

Additional Information Booklet

Bennelong Australian Equities Fund

ARSN 134 995 887

Issue date: 1 December 2020

Important Information

The information in this document forms part of the Product Disclosure Statement ('PDS') for the Bennelong Australian Equities Fund dated 1 December 2020. You should read this information together with the PDS before making a decision to invest into the Fund.

This additional information is general information only and does not take into account a person's personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

Responsible Entity: Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806)

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1. About Bennelong Funds Management Ltd

No additional information has been incorporated by reference.

2. How the Bennelong Australian Equities Fund works

Glossary

Administrator means Citigroup Pty Limited (ABN 88 004 325 080).

Asset Value means the aggregate gross value of all assets in the Fund.

Business Day means any day except any weekend or Australian national public holiday.

Corporations Act means the Corporations Act 2001 (Commonwealth) and its amendments.

IDPS means an Investor Directed Portfolio Service.

Net Asset Value at any time means the Asset Value less the liabilities at that time.

Unit means a Unit in the Fund.

Unitholder means the holder of Units in the Fund.

Valuation Time means any time the Net Asset Value is determined.

AML/CTF obligations

As part of anti-money laundering and counter-terrorism financing responsibilities required by legislation, the Responsible Entity, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Responsible Entity may not be able to accept an application for Units, refuse to accept an application for Units or may suspend payment of withdrawal proceeds payable to a Unitholder. If an application for Units is not accepted for this reason, the Responsible Entity may hold application monies in an applications bank account until we receive the required information. Application monies are held for a maximum period of one month commencing on the day the Responsible Entity receives the application monies and will be returned (without payment of interest) to the source of payment after this period.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.

Withdrawal restrictions

The Responsible Entity may pro-rata withdrawal requests received on any Business Day to ensure that only 25% (or such percentage as the Responsible Entity may determine) of the value of Units in the Fund is withdrawn on any Business Day.

The Constitution of the Fund permits the Responsible Entity to suspend withdrawals (freeze withdrawals) for a reasonable period ('Suspension Period') in certain situations, including situations which impact on the effective and efficient operation of a market for an asset of the Fund. An investor's withdrawal request lodged during a Suspension Period is deemed to be received by the Responsible Entity immediately after the end of that Suspension Period.

If the Fund is illiquid (as defined in the Corporations Act), withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. Under the Corporations Act, a fund is illiquid if it has liquid assets (generally cash and marketable securities) that account for less than 80% of the value of the Fund. The Responsible Entity is not obliged to make withdrawal offers.

Income distributions reports

Details relating to any tax-free or tax-deferred components, imputation credits or capital gain components for all distribution payments made during the year will be forwarded to Unitholders shortly after the end of each financial year.

Income payments

Income distributions must be paid by either of the following methods:

- direct transfer to a nominated Australian bank account; or
- reinvestment to purchase additional Units.

Investors need to complete the appropriate section in the Application Form to elect their choice. If there is no notification of method of payment on the Application Form (or subsequent notification), income distributions will be reinvested.

There is no charge applied to income distributions which are reinvested. The issue price that will apply to Units from such reinvestment will be the application price before application of the buy/sell spread after distribution. Reinvestment will be effected on the first Business Day after the close of each distribution period.

For investors applying through the mFund Settlement Service, if we do not have valid Australian bank account details on file, or if a distribution payment preference is not indicated, the distribution will be re-invested.

Investing through an IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a Unitholder. If you are an indirect investor, generally the relevant IDPS operator acquires the rights of a Unitholder. Unitholder rights include the right to attend Unitholder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds. The offer document for your IDPS should have further details.

Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund. Investors investing in the Fund indirectly via an IDPS are entitled to rely upon the complaint resolution procedures set out in section 8 of the PDS. Indirect investors complete application forms for the IDPS, not the Fund, and receive reports from their operator, not the Responsible Entity. Enquiries should be directed to that operator.

Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors. Indirect investors will also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this PDS does not specifically cater for indirect investors.

Authorised agent

You may appoint an agent to act on your behalf in relation to your investment in the Fund. Your agent will have the authority to act in exactly the same manner as you, except that your agent cannot:

- request a change in records held relating to your name, address or other particulars; or
- create and/or alter any other interest in your Units (for example, make a withdrawal).

Your agent's authority starts on the day the notice of the authority is received. It continues until the day we receive written advice from you terminating that authority. If you appoint a company as your agent, any director of that company or employee authorised by the agent, can act under your agent's authority. Likewise, if you

2. How the Bennelong Australian Equities Fund works (continued)

appoint a partnership as your agent, any of the partners can act under that authority. The Responsible Entity may vary the powers of your agent or cancel their authority at any time.

Related party arrangements

BFML is a wholly owned subsidiary of Bennelong Funds Management Group Pty Ltd ('BFMG'). BFMG provides operational support to its fully owned subsidiary BFML.

BFMG owns Bennelong FM Pty Ltd. Bennelong FM Pty Ltd as trustee for the BFM Unit Trust is a minority shareholder in BAEP. BFML provides services such as distribution, marketing and administrative support to BAEP under an investment management and services agreement. BFML receives a fee from BAEP for providing these services. All transactions between BFMG, BFML and BAEP are on arm's length terms.

3. Benefits of investing in the Bennelong Australian Equities Fund

Benefits of investing in a managed investment scheme

Investing in a managed investment scheme can offer a number of benefits including:

- increased purchasing power – the size of a managed investment scheme means it can generally buy and sell assets at a lower cost than an individual investing directly;
- investment opportunities – managed investment schemes give you the opportunity to access a range of assets that you may not normally access as an individual investor; and
- professional investment management – your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

Additional benefits of investing in the Bennelong Australian Equities Fund

Regular reporting

Unitholders will be provided with the following reports:

- application and withdrawal confirmation statements;
- Unitholder statements, monthly;
- audited annual reports (and, if applicable, half-yearly financial reports and continuous disclosure notices) via our website;
- income distribution statements, half-yearly; and
- tax statements, annually.

Investing in the Fund through mFund

Investors accessing the Fund through mFund will also have access to the following information on the ASX website at mFund.com.au, ASX's Market Announcement Platform or from bennelongfunds.com:

- applications and withdrawal prices – provided on a daily basis as 'buy' and 'sell' prices on mFund;

- distributions – information on any distributions declared or paid are provided on ASX's Market Announcement Platform; and
- statement of transactions – information on applications and redemptions (the amount and value of units applied for and redeemed from the Fund). ASX settlement will issue you a CHESS holding statement at the end of each month in which a transaction has occurred, summarising any changes in your unitholding through mFund.

To obtain the most recent information about the Fund, including monthly performance data and latest portfolio composition, please visit bennelongfunds.com or contact Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand).

Your rights

Your rights as a Unitholder in the Fund are governed by the Constitution of the Fund and by legislation. They include the right to:

- receive distributions (where applicable);
- receive copies of accounts and other information for the Fund;
- attend and vote at Unitholder meetings;
- receive your share of distributions if the Fund is terminated;
- transfer Units to any other person, subject to the Responsible Entity's right to refuse such a transfer; and
- pass Units to any surviving joint holder by will or otherwise to your estate.

You do not have the right to participate in the management or operation of the Fund.

4. Risks of managed investment schemes

No additional information has been incorporated by reference.

5. How we invest your money

Investment guidelines and policy

In order to achieve the risk/return objectives of the Fund, a variety of strategies are employed in a portfolio of primarily Australian listed companies. The main investment guidelines of the Fund are outlined below. Authorised investments of this Fund are:

- securities;
- cash and cash equivalents;
- exchange traded options to buy or sell authorised investments; and
- exchange traded derivative contracts.

Stock universe

The companies within the portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The Fund may invest in securities expected to be listed on the ASX.

The Fund may also invest in securities listed or expected to be listed on other exchanges where such securities relate to ASX-listed securities. Derivative instruments are mainly used to replicate underlying positions on a temporary basis and hedge market and company-specific risks.

Stock holdings

The Portfolio typically holds between 25 to 50 stocks.

5. How we invest your money (continued)

Cash limits

The Fund will not typically exceed 10% cash holdings.

Risk management and exposure limits

Tracking error will typically be 2-5% on an ex-ante (future returns) basis. Exposure limit/maximum active position (portfolio weight less index weight) of an individual stock is +/- 6%. The Investment Manager may from time to time temporarily exceed the exposure limits of the Fund, particularly during periods of market volatility, to allow for overweight holdings where the increase in the value of the underlying security is due to market movements.

Derivatives

The Fund may only invest in exchange traded derivatives.

Labour standards, environmental, social and ethical considerations

The Responsible Entity and the Investment Manager do not take into account labour standards or environmental, social and ethical considerations when selecting, retaining or realising the

investments of the Fund. However, the Responsible Entity and the Investment Manager recognise that environmental, social and governance ('ESG') issues may affect the value of investments managed on behalf of investors.

The Responsible Entity and the Investment Manager assess and manage all foreseeable and potentially material risk factors and in this context, the Responsible Entity and the Investment Manager consider ESG as a risk factor in the overall risk/reward assessment of an investment. However, the Responsible Entity and the Investment Manager have no predetermined view as to what constitutes ESG standards, which ESG considerations will be taken into account and the extent to which they will be taken into account when making decisions to acquire, hold and dispose of investments.

6. Fees and costs

Management costs

The management costs of the Fund as set out in the PDS are composed of the Management Fee, expenses and indirect costs in relation to the Fund.

The management costs in the fee example represent the indirect cost ratio of the Fund. This figure is an estimate as it includes an estimation of indirect costs.

Management Fee

The Responsible Entity is entitled to a Management Fee of 0.95% p.a. of the Net Asset Value of the Fund. The Management Fee is calculated and accrued daily and payable within 21 days of the end of the month from the Fund's assets. Under the investment management agreement under which the Investment Manager is appointed as investment manager, the Investment Manager is entitled to receive a fee. The Responsible Entity intends to pay the Investment Manager's fee out of the Management Fee to which the Responsible Entity is entitled.

Note

The Management Fee is based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses may never be realised.

Indirect costs

In general, indirect costs are any amounts that directly or indirectly reduce the returns on the units that is paid from, or the amount or value of, the income or assets of the Fund (including an underlying investment of the Fund). Indirect costs are reflected in the unit price of your investment in the Fund.

The indirect costs in the fee table are based on the indirect costs incurred for the 12 months to 30 June 2020, as a percentage of the average Net Asset Value of the Fund during that period. These costs were nil.

The Responsible Entity has a policy in place that contains information on how indirect costs are estimated. If you require more information on this policy, please contact the Responsible Entity.

Differential fees

Subject to the Corporations Act and the Constitution of the Fund, the Responsible Entity may negotiate lower or different fees with, or pay rebates to, certain investors that are wholesale clients as defined in the Corporations Act.

Buy/sell spread

The buy/sell spread is an additional cost to you and is an adjustment to the Unit price. It represents a contribution to the estimated transactional and operational costs (such as brokerage) incurred when assets are bought and sold by the Fund. The current buy/sell spread is +/- 0.25% of the value of Units being bought and sold. This charge is levied to investors applying for Units or withdrawing Units and is retained in the Fund.

For example, an investment of \$50,000 would incur a buy spread of \$125 and a withdrawal of \$50,000 would incur a sell spread of \$125.

The application of a buy/sell spread means that transactional costs for investor-initiated transactions are allocated to the investor initiating the transaction, rather than being spread across the whole Fund.

The buy/sell spread is reviewed on an annual basis to ensure it reflects up-to date costs of acting on investor initiated transactions.

There is no buy/sell spread on distributions from the Fund that are re-invested.

We may vary the buy/sell spread from time to time and prior notice will not normally be provided to you. Updated information on the Unit prices will be posted on our website (bennelongfunds.com).

If buy and sell spreads are charged and represent only a portion of the Fund's transactional and operational costs incurred during a financial year, the balance of the Fund's transactional and operational costs will be borne by the Fund from the Fund's assets without any recovery from individual investors (subject to the expense cap discussed below). If buy and sell spreads charged exceed the Fund's transactional and operational costs during a financial year, the balance of the buy and sell spreads will be retained by the Fund.

Expenses

All expenses properly incurred by the Responsible Entity in connection with the Fund (including the establishment of the Fund) or in performing the Responsible Entity's obligations under the Constitution are payable or can be reimbursed out of the Fund. These expenses include administration, custodial, accounting, audit, legal, government charges, taxation, adviser, filing, postage, courier, faxing, photocopy, telephone and printing expenses.

There is no limit in the Fund's Constitution on the amount of expenses that may be reimbursed out of the Fund. However, the Responsible Entity currently chooses to cap the amount of expenses recoverable in each year (including transactional and

6. Fees and costs (continued)

operational costs but excluding brokerage) at 0.05% p.a. of the Net Asset Value of the Fund. Expenses are reimbursed out of the Fund as and when incurred.

The Responsible Entity reserves the right to recover expenses incurred in any income year in a later income year subject to the 0.05% p.a. of Net Asset Value expense recovery cap being met.

Transactional and operational costs

The Fund may incur transactional and operational costs such as brokerage, settlement and clearing costs.

Transactional and operational costs incurred as a result of Unitholders coming into and going out of the Fund may be recovered by way of the buy/sell spread charged to investors. Other transactional and operational costs are additional costs to Unitholders that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Unit price. However, all transactional and operational costs incurred in excess of the amount recovered by way of the buy/sell spread and excluding brokerage are only recovered to the extent that the Responsible Entity is able to do so within the expenses cap of 0.05% p.a. of the Net Asset Value of the Fund.

The transactional and operational costs incurred for the 12 months to 30 June 2020 (without taking into account the costs recovered by way of the buy/sell spread charged to investors) as a percentage of the Fund's average Net Asset Value for that period were 0.28% p.a.

Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs not covered in the buy/sell spread. Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

Goods and Services Tax ('GST')

All fees and expenses referred to in the PDS and this Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund (refer to Section 7 of this Booklet). The benefits of any tax deductions are not passed on to Unitholders.

Administration fees

The Responsible Entity may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by the Responsible Entity and not by the Fund. It is not charged out of the assets of the Fund and is not a separate additional charge to investors.

Alternative forms of remuneration

We may provide alternative forms of remuneration which include professional development and sponsorship to financial services licensees, authorised representatives, and master trust or IDPS operators. Where such benefits are provided, they are payable by the Responsible Entity and are not an additional cost to you. We will not pay any remuneration to advisers if it is prohibited by law.

Other fees and costs

These may include additional fees and costs that apply to investors accessing the Fund through a master trust or wrap account. We may make payments to master trusts or wrap account operators out of the fees we receive.

Additional fees may be payable by investors to their broker for facilitating an investment in or withdrawal from the Fund using the mFund Settlement Service. Investors should consider their broker's Financial Services Guide for further information.

7. How managed investment schemes are taxed

General

The following taxation information is of a general nature and should not be relied upon by investors. The information provided is based on applicable Australian tax laws as at the date of this Additional Information Booklet.

As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The taxation information below provides a guide for Australian resident investors only.

Tax position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine net income annually at 30 June.

Generally, no Australian income tax will be payable by the Fund, on the basis that:

- where the Fund is an Attribution Managed Investment Trust (AMIT), all taxable income is intended to be attributed to investors for each income year (see below); or
- where the Fund is not an AMIT, investors are presently entitled to all of the Fund's distributable income.

The Fund may derive franking credits from the receipt of franked dividends. The eligibility of the Fund to distribute franking credits is subject to certain conditions such as the holding period rule. An investor's individual circumstances will also be relevant in determining whether an entitlement to franking credits exists.

In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to Unitholders. It may be available for recoupment by the Fund against net income in future years subject to certain conditions.

The Fund has made a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election means gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets

that are derivatives, foreign exchange or any other investments that are subject to the 'financial arrangement provisions') are subject to capital account treatment.

Tax position of Australian resident investors

Distributions

Taxable income earned by the Fund, whether attributed (for an AMIT), distributed, retained or reinvested, can form part of the assessable income for investors in the year of entitlement or attribution. After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to net income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement or attribution arises.

Foreign income

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, you may be entitled to receive a foreign income tax offset ('FITO'). You will usually include the foreign income and the FITO in your assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax report provided to you.

Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

7. How managed investment schemes are taxed (continued)

The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund. If the investor has no cost base the amounts may trigger a taxable capital gain.

AMIT regime

The Responsible Entity has elected to apply the AMIT rules to the Fund.

Under the AMIT rules, the Fund is deemed to be a 'fixed trust' for taxation law purposes that can rely on specific legislative provisions to make yearly adjustment to reflect under-or-over distributions of income. As a result, the Fund's income will be 'attributed' to investors.

Australian Resident Investors will be subject to tax on the income of the Fund which is attributed to them under the AMIT Rules. The tax payable (if any) depends on the investor's individual tax profile and applicable tax rate.

The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement').

The AMMA Statement will set out the amount which has been 'attributed' to an investor (and where relevant, its components) and other relevant tax information.

If an investor disagrees with the Responsible Entity's attribution of income, the investor can object to that attribution and substitute the Responsible Entity's determination with their own. If as an investor you decide to take this course, it is important that you obtain professional tax and legal advice. You must contact the Responsible Entity before notifying the Commissioner.

Tax File Number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise carried on by you, you may quote an ABN instead of a TFN.

If you fail to quote an ABN or TFN or claim an exemption, the Responsible Entity may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to you.

The Responsible Entity's reporting obligations

The Government has implemented the OECD Common Reporting Standard which requires the Responsible Entity to collect information from Unitholders and report information in relation to certain Unitholders with foreign residencies to the Australian Tax Office ('ATO'). That information may be provided by the ATO to foreign tax authorities in jurisdictions that have adopted the CRS. Similar obligations relating to the collection and reporting of Unitholder information are imposed on the Responsible Entity as a result of Australia enacting legislation that relates to the Foreign Account Tax Compliance Act ('FATCA'). The FATCA is US tax law which was enacted for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the United States Internal Revenue Service.

GST

The GST information provided in this section is of a general nature only.

GST will apply to the Management Fees. Fees and costs included in Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund. GST will also apply to most other Fund expenses.

Generally, the Fund cannot claim full input tax credits for GST incurred on expenses, but the Fund may be entitled to reduced input tax credits for any GST paid in respect of these expenses.

8. How to apply

Online Applications and payments via BPAY®

If you apply for units online via the online application form (initial application), you can also make your application payment via BPAY using the following details:

- BPAY Biller Code: 266775
- BPAY Customer Reference Number (CRN): this will be provided via email shortly after the application has been submitted.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Note you are not able to make payments by BPAY if you are a New Zealand investor.

mFund Settlement Service

In addition to applying to the Responsible Entity directly by completing the Application Form accompanying the PDS, investors may apply to invest in the Fund using the mFund Settlement Service. The mFund Settlement Service enables investors to buy and sell Units in the Fund directly with the Responsible Entity via a stockbroker or advisory services provider used to transact shares or other ASX products.

The mFund Settlement Service is not a secondary market for Units in the Fund.

The mFund Settlement Service uses CHESS, ASX's electronic settlement system, to automate and track the process of buying (applying for) and selling (redeeming) Units in the Fund. Your holdings in the Fund ('mFund CHESS holdings') are held electronically and can be linked to the same Holder Identification Number ('HIN') used to hold other investments transacted through ASX for broker sponsored transactions.

For mFund investors, if we need to collect information not provided by your broker, we will send out relevant forms. Please complete and return these forms promptly. Please contact your financial adviser or your broker for more information on how to invest through the mFund Settlement Service.

Client Experience

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Bennelong House
Level 1, 9 Queen Street
Melbourne Vic 3000

t: 1800 895 388 (Australia) or
0800 442 304 (New Zealand)
e: client.experience@bennelongfunds.com
w: bennelongfunds.com

If you are investing or have invested in the Fund through the mFund Settlement Service, please contact your financial adviser or broker in the first instance.