

## Think Huge Investments - Investment Mandate

### **About Think Huge Investments Pty Ltd**

Think Huge Investments Pty Ltd is an Australian based boutique investment company. Think Huge Investments Pty Ltd is a corporate authorised representative (CAR No: 1006832) of HLK Group Pty Ltd (AFSL No: 435746) that is licensed by the Australian Securities and Investment Commission (ASIC) to provide Managed Discretionary Account (MDA) services to retail and wholesale clients. A Managed Account is an investment portfolio that is managed by a professional manager who makes and actions investment decisions based on an investment strategy which has been determined as suitable for meeting a client's objectives.

Unlike managed funds, clients investments are not pooled with the money of other clients, they always remain separate and clients retain ownership.

Think Huge Investments MDA strategies offer clients a diverse and unique opportunity to actively trade the derivative market including Margin Forex and Gold. We do this by leveraging the experience of professional traders who have demonstrated the ability to consistently generate returns over the long term while also monitoring and managing downside risk.

Our principal aim is to provide solid medium to long-term performance significantly above that of the overall market, while managing your capital in unstable market conditions. If you are seeking an alternative investment to the traditional investment vehicles, Think Huge Investments managed accounts should be considered for your investment portfolio.

This material should not be considered by the recipient as a recommendation relating to the acquisition or disposal of investments. This material does not contain sufficient information to support an investment decision and investors should ensure that they obtain all available relevant information, including the Investment Mandate, before making an investment decision. Think Huge Investments Pty Ltd is a Corporate Authorised Representative of HLK Group Pty Ltd (ACN 161 284 500) which holds an Australian Financial Services Licence (AFSL 435746). Any advice provided previously to a Statement of Advice (SOA) is general advice only and is based solely on consideration of the investment or trading merits of the financial products alone, without taking into account the investment objectives, financial situation and particular needs (i.e. financial circumstances) of any particular person. Before making an investment or trading decision based on the advice, the recipient should carefully consider the appropriateness of the advice in light of his or her financial circumstances and should carefully review the PDS regarding the relevant financial product as provided by their executing broker.

## **Our Investment Philosophy**

Our investment principles focus' on building returns over the medium to long term across all market conditions. Our ability to generate returns regardless of whether the market is bullish, bearish or tracking sideways is what sets us apart from our competitors.

We generate profits by identifying regular short term, high probability positions in the foreign exchange market across an array of currency pairs. The accumulation of thousands of positions is what leads to our strategies outperforming the market over time.

Risk management is key to our long term performance. There is no point in generating above market returns if those returns are not carefully managed through risk mitigation and management. All of our strategies have a fixed drawdown, once surpassed all open trades will be liquidated immediately subject to liquidity conditions. This offers clients a safeguard and knowing the expected loss.

Information on the performance of each client's investment is distributed daily via email with a full monthly reconciliation also compiled for review. We provide regular communication with our clients, particularly during times of performance volatility when feedback is generally most valuable.

Our Trading Strategies are only suitable for clients with a high-risk investment portfolio and who are comfortable with the possibility that they could lose a significant percentage or all of their investment. The Trading Strategies use a range of approaches and all use leverage. Although strict risk controls are utilised, the use of leverage can lead to excessive losses in black swan events (a black swan event is an event or occurrence that deviates beyond what is normally expected or a situation and that would be extremely difficult or impossible to predict)

## **How it Works**

Think Huge Investments provide managed discretionary accounts to retail and/or wholesale investors through the use of Multi Account Manager (MAM) software via the Meta Trader 4 trading terminal.

This allows us to combine investor's sub accounts into a single master account that is then traded by the investment manager directly.

Control of the sub account is relinquished to the investment manager through a limited power of attorney executed with the broker, thereby allowing trades to be placed on the investors' behalf.

Throughout the term of the investment, each investor retains ownership of their sub account affording them the ability to deposit or withdraw at any time subject to our withdrawal conditions.

## **Think Huge Investment Strategies**

Our investment strategies are ideal for investors wanting to take an active approach to their investing. We give clients the ability to study the performance and attributes of each individual strategy/trader and allocate capital and risk as they desire.

We are dedicated to working closely with clients to ensure they have a full understanding of their chosen investment strategies, we firmly believe that clients comprehension of the investment strategies empowers them to make the best possible decisions to reach their investment objectives.

We are presently inviting investors to allocate capital to any, or all of our available strategies being SteadyCapture and Revolution. All strategies trade an array of leveraged forex pairs and/or gold on an intraday basis.

### What is the SteadyCapture strategy and how does it work?

#### *Objective & Methodology*

The objective of the SteadyCapture strategy is to deliver net equity returns (gross of performance fees) of 30% per annum. It is suitable for investors with a high tolerance to risk due to the occasional volatility of returns.

The strategy is a combination of manual discretionary trading and algorithmic trading controlled by a professional trader. The trader operates with our internal risk assessment team monitoring the correlation of the positions. The trading team has been carefully selected to ensure SteadyCapture has the best possible chance of delivering consistent, stable returns over the medium to long term.

Table 1. SteadyCapture Strategy Information

Investment Manager	SteadyCapture
Legal & Beneficial Ownership	Remains with investors
Recommended Investment Time Frame	1-3 years
Minimum Initial Investment	\$10,000USD/AUD/EUR or 5,000GBP
Investment Markets	Foreign Exchange (Forex)
Investment Instruments	Leveraged Spot Forex
Drawdown notification	35% of net deposit
Target Returns	40% net equity return per annum
Management Fee	Nil
Entry/Exit Fee	Nil
Performance Fee	30% of positive performance

### What is the Revolution strategy and how does it work?

#### *Objective & Methodology*

The objective of the Revolution strategy is to deliver net equity returns (gross of performance fees) of 60% per annum. It is suitable for investors with a high tolerance to risk due to the occasional volatility of returns.

The strategy is purely algorithmic and managed by a team of quantitative analysts located in South Africa. The strategies methodology aimed at identifying key areas of liquidity and demand and using this information to improve the probability of success.

Table 2. Revolution Strategy Information

Investment Manager	Revolution
Legal & Beneficial Ownership	Remains with investors
Recommended Investment Time Frame	1-3 years
Minimum Initial Investment	\$10,000USD/AUD/ GBP
Investment Markets	Foreign Exchange (Forex)
Investment Instruments	Leveraged Spot Forex
Drawdown notification	35% of net deposit
Target Returns	30% net equity return per annum
Management Fee	Nil
Entry/Exit Fee	Nil
Performance Fee	30% of positive performance

### The Risks

Almost any investment involves risk and Investors in the strategies should be aware that investments will rise and fall in value. As a consequence, Investors may lose capital or not receive a return over a given time frame.

Derivative products including foreign exchange and gold are also subject to systematic risks such as general economic conditions, inflation, and interest rates. In general terms, derivative tends to be much more volatile than bonds.

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Derivative investment is subject to specific risks relating to the performance of the instrument held and the market's perception of their performance. Because leverage is used in derivative you may lose more than your initial investment.

### General risks

General risks, which apply to all types of investment, include the value of the investment not matching inflation rates, changes in taxation policy and the possibility that distributions to investors fall or in some cases stop altogether. The earnings and value are determined by the earnings and value of the assets of the Strategy. The earnings and value of the assets may be affected by movements in interest rates, currency exchange rates, commodities, overall economic conditions (both domestic and overseas), and other factors that are beyond the control of the Investment Manager. As a result, it is not possible to predict or identify all future events or issues that may adversely affect the performance of the Strategy.

To mitigate these risks, Investors should consider investing over the long term (more than 3 years) in a range of investment options. Diversification of investment spreads the risk so that where one investment falls; it may be offset by gains in other investments in other asset classes. By investing regularly, Investors can buy less when the market is high and more when the market is low. In that way Investors reduce the risk of investing at the wrong time.

The risks explained below are general risks that apply to most investments. Investment objective risk is the risk that an investor's objectives will not be met by their choice of investments. One measure of risk in an investment is the volatility of returns; the greater the volatility, the more likely that returns will differ from those expected over a given time period. This volatility can result in

fluctuations in the performance of the Strategy. The main drivers of the volatility of this Strategy are the risks disclosed below.

Liquidity risk exists when particular investments are difficult to purchase or sell, preventing the closing out a position or re-balancing within a timely period and at a fair price.

Inflation risk is the risk that the prices of goods and services will rise faster than the value of the investments. Manager risk refers to the risk that the manager will not achieve its performance objectives or not produce returns that compare favorably against its peers.

#### Currency risk

As your base currency of the account may not be the trading currency pair or USD, your account is exposed to currency risk. The value of such investments may be affected favourably or unfavourably by fluctuations in exchange currencies.

#### Leverage risk

All strategies offered by Think Huge Investments involve a high degree of leverage. These strategies enable clients to outlay a relatively small amount to secure an exposure to the underlying currency or financial product. The use of leverage can lead to large losses as well as large gains.

An adverse movement in the price can not only quickly result in the loss of the entire Margin, but may also lead to additional loss and end up a negative account balance. Think Huge Investments sets a drawdown level notification where the account will stop trading until the investor is informed and consent granted to continue if the drawdown level is reached.

#### Specific risk

The Investment Manager may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive to liquidate positions in which the prices in the market are moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). Investors should carefully consider the investment risk profile against the investment objective. There can be no guarantee that the investment objective will be realised.

#### Counterparty risk

Counterparty risk is the risk of loss due to a counterparty not honouring a financial commitment, which may cause the value of your investment to fall. Counterparties include brokers, settlement houses, banks and other authorized deposit taking institutions. Please refer to the PDS provided to you by our executing broker partner, AxiCorp Financial Services Pty Ltd, for more information.

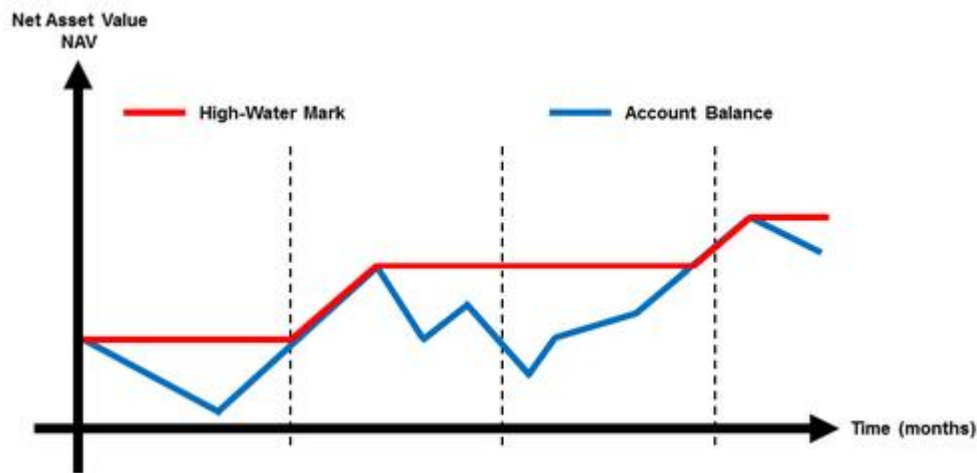
#### Risk Management

Downside risk is managed through the use of automated external equity stop-out feature. This equity stop is implemented via a 3rd party application outside the control of the manager. Should open drawdown exceed 40% at any time, all open trades will be closed at the current market price.

### **Fees and Other Costs**

Think Huge Investments Pty Ltd is driven by delivering positive returns for our investors. We have therefor created a free structure that incentivises performance and aligns our interests with our clients whereby clients only pay a fee in the event their account generates a profit.

We charge 30% of the profits on equity earned at the end of each month using a watermark high model.



Picture 1. High watermark

For example:

Initial Investment = \$100,000

Month 1 = \$110,000 (10% gain)  
Fee = \$3,000 (\$107,000 balance)

Month 2 = \$100,000 (7% loss)  
Fee = zero

Month 3 = \$120,000 (20% gain)  
Fee = \$3,900 (30% of the \$13,000 gain on the previous highest balance after the fee was withdrawn)

The information in the tables following is required by law and is designed to help you better understand the fees and costs associated with the Managed Accounts and the Strategies. This table shows fees and other costs that you may be charged. These fees will be deducted from your Managed Account. You should read all of the information about fees and costs, as it is important to understand their impact upon your investment.

Fee	Think Huge Investment MDA'a
Establishment fee:	Nil
Contribution Fee:	Nil
Withdrawal Fee:	Nil
Termination Fee:	Nil
Management Fee:	Nil
Performance Fee	30% of positive performance

**The process of opening an opening an account.**

Clients may join either strategy at any time by completing the relevant client application form on our website.

Once the MDA application form has been completed and reviewed by the compliance team at HLK, the client will receive a Statement of Advice (SOA) identifying their suitability for the strategy. If the client is deemed suitable they are then required to complete an Authority To Proceed that attached to the SOA in addition to the MDA contract.

The client is also required to open a trading account and complete the online limited power of attorney form with AxiTrader as our executing broker. A link to open the brokerage account will be emailed once the first step of the application form is complete.

Once the account is created and funded trading will commence. The entire process can generally be complete within 48hrs.

There is no fee for opening or funding your account and additional investment can be made at any time.

**The process of withdrawing funds or closing account.**

Clients have permission to withdraw up to \$2,000 of their account equity at any time through the AxiTrader client control panel. Larger withdrawals and account closures are available by request, they require the approval of our risk assessment team to ensure any withdrawal doesn't adversely affect account margin. This process can take up to 24hrs.

**Performance Reports**

- Daily & Monthly Reporting  
AxiTrader issue all clients daily reports containing detailed trading activity within their account. The report offers information on the price and outcome of all positions closed as well as any open trades.
- Annual Report  
HLK Group Pty Ltd as the MDA operator will provide an annual investor statement to all clients detailing the performance of their strategy and relevant commentary.

**Complaints**

We are committed to the provision of excellent service and we treat all complaints with the highest priority. We have implemented processes to respond to complaints in a timely manner. Any complaint must be addressed in writing to Attn: Complaints Officer - [info@thinkhugeinvestments.com](mailto:info@thinkhugeinvestments.com)

If you not satisfied with our decision or the way we handled your complaint please contact HLK Group Pty Ltd, who is the MDA Operator and member of the Financial Ombudsman Service Limited (FOS) (ABN:67131124448). If your complaint is still unresolved, you have the right to contact FOS directly. FOS is an external dispute resolution scheme that provides free services to customers. It is an independent and impartial body that will deal with your complaint directly or follow up the matter on your behalf in accordance with its applicable terms of reference.

You can contact FOS by:

Phone: 1300 780 808

Web: [www.fos.org.au](http://www.fos.org.au)

Email: [info@fos.org.au](mailto:info@fos.org.au)

Mail: Financial Ombudsman Service Limited

GPO Box 3 Melbourne VIC 3001

**More information**

For assistance with the investment process, questions about Think Huge Investments Pty Ltd or and any of our available strategies please contact us through the details below:

Email: [info@ThinkHugeInvestments.com](mailto:info@ThinkHugeInvestments.com)

Phone: +61 2 8387 4187