out its duties and obligations under the Trust Deed and the Management Agreement.

10.12 Indemnity

KNR has a right of indemnity out of the assets of the Fund in respect of:

- (a) any liability incurred by KNR in performance of its duties in respect of the Fund;
- (b) all fees payable to and costs recoverable by KNR under this Trust Deed; and

- (c) any Taxes, or liability for payment of any Taxes, imposed upon KNR in relation to the Fund.

However, this indemnity does not apply with respect to a liability to the extent that, in respect of that liability, KNR has acted negligently, fraudulently or in breach of the Trust Deed.

10.13 Power and Duties

The Manager must:

- (a) perform the obligations that are imposed on it in the Management Agreement;
- (b) ensure that all services which are required of it under a Management Agreement are performed in a proper and efficient manner;
- (c) manage the business, investments and affairs of the Fund; and
- (d) ensure any goods or services which are required to be provided or performed under the terms of the Management Agreement are provided or performed in accordance with any contractual rights of investors and the terms disclosed in this Information Memorandum.

10.14 Limitation of Liability

Except to the extent the Act imposes liability:

- (a) KNR is not liable for any loss suffered by Unit Holders in respect of the Fund, whether in contract, tort or otherwise; and
- (b) KNR is not liable to any person who is not a Unit Holder (including in relation to any contracts or other arrangements entered into in respect of the Fund) to any extent beyond the Fund's assets.

10.15 Retirement or Removal

Pursuant to the Trust Deed, KNR may retire as Trustee of the Fund and may appoint a replacement trustee. Further, if the Unit Holders wish to remove KNR as Trustee, then they may call a Unit Holders' meeting

to consider and vote on:

- (a) an Extraordinary Resolution that the current Trustee should be removed; and
- (b) an Extraordinary Resolution choosing a replacement trustee

10.16 Retirement or Removal

In accordance with the Trust Deed, KNR may call a meeting of the Unit Holders at any time, and must do so if required by the Corporations Act. KNR may also, in its discretion and at any time, postpone any meeting of Unit Holders, at any time prior to the commencement of the meeting.

While the Fund remains an unregistered managed investment scheme KNR must call and arrange to hold a meeting of Unit Holders to consider and vote on a proposed resolution on the request of Unit Holders with at least 15 percent of the votes that may be cast on the resolution.

While the trust is a registered managed investment scheme, the provisions of the Corporations Act apply to determine the circumstances, if any, in which a meeting must be convened on the request of Unit Holders

10.17 Modification of Trust Deed

The Trust Deed may be modified by KNR or by special resolution of Unit Holders.

10.18 Investor Reporting

The Manager will provide periodic reports on the Fund's performance to all Unit Holders half yearly via email or mail where no email address has been provided.

10.19 Environmental and Ethical Considerations

Whilst the Manager will and intends to conduct its affairs in an ethical and sound manner, its investment criteria do not include giving any additional weight to

labour standards, environmental, social or ethical considerations when selecting, maintaining or realising an investment in the Fund.

10.20 Related Party Transactions and Dealings

Subject to any statute or law, nothing in the Trust Deed prevents KNR, the Manager or its Directors (or any entity or fund related to KNR or the Manager) from entering into transactions with the Fund.

10.21 No Cooling Off Period

There is no cooling off period in relation to an investment in the Fund.

10.22 Anti-Money Laundering

KNR is required to comply with the AML/CTF Act. This means that KNR will require certain personal information to be provided in relation to the identity of an Investor when investing in the Fund. KNR may need to obtain additional information and documentation when processing an application for an investment in the Fund.

KNR is bound by the Privacy Act 1988 and the Australian Privacy Principles. Furthermore, the Manager has created a Privacy Policy and Collection Statement in order to demonstrate their commitment to your privacy.

10.23 Formation and Issue Expenses

All expenses of the issue, inclusive of all legal, accounting and expert's fees detailed in the Information Memorandum, will be paid by KNR from the Fund.

10.24 Particulars of Interest

KNR will be paid fees, costs and other disbursements as described in section 9 of this Information Memorandum.

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**GLOSSARY OF
TERMS**

Term	Meaning
ABN	Australian Business Number as defined by the Corporations Act
ACN	Australian Company Number as defined by the Corporations Act
Advance	means any drawing under the Facility Agreement
Advance Date	means in respect of each Advance the date on which that advance is made
AFSL	Australian Financial Services Licences as defined by the Corporations Act
AML/CTF Act	Anti-Money Laundering and Counter Terrorism Financing Act 2006
Application Funds	means the Application Price multiplied by the number of Units applied for
Application Price	\$1.00 per Unit
ASIC	Australian Securities & Investments Commission
Collection Account	means a bank account in the name of Smile Right Capital but operated by the Manager into which all repayments and other receipts in respect of performing and non-performing loans are paid.
Corporations Act	The Corporations Act 2001 (Cth)
Information Memorandum	means this Information Memorandum
FUM	means funds under management
Fund	Smile Right Fixed Income Dental Industry Fund
GST	Goods and Services Tax as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Investor	An applicant for a Unit in the Fund accepted by KNR and/or holder of Units
KNR	KNR Investments Pty Ltd (ACN 114 490 087), a subsidiary of Questus Capital Group
Lender of Record	Smile Right Capital Pty Ltd (ACN 139 675 424)
Licensee	Automated Collection Services Pty Ltd, Australian Credit License No 468425
Manager	Smile Right Pty Ltd (ACN 601 445 041)
Management Agreement	The management agreement dated Friday 15 December 2017 between KNR and the Manager
Non-Performing Loan	Means a previously Performing Loan that is 45 days or more in arrears with its repayments
Offer	The Offer under this Information Memorandum
Performing Loans	Means the consumer financing products provided by Smile Right Capital to patients for dental procedures where the first loan repayment has been made and the principal outstanding amount has been drawn down under the Finance Facility Agreement.
Responsible Entity	KNR with capacity to become the Responsible Entity of the Fund
Security	Means the specific charge held by the Fund over the portfolio of Performing Loans of Smile Right Capital
Smile Right Capital	Smile Right Capital Pty Ltd ACN 139 675 424
Smile Right Platform	Has the meaning described in section 1 of this Information Memorandum
Trust Deed	The deed binding on all Investors of the Fund, the Trustee and the Manager
Trustee	KNR as Trustee for the Fund
Unit	means a unit issued pursuant to this Information Memorandum entitling the Unit Holder to a proportion of the Fund's income in proportion to the number of units held.



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