

Ausbil Australian Emerging Leaders Fund

APIR: AAP0104AU
mFund: AXW02

Product Disclosure Statement dated 28 June 2019

This Product Disclosure Statement (**PDS**) is issued by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Responsible Entity, Ausbil, Ausbil Investment Management, we**), as responsible entity of the Ausbil Australian Emerging Leaders Fund (ARSN 089 995 442) (**Fund**).

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Important notes

This PDS is a summary of significant information about the Fund and contains a number of references to important information which is contained in the Additional Information Guide for the Fund. The Additional Information Guide forms part of the PDS and you should consider these documents together before making a decision about the Fund. 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 personal circumstances.

The information in this PDS is current as at the issue date but may change from time to time. Where information that changes is not materially adverse to unitholders, we will update this information by publishing changes on www.ausbil.com.au. We will notify you if there is a materially adverse change to the information contained in this PDS. This PDS does not constitute an offer in any jurisdiction other than Australia or to anyone to whom it would not be lawful to make such an offer. For the purposes of this PDS a '**Business Day**' means any day other than a Saturday, Sunday or public holiday on which the banks in Sydney are generally open for business and all times are Sydney time. All figures in this PDS are quoted in Australian dollars and are current at the date of this PDS. A paper copy of the PDS, Additional Information Guide and any updated information will be provided free of charge on request by contacting the Responsible Entity. Neither we, nor any of Ausbil's related entities, guarantee the performance of the Fund, the repayment of capital, any particular rate of return or any particular taxation consequence of investing. Past performance is not a reliable indicator of future performance. Investment in the Fund is not a bank deposit or an investment in or other liability of Ausbil. No assurance is given that the Fund's projected asset allocations or stated objectives will be achieved or maintained at the levels disclosed in this PDS.

If you are a direct investor, all correspondence pertaining to your investment will be issued by us. If you have any queries regarding your investment you should contact us. If you are investing through an investor directed portfolio service (**IDPS**) or IDPS-like scheme (**Indirect Investors**), you may be subject to different conditions from those referred to in this PDS. Please contact your IDPS operator with any query.

Contacts

Responsible Entity

Ausbil Investment Management

Toll Free
1800 287 245

Phone
+61 2 9259 0200

Fax
+61 2 9259 0222

Mail
Ausbil
GPO Box 2525
Sydney NSW 2001

Email
contactus@ausbil.com.au

Website
www.ausbil.com.au

Administrator

National Australia Bank

Fax
1300 072 387

Mail
Ausbil Investment Management Limited
GPO Box 804
Melbourne VIC 3001

1. About Ausbil Investment Management Limited

Ausbil, the Responsible Entity of the Fund, was established in April 1997 and is responsible for the administration, operation and management of the Fund and setting the Fund's investment policy and objectives. As Responsible Entity, Ausbil manages the investments of the Fund.

Ausbil manages Australian and international securities for major superannuation funds, institutional investors, master trust and retail clients as well as being the responsible entity of several registered managed investment schemes. Ausbil is owned by its employees and indirectly by New York Life Investment Management Holdings LLC (**New York Life Investments**), a wholly owned subsidiary of New York Life Insurance Company.

New York Life Investments, through its multi-boutique investment structure, offers a broad array of investment capabilities. From equity to debt or fixed income, domestic to international, growth to value, indexed to active, large cap to small cap and publicly traded securities to private placements, New York Life Investments, through its multi-boutique investment structure, has a team of investment professionals focused on virtually every sector of the capital markets.

The Responsible Entity has the power to delegate certain duties in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**) and the constitution of the Fund (**Constitution**).

The Responsible Entity has appointed National Australia Bank Limited (ABN 12 004 044 937) (**National Australia Bank**) as the custodian (**Custodian**) and administrator (**Administrator**) for the Fund. Subject to the relevant agreements between the Responsible Entity and National Australia Bank, the Responsible Entity, at its discretion, may change the Custodian and Administrator from time to time and appoint additional service providers. The Responsible Entity will notify unitholders of a change in custodian.

2. How the Ausbil Australian Emerging Leaders Fund works

The Fund is a registered managed investment scheme under the Corporations Act. This means your money is pooled together with monies from other unitholders. This pool is used to buy investments that are managed on behalf of all unitholders in the Fund.

When you invest in the Fund, you will be issued units in the Fund, rather than directly receiving an interest in the assets of the Fund. Your units will represent the value of your interest in the Fund. The number of units you will receive is dependent on the amount of money you invest and the unit price at the time of your application.

You can increase the number of units you hold by reinvesting distributions or making an additional investment, or decrease the number of units you hold by making a withdrawal. Certain rights are attached to units and these rights are exercisable by

the person who owns them (referred to as **you, direct investor** or **unitholders** throughout this PDS).

Applications into the Fund

The minimum initial investment amount is \$20,000. Applications will be processed once the Administrator receives both a valid Application Form for the Fund (**Application Form**), a valid Client Identification Form (where required) and your application money in cleared funds. Once you have made an initial investment in the Fund, you can make additional investments by fax or mail by submitting an Additional Investment Form and making the relevant payment. The minimum additional investment amount is \$5,000. The Responsible Entity can vary or waive the minimum investment amounts at any time.

Valid applications for units received by the Administrator before 2.30pm on any Business Day will be issued at the application price next calculated for that Business Day. Valid applications for units received by the Administrator after 2.30pm on any Business Day or on a non-Business Day will be issued at the application price calculated for the next Business Day.

The Application Form, Client Identification Form and Additional Investment Form are available at www.ausbil.com.au

Transacting via mFunds

The Fund is currently admitted as an mFund product under the ASX Operating Rules. While the Fund is admitted as an mFund, investors are able to buy and sell units in the Fund through mFund. mFund uses CHESSE, ASX's electronic settlement system, allowing automated application and redemption of units in the Fund through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

You should also read section 8, 'How to apply' of this PDS and the important information in the Additional Information Guide about 'How the Fund works' and 'How to apply' before making a decision. Go to sections 2 and 11 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'How the Fund works' and 'How to apply' may change between the time when you read this PDS and the day when you acquire units.

Withdrawals from the Fund

The minimum withdrawal amount is \$5,000. You can request the withdrawal of all or part of your investment in the Fund by sending a completed Redemption Form, by fax or mail, to the Administrator.

If your withdrawal request results in your remaining investment in the Fund falling below \$20,000, the Responsible Entity may require you to withdraw your entire balance. The Responsible Entity can vary or waive the minimum withdrawal amount or holding at any time.

Whilst the Fund is liquid, the Responsible Entity will generally pay redemptions within 5 Business Days after processing your request, although the Fund's Constitution

permits 21 days from the time of redemption for the payment to be made. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units within the usual period upon request.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by the Administrator before 2.30 pm on any Business Day will be processed using the withdrawal price next calculated for that Business Day. Valid withdrawal requests received by the Administrator after 2.30 pm on any Business Day or on a non-Business Day will be processed at the withdrawal price calculated for the next Business Day.

The Redemption Form is available at www.ausbil.com.au

While the Fund is admitted as an mFund product, investors invested through mFund are able to make a redemption from the Fund using mFund.

Unit prices

The unit price is generally calculated each Business Day based on the net asset value (NAV) of the Fund divided by the number of units on issue in the Fund. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses). Application and withdrawal unit prices are then calculated by applying a buy or sell spread to the NAV unit price. The buy/sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. For additional information on the buy/sell spread, refer to Section 6, 'Fees and costs'.

The unit price will change as the market value of assets in the Fund rises or falls.

Application and withdrawal unit prices for each Business Day are available at www.ausbil.com.au

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the Responsible Entity receives the correct documentation and will be processed using the unit price on the Business Day the Responsible Entity receives the correct documentation.

Distributions

The Fund generally determines distributions half-yearly (as at 31 December and 30 June), however there may be periods in which no distributions are made, or the Responsible Entity makes interim distributions. The Responsible Entity does not guarantee any particular level of distribution. Distributions are usually paid within 14 days after the end of the distribution period.

The distributions you receive are generally assessable income and can be made up of both income and realised capital gains. Distributions are generally calculated based on the distribution amount divided by the number of units on issue in the Fund. This gives a distributable income amount per unit. Your distribution entitlement is then determined by multiplying the number of units you hold by the distributable income amount per unit. An investor who invests during a distribution period may get back some of their capital as income.

Unless you instruct otherwise, you agree that your distribution entitlement will be reinvested. If you wish to change your distribution payment option please complete a Change of Details Form available at www.ausbil.com.au

You should also read the important information in the Additional Information Guide about 'How the Fund works' and 'Additional information about distributions' before making a decision. Go to sections 2 and 4 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'How the Fund works' and 'Additional information about distributions' may change between the time when you read this PDS and the day when you acquire units.

3. Benefits of investing in the Ausbil Australian Emerging Leaders Fund

Significant features

The Fund provides exposure to an actively managed portfolio, predominantly made up of listed mid and small cap Australian equities.

Ausbil believes that active management of portfolios facilitates consistent and risk controlled outperformance. Rather than focusing only on growth or value investing, Ausbil's investment processes allow it to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.

Please refer to Section 5 'How we invest your money' for more features and information on the Fund and its investments.

Significant benefits

Investing in the Fund offers a range of benefits, including:

- **Exposure to mid and small cap companies:** access to mid and small capitalised companies that individual investors may not be able to invest in directly on their own.
- **Diversification:** the potential to diversify an investment portfolio.
- **Experienced team:** access to Ausbil's highly experienced investment management team with a proven track record.
- **Expertise:** access to the Australian investment expertise and knowledge of the Ausbil investment management professionals, who combine company level research with top down economic analysis resulting in a disciplined approach to portfolio construction.
- **Regular reporting:** direct investors can keep track of their investments through Ausbil's secure client website, www.ausbil.com.au. In addition direct investors will receive regular unitholder statements and an annual tax statement.

You should also read the important information in the Additional Information Guide about 'How we invest your money' before making a decision. Go to section 1 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'How we invest your money' may change between the time when you read this PDS and the day when you acquire units.

4. Risks of managed investment schemes

All investments carry risk. The likely investment return and the risk of losing money are different for each managed investment scheme. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long term returns may also carry the highest level of short term risk.

There are significant risks associated with managed investment schemes generally. You should be aware that:

- the value of investments will vary;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed and members may lose some of their money;
- laws affecting registered managed investment schemes may change in the future; and
- the level of risk for each person will vary depending on a range of factors including age, investment time frames, where other parts of the member's wealth are invested and the member's risk tolerance.

The key risks associated with the Fund are summarised below. Please refer to the Additional Information Guide for further risks associated with the Fund.

KEY RISK	DESCRIPTION OF RISK
Market risk	The risk that the market values of the assets in which the Fund invests will fluctuate as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues, each of which can lead to changes in prices and overall market volatility. The value of a security may be influenced by the condition of investment markets (eg domestic and international share markets and bond markets etc.), as well as the economic state of particular regions or the returns of other asset classes. Investment markets are impacted by broad factors such as economic conditions including interest rates, the availability of credit, political environment, investor sentiment, global markets and significant external events (eg natural disasters).
Security risk	The value of a security (ie a share in a company) may be affected by market sentiment and other factors that may impact the performance of the actual company. 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 such factors as changes in management, actions of competitors and regulators in regard to the company and changes in technology and market trends. Share markets tend to move in cycles, and the individual share price of a security may fluctuate and underperform other investments over extended periods of time. Such risk is considered by Ausbil through its investment process and managed by maintaining a diversified portfolio of securities.

KEY RISK	DESCRIPTION OF RISK
Smaller companies risk	Smaller companies may include recently established entities with limited public information, or entities engaged in new-to-market concepts which may be speculative in nature. Shares in smaller companies may trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than shares in larger companies. Smaller companies may also have limited operating histories, markets, products lines or financial resources than larger companies. They may also depend heavily on key personnel.
Liquidity risk	Securities purchased for the Fund may be liquid at the time of purchase and subsequently become illiquid due to, among other things, events relating to the company, market events, economic conditions, investor perceptions or lack of market participants. The lack of an active trading market may make it difficult to obtain an accurate price for a security. Liquidity risk may also refer to the risk that the Responsible Entity may not be able to pay redemption proceeds. Please see withdrawal risk set in the Additional Information Guide.
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 a concentrated fund tends to be more volatile than the performance of a more diversified fund. This is because a concentrated fund is generally exposed to a smaller range of assets and is therefore more sensitive to fluctuations in the value of those assets.



You should also read the important information in the Additional Information Guide about 'Risks of managed investment schemes' before making a decision. Go to section 5 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'Risks of managed investment schemes' may change between the time when you read this PDS and the day when you acquire units.

5. How we invest your money

When considering an investment in the Fund you should consider the Fund's likely investment return, risk level, your personal circumstances and your investment timeframe. The Responsible Entity recommends you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

Investment objective

To achieve returns (before fees and taxes) in excess of the benchmark over the medium to long term. There is no guarantee that this objective will be achieved.

Investment strategy

Ausbil's active investment process aims to exploit the inefficiencies across the mid and small cap market, at all stages of the cycle and across all market conditions, with the aim of producing consistent and risk controlled outperformance.

Suitability

The Fund is designed for investors with at least a five year

investment time horizon, who wish to benefit from the long-term capital gains available from share investments and who are comfortable with fluctuations in capital value in the short to medium term.

Benchmark

70% S&P/ASX Midcap 50 Accumulation Index
30% S&P/ASX Small Ordinaries Accumulation Index

Investments

The Fund predominantly invests in a portfolio of listed mid and small cap Australian equities which are primarily chosen from the S&P/ASX 300 Index, but generally excludes securities from the S&P/ASX 50 Index.

SECURITY	RANGE
Australian securities	90 - 100%
Cash or cash like securities	0 - 10%

The Fund will generally hold between 30 and 40 listed companies. In addition, it may invest in unlisted companies which are expected to be listed on any recognised exchange.

The Fund may invest up to 10% in exchange traded derivatives primarily to manage risk of the Fund. Derivatives are not used speculatively or for the purposes of gearing the Fund. Although the Constitution permits the borrowing of cash, Ausbil does not intend to borrow cash on behalf of the Fund.

The Fund may move outside the ranges set out above, for example where a large application is received or due to market movements. Ausbil will seek to rebalance the Fund within the ranges in a reasonable period of time.

Minimum suggested holding period

5+ years

Standard risk measure

Risk Band: 7 – Very high

Risk Level: Very high risk of losing money in any year. Likely to produce higher returns over the long term.

Labour standards, environmental, social and ethical considerations

Ausbil is a signatory to the Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social (including labour standards) and corporate governance (ESG) factors in its investment decision-making and ownership practices. Ausbil includes an assessment of environmental, social and governance factors in its investment process. It does not have a predetermined view on these factors. Instead Ausbil considers these factors, as it becomes aware of them in its investment decisions.

Changes to Fund details

The Responsible Entity has the right to close or terminate the Fund and change the Fund's investment return objective (including benchmark), asset classes and asset allocation ranges without prior notice in some cases. The Responsible Entity will inform unitholders of any material change to the Fund's details in their next regular communication or as otherwise required by law.

You should also read the important information in the Additional Information Guide about 'How we invest your money' before making a decision. Go to section 1 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'How we invest your money' may change between the time when you read this PDS and the day when you acquire units.

6. Fees and 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 investment 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 contribution fees and management costs where applicable. 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)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

The information in the table below can be used to compare costs between different simple managed investment schemes.

Fees and costs can be paid directly from your investment or deducted from investment returns. For information on tax please see Section 7 of this PDS.

You can use the ASIC calculator to calculate the effect of fees and costs on your account balances.

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the Fund	
Establishment fee:	Not applicable
Contribution fee:	Not applicable
Withdrawal fee:	Not applicable
Exit fee:	Not applicable
Management costs^{1, 2}	
The fees and costs for managing your investment	
Management fee ³	0.85%
Performance fee ³	15.375% of the difference between the Fund Performance and the return of the Performance Fee Hurdle.
Indirect costs ⁴	0.00%

1. Unless otherwise stated, all fees and costs in this PDS 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.

2. Adviser fees may also apply. See below for more details.

3. For certain wholesale clients (as defined in the Corporations Act 2001), Ausbil may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of Ausbil's fees. Please refer to 'Can fees be different for different unitholders?' on page 9 of the Additional Information Guide.

4. Calculated with reference to the financial year ending 30 June 2018 and calculated on the gross asset value of the Fund. Please refer to the 'Example of annual fees and costs for the Fund' on page 6 of this PDS.

Additional explanation of fees and costs

Management costs

Management costs comprise the additional fees or costs that you incur by investing in the Fund rather than investing directly in the underlying assets. They include indirect costs but do not include transactional and operational costs (ie costs associated with investing in the underlying assets, some of which may be recovered from unitholders through buy/sell spreads).

Management fee

The management fee is calculated on the gross asset value of the Fund and is payable to the Responsible Entity for managing the assets of the Fund and overseeing the operations of the Fund. The fee is accrued daily and paid monthly in arrears from the Fund's assets.

Performance fee

The performance fee is calculated as 15.375% of the difference between the Fund Performance and the return of the Performance Fee Hurdle, which is a composite made up of 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index, including a hurdle of 0.85% pa, multiplied by the Fund's gross asset value. The fee is accrued daily and paid monthly in arrears from the Fund's assets.

Indirect costs

Indirect costs are any amount, not already disclosed as a fee or cost, which reduces (directly or indirectly) the value of the underlying investments and the performance return of the Fund. This may include expenses which are not covered by the management fee (see below), as well as fees and costs incurred by underlying investment vehicles plus costs involved in trading certain derivative products which are used as part of the Fund's investment strategy.

Expenses

Under the Fund's constitution, the Responsible Entity is entitled to recover expenses incurred in the proper performance of the Fund's operations. For the duration of the PDS the Responsible Entity will not recover normal expenses from the Fund and the Responsible Entity will pay these amounts from its management fee. However, if the Responsible Entity incurs abnormal expenses, then it may deduct these expenses from the Fund's assets.

Transactional and operational costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, settlement and clearing costs, stamp duty and bid-ask spreads charged by transaction counterparties when assets are bought and sold. These costs are generally incurred as a result of applications or redemptions from the Fund or when the Fund sells or buys assets as part of its day to day trading activities.

Buy/sell spread

The buy/sell spreads are an additional cost to you when applying and withdrawing from the Fund and are not a fee paid to the Responsible Entity. They are paid to the Fund to ensure other unitholders are not disadvantaged by a unitholder applying or redeeming from the Fund.

Other transactional costs

Transaction costs that arise when assets of the Fund are changed in connection with an investment decision are paid out of Fund assets and are reflected in the Fund's unit price. These costs are an additional implicit cost to you and are not paid to the Responsible Entity.

Can the fees change?

The fees and costs described in this PDS can change and the Constitution permits higher fees to be charged. The Responsible Entity will provide 30 days' written notice in advance of any proposed increase in its fees. The Responsible Entity cannot charge more than the Constitution allows.

If the Responsible Entity wishes to raise fees above the maximum amount allowed for in the Constitution the approval of unitholders would be required. The Responsible Entity reserves the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

Additional fees may apply

Additional fees may be paid to a financial advisor if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out. In the case of applications made via mFund, additional fees may be charged by your broker - refer to the Financial Services Guide which will be provided by your broker. Indirect Investors accessing the Fund through an IDPS may incur additional fees and costs. As well as reading this PDS, Indirect Investors should read their IDPS operator's offer document, which explains the fees payable by the Indirect Investor to the IDPS operator.

Example of annual fees and costs for the Fund

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

EXAMPLE	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR ¹
Contribution Fees	Nil For every additional \$5,000 you put in, you will be charged \$0.
PLUS	And , for every \$50,000
Management Costs	0.85% ² you have in the Fund, you will be charged \$425 each year.
EQUALS	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 ¹ , you would be charged fees of: \$425 ³
Cost of Fund	What it costs you will depend on the investment option you choose and the fees you negotiate.

1. Assumes the \$5,000 contribution occurs on the last Business Day of that year. Therefore, management costs are calculated using the \$50,000 balance only.
2. The management cost shown is the indirect cost ratio for the year ending 30 June 2018, which is calculated on the average net asset value for the Fund. The performance fee for the financial year ended 30 June 2018 was 0.00%. This is provided as an example only and is not a forecast. The performance fee may be higher. Please see 'Fees and other costs' in the Additional Information Guide for more information on the performance fee.
3. In reality, the actual investment balance of the Fund will vary daily and the actual fees and expenses charged which are based on the value of the Fund will therefore also vary daily. Additional fees may apply. Please note this example doesn't capture all the fees and costs that may apply to you, such as the buy/sell spread.

You should also read the important information in the Additional Information Guide about 'Fees and other costs' before making a decision. Go to section 8 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'Fees and other costs' may change between the time when you read this PDS and the day when you acquire units.

7. How managed investment schemes are taxed

WARNING: Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to obtain your own professional tax advice regarding your position, as tax laws are complex and subject to change, and unitholders' individual circumstances vary.

The Fund generally distributes or allocates all of its income each year so that the Fund itself is not subject to tax. As a unitholder you will be assessed for tax on your share of the taxable income generated by the Fund, including any net realised capital gains. The Fund does not pay tax on behalf of Australian unitholders.

Withdrawing units in the Fund may result in a taxable gain or loss.

On your Application Form you may provide the Responsible Entity with your Tax File Number (TFN), TFN exemption or an Australian Business Number (ABN). It is not compulsory for you to quote a TFN, TFN exemption or ABN, but if you do not then the Responsible Entity is required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable Government charges. The Responsible Entity is permitted to collect TFNs under relevant tax law.

You should also read the important information in the Additional Information Guide about 'Taxation considerations' before making a decision. Go to section 9 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'Taxation considerations' may change between the time when you read this PDS and the day when you acquire units.

8. How to apply

Initial investment

1. Read this PDS together with the Additional Information Guide.
2. Complete and sign the Application Form.
3. Complete and sign the Taxation Information Form.
4. Complete the relevant Client Identification Form.
5. Make payment of monies. Payment details are provided on the Application Form.

6. Mail (not fax) the Application Form, Client Identification Form, Taxation Information Form and cheque (if payment by cheque) to:
Ausbil Investment Management Limited
GPO Box 804
Melbourne VIC 3001
7. Upon receipt of confirmation of your initial investment in the Fund you can then start to make additional investments into the Fund.

The PDS, Additional Information Guide, Application Form, Taxation Information Form and Client Identification Form are available at www.ausbil.com.au or by calling Ausbil on 1800 287 245 (toll free).

Please note: To address money laundering and terrorism risks, verification of each unitholder's identity is a prerequisite for all new unitholders. If the Responsible Entity does not receive all valid documents with your relevant Application Form or the Responsible Entity is unable to verify your identity at any time, the Responsible Entity may not be able to process your application for an investment or may not process any future withdrawal requests.

If you are an Indirect Investor investing via an IDPS you must complete the documentation which your IDPS operator requires.

If you are an investor investing via mFund your ASX broker (or your financial adviser who uses a stockbroking service on your behalf) will process a buy order for units through CHESS, ASX's electronic settlement system.

Under the Constitution, the Responsible Entity can accept or reject investments into the Fund at any time and is not required to give any reason or grounds for such a refusal.

Additional investments

If you want to make an investment in the Fund that is additional to your initial investment, please complete an Additional Investment Form. Your instruction should either be faxed (1300 365 601) or mailed (see point 5, under 'Initial Investment' in '8. How to apply') to the Administrator. The written instruction must be signed by you as the unitholder (or the authorised signatories) and should specify your name, account number, Fund name and the amount to be invested.

mFund Investors

Investors through mFund should read this PDS. Your ASX broker will process a buy order for units through CHESS. CHESS will confirm the order with your ASX broker once received and accepted by us. Applications for units received and accepted by us will be forwarded by CHESS to your ASX broker for your payment to be passed through the CHESS daily batch settlement process. We will price and allot new units in the Fund to your CHESS Holder Identification Number (HIN). CHESS will notify your ASX broker of the unit price and units allotted. Applications received through mFund will be subject to the same cut-off times as applications received via other distribution channels. For further information regarding cut-off times refer to section 2 of this PDS.

Cooling-off

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned.

The cooling-off period begins when your transaction confirmation is received by you or, if earlier, 5 Business Days after your units are issued. The Responsible Entity is allowed to (and generally does) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. This may result in you receiving back less than you originally invested.

You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform the Responsible Entity in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

You should also read the important information in the Additional Information Guide about 'How to apply' before making a decision. Go to section 11 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'How to apply' may change between the time when you read this PDS and the day when you acquire units.

Keeping you informed

As a unitholder in the Fund you will receive:

- A distribution statement; and
- An annual tax statement containing a summary of your distributions for the financial year to assist you in completing your tax return.

Complaints

If you are a direct investor and have notified the Responsible Entity of a complaint in writing and you are not satisfied with how the complaint has been handled, you can refer your complaint to the Australian Financial Complaints Authority (AFCA).

The Responsible Entity is a member of AFCA (member number 10182) which is an external dispute complaints resolution scheme approved by ASIC.

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

AFCA's services are generally only available to 'retail clients' (as defined in the Corporations Act). Indirect Investors may contact their IDPS operator if they wish to make a complaint or if they are unsatisfied with how a complaint has been handled. However, Ausbil's complaints process is also available to indirect investors.

Indirect Investors should also read the important information in the Additional Information Guide about 'Indirect Investors' before making a decision. Go to section 10 of the Additional Information Guide available at www.ausbil.com.au

The material relating to 'Indirect Investors' may change between the time when you read this PDS and the day when you acquire units.