

Portfolio Guidelines

MMJ has clear Portfolio Guidelines explaining how and where the Company invests to achieve its investment objective; the benchmarks to assess investment performance; portfolio constraints; and targeted returns. Detailed in the table below, these Guidelines are subject to periodic review by the Board and may be amended to reflect market conditions, risk profiles, investment opportunities and the size of MMJ.

Portfolio guidelines	Explanation
Investable universe	MMJ seeks investments in private (typically pre-IPO) and public companies where the MMJ Board perceives there to be material upside potential. Investment targets include emerging sector leaders along the cannabis value chain and other sectors which are considered to have high growth potential, such as natural resources, healthcare, and the digital economy.
Portfolio limits	Non-cannabis investments may comprise no more than 25% of MMJ's total consolidated assets at the time an investment is made.
Targeted geographies	MMJ invests globally to meet its objectives. Currently, however, MMJ's cannabis investments are restricted to Australia, Canada and Europe. Investments in federally-illegal jurisdictions, such as the US, are not permitted.
Benchmarks	MMJ uses two benchmarks against which the Company's medium to long term performance is measured: <ol style="list-style-type: none"> 1. Alternative Harvest EFT (NYSE: MJ) for the portfolio's cannabis value chain investments, and 2. S&P/ASX Small Ordinaries (XSO) for the portfolio's other investments.
Percentage ownership of a single asset	Any investment made will be as a minority shareholder. MMJ 's investment strategy does not include the exercise of control over any entity or the business of an entity.
Size of new investments	AUD0.5 million to AUD5.0 million.
Target Returns for Investments	Targeting 2-3x multiple on invested capital (MOIC) in 1-2 year time horizon.

The guidelines would be subject to periodic review by the Board of the Company from time to time to reflect market conditions, risk profiles, investment opportunities and size of MMJ and may be varied by the Board in its absolute discretion.