Lennox Australian Small Companies Fund

Product Disclosure Statement
22 December 2021

Lennox Australian Small Companies Fund
ARSN 617 995 918
APIR HOW3590AU

Responsible Entity
Fidante Partners Limited
ABN 94 002 835 592
AFSL 234668

About this Product Disclosure Statement (PDS)

This document provides information to help investors and their advisers assess the merits of investing in the Class A class of units in the Lennox Australian Small Companies Fund (ARSN 617 995 918). References in this PDS to the **Lennox Australian Small Companies Fund** or the **Fund** are to the Class A units in the Lennox Australian Small Companies Fund. No other class of units in the Lennox Australian Small Companies Fund is offered in this PDS. You should read this document in full before making an investment decision about the Fund. In addition you should also read the Target Market Determination (**TMD**) in conjunction with the PDS to ensure this Fund aligns with your objectives, financial situation and needs. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your own personal circumstances before investing in the Fund.

In preparing this PDS we did not take into account your particular investment objectives, financial circumstances or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular objectives, financial circumstances or needs. You should also obtain independent advice before investing in the Fund, particularly about matters such as taxation, retirement planning and investment risk tolerance.

Important notices

Fidante Partners Limited (ABN 94 002 835 592, AFSL 234668) (**Fidante Partners**, **we**, **our**, **us**, **Responsible Entity**) is the Responsible Entity of the Fund and issuer of this PDS. Our ultimate parent is Challenger Limited (ABN 85 106 842 371). Fidante Partners is a member of the Challenger Limited group of companies (**Challenger Group**). Fidante Partners is not an authorised deposit-taking institution (**ADI**) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante Partners. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

Fidante Partners authorises the use of this PDS as disclosure to investors and potential investors who wish to access the Fund directly (**Direct Investors**), or through an IDPS operator (**Indirect Investors**). This PDS may also be used for direct investment by IDPS operators. Please refer to 'Indirect investors' in the 'Additional information' section.

By investing in the Fund, you confirm that you have received a copy of the current PDS and TMD to which this investment relates, that you have read both documents and agree to the terms contained in them, and that you agree to be bound by the terms of the current PDS, TMD and the current constitution of the Fund (each as amended from time to time).

The offer or invitation to subscribe for units in the Fund under this PDS is only available to persons receiving this PDS in Australia and is subject to the terms and conditions described in this PDS.

We have appointed Lennox Capital Partners Pty Ltd (ABN 19 617 001 966, AFSL 498737) (**Lennox**, or the **investment manager**) as the investment manager of the Fund.

Target Market Determination

The Target Market Determination (**TMD**) describes the type of customers who the product is likely to be appropriate for. It also specifies distribution conditions and restrictions that will help ensure the Fund is likely to reach customers in the target market. Each person should obtain and consider the Fund's TMD and this PDS before making a decision about whether to acquire or continue to hold the Fund to ensure this Fund aligns with your objectives, financial situation and needs.

Updated information

The information in this PDS is up-to-date at the time of preparation. However, some information can change from time to time. If a change is considered materially adverse we will issue a replacement PDS. For updated or other information about the Fund (such as a copy of the PDS, TMD or other information such as performance), please contact your financial adviser, call our Investor Services team or visit our website www.fidante.com.au. We will send you a copy of the updated information free of charge upon request.

Consents: Lennox has provided consent to the statements about it in the form and context in which they are included. Lennox was not otherwise involved in the preparation and distribution of this PDS and is not responsible for the issue of this PDS, nor is it responsible for any particular part of this PDS other than those parts that refer to it. Lennox has not withdrawn its consent before the date of this PDS.

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Website	www.fidante.com.au.

About Lennox

Lennox is an active, boutique equities investment manager based in Sydney and majority owned by its Principals and Portfolio Managers. Lennox invests with a fundamental, bottom-up focus specialising in small and microcap companies. Lennox's philosophy and process capitalises on the inefficiencies in the small and microcap segment of the market, aiming to identify at an early stage those companies who are the beneficiaries of change – the leaders of tomorrow.

About the Responsible Entity

Fidante Partners is the Responsible Entity of the Fund. As Responsible Entity, we issue units in the Fund and are legally responsible to the unitholders of the Fund for its operation.

Fidante Partners forms long term alliances with talented investment teams to support and grow specialist investment management businesses. Through these strategic partnerships, we're able to provide investors with some of the world's most compelling investment strategies. We have appointed Lennox as the investment manager of the Fund. We provide back office, marketing, distribution, administration, and compliance support services to Lennox, allowing Lennox the freedom to focus on investing and managing the assets of the Fund.

A related entity of Fidante Partners has a partial equity stake in Lennox. Neither we, nor any of our related entities, nor Lennox guarantee the repayment of your capital or the performance of your investment or any particular taxation consequences of investing.

Significant features and benefits of the Fund

- **An actively managed portfolio of small companies**: Lennox invests using both qualitative screening and in-depth fundamental research to identify investment opportunities.
- **Experienced investment team**: The investment team has a long and successful history investing in Australian small and micro-cap companies.
- **A refined and tested investment process**: Lennox has a robust investment process which is combined with key insights gained through deep-dive research 'on the ground'.
- **Risk aware**: Lennox embeds risk management at the centre of its investment philosophy and portfolio construction.

Features at a glance

		Refer to Section
Minimum transaction and balance requirements[1]		'Making, withdrawing and monitoring your investment'
Initial investment	$10,000 or $1,000 when a Regular Savings Plan is established.	
Additional investment	$1,000 or $100 per month when a Regular Savings Plan is established (with an initial investment of $1,000).	
Minimum withdrawal	$1,000 (minimum balance must be maintained).	
Minimum balance	$10,000 or $1,000 with a Regular Savings Plan.	
Indirect investors	If you are an indirect investor, you need to comply with any minimum transaction and balance requirements of your IDPS operator.	
Fees and costs		'Fees and other costs'
Management fees and costs	The management fees and costs of the Fund are 1.10% p.a. of the net asset value of the Fund.	
Performance fee	The performance fee is calculated as 15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Fund's Performance Benchmark.	
Buy/sell spread	+0.39% / -0.39% of the investment and withdrawal amount.	
Risks of investing in the Fund	A degree of risk applies to all types of investments, including investments in the Fund. The significant risks are described in 'Risks of investing in managed investment schemes'.	'Risks of investing in managed investment schemes'
Making and withdrawing your investment		'Making, withdrawing and monitoring your investment'
Investment and withdrawing	Generally, you can invest or withdraw at any time subject to certain limits in the Fund's constitution and this PDS.	
Transaction cut-off times	Valid transaction requests must be received by us prior to 3:00pm Sydney time to be processed that day and withdrawal requests will usually be paid within five business days.	
Distribution payments		'Additional information'
Frequency	The Fund generally pays distributions half-yearly; however, there may be periods in which reduced or no distributions are paid and we do not guarantee any level of distributions.	
Payment methods	Reinvested into the Fund as additional units or paid to your nominated account. For indirect investors, distributions will be paid to your IDPS operator as soon as practicable after the end of the distribution period.	
Valuations and pricing		'Additional information'
Valuing the Fund's assets	The Fund's assets are usually valued each NSW business day.	
Unit pricing	Unit prices are usually calculated each NSW business day.	

Investor reporting		‘Making, withdrawing and monitoring your investment’
Transaction confirmations	We generally send transaction confirmations for investments and withdrawals.	
Regular reporting	We send quarterly periodic statements as at 31 March, 30 June, 30 September and 31 December with details of transactions and any income distributions.	
Annual tax reporting	We send an annual tax statement.	

1 We may, at our discretion, accept lower minimum transaction and balance amounts.

How we invest your money

Investment return objective	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (after fees).
Minimum suggested investment timeframe	At least five years
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Risk level	 Refer to 'Additional information about the Fund's investments' for further information about the Fund's risk.
Description of the Fund	The Fund provides exposure to a select, actively managed portfolio of small cap equities. This is achieved by investing in securities listed, or expected to be listed, on the Australian Securities Exchange (ASX) or the New Zealand Securities Exchange (NZX). The Fund may also provide exposure to equity issued by Australian or New Zealand entities on other approved exchanges. The Fund may also invest in derivatives (including options, futures and warrants), cash and unlisted companies that are expected to list within 12 months. To help you understand the following information relating to the Fund's Investments, definitions of the important investment terms can be found in this PDS. **Investment approach** Lennox applies a structured and rigorous approach to investing. Every business that is considered an investment opportunity is assessed using Lennox's proprietary quality screening tool. Businesses are assessed on 4 key factors: the ability of management, sustainability, quality of earnings and industry dynamics. Only businesses that pass Lennox's quality screen and for which they believe they can confidently forecast future earnings are eligible for further research. Lennox's research process is driven by fundamental, in-depth and comprehensive analysis of a business' operations. Lennox apply this practically in two ways – external research (site visits) and internal research (detailed financial modelling). External research is conducted 'in the field' by engaging with a business' senior management team, employees, competitors and industry experts. The aim here is to understand the business. Internal research sees businesses comprehensively modelled in terms of earnings, cash flow and capital position. This provides Lennox with a numerical basis for analysing the business. The process culminates in the production of Lennox's forecasts for future earnings. These are ultimately used to assess the attractiveness of the business using a range of valuation metrics. **Portfolio construction** The portfolio is a collection of the investment team's best 'bottom up' ideas. The Fund will hold a concentrated number of securities that Lennox believes have medium term valuation upside as well as minimal near-term earnings risk. The portfolio is managed with strong adherence to Lennox's risk framework and investment objectives. The investment team ensure the portfolio is appropriately diversified. Exposure to any one security and thematic are limited and liquidity within the portfolio is actively monitored. **Currency strategy** The Fund does not intend to actively hedge international currency exposures.

Strategic asset allocation ranges[1]	**Asset class**	**Min (%)**	**Max (%)**
	Securities	80	100
	Cash	0	20

[1]These are asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these ranges, or a limit set out in this PDS, this will be addressed by us or Lennox as soon as reasonably practicable.

Labour standards or environmental, social or ethical (ESG) considerations	While Lennox takes into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising underlying investments, it does not adhere to any particular set of standards. Lennox will consider general factors such as, but not limited to, labour relations, potential environment impacts and whether a target company has clearly defined code of conduct and ethics policies. Lennox's consideration of these factors is detailed further under 'Labour standards or environmental, social or ethical considerations'.
Changes to investment policy	The Constitution permits a wide range of investments and gives us, as Responsible Entity, broad investment powers. We may change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.

Additional information about the Fund's investments

About the Fund's risk level

The risk level, also known as the Standard Risk Measure, is based on the estimated number of negative annual returns that a managed investment scheme may experience in any 20-year period. In other words, it is a measure of the expected variability of the return of the Fund.

The Fund's anticipated risk level is 'High risk' – the Fund offers the potential for favourable levels of return over the long term but may exhibit high levels of volatility with the potential for some capital loss over the short to medium term. The estimated number of negative annual returns in any 20-year period based on this risk level is approximately between 4 and 6. Note that this is an estimate only. Negative annual returns may or may not occur in consecutive years and, should they be negative, the estimate does not indicate the size of the potential negative return (which may vary considerably from strategy to strategy).

The stated risk levels are based on industry guidance and are designed to allow investors to compare investments with different investment strategies and characteristics. However, investment managers and investment administrators may employ different methodologies to determine a risk level and therefore may not be representative of the same considerations. Furthermore, it is not a complete assessment of the risks of investing, nor does it indicate if an investment strategy is designed to meet an investor's investment objectives.

For further information, or to ask about the methodology for determining the risk level, please call our Investor Services team.

Borrowings of the Fund

The Fund's constitution allows for borrowing; however, we will generally not borrow on behalf of the Fund, except from time to time to cover short-term cash flow needs or if emergency or extraordinary situations arise. Borrowings may be from a variety of sources, including related entities. Where funds are borrowed from related entities, the terms are set on a commercial and arm's length basis and will be for reasonable remuneration.

The availability and terms of borrowings are subject to the market for borrowings (including market conditions in debt and other markets) and therefore borrowings may not always be available. Lenders may refuse to provide borrowings, renew an existing borrowing facility or refuse to renew on commercially acceptable terms. This may be for reasons specific to the Fund or due to market-wide events.

We may change the lending financial institution (if any) from time to time and may also seek to vary the terms of any borrowing facility where it is believed it would be in the best interests of unitholders.

Asset allocation ranges

The Fund gains exposure to various investment markets and asset classes by investing into direct assets and/or indirectly via managed funds. References to asset allocations are references to the exposure of the Fund, not necessarily the physical unit or security held.

Refer to 'How we invest your money' for strategic asset allocations for the Fund.

If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment cause the Fund to exceed these asset allocations, or a limit set out in the PDS, this will be addressed by us or Lennox as soon as reasonably practicable.

Making investments directly or indirectly

The Fund may make investments directly or indirectly by investing in other funds (including funds related to, or managed by, a related entity) that have investment objectives and authorised investments that are consistent with the Fund. This structure helps to minimise transaction costs and can enhance diversification.

How the Fund uses derivatives

The Fund may at times invest in or obtain exposure to derivatives, such as futures, options and listed warrants.

The term 'derivative' is used to describe any financial product that has a value that is derived from another security, liability, or index.

Derivatives may be used to gain exposure when they offer a more cost-effective way of purchasing the underlying security. Derivatives can be used to implement investment decisions (including hedging), managing the duration of the Fund, and as a risk management tool (such as managing the effect of interest rates or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets.

The notional derivatives exposure of the Fund is limited to 10% of the Net Asset Value of the Fund. All derivative positions are backed by sufficient cash and cash equivalents to meet all obligations, costs, liabilities associated with derivatives positions.

The Fund's constitution permits the use of derivatives; however Lennox does not intend to gear the Fund through the use of derivatives. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment result in the Fund being geared through derivatives, this will be addressed by Lennox or us as soon as reasonably practicable. Where the Fund uses derivatives, Lennox aims to manage the Fund so as to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives.

The use of derivatives may expose the Fund to certain risks. Please refer to 'Derivative risk' for more information.

Labour standards or environmental, social or ethical considerations

The Responsible Entity (Fidante Partners) has delegated investment decisions for the purposes of selecting, retaining or realising investments for the Fund to Lennox who operates the fund in accordance with the investment management agreement. Fidante Partner's parent Challenger Limited is a member of the PRI Association (**PRI**), a leading promoter of responsible investment practices supported by the United Nations. Fidante Partners incorporates consideration of environmental, social and governance considerations when selecting, appointing and monitoring investment managers. Fidante Partners does not adhere to any particular set of labour standards, environmental, social and ethical considerations.

As a signatory to the PRI, Lennox incorporates environmental, social and corporate governance factors (**ESG**) into its fundamental research process, as it believes taking these factors into consideration may deliver superior risk-adjusted returns over time. Lennox believes that environmental, social and corporate governance (ESG) factors should be incorporated into its fundamental research as they can affect a company's ability to generate long-term returns, through a lack of understanding of potential risks to a business or a failure to embrace future opportunities.

Lennox takes into account labour standards and environmental, social and ethical considerations when selecting, retaining or realising investments. Lennox does not adhere to any particular set of standards but will consider general factors such as (but not limited to) labour relations, workplace health and safety, potential environmental impacts, quality of environmental management systems and whether a target company has clearly defined code of conduct and ethics policies.

Lennox monitors its investments on an ongoing basis. Lennox maintains a strong sell discipline in relation to companies that no longer meet its investment criteria, which includes consideration of a company's ESG policies and practices.

For more information on Lennox's ESG Policy please contact info@fidante.com.au.

Risks of investing in managed investment schemes

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of risk.

When investing in an MIS, it is important to note that the value of assets in the MIS and the level of returns will vary. No return is guaranteed. Future returns may differ from past returns and investors may lose some or all of their money invested. Additionally, laws (including tax laws) that affect MIS may change in the future, which may have an adverse effect on the returns of MIS,

The level of acceptable risk will vary across investors and will depend upon a range of factors such as age, investment timeframe, where other parts of the investor's wealth is invested and the investor's level of risk tolerance.

Risk	Explanation
Collateral risk	The Fund enters into derivatives arrangements that require it to deliver (or 'post') collateral to the derivative counterparty or clearer. As a result, the Fund may be exposed to certain risks in respect of that collateral including the credit risk of the counterparty or clearer.
Concentration risk	The risk associated with a fund that concentrates its investments in a small number of securities or invests in a small subset of an asset class. The performance of such a fund tends to be more volatile than the performance of a more diversified fund because the concentrated fund's performance is affected to a greater extent by the performance of particular assets.
Counterparty risk	The Fund is, to a certain extent, reliant on external counterparties in connection with its operation and investment activities. There is a risk with these arrangements that the other party to a contract (such as derivatives contract, physical security or foreign exchange contract trade) may fail to perform its contractual obligations either in whole or part. In such circumstances, any collateral lodged with counterparties related to these derivatives may also be at risk. This may result in the investment activities of the Fund being adversely affected.
Currency risk	Some investments held by the Fund may be denominated in a currency different to Australian Dollars. The value of these investments may fluctuate in Australian dollar terms because of fluctuations in currency exchange rates. As an example, a rise in the Australian dollar relative to other currencies may negatively impact investment value or returns. Conversely, a decline in the Australian dollar relative to other currencies may positively impact investment returns.
Derivative risk	The value of a derivative is linked to the value of an underlying asset and can be volatile. While the use of derivatives offers the opportunity for higher gains, it can also magnify losses to the Fund. Risks associated with using derivatives might include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative, the Fund not being able to meet payment obligations as they arise or the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations (refer to 'Counterparty risk') (and 'Collateral risk'). Lennox does not intend to gear the Fund through the use of derivatives. Lennox aims to keep derivative risk to a minimum by: • constantly monitoring the Fund's use of derivatives; • aiming to ensure that the Fund keeps sufficient liquid assets to meet all obligations, costs, liabilities and potential losses associated with derivatives; and • entering into derivative contracts with reputable counterparties.

Equity security risk	The value of an individual equity security (also known as a share) may be affected by market sentiment and other factors that may impact the performance of the actual company over short or extended periods of time. Investing in shares of a company will expose an investor to many of the risks to which the individual company is itself exposed. They include many factors, such as changes in management, technology, and a company's financial health, actions of competitors, regulators and market trends. Share markets tend to move in cycles, and the individual share price of a security may fluctuate. Equities may also be affected by dilutive equity issuance or changes to dividend policy. Such risk is considered by Lennox through its investment process and managed by maintaining a diversified portfolio of securities. Investment returns from international shares are also affected by exchange rate fluctuations. The currency exposure from the Fund's international equity investments may be hedged or partially hedged into the Australian dollar. Refer to 'Currency strategy' under 'How we invest your money' for more information.
Fund risk	Fund risk refers to specific risks associated with the Fund, such as termination, changes to fees, or changes in government policies (including taxation, investment sanctions, regulations and laws) that may affect the Fund or investors in the Fund. We may close the Fund to further investments if, for example, we consider it appropriate given the investment objective and investment strategy of the Fund. We may also terminate the Fund by notice to unitholders. Your investment in the Fund is governed by the terms of the constitution and the PDS of the Fund (each as amended from time to time), the Corporations Act (where applicable), and other laws. The value or tax treatment of an investment in the Fund or its underlying assets, or the effectiveness of the Fund's trading or investment strategy may also be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods. Such changes could also make some investors consider the Fund to be a less attractive investment option than other investments, prompting greater than usual levels of withdrawals, which could have adverse effects on the Fund. There is also a risk that investing in the Fund may give different results from holding the underlying assets of the Fund directly because of: • income or capital gains accrued in the Fund at the time of investing; and • the consequences of investment and withdrawal decisions made by other investors in the Fund; for example, a large level of withdrawals from the Fund may lead to the need to sell underlying assets which would potentially realise income and/or capital gains. We aim to manage these risks by monitoring the Fund and by acting in investors' best interests. In the event of winding up the Fund, we will realise all the Fund's assets, which will generally result in the crystallisation of tax positions (both income and capital) at that time.
Liquidity risk	Liquidity risk is the risk that the Fund will not have adequate cash resources to meet its short-term financial commitments as they fall due (including meeting the Fund's objective and investors' expectations for payment of redemptions). Liquidity risk may also occur due to the absence of an established market or a shortage of buyers for an investment which can result in a loss if the holder of the investment needs to sell it within a particular timeframe. Liquidity risk can also occur due to pandemics and other widespread public health emergencies such as the outbreak of COVID-19 which may cause volatility and declines in markets for financial assets (refer to 'Market risk' below) which in turn may impact the liquidity of the Fund. Certain investments may be typically less liquid than other investments or pose a higher risk of becoming illiquid during times of market stress. The less liquid the investment, the more difficult it may be to sell the investment when it is desirable to do so or to realise what the investment manager perceives to be fair value in the event of a sale. If an investor or a group of investors in a fund with exposure to less liquid assets seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price we receive for those assets. In certain circumstances, we may suspend or otherwise restrict withdrawals (refer to 'Withdrawal risk') to allow sufficient time for a more orderly liquidation of assets to meet the withdrawals.
Market risk	The Fund may experience investment losses due to factors that result in market volatility and disruption and affect the overall performance of the financial markets. These events may include changes in spreads, macro-economic, regulatory, social and political conditions, weather events, terrorism, changes in technology, the environment and market sentiment and pandemics and other widespread public health emergencies including outbreaks of infectious diseases such as COVID-19. Often assets from less developed regions or markets display higher levels of volatility of investment return than assets in mature markets.

Service provider risk	The Fund maybe reliant on external service providers in connection with their operation, such as the custodian. There is a risk with these arrangements that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Fund may be required to seek an alternative supplier and, in the interim, investment activities and other functions of the Fund may be affected.
Smaller company risk	In general, smaller companies are more likely than larger companies to have limited markets, product lines or financial resources and they may depend heavily on key personnel. Shares in smaller or emerging companies may fluctuate more sharply in price than those of larger companies. They may also trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than shares in larger companies. Please refer to ‘Liquidity risk’ for more information.
Withdrawal risk	If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally applicable timeframe of 5 business days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer than the generally applicable timeframe and may need to be suspended (see 'Suspending withdrawals' for more information). The maximum timeframe in which we, as Responsible Entity, have to meet a withdrawal request is set out in the constitution of the Fund. Where the Fund is not liquid (as defined in the Corporations Act), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act. Please refer to ‘Additional information about withdrawing’ for further information about an investor’s ability to withdraw when the Fund is liquid, including the timeframes, and an investor’s ability to withdraw if the Fund is not liquid.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission** (**ASIC**) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out under 'How managed investment schemes are taxed' in this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Lennox Australian Small Companies Fund		
Type of fee or cost	**Amount** [7]	**How and when paid**
Ongoing annual fees and costs		
Management fees and costs[1,2,3,4] The fees and costs for managing your investment	The management fees and costs of the Fund are 1.10% p.a. of the net asset value of the Fund	The amount quoted is made up of the following three components: Management fees, which are calculated and accrued daily and paid monthly in arrears from the Fund's assets on or around the last business day of the month. Indirect costs (if any), which are deducted from the Fund's assets, accrued daily in the net asset value, and then paid as and when due. Recoverable expenses, which may be abnormal operating expenses (if any) that, if charged, will be deducted from the Fund's assets, and paid as incurred; and/or normal operating expenses and investment expenses, which are paid out of the management fee.
Performance fees[5] Amounts deducted from your investment in relation to the performance of the product	We estimate that the performance fee of the Fund will be 0.65% p.a. of the net asset value of the Fund.	The performance fee is deducted from the Fund's assets and paid quarterly. It is calculated according to the Fund's particular methodology.
Transaction Costs[6] The costs incurred by the scheme when buying or selling assets	The net transaction costs incurred by the Fund for the last financial year were approximately 0.00% p.a. of the net asset value of the Fund	Transaction costs are deducted from the assets of the Fund as and when they are incurred (where not otherwise recovered through the buy/sell spread).

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	+0.39%/-0.39% of the investment or withdrawal amount	Charged at time of transaction and paid into the Fund when you invest in or withdraw from the Fund. The spread is reflected in the unit price.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing your investment options	Nil	Not applicable

1 Unless otherwise stated, all fees and costs are quoted gross of income tax and any Goods and Services Tax (**GST**) and reduced by any input tax credits (**ITC**s) or reduced input tax credits (**RITC**s) as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated and may be rounded to two decimal places.

2 For certain wholesale clients (as defined in the Corporations Act) we may, at our discretion, negotiate, rebate or waive all or part of our fees Please refer to 'Can fees be different for different investors?' in 'Fees and other costs'.

3 All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. The costs component of management fees and costs reflect the actual amount incurred for last financial year and the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS (adjusted to reflect a 12-month period). All figures have been rounded to two decimal places. Please refer to Management fees and costs‘ under the heading 'Additional explanation of fees and costs’ for more information on management fees and costs.

4 Please refer to 'Other payments' under the heading 'Additional explanation of fees and costs' for more information on costs that may be payable.

5 The reasonable estimate of the performance fee is based on the average of the actual performance fees paid for the Fund over the previous 4 financial year(s). Past performance is not a reliable indicator of future performance and the Fund’s actual performance fee will be based on the Fund’s performance over the relevant period. Please refer to ‘Performance fees' under the heading 'Additional explanation of fees and costs’ for more information on performance fees.

6 Transaction costs are the costs associated with the buying and selling of the Fund's assets. These costs include brokerage, settlement costs, clearing costs, stamp duty and other government taxes or charges and include the transactional and operational costs incurred by the underlying assets. Transaction costs are recovered from the assets of the Fund as and when they are incurred. The amount quoted reflects the transaction costs not recovered by the buy/sell spread for the last financial year (adjusted to reflect a 12 month period where applicable), including our reasonable estimates where information about actual costs was unavailable at the date of this PDS.

7 ‘Nil’ means there is an entitlement under the constitution but we have elected not to charge it. ‘Not applicable’ means there is no entitlement for us to charge this fee.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with products offered by other managed investment schemes.

EXAMPLE - Lennox Australian Small Companies Fund	**BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING YEAR**	
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged **$0**
Plus Management fees and costs	1.10% p.a. of the net asset value of the Fund	**And**, for every $50,000 you have in the Fund, you will be charged or have deducted from your investment **$550** each year.
PLUS Performance fees	0.65% p.a. of the net asset value of the Fund	**And**, you will be charged or have deducted from your investment **$325** in performance fees each year.
PLUS Transaction costs	0.00% p.a. of the net asset value of the Fund	**And**, you will be charged or have deducted from your investment **$0** in transaction costs.
EQUALS Cost of the Fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees of and costs of: **$875** **What it costs you will depend on the investment option you choose and the fees you negotiate.**

This example assumes that the $5,000 contribution is made at the end of the year and the value of the investment is otherwise consistent, therefore the management fees and costs associated above are calculated using the $50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and expenses we charge are based on the value of the Fund, which also fluctuates daily. Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the buy/sell spread. For a detailed explanation about all of the fees and costs that apply see the fees and costs summary above.

Additional explanation of fees and costs

Management fees and costs

The costs component of management fees and costs in the 'Fees and costs summary' reflects the actual amount incurred for last financial year and the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS (adjusted to reflect a 12 month period). All figures have been rounded to two decimal places.

You should refer to the Fund's website at www.fidante.com.au from time to time for any updates which are not materially adverse to investors.

The total management fees and costs for the Fund, outlined in the 'Fees and costs summary' above include the management fee, indirect costs and recoverable expenses. They do not include the performance fees (if payable), the Fund's buy/sell spread or the transaction costs of underlying assets (as set out below).

The Fund's management fees and costs are payable from the Fund's assets and are not paid directly from your account. Each of these are explained further below.

For details of the maximum fees permitted under the constitution of the Fund, please refer to 'Maximum allowable fees'.

Management fee

This is the fee charged for managing the investments, overseeing the Fund's operations and providing access to the Fund. The management fee of the Fund is 1.10% p.a. of the net asset value of the Fund. It is calculated and accrued daily as a percentage of the net asset value of the Fund and payable monthly in arrears.

Indirect costs

Indirect costs are those amounts paid from the assets of the Fund that we know or, where required, reasonably estimate will reduce the return of the Fund or the amount or value of the income of, or property attributable to, the Fund or an underlying managed fund in which the Fund invests. Indirect costs do not include the management fee, performance fee, or recoverable expenses as set out in this section. For example, indirect costs include charges of an underlying fund where the Fund invests in assets indirectly.

If the Fund invests in assets indirectly, that is by investing in other managed funds, certain indirect costs may be deducted from the assets of the underlying fund in which the Fund invests. Such costs will generally be accrued daily in the underlying fund and paid periodically.

Indirect costs of the Fund are estimated to be 0.00% p.a. of the Fund's net asset value.

Recoverable expenses

Normal operating expenses

We currently pay the normal operating expenses of the Fund (e.g. custody fees, audit fees, accounting fees, legal and regulatory fees) from the management fee and will not, without notice, recover these from the Fund's assets.

Abnormal expenses

We may recover abnormal expenses (such as costs of unitholder meetings, changes to the Fund's constitution and defending or pursuing legal proceedings) from the Fund's assets. Whilst it is not possible to estimate such expenses with certainty, we anticipate that the events that give rise to such expenses will not occur regularly. In circumstances where such events do occur, we may decide not to recover these abnormal expenses from the Fund's assets.

The management fees and costs set out in the 'Fees and costs summary' above include abnormal expenses of 0.00% p.a. of the net asset value of the Fund, which is the amount actually incurred by the Fund for the previous financial year including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS. If abnormal expenses are charged, they will be recovered from the Fund's assets when they are incurred. The amount quoted is not an indication or guarantee of the amount that may be charged in the future. At the date of this PDS, there is no intention to hold a unitholder meeting nor are we aware of any legal proceedings the Fund may be a part of that may require us to recover associated abnormal expenses from the Fund.

Investment expenses

We currently pay the standard investment management costs of the Fund from the management fee.

Performance fee

A performance fee is calculated on each business day. If the Fund's daily return (after fees and expenses and after adding back any distributions paid) exceeds its defined Performance Benchmark, a performance fee may be payable.

The performance fee in the 'Fees and costs summary' above is a reasonable estimate based on the average of the actual performance fee paid for the Fund over the previous 4 financial year(s). Past performance is not a reliable indicator of future performance and the Fund's actual performance fee will be based on the Fund's performance over the relevant period. These amounts are inclusive of GST and income tax less reduced input tax credits.

The Performance Benchmark

The Performance Benchmark is the daily return of S&P/ASX Small Ordinaries Accumulation Index (**Performance Benchmark**).

The Fund must outperform the Performance Benchmark before the performance fee becomes payable.

How is the performance fee calculated and paid?

The performance fee is calculated as 15% of the difference between the Fund's daily return (after fees and expenses and after adding back any distributions paid) and the Performance Benchmark.

The performance fee payable is calculated on each business day. This daily performance fee amount can be positive or negative depending on whether or not the Performance Benchmark has been exceeded for that day. The cumulative performance fee amount on any given business day is the aggregate of all the daily performance fee amounts (both positive and negative) since a performance fee was last paid from the Fund up to and including the day before the calculation date (**Cumulative Performance Amount**).

Generally, the greater the investment performance of the Fund, the greater the Cumulative Performance Amount and therefore the greater the overall management costs for the Fund. The performance fee is estimated as 0.65% p.a. of net asset value of the Fund, calculated based on the average of the actual performance fees paid for the Fund over the previous 4 completed financial years(s).

If, on any given business day, the Cumulative Performance Amount is positive, then this positive amount will be incorporated into the Fund's unit price. Any day where a negative fee is calculated, this will be deducted from any positive accumulated fee to reduce the Cumulative Performance Amount.

If, on any given business day, the Cumulative Performance Amount is negative, then no performance fee amount will be reflected in the Fund's unit price. The negative amount will need to be carried forward and will need to be offset by future positive performance fee amounts before any performance fee becomes payable.

The performance fee if payable, will be paid from the Fund for quarterly performance fee periods, ending 31 March, 30 June, 30 September and 31 December, where:

- the Cumulative Performance Amount for the Fund is positive; and
- the Fund's return is also positive for the relevant quarterly performance fee period.

If the Cumulative Performance Amount is positive, but the Fund's return (after fees and expenses) is negative, the performance fee is carried forward to the next quarterly performance fee period.

If the Cumulative Performance Amount at the end of a performance period is negative, no performance fee is payable to the Responsible Entity for that performance fee period and that amount must be subtracted from the Cumulative Performance Amount for the next performance fee period.

For historical performance fees, please contact our Investor Services team. For additional information about how unit prices are calculated please refer to 'How unit prices are calculated' in this document.

Performance fee – worked dollar example

The table below provides a dollar fee example based on an investor with a $50,000 investment in the Fund. The example assumes no other applications or withdrawals have been made and the performance of the Fund and the Performance Benchmark remains constant during the relevant period. The performance fee is calculated and accrued (where applicable) into the unit price. For additional information about how unit prices are calculated, please refer to 'How unit prices are calculated'. The unit price of the Fund is assumed to be $1.00 per unit. Please note that this is just an example and should not be taken as an indication or guarantee of future performance, nor an indication of the performance fee that may be charged in the future. We do not provide any assurance that the Fund will achieve the performance used in the examples and you should not rely on this in determining whether to invest in the Fund.

Example: the Fund's performance exceeds the Performance Benchmark and overall the Fund's performance is positive

Daily performance fee calculation	How and when paid
This example uses a unit price of $1 for illustrative purposes only. For the period 1 January to 2 January we assume: • the investment amount is $50,000 as at 1 January; • the unit price increased from $1.00 to $1.02 (i.e. a 2% increase); • the S&P/ASX Small Ordinaries Accumulation Index return for the period was 1.5%; and • no distributions were paid. **Performance benchmark per unit** = $1.00 + (1.5% x $1.00) = $1.015 **Fund outperformance per unit** = $1.02 – $1.015 = $0.005	Accrued in the Fund's unit price the next day and deducted directly from the Fund after the end of the performance period.

Example: the Fund's performance exceeds the Performance Benchmark and overall the Fund's performance is positive	
Daily performance fee calculation	**How and when paid**
In this example, the Fund's performance (2%) has exceeded the Performance Benchmark (1.5%). The amount payable is calculated as follows. **Performance fee per unit** = $0.005 x 15% = $0.00075 **Total performance fee payable** = $0.00075 x 50,000 units = $37.50 **Net asset value of investment amount as at 2 January** = 50,000 units x $1.02 = $51,000 The total performance fee of $37.50 is accrued and reflected in the next day's unit price.	A performance fee will be payable.

Example: the Fund's performance does NOT exceed the Performance Benchmark and overall the Fund's performance is positive	
Daily performance fee calculation	**How and when paid**
This example uses a unit price of $1 for illustrative purposes only. For the period 1 April to 2 April we assume: • the investment amount is $50,000 as at 1 April; • the unit price increased from $1.00 to $1.01 (i.e. a 1% increase); • the S&P/ASX Small Ordinaries Accumulation Index return for the period was 1.5%; and • no distributions were paid. **Performance benchmark per unit** = $1.00 + (1.5% x $1.00) = $1.015 **Fund underperformance per unit** = $1.01 – $1.015 = –$0.005	A performance fee will not be accrued in the unit price. The negative amount will be carried forward and will be used to offset against any positive performance fee amounts.
In this example, the Fund's performance (1%) has underperformed the Performance Benchmark (1.5%). The amount to carry forward is calculated as follows: **Performance fee per unit** = -$0.005 x 15%= -$0.00075 **Total performance fee to be carried forward** = -$0.00075x 50,000 units = -$37.50 **Net asset value of investment amount as at 2 April** = 50,000 units x $1.01 = $50,500	A performance fee will not be payable. The negative amount will be offset against any future positive performance fee amounts.

Transaction costs

Transaction costs are the costs associated with the buying and selling of the Fund's assets. These costs include brokerage, settlement costs, OTC derivative costs, clearing costs, stamp duty and other government taxes or charges and include underlying security buy/sell spreads and the transaction costs incurred by the underlying assets.

The total gross transaction costs incurred by the Fund for the last financial year were approximately 0.18% p.a. of the net asset value of the Fund, including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS. The transaction costs shown in the 'Fees and costs summary' are net of any amount recovered by the buy/sell spread.

The net transaction costs of the Fund (representing the total gross transaction costs minus the total amount recovered through the buy/sell spread of (+0.39%/-0.39%) incurred for the last financial year were 0.00% p.a. of the net asset value of the Fund, including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS.

Transaction costs are not included in the management fees and costs. Instead they are paid from the assets of the Fund as and when they are incurred and therefore (where not otherwise recovered through the buy/sell spread) are an additional cost to you.

Total fees and costs

Based on the estimated costs outlined in this section, the estimated total of the amounts for management fees and costs, performance fees and net transaction costs is estimated as 1.75% p.a. of the net asset value of the Fund. The dollar figure of these estimated total management fees and costs, performance fees and net transaction costs based on an investment balance of $50,000 is $875.

Buy/sell spreads

The buy/sell spread is a type of transaction cost that the Responsible Entity may charge to investors to recover some or all of the transaction costs of the Fund. The purpose of the buy/sell spread is to ensure that only those investors transacting in the Fund's units at a particular time bear the Fund's costs of buying and selling the Fund's assets as a consequence of their transaction.

The buy/sell spread for the Fund is stated as a percentage of the investment or withdrawal amount and is the difference between the investment unit price and the withdrawal unit price. It reflects an estimate of the transaction costs expected to be incurred in buying and selling the Fund's assets as a result of investments and withdrawals made by investors.

This estimate may take into account factors such as (but not limited to) historical transaction costs and anticipated levels of investments and withdrawals. It is expected that brokerage will make up the vast majority of transaction costs.

The current buy/sell spread of the Fund is +0.39%/-0.39%; however a different buy/sell spread may apply if the estimate changes.

We have discretion to waive or reduce the transactional and operational costs on investments or withdrawals where no or reduced costs are incurred. We will provide notification to unitholders of any changes to buy/sell spread transaction costs on the Fidante Partners website.

Any difference between total gross transaction costs and the amounts recovered from the buy/sell spread from transacting investors is an additional cost that is borne by all investors of the Fund.

Please note that while the buy/sell spread is an additional cost to you, it is not a fee paid to us or Lennox. It is paid to the Fund and is reflected in the Fund's unit price.

Buy/sell spread example

- The current buy spread on an investment in the Fund is +0.39%. Therefore, the cost of an investment of $50,000 into the Fund would be $195.
- The current sell spread on a withdrawal from the Fund is -0.39%. Therefore, the cost on a withdrawal of $50,000 from the Fund would be $195.

Please note that this is just an example. In practice, actual transaction costs will depend on the amount you invest or withdraw.

Investing in related entity funds

The Fund may gain investment exposure through other unlisted funds operated by related entities. Where the Fund invests in an unlisted fund operated by us we ensure that there is no duplication of fees. Instead, adjustments are made so that our management fee will be no greater than the Fund's management fee.

Can fees be different for different investors?

Yes; we may negotiate, rebate, or waive fees for wholesale clients (as defined in the Corporations Act), where permitted by law. We do not negotiate fees with retail investors.

Borrowing costs

Borrowing costs are the costs associated with borrowing money or securities. The Fund may enter into borrowing facilities and, if so, the costs of a borrowing facility would be deducted from the Fund and not paid for by us from the fees we receive. Borrowing costs are not part of transaction costs, and are not shown in the 'Fees and costs summary'.

Government charges and GST

Government taxes such as stamp duty and Goods and Services Tax (**GST**) may apply to the Fund or your investment. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) that are expected to be available to the Fund.

Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Please refer to 'How managed investment schemes are taxed' for additional information on GST.

Other payments

We may pay fees from our resources to some IDPS or other platform operators because they make the Fund available through their investment service. These fees may be rebated to the Indirect Investor investing in the Fund through the service or in some circumstances may be retained by the operator and include:

- for each IDPS operator, product access payments of up to $20,000 p.a.; and/or
- where permitted by law, fund manager payments of up to 0.55% p.a. of the amount invested in the Fund.

These payments are made from our own resources so that they are not an additional cost to the Fund or its unitholders.

Adviser remuneration

Adviser service fees

You and your financial adviser may agree that you will pay an adviser service fee for the provision of ongoing services by your financial adviser in relation to your investment. This fee will be paid to the Australian financial services licensee responsible for your adviser (or your adviser directly if they are the licensee). You do not have to agree to these fees if you choose not to.

Where it has been agreed, the adviser service fee may be an amount of up to 1.1% p.a. of your account balance, negotiated with your financial adviser and to be calculated and paid on a monthly basis. You and your financial adviser may agree to this fee being deducted from your Fund account. Where you agree to pay an adviser service fee, you also authorise us to withdraw units you hold in the Fund to pay this fee on your behalf. There may be capital gain or capital loss consequences on the withdrawal. For more information, please refer to 'How managed investment schemes are taxed'.

We will not deduct the adviser service fee if your balance in your Fund account is less than $1,000.

Adviser service fee example

If your account balance in the Fund is $50,000, and you agree to pay a maximum adviser service fee of 1.1% p.a., this will equate to $45.83 per month. You or your financial adviser may cancel the adviser service fee at any time.

Maximum allowable fees

The Constitution allows certain maximum fees (see table below), and allows for expenses of the Fund (whether normal or abnormal expenses), such as registry, audit, taxation, advice, investment management and offer document costs to be paid directly from the Fund.

Fee	Maximum amount
Contribution fee (currently not charged)	5.00% of the contribution amount
Management fee (currently charged at 1.10% p.a.)	3.00% p.a. of the net asset value of the Fund
Withdrawal fee (currently not charged)	5.00% of the withdrawal amount
Performance fee (currently charged at 15% of the Fund's net return above its benchmark)	20% of the difference between the Fund's daily return (after fees and expenses and after adding back any distributions paid) and the performance benchmark (being the daily return of the S&P/ASX Small Ordinaries Accumulation Index).
Switching fee (currently not charged)	Contribution fee plus $50 (CPI adjusted each year)

The Constitution does not place any limit on the amount of the expenses that can be paid from the Fund.

Can fees change?

All fees can change. Reasons for this might include changing economic conditions and changes in regulation. We will give unitholders 30 days' written notice of any proposed increase in fees. We cannot charge more than the Constitution allows. If we wish to raise fees above the amount allowed for in the Constitution, we would first need to obtain the approval of unitholders. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

Indirect (or alternative form) remuneration

We may provide benefits to other financial services intermediaries where the law permits. If we do, we will provide these benefits from our own resources so that they are not an additional cost to the Fund or its unitholders.

We maintain a register (in compliance with the relevant regulatory requirements) summarising alternative forms of remuneration that are paid or provided to Australian financial services licensees and/or their representatives. Registers are publicly available and if you would like to review our register, please contact us.

Making, withdrawing and monitoring your investment

Each person should obtain and consider the Fund's TMD and PDS before making a decision about whether to acquire or continue to hold the Fund. A copy of the Fund's TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or at www.fidante.com.au. The information in the table below applies to Direct Investors only. If you are an indirect investor, you will need to comply with any requirements set by your IDPS operator. Please refer to 'Indirect investors' for further information.

Please note that when making an investment, (whether initial or additional investments) the funds must come from an account held in your name. Similarly, withdrawals/distributions from your investment must also be paid to an account held in your name. Please note that 3rd party payments are not accepted.

	Minimum amounts[1]	How to lodge your request	More information
Initial investment	$10,000 or $1,000 with a Regular Savings Plan	• complete and sign the relevant Application Form available on the Fidante Partners website; • complete the relevant identity verification requirements (depending on what investor type you are) and include all required customer identity verification documents; • if making your investment via direct debit, you will need to complete the direct debit request section of the relevant Application Form. All direct debits are subject to the Direct Debit Request Service Agreement available on the Fidante Partners website; • if making your investment via Electronic Funds Transfer, please transfer funds with your investor name as a reference at the same time as posting your application. Payment details are outlined on the relevant Application Form; • if making your investment via cheque, make the cheque payable to 'Fidante Partners Limited Application Account <name of investor(s)>' and attach it to your application form.	'Additional information about making an investment' and'Customer Identification Program'
One-off additional investment	$1,000	• complete and sign the Additional Application Form available on the Fidante Partners website; • if making your investment via direct debit, you will need to complete the direct debit request section of the relevant Application Form. All direct debits are subject to the Direct Debit Request Service Agreement available on the Fidante Partners website; • if making your investment via Electronic Funds Transfer, please transfer funds with your investor name as a reference at the same time as posting your application. Payment details are outlined on the relevant Application Form; • if making your investment via cheque, make the cheque payable to 'Fidante Partners Limited Application Account <name of investor(s)>' and attach it to your application form.	'Additional information about making an investment'
Regular Savings Plan	$100 per month (with an initial investment of $1,000).	• complete and sign the Regular Savings Plan sections from the relevant Application Form available on the Fidante Partners website;	'Regular Savings Plan'
Withdrawals	$1,000 per withdrawal, subject to maintaining the minimum balance in the Fund	• complete and sign the Withdrawal Request Form available on the Fidante Partners website; or • write a letter, including: - your account number; - the full name(s) in which your investment account is held; - the amount (dollars or units) you wish to withdraw; - method of payment; or • via telephone or fax (subject to certain restrictions; please refer to 'Telephone and fax instructions').	'Additional information about withdrawing' and 'Telephone and fax instructions'
Transferring ownership	$10,000	Subject to conditions as required by law or that we, from time to time, prescribe.	'Transferring ownership'

1. We may accept lower minimum transaction amounts at our discretion.

Additional information about making an investment

Initial Investments

You can access the Fund:

- As a Direct Investor – by completing the relevant Application Form;
- As an Indirect Investor – through your IDPS operator.

Each person should obtain and consider the Fund's TMD and PDS before making a decision about whether to acquire or continue to hold the Fund. A copy of the Fund's TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or at www.fidante.com.au.

Direct Investors

Details of how to make your initial investment are outlined in the 'Making, withdrawing, and monitoring your investment' table. Once you have made your initial investment in the Fund, you can make additional one-off investments and/or regular monthly investments via the Regular Savings Plan.

Indirect Investors

You should contact your IDPS operator for more information regarding your investment in the Fund.

Additional one-off investments

If you wish to make additional investments in the Fund, please download a copy of the current PDS, TMD and any disclosure updates. A paper copy of all these documents are available free of charge by visiting the Fidante Partners website or by calling 13 51 53.

Direct Investors

If you wish to make additional investments in the Fund, complete the relevant sections of the relevant Application Form, available from www.fidante.com.au. You must ensure all relevant sections of the Application Form are complete, including the TMD related questions.

Please ensure you have considered the Fund's TMD and PDS before making a decision about whether to make an additional investment in the Fund. A copy of the Fund's TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or at www.fidante.com.au.

For direct investors, additional investments can be made via direct debit, electronic funds transfer, or cheque. If making your additional investment via direct debit, you will need to complete the relevant direct debit facility section on the Additional Investment Form.

All direct debits are subject to the Direct Debit Request Agreement which is available on the Fidante Partners website and contains details of how to make payments via electronic funds transfer.

Alternatively, if you are making your additional investment via cheque, you can send us written instructions. Please attach your cheque to the instructions and ensure the instructions include:

- your account number;
- the full name(s) in which your investment account is held;
- the amount you wish to invest; and
- a daytime telephone number.

Indirect Investors

You must complete the documentation which your IDPS operator requires.

Regular Savings Plan

The Regular Savings Plan (**RSP**) enables you to invest in the Fund each month via direct debit from a nominated account.

Direct Investors

To start an RSP, simply complete the relevant sections of the relevant Application Form or complete the Additional Investment Form, both available from www.fidante.com.au.

Your nominated account will be debited on or around the next business day after the 14th day of each month for the specified amount. Your application to commence an RSP must be received at least three business days before the 14th day of the month in which you wish your instructions to take effect. Participation in the RSP will be renewed annually by continuing to make contributions.

Units will be issued on the basis of information contained in the PDS and this document current at the time the contributions are made. Should a replacement PDS or additional important information be issued, we will notify you and inform you of any changes or updates if you continue to participate in the RSP. You can amend, suspend, or cancel your RSP at any time. You should ensure that we receive your instructions to amend, suspend or cancel your RSP at least three business days before the 14th day of the month in which you wish your instructions to take effect. Any request received after this may result in the change not being effective until the following month.

If two consecutive debits are dishonoured due to insufficient funds, we will suspend your RSP.

Please ensure you have considered the Fund's TMD and PDS before making a decision about whether to set up an RSP. A copy of the Fund's TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or at www.fidante.com.au.

Indirect Investors

You must complete the documentation which your IDPS operator requires.

Incomplete or rejected application forms

Under the Fund's constitution, we can accept or reject any application for units and are not required to give any reason or grounds for such a refusal.

Monies from incomplete applications will generally be held on trust for a maximum period of 30 days in a non-interest bearing account commencing on the day we receive the monies. After this period, your funds will be returned to the source of payment.

Once we receive your completed application form, the monies held will be divided by the next determined unit price to calculate the number of units that will be allocated to you.

Customer Identification Program

Direct Investors

To address money laundering and terrorism risks, verification of each customer's identity is a prerequisite for all new customers starting an investment. The requirements to verify each customer's identity will depend on what type of investor you are, e.g. individual or company etc.

You will be required to provide certified copies of your identity verification documents directly to us (refer to 'Who can certify' for a list of who can certify these documents). If the Application Form is signed under Power of Attorney we will also require a certified copy of the Power of Attorney document and a specimen signature of the attorney.

Under relevant laws, we may be required to ask you for additional identity verification documents and/or information about you, anyone acting on your behalf, or any related persons that are beneficial owners in relation to your investment, either when we are processing your investment request or at some stage after we have issued units in the Fund. We may pass any information we collect and hold about you or your investment to the relevant government authority.

Identity verification documents

You will be required to provide valid identity verification documentation when you invest. The actual documentation required will depend on whether you are an individual investor or a non-individual investor such as a superannuation fund, a trust or a company.

We have outlined the specific documentation required in the relevant Application Form. If any documentation you provide is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator. If we do not receive all required valid customer identity verification documents with your application, we will not be able to commence your investment. We will contact you as soon as possible if we require more information. We may also seek to re-verify your identity or collect additional information at any time after your investment has commenced.

Who can certify

You must ensure that each page of the relevant identity verification document(s) is certified. The person certifying must state in writing:

- their capacity (from the list provided); and
- on each page of the document 'this document is a true and correct copy of the original' or words to that effect.

An identity verification document may be certified as a true and correct copy of an original document by one of the following persons:

- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, i.e. a financial adviser;
- a Justice of the Peace;
- a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described), i.e. an Australian lawyer;
- a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants, i.e. an accountant;
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public; or
- a police officer.

Other persons may also be qualified to certify documents. For a full list of eligible persons, please contact us.

Indirect Investors

Indirect Investors should refer to their IDPS operator for details of their customer identification program.

Additional information about withdrawing

How to make a withdrawal

Direct Investors

Direct Investors can request a withdrawal by telephone or fax (refer to 'Telephone and fax instructions' in this document) or in writing. A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement. Withdrawals can only be made to a bank account held in your name. If you make your withdrawal request by telephone or fax, we can make your withdrawal payment to a previously nominated bank account we have on file.

If you provide us with an appropriately signed, original written request, then in addition to the payment methods set out above, we can also make payments by direct credit to another bank account in your name.

We will require the following information when you make your withdrawal request:

- your account number;
- the full name(s) in which your investment account is held;
- the amount (dollars or units) you wish to withdraw;
- method of payment; and
- a daytime telephone number.

Please ensure that the appropriate signatories sign all written withdrawal instructions, including those forwarded by fax.

If you originally invested via direct debit and you make a withdrawal within the first three months of making your investment, we will only pay the withdrawal proceeds to the account that was debited when making your initial investment.

Indirect Investors

You must complete the withdrawal documentation required by their IDPS operator.

Processing your withdrawal

While withdrawals are normally processed and paid within five business days of receiving your valid withdrawal request, we may take significantly longer than this in certain circumstances (please refer to 'Delay of withdrawal payments'). If your request for withdrawal would cause your balance to fall below the current minimum balance amount of $10,000, this may be treated as a request for full withdrawal.

For Direct Investors, we can make withdrawal payments by direct credit to your nominated account. You agree that if the type of payment you request results in bank fees being charged, we may deduct those fees from your withdrawal proceeds before remitting the net amount to you.

Generally, if the payment for your withdrawal is returned to us and remains outstanding for 1 month, we may reinvest the proceeds in the Fund. Any reinvestment of a withdrawal amount will be processed using the investment unit price current at the time of the reinvestment transaction. For more information on unit prices, refer to 'How unit prices are calculated' below.

We will advise you when this is the case as soon as practicable after the end of the financial year in which the withdrawal occurred.

We may determine that some or all of the withdrawal amount consists of income (which may include net capital gains), rather than capital of the Fund.

We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) of the proceeds of your withdrawal request less any costs for the transfer.

We have the right to compulsorily redeem units in issue, if we give at least 30 days prior written notice to affected investors.

Delay of withdrawal payments

Withdrawals are normally processed and paid within five business days of receiving a valid withdrawal request; however, we do not guarantee this timeframe and we may take significantly longer to pay withdrawals in certain circumstances.

Withdrawals may be delayed in the following circumstances:

- under the Fund's constitution, we have 21 days to satisfy a valid withdrawal request;
- under the Fund's constitution, we can suspend withdrawals for up to 60 days (refer to 'Suspending withdrawals' below);
- we can also spread withdrawal payments, generally over four months (refer to 'Spreading withdrawals' below); or
- if the Fund becomes illiquid, we are not required to pay withdrawals unless we offer to do so (refer to 'If the Fund becomes illiquid' below).

Where multiple delays are applicable, timeframes may apply cumulatively.

Additionally, if we did not receive all required identity verification documents (as outlined in the relevant application form) at the time of investment or your withdrawal request is incomplete, we may not process your withdrawal request until these documents are received or further requirements are met.

Suspending withdrawals

We may suspend withdrawal requests for up to 60 days where:

- it is impracticable for us or we are unable to calculate the Fund's net asset value (and hence unit prices) for example because of:
  - an inability to value the assets of the Fund;
  - closure of, or trading restrictions or suspensions on, stock, commodities, futures or securities exchanges, or over-the-counter market on which any significant portion of the assets of the Fund are listed, quoted, traded or dealt; or
  - an emergency, natural disasters, acts of terrorism, insurrection, civil disorder, war, military operations or other state of affairs, or on declaration of a moratorium in a country where the Fund invests (or the Fund has exposure through any assets of the Fund (including any derivative) in which the Fund invests) or under the Corporations Act;
- we reasonably estimate that we must sell 5% or more (by value) of all the Fund's assets to meet withdrawals;
- there have been, or we anticipate there will be, withdrawal requests that will require us to realise a significant amount of the Fund's assets that would be disadvantageous to remaining investors (such as placing capital gains tax burden on remaining investors or resulting in a material diminution in the value of the assets of the Fund);
- we reasonably consider it to be in the interests of investors to do so; or
- the law otherwise permits.

Any withdrawal requests received during a period of suspension, or for which a unit price has not been calculated or confirmed prior to the commencement of

a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

Spreading withdrawals

Under the Fund's constitution, we may, if we consider it to be fair to all unitholders, spread the redemption of some or all of the relevant units across more than one redemption date. Generally, we may spread a withdrawal request where:

- we receive a withdrawal request for the value of 5% or more of the number of units on issue;
- we receive, on any day, withdrawal requests that in total represent 10% or more of the number of units on issue;
- there have been, or we anticipate that there will be, withdrawal requests for 10% or more of the total units on issue in the Fund and we consider that if those requests are met rapidly this may either place a disproportionate expense or capital gains tax burden on remaining investors or meeting the requests would impact negatively on the price we could achieve in selling Fund assets or otherwise disadvantage remaining investors.

When we spread withdrawals, we may determine that a withdrawal request is four separate requests, each for a quarter (or as close to a quarter as we determine) of the total number of units in the original withdrawal request.

Each of the four (deemed) withdrawal requests will be deemed to be received by us on the same business day of the month (or next business day, if not a business day or if that day does not occur in that month) in each of the four succeeding months following the original withdrawal request.

If the Fund becomes illiquid

If the Fund is not liquid (as defined in the Corporations Act), unitholders will only be able to withdraw from the Fund if we make an offer of withdrawal to unitholders. If we do make such an offer, unitholders may only be able to withdraw part of their investment. There is no obligation for us to make withdrawal offers.

Under the Corporations Act, the Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets generally include money in an account or on deposit with a bank, bank-accepted bills, marketable securities and property of the kind prescribed under the Corporations Act.

As at the date of this PDS, the Responsible Entity expects that the Fund will be liquid.

Additional information about transactions

Transferring ownership

Direct Investors

You can generally transfer some or all of your investment to another person in such a manner and subject to such conditions as required by law and that we, from time to time, prescribe. We are not obliged to register a transfer that does not meet these criteria, or where there is an amount payable to us by the transferee or the transferor (as applicable) in respect of the units being transferred. We recommend that you obtain your own professional advice regarding your position before transferring some or all of your investment, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

Please contact us for further information about transferring units.

Indirect Investors

Contact your IDPS operator if you wish to transfer your units.

Transaction cut-off times

Direct Investors

Generally, if your valid investment or withdrawal request is received in our Sydney office before 3:00pm Sydney time on a New South Wales business day (referred to as the transaction cut-off time), it will usually be processed using the unit price determined as at the close of business on that day. If your valid investment or withdrawal request is received after the transaction cut-off time, or on a non-business day, it will usually be processed using the applicable unit price calculated as at the close of business on the next business day.

Indirect Investors

You should contact your IDPS operator for information regarding transaction cut-off times.

Telephone and fax instructions

Direct Investors

You should understand that a person without your authority could telephone us or send us a fax and, by pretending to be you, withdraw funds from your account for their own benefit.

We take care when acting on instructions. In doing so, we perform security checks and have in place internal policies and procedures designed to reduce the risk that fraud is committed in relation to your account. In using the telephone and/or a fax facility, you agree that we are not responsible to you for any fraudulently completed communications and that we will not compensate you for any losses if we have complied with internal policies and procedures, and we have not been negligent, fraudulent or dishonest.

We will only act on completed communications that we receive. In the case of a fax, a transmission certificate from your fax machine is not sufficient evidence (unless we have otherwise agreed), that we received your fax. We will not be liable for any loss or delay resulting from the non-receipt of any transmission.

In the case of joint holdings, superannuation funds, trusts and companies, additional processes may apply and any investor or director who signs the application form may request a telephone withdrawal.

If the details of the bank account quoted at the time of making a telephone or fax withdrawal do not match the nominated bank account we have on file, the withdrawal will not proceed. You must advise us via an original,

signed, written request if you wish to change your previously nominated bank account details. If you do not want withdrawals to be able to be made from your account via a telephone or fax request, we must receive an original, signed, written request to cancel these withdrawal facilities. Cancellation will be effective from the end of the second business day after receipt of this written request.

We may cancel or vary these requirements by giving you notice in writing.

Indirect Investors

You should contact your IDPS operator for information regarding how to transact.

Changes to permitted transactions

We can vary the minimum investment amounts for the Fund at any time and can also change the application or withdrawal transaction cut-off time. Under the Fund's constitution, we can refuse applications for any reason. Where we consider it to be in the interests of unitholders (such as an inability to value the Fund), we may suspend application or withdrawal requests. Any application or withdrawal requests received during the period of suspension, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

Monitoring your investment

Direct investors

You can access your account information 24 hours a day, seven days a week through InvestorOnline, a secure online service which provides access to up-to-date information about your investments, including the latest unit prices, your account balance and transaction history.

We will also send you regular information about your investments, including:

- confirmation of the acceptance of your initial and one-off additional investments; this confirmation will provide details of the units issued;
- confirmation that we have processed a withdrawal request; this confirmation will provide details of the unit and dollar value withdrawn;
- a quarterly statement; and
- a consolidated annual taxation statement.

At any time, you may request a transaction statement that shows either all transactions since your last regular statement or all transactions for a specific period. We recommend that you check all statements and transaction confirmations carefully. If there are any discrepancies, please contact us or your financial adviser.

Indirect Investors

Please contact your IDPS operator for information regarding your investment in the Fund.

Keeping us informed

Direct Investors

Our records about you are important.

Please inform us in writing of any change to the personal details that you have given us. This may be a new postal address, a change of name or new bank account details. We will send you written confirmation of any changes that you request us to make to your personal details.

Indirect Investors

As an Indirect Investor, you should notify your IDPS operator of any changes to your personal details.

What happens if you choose not to disclose certain information?

If you choose not to disclose certain information, the following may apply:

- Account details: we will not be able to pay withdrawal proceeds or income distributions to you.
- Tax residency information: we may not be able to process your request, or we may be required to notify the ATO.
- Incomplete application form: unless otherwise agreed, we will not be able to process your investment request.
- If you do not provide all relevant identity verification documents, we will not be able to process your investment request.

For Australian resident investors, if you choose not to disclose your TFN, TFN exemption or ABN, we have to deduct tax at the highest marginal tax rate plus Medicare levy (and any other levies we are required to deduct, from time to time) from any amounts attributed or distributed to you (refer to 'Tax File Number' in 'How managed investment schemes are taxed').

Up-to-date information about the Fund

You can obtain up-to-date Fund performance, actual asset allocations and Fund size information by contacting your financial adviser, visiting the Fidante Partners website or calling 13 51 53.

A paper copy of any updated information will be given to you, without charge, on request by contacting us.

If the Fund is a "disclosing entity" under the Corporations Act, it will be subject to regular reporting and disclosure obligations. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to the Fund may be obtained from, or inspected at, an ASIC office.

You can obtain copies of the Fund's most recent annual financial report by visiting the Fidante Partners website. A paper copy of the Fund's annual financial reports, any continuous disclosure notices, and any half yearly financial report will also be given to you, without charge, on request.

As Responsible Entity of the Fund, we may be subject to continuous disclosure obligations that require us to make material information available to investors. You can obtain a copy of the Fund's continuous disclosure information by visiting the Fidante Partners website.

How to exercise cooling-off rights

The repayment of your investment under the cooling-off right is subject to an adjustment for market movements (both positive or negative) during the period in which the investment has been held. We may also deduct a reasonable charge for our administration costs.

Direct Investors

If you are a Direct Investor and you wish to exercise the cooling off rights, we must receive your written instructions at our office before the expiry of the cooling-off period. This cooling-off right must be exercised within 14 days from the earlier of:

- when you receive confirmation of your investment; or
- the end of the fifth business day after the day on which your units were issued or sold to you.

Indirect Investors

If you are an indirect investor, you should seek advice from your financial adviser or IDPS operator about the cooling-off rights (if any) that might apply to your investment in or through your IDPS.

Wholesale clients

These cooling-off rights do not apply to wholesale clients (as defined in the Corporations Act). Please note that as an investor in the Fund you will not necessarily be a wholesale client for the purposes of the Corporations Act.

Additional information about making a complaint

As part of our commitment to providing quality service to our Investors, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within 24 hours or as soon as practical after receiving it and investigate, properly consider, and decide what action (if any) to take and to provide a final response to you within 30 calendar days for standard complaints. If you have a particular complaint regarding your investment, please do not hesitate to contact us by calling our Investor Services team on 13 51 53 or by writing to:

Complaints and Disputes Resolution Officer

Fidante Partners
Reply Paid 86049
Sydney NSW 2001

If you are not satisfied with our response or how the complaint has been handled (or we have not responded within 30 days) you may contact the following external dispute resolution scheme.

The Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001

Tel: 1800 931 678
www.afca.org.au

email: info@afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Indirect Investors may either contact their IDPS operator or us with complaints relating to the Fund. Complaints regarding the operation of an IDPS should be directed to the IDPS operator. If a complaint is first raised with an IDPS operator and an Indirect Investor is not happy with how the complaint has been handled, they should raise that with the IDPS operator or the IDPS operator's external dispute resolution service.

How managed investment schemes are taxed

The Australian tax commentary below is of a general nature and is based on our understanding of the Australian tax laws, as at the date of this document, as they relate to Australian resident individual taxpayers who hold their investment on capital account. Any information contained therein should be used as a guide only and does not constitute professional taxation advice as individual circumstances may differ. Fidante Partners is not a registered tax (financial) adviser and is not licensed or authorised to provide tax advice. We recommend that you obtain your own professional advice regarding your position, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

Taxation of the Fund

The Attribution Managed Investment Trust (**AMIT**) legislation applies to qualifying Managed Investment Trusts (**MIT**s) that make an irrevocable election to become an AMIT. The Responsible Entity has elected for the Fund to be an AMIT.

An AMIT must attribute its taxable income to investors on a fair and reasonable basis, and investors are advised of their share of the taxable income via an AMIT Member Annual Statement (**AMMA Statement**). The Fund will generally not be liable to pay income tax on its taxable income on the basis that it will attribute all determined trust components (i.e. assessable income, exempt income and non-assessable non-exempt income) to members each year. If the Fund were to cease being an AMIT, it should also generally not be liable to pay income tax on the basis that unitholders are presently entitled to the Fund's distributable income.

Other key features of the AMIT regime include: income character retention; deemed fixed trust status; an ability for adjustments and errors at the trust level to be carried forward and dealt with in the year in which they are discovered; adjustments (upwards and downwards) made to investors' cost bases for CGT purposes, and their costs for revenue purposes, where there are differences between the amount distributed and the amount attributed on an AMMA statement; and clarification of the treatment of tax deferred distributions.

The MIT capital account election regime permits eligible MITs to make an irrevocable election to adopt capital account treatment for certain types of assets (broadly shares, units and real property) for income years to which the election applies. An irrevocable election has been made in respect of the Fund and accordingly deemed capital treatment will apply in respect of the qualifying assets for the income years to which the election applies.

Additionally, there is arm's length income legislation that applies to MITs. Under this legislation, excess income generated by a MIT from non-arm's length arrangements may be determined to be subject to tax at 30%. It is not expected that the arm's length income provisions will impact the Fund.

The Taxation of Financial Arrangement (**TOFA**) provisions apply on a mandatory basis to qualifying taxpayers in respect of certain financial arrangements. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on an accruals basis, which may result in a taxing point prior to the realisation of the investment. As at the date of this document, we, as Responsible Entity of the Fund, have not made an election to apply one of the elective methods under TOFA.

Tax losses incurred by the Fund will remain in the Fund and can be applied to reduce the Fund's income in future years (subject to the Fund satisfying the specific provisions of the trust loss carry forward legislation).

Tax position of Australian resident investors

You will generally be required to include in your assessable income your attributed income of the Fund. There may be instances where your attributed share of the taxable income of the Fund exceeds the distribution you receive from the Fund.

Where investors disagree with the allocation of taxable income in an AMMA Statement, they may give a 'member choice' to the Commissioner of Taxation. In the event investors make a member choice, the constitution provides that the investors will indemnify us for all costs and liabilities incurred as a result of the member choice.

CGT cost base reductions or uplifts may occur where taxable income attributed is either less than or greater than, respectively, the total of both cash distributed and tax offsets attributed for an income year. Where cost base reductions or uplifts occur, this will affect the CGT position of the investment. For those investors who have a zero cost base in their units, or where the total cost base reduction amount exceeds the cost base of their units, a capital gain may arise to these investors for that year. Investors should maintain records of their cost base adjustments. You may also be entitled to tax offsets (franking credits and/or foreign tax offsets) attributed by the Fund. Provided investors satisfy certain provisions of the Tax Act, investors may be able to utilise these

offsets against their tax liability on the taxable components of the distributions. In order to claim the amount of tax offsets, investors must include the amount of the offsets in their assessable income.

We will advise each investor of their share of tax offsets in the AMMA statement.

The disposal of units (for instance by withdrawal or transfer) may give rise to a capital gains tax liability or a capital loss. Investors who have held their units on capital account for more than 12 months may be entitled to a capital gains tax discount.

Non-resident account holder reporting requirements

As a result of an increased international focus on account holder data exchange, a number of countries have legislated that financial institutions (which includes us) identify and report certain information about the financial accounts of investors. The regimes include the United States Foreign Account Tax Compliance Act (**FATCA**) and the OECD's Common Reporting Standard (**CRS**). To comply with our obligations under various reporting legislation we will provide to the ATO such data as required in respect of your investment with us. This will be required if you are a US citizen or a foreign tax resident of any jurisdiction outside of Australia. If we have attempted to confirm your tax status with you but have been unable to do so, we may still be required to notify the ATO.

Goods and Services Tax (GST)

GST is not payable on the issue, withdrawal or transfer of units in the Fund, as these are input-taxed financial supplies for GST purposes. However, GST will generally be incurred on various acquisitions made by the Fund, including the acquisition of investment management services. In certain specified circumstances, the Fund may be entitled to input tax credits (**ITCs**), or reduced input tax credits (**RITCs**) at the prescribed percentage of 55% or 75% depending on the acquisition. Any available ITCs or RITCs effectively reduce the non-recoverable GST cost incurred.

Tax File Number

On your application form you may provide us with your Tax File Number (**TFN**), or TFN exemption. Alternatively, if you are investing in the Fund in the course of an enterprise, you may quote an Australian Business Number (**ABN**). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not, then we are required to deduct tax from your attributed or distributed amounts at the highest marginal tax rate plus the Medicare levy (and any other levies we are required to deduct, from time to time). The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws. Non-residents are generally exempt from providing a TFN, however may be required to provide other information.

Additional information

How unit prices are calculated

Unit prices are determined in accordance with the Fund's constitution and are usually calculated each NSW business day. The calculation of both the investment unit price and the withdrawal unit price is based on the net asset value (**NAV**) adjusted by the buy/sell spread. For information on buy/sell spreads, refer to 'Buy/sell spreads' in 'Additional explanation of fees and costs'.

For investment and withdrawal unit prices, the NAV is the value of all the Fund's assets attributed to the Fund less the value of the Fund's liabilities at the valuation time. When calculating the NAV, we must use the most recent valuations of the Fund's assets and the most recent determination of the liabilities. Where more than one class is on issue, the investment and withdrawal prices will be calculated for the relevant class using the NAV that is referable to that particular class.

The Fund's assets and liabilities are usually valued each NSW business day.

Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Other assets are generally valued at recoverable value. Any income entitlements, cash at bank, and any amount of Goods and Services Tax (**GST**) recoverable by the Fund from the Australian Taxation Office are also included in asset values used to calculate the investment and withdrawal unit prices.

Generally, for unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs (which includes management fees up to and including the calculation date and a performance fee if payable up to the date before the calculation date) and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets.

Where we receive a valid transaction request before the transaction cut-off time of 3:00pm (Sydney time) on a NSW business day, the unit price will generally be determined at the next valuation time after that transaction cut-off time. This is typically referred to as 'forward pricing'.

In rare circumstances, we may suspend unit pricing where, acting in accordance with our Responsible Entity obligations to unitholders, we consider it impracticable to calculate a NAV.

We have a Unit Pricing Permitted Discretions Policy. The policy sets out how we will exercise any discretions in relation to unit pricing (such as, for example, how often we determine unit prices and valuation methodology). If we depart from our policy, we are also required to record details of this departure. You can obtain a copy of this policy or any recorded departures free of charge by calling us.

Additional information about distributions

If we pay a distribution, as a Direct Investor you may choose to have your distribution reinvested in additional units in the Fund, or paid directly to your nominated account with an Australian financial institution.Unless you have indicated otherwise, we will reinvest your distributions.

As an Indirect Investor you should contact your IDPS operator for distribution payment or reinvestment options.

The price of units issued on reinvestment of distributions is the investment price for units next determined after the close of business on the last day of the distribution period. There is no buy/sell spread reflected in this investment price. The amount of each distribution may vary. Your share of any distribution depends on how many units you hold at the end of the relevant period as a proportion of the total number of units in the relevant class on issue at that time and the amount of distributable income referable to those units and that class.

As distributable amounts are a component of the unit price, unit prices normally fall by the distribution amount following a distribution.

The amount of income distributed each year will generally be the distributable income received by the Fund, unless we decide to distribute a different amount. Any net capital gains derived by the Fund during the financial year are generally distributed in the June distribution period.

If you invest just prior to a distribution payment, you may receive some of your investment back immediately as income. Conversely, if you withdraw from the Fund just before a distribution, you might turn income into a capital gain or reduce your capital losses.

Generally, if any distribution payments are returned to us and remain outstanding for 1 month, we may reinvest those distributions and amend your future distribution method to reinvest.

Any reinvestment of an unclaimed or returned distribution will be processed using the investment unit price current at the time of the reinvestment transaction.

Under the Fund's constitution, we have the power to make reinvestment of distributions compulsory. At the date of this document, we have no intention of making distribution reinvestment compulsory. We also have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for a distribution amount.

If you wish to change your distribution payment instructions, please follow the process outlined below.

Direct Investors

Please mail us an original, signed, written request.

Indirect Investors

Please contact your IDPS operator for the documentation required.

How the Fund is governed

The Fund's Constitution, together with the Corporations Act and other laws, governs the way in which the Fund operates, including the rights, responsibilities and duties of the Responsible Entity and unitholders.

The Constitution

The Constitution contains the rules relating to a number of issues including:

- unitholder rights;
- the process by which units are issued and redeemed;
- the calculation and distribution of income;
- the investment powers of the Responsible Entity;
- the Responsible Entity's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- the creation of other classes of units; and
- the termination of the Fund.

The Constitution allows for different classes of units to be established and all rights, entitlements, obligations, assets, liabilities and calculations of a unit are referable to that class of units.

It is generally thought that unitholders' liabilities are limited to the value of their holding in the Fund. It is not expected that a unitholder would be under any obligation if a deficiency in the value of the Fund was to occur. However, this view has not been fully tested at law.

Unitholders can inspect a copy of the Constitution at our head office or we will provide a copy free of charge, on request.

We may alter the Constitution if we reasonably consider the amendments will not adversely affect unitholders' rights. Otherwise (subject to any exemption under the law), we must obtain unitholder approval at a meeting of unitholders.

We may retire or be required to retire as Responsible Entity if unitholders pass a resolution approving our removal.

Termination

The Constitution, together with the Corporations Act, governs how and when the Fund may be terminated. We may terminate the Fund at any time by written notice to unitholders. On termination, a unitholder is entitled to a share of the net proceeds of our realisation of the assets in proportion to the number of units they hold in the Fund.

Unitholder meetings

The conduct of unitholder meetings and unitholders' rights to requisition, attend and vote at those meetings are subject to the Corporations Act and (to the extent applicable) the Constitution.

Compliance plan and compliance committee

We have lodged the Fund's compliance plan with ASIC and established a compliance committee for the Fund with a majority of external members. The compliance plan sets out how we will ensure compliance with both the Corporations Act and the Fund's constitution.

The compliance committee's role is to monitor compliance with the compliance plan. It must also regularly assess the adequacy of the compliance plan and report any breaches of the Corporations Act or the Fund's constitution to us. If we do not take appropriate action to deal with the breach, the compliance committee must report the breach to ASIC.

The Fund and the compliance plan are required to be audited annually.

Other parties

We have engaged a custodian to hold the assets of the Fund. The custodian has no independent discretion with respect to the holding of assets and is subject to performance standards.

The Fund has a registered company auditor. The auditor's role is to provide an audit of the financial statements of the Fund each year, as well as performing a half-yearly review (if required), and to provide an opinion on the financial statements.

Other important information

Indirect Investors

Investors accessing the Fund through an investor directed portfolio service (**IDPS**) or IDPS-like scheme (known commonly as a master trust or wrap account) may use, or be given, this PDS when deciding to invest in the Fund. These investors are referred to as Indirect Investors. Indirect Investors do not become unitholders in the Fund, nor do they acquire the rights of a unitholder. The operator of the IDPS (**IDPS operator**) acquires those rights and can exercise or decline to exercise them on behalf of Indirect Investors.

In addition to reading this PDS, Indirect Investors should carefully read the IDPS operator's offer document, which explains the service and the fees payable by the Indirect Investor to the IDPS operator. To invest, Indirect Investors need to complete the documentation which their IDPS operator requires.

Privacy

We collect, use and disclose personal information to:

- process your application;

- provide and administer your investment and send you information;
- improve and personalise our products and services;
- conduct product and market research;
- inform you about other products and services that may be useful to you; and
- comply with our obligations under the law, including with respect of anti-money laundering, financial services and taxation laws.

We collect personal information from you and, if relevant, from your financial adviser. We may take steps to verify the information collected. Where you provide us with personal information about someone else (for example, your power of attorney, or related persons including the beneficial owners connected with your investment) you must have their consent to provide their personal information to us.

If you decide not to provide certain information, we may not be able to process your investment or future withdrawal requests, or will have to deduct tax from any amounts attributed or distributed to you at the highest marginal tax rate plus the Medicare levy (and any other levies we are required to deduct, from time to time).

Disclosing your information

We disclose your information to your financial adviser . In addition, we may disclose information we hold about you:

- if you consent to the disclosure;
- if the disclosure is required or authorised by law;
- to organisations acting on our behalf (for example, sending your statements);
- to professional service firms that provide services to us such as legal and audit services, or data or information services;
- to related companies and/or the investment manager that may also provide you with a financial product or financial service;
- to electronic identity verification service providers, in order for identity information (about you or related persons connected with your investment) to be verified against relevant government and other databases, for the purpose of complying with anti-money laundering laws;
- in some circumstances, to digital service providers, such as Facebook, Google and LinkedIn, to develop a better understanding of our current and prospective customers and advisers (please refer to the privacy policy for additional information); or
- otherwise in accordance with our privacy policy.

From time to time we or our related companies may contact you to tell you about other products and services that might be useful to you, including financial, superannuation, investment, insurance and funds management products and services. Please contact us (our details are noted in this PDS) if you do not want to receive any of this kind of marketing material.

For how you can correct or update the personal information we hold about you refer to our 'Privacy Policy' which also contains further details about our handling of personal information and about how you can request access to it or lodge a complaint if you believe your personal information has been misused, and how we deal with complaints. The Privacy Policy is available from the Fidante Partners website or by contacting the Investor Services team.

We do not normally receive any personal information about you when you invest in the Fund through an IDPS operator. For details on the collection, storage and use of personal information you should contact your IDPS operator. The information we collect and store from IDPS operators is used to establish and administer its investments. If we do receive any personal information we will deal with it in accordance with our privacy policy.

Related parties

We may enter into transactions with, and use the services of, any of our related bodies corporate (as defined in the Corporations Act). Such arrangements will be based on arm's length commercial terms and will be for reasonable remuneration.

We, Lennox, or any of our respective related bodies corporate, or any director, officer or employee of any of them may invest in the Fund.

Glossary

Investment term	Explanation
actively managed	A style of investment management that seeks to attain returns through active asset allocation and security selection within each asset class rather than by tracking an index.
bottom-up ideas	Focus is on a specific company rather than on the industry in which that company operates or on the economy as a whole.
concentrated	Concentrates its investments in a small number of securities or invests in a small subset of an asset class.
fundamental analysis	Fundamental analysis studies everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individual specific factors (like the financial condition and management of companies).
futures	An agreement between two parties to buy or sell a specified quantity of a specified underlying asset, at a particular time in the future and at a price agreed when the agreement is made.
options	An agreement between two parties that conveys the right, but not the obligation, to the holder of the option to either buy or sell a specific asset at an agreed price and within an agreed period of time. If the option is not exercised during that time, the money paid for it is forfeited.
warrants	Similar to an option, it is an agreement between two parties that conveys the right, but not the obligation, to the holder of the option to either buy or sell a specific asset at an agreed price and within an agreed period of time. However, a warrant is issued by the company itself (the company will be one party to the transaction), and therefore when the warrant is exercised the transfer of shares is between the investor and the company.