

Bentham Wholesale High Yield Fund

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Additional Information
Dated 15 May 2015

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The information in this document forms part of the Bentham Wholesale High Yield Fund Product Disclosure Statement (PDS) dated 15 May 2015.

Glossary

Fidante Partners Services Limited	Fidante Partners, we, us, or, Responsible Entity
Direct Investors	Investors accessing the Fund through Fidante Partners, you, your, unitholders
mFund Investors	Investors accessing the Fund through the mFund Settlement Service
Indirect Investors	Investors accessing the Fund through an IDPS or IDPS-like scheme
IDPS	Investor Directed Portfolio Service, master trust or wrap account
mFund	mFund Settlement Service

References in this document to the 'Fund' are to the 'Bentham Wholesale High Yield Fund'. No other Fund is offered in this document. Except as otherwise stated, defined terms in this document have the same meaning as set out in the PDS.

Contact details

By Phone	Investor Services team 13 51 53 or +61 2 9994 7000 from outside Australia (during Sydney business hours)
By Email	info@fidante.com.au
By Fax	02 9994 6666
By Mail	Fidante Partners, Reply Paid 86049, Sydney NSW 2001
Website	www.fidante.com.au

This document is issued by Fidante Partners Services Limited (ABN 44 119 605 373, AFSL 320505). In preparing the information contained in this document we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider the applicable PDS and whether investing in this Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about individual matters such as taxation, retirement planning and investment risk tolerance.

Additional information about investing

Initial investments

Details of how to make your initial investment are outlined in '8. How to apply' on page 7 of the PDS. 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 (if applicable).

You can access the Fund:

1. As a Direct investor– by completing the Bentham Application Form
2. As an mFund Investor via mFund Settlement Service (mFund) – through your broker with whom you have a broker sponsorship agreement.
3. As an Indirect Investor – through your IDPS operator.

Direct Investors and mFund Investors

You will receive identical units and have the same rights.

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 keep a copy of the current PDS and the additional important information and any updates for future reference. A paper copy of the current PDS, the additional important information and any updates are available free of charge by visiting our website or by calling our Investor Services team.

Direct Investors

For direct investors, additional investments can be made via direct debit or cheque.

If making your additional investment via direct debit, you will need to complete the relevant direct debit facility sections on the Additional Investment Form. All direct debits are subject to the Direct Debit Request Service Agreement attached to the Additional Investment Form. The Additional Investment Form is available on our website.

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.

mFund Investors

For mFund investors, additional investments can be made by placing a 'buy order' for units in the Fund through your nominated broker with whom you have a broker sponsorship agreement. You will have to advise your broker that you agree to use the mFund Settlement Service and have read the PDS and any additional important information.

Your broker will process your order using mFund. Your payment will come out of your relevant broking account.

This Fund is currently only open through the mFund Settlement Service to individuals and Self-Managed Super Funds (SMSFs).

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 Bentham Application Form or complete the Regular Savings Plan Form both available on our website.

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 can 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.

mFund Investors

The RSP facility is not available to mFund investors.

Indirect Investors

You must complete the documentation which your IDPS operator requires.

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. Please note that stamp duty may be payable on transfers of units and as such, 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.

Please contact our Investor Services Team for further information about transferring units.

mFund Investors

Transfers are not currently available to mFund investors.

Indirect Investors

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

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 will generally be held 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 allocated to you.

Direct Investors

To ensure that your application is processed efficiently, you need to complete all sections of the application form and provide all customer identity verification documents required under the Customer Identification Program. Please refer to 'Customer Identification Program' below.

If your application form is not complete and we are not able to proceed with your request, we may:

- attempt to contact you and/or your financial adviser; or
- hold your application monies in a non-interest bearing account until we receive the required information.

mFunds Investors

Incomplete or rejected applications will be returned to your broker.

Indirect Investors

Incomplete or rejected applications will be returned to your IDPS operator.

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, sole trader or Australian company etc. These requirements are outlined in the application form for each investor type.

If you are investing via a financial adviser, they will be required to obtain acceptable identity verification documents from you, prior to lodging your application form. To do this, your financial adviser will need to sight the original or certified copies of your identity verification documents and retain a copy of these. Your financial adviser will then send us copies of your identity verification documents together with your application form.

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. If you have not provided identity verification documents to a financial adviser, you will be required to provide certified copies of your identity verification documents directly to us (refer to 'Who can certify' on page 4 for a list of who can certify these documents).

Under relevant laws, we may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, 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

Whether you are investing via a financial adviser or directly with us, 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 form, or we are unable to verify your identity at any time, we will not be able to commence your investment until we receive the required documents. We will contact you as soon as possible if we require more information.

To reduce uncertainty around releasing funds to third party accounts, when we receive withdrawal requests we may delay the release of money until we gain comfort around the request for withdrawal, including the identity of the third party account.

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:

1. their capacity (from the list provided); and
2. 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:

- 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;
- 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;
- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants, i.e. an accountant;
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- 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;
- Police officer.

Other persons may also be qualified to certify documents. For a full list of eligible persons, please contact our Investor Services team.

mFund Investors

mFund Investors should refer to their broker who is responsible for their customer identification program.

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 terms and conditions' on page 5 of 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. 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 other bank accounts not on file with us.

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 (dollar or units) you wish to withdraw;
- how and to whom you would like us to make the 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.

mFund Investors

If you wish to sell your units in the Fund, please place a 'sell order' for units in the Fund through your nominated broker with whom you have a broker sponsorship agreement. Your broker will use the mFund Settlement Service to process your order.

Payments will be paid to your relevant broking account.

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 (please refer to 'Delay of withdrawal payments' below). If your request for withdrawal would cause your balance to fall below the current minimum balance amount of \$10,000 or \$1,000 when a RSP is established, 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 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 six months, 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 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 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 can provide you with a full transaction history of your account for this purpose. We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for the proceeds of your withdrawal request less any costs involved in the transfer.

Delay of withdrawal payments

Withdrawals are normally processed 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.

Withdrawals may also be delayed by any one or more of the following applicable timeframes (that may apply cumulatively):

- under the Fund's constitution, we have 30 days to pay withdrawals; and
- 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).

Additionally, for Direct Investors, 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 or further requirements are received.

If the Fund becomes illiquid

If the Fund becomes illiquid (as defined in the Corporations Act 2001) unitholders would only be able to withdraw from the Fund if we made an offer of withdrawal. 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 such an offer.

Under the Corporations Act 2001, 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 2001.

Telephone and fax instructions

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 all 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 a fraud is committed in relation to your account.

In using the telephone and/or 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 where we have complied with our security checks, internal policies and procedures and provided 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 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. Should you not wish to use these facilities, we must receive an original, signed, written request to cancel them. Cancellation will be effective from the end of the second business day after receipt of this request.

We may cancel or vary these requirements by giving you notice in writing. By sending us a fax or making a telephone withdrawal, you signify that you understand these requirements.

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' on page 14 of this document.

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.

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 price.

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'.

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 our Investor Services team.

Additional information about distributions

If we pay a distribution, you may choose to have your distribution reinvested in additional units in the Fund, or paid directly to your nominated account. Unless you

indicated otherwise on the application form, we will reinvest your distributions.

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 are held at the end of the accrual period as a proportion of the total number of units in the relevant class on issue at that time and the amount of net income referable to those units and that class.

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

As distributable amounts are a component of the unit price, unit prices normally fall by the distribution amount following a distribution. If you invest just prior to a distribution, 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.

We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for a distribution amount.

Generally, if any distribution payments are returned to us and remain outstanding for a period of six months, 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.

If you wish to change your distribution payment instructions:

Direct Investors

Please mail us an original, signed, written request.

mFund Investors

Please contact your nominated broker.

Indirect Investors

You must complete the documentation required by your IDPS operator.

Monitoring your investment

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 (excluding Regular Savings Plan 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 your financial adviser or our Investor Services team.

As the Fund is a 'disclosing entity' under the Corporations Act 2001, it is subject to regular reporting and disclosure obligations.

You can obtain copies of the Fund's most recent annual financial report by visiting our website.

As Responsible Entity of the Fund, we are also 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 our 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.

Keeping us informed

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.

What happens if you choose not to disclose certain information?

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

- **TFN or ABN:** For 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 distributions we pay you (refer to 'Tax File Number' on page 16 of this document).
- **Account details:** we will not be able to pay withdrawal proceeds or income distributions to you.
- **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.

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 or nominated broker, visiting our website or calling our Investor Services team. mFund Investors can

also visit www.mFund.com.au for up-to-date information relating to the Fund.

A paper copy of any updated information will be given to you, without charge, on request by calling our Investor Services team.

How the Fund is governed

The Fund's constitution, together with the Corporations Act 2001 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.

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 them with a copy free of charge.

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 vote for our removal.

Termination

The constitution, together with the Corporations Act 2001, 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 2001 and (to the extent applicable) the Fund's constitution.

Compliance plan and compliance committee

We have lodged the Fund's compliance plan with the Australian Securities and Investments Commission (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 2001 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 2001 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.

Additional information about significant risks

Risk	Explanation
Counterparty risk	The risk that the other party to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) fails to perform its contractual obligations either in whole or in part.
Credit risk	<p>The risk that the issuer of the fixed interest security is unable or unwilling to make interest and/or capital payments in full and/or on time, or may not meet other financial obligations. Causes of such a failure include an issuer encountering financial difficulties such as insolvency.</p> <p>Credit risk is generally considered to be lower with investment grade credit quality fixed income securities. Fixed income securities rated below investment grade credit quality generally have a higher risk of default. Emerging markets debt is generally below investment grade and usually has a higher risk of default.</p> <p>Bentham manages this risk by monitoring, on an ongoing basis, the financial position of issuers whose securities are held by the Fund.</p>

Risk	Explanation
Currency risk	<p>The Fund can invest in securities outside Australia which are valued in currencies other than Australian dollars. A change in the value of these currencies relative to the Australian dollar can therefore affect the value of the investment. For example, a rise in the Australian dollar relative to other currencies may negatively impact the value of the investment. Conversely, a decline in the Australian dollar relative to other currencies may positively impact the value of the investment.</p> <p>Bentham adopts currency management strategies such as currency hedging in an aim to reduce, or remove completely, the impact of these currency movements on the value of the investment. However, it should be noted that such hedging strategies will also reduce the potential for increased gains where the value of that currency increases relative to the Australian dollar.</p>
Derivative risk	<p>The value of a derivative is linked to the value of an underlying asset and can be highly volatile. While the use of derivatives offers the opportunity for higher gains, it can also increase losses to the Fund.</p> <p>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 and the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations (known as 'counterparty risk').</p> <p>Bentham does not intend to gear the Fund through the use of derivatives. Bentham aims to keep derivative risk to a minimum by:</p> <ul style="list-style-type: none"> • constantly monitoring the Fund's use of derivatives; • aiming to ensure 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	<p>The value of an equity security in a company (known as a share) may be affected by market sentiment and other factors that may impact the performance of the actual company.</p> <p>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, changes in technology and market trends.</p> <p>Share markets tend to move in cycles, and the individual share price of a security may fluctuate.</p> <p>Such risk is considered by Bentham through its investment process and managed by maintaining a diversified portfolio of investments in Australian and overseas companies.</p> <p>Investment returns from international shares are also affected by exchange rate fluctuations. The currency exposure from the international equities investments may be hedged or partially hedged into the Australian dollar.</p>
Fixed income securities and credit investment risk	<p>Fixed interest securities are affected by many of the risks outlined in this section, such as interest rate risk and credit risk. For example, changes to interest rates could have an adverse effect on the value of a fixed income security (refer to 'Interest rate risk' for more information).</p> <p>Additionally, high yield securities may be subject to greater levels of credit and liquidity risk (refer to 'Credit risk' and 'Liquidity risk' for more information).</p> <p>The value of a security and cash flows can also be affected by:</p> <ul style="list-style-type: none"> • changes in the security's credit risk premium; • ratings upgrades or downgrades by ratings agencies (e.g. when a borrower's financial position has improved or deteriorated); • defaults (i.e. when a borrower fails to pay interest or principal when it is due); and • recovery risk (the severity of the capital loss incurred as a result of a default). <p>Investment returns from international bonds (and related derivatives) are also affected by fluctuations in exchange rates. Foreign currency exposure may be hedged to the Australian dollar.</p> <p>A further risk relevant to fixed interest securities is 'prepayment risk' where certain debt securities can be prepaid at the option of the issuer. There is no assurance that proceeds received from a prepayment can be invested in similar securities generating the same level of return.</p>

Risk	Explanation
Fund risk	<p>Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. 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.</p> <p>Your investment in the Fund is governed by the terms of the constitution of the Fund and the PDS, each as amended from time to time, the Corporations Act and other laws.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>We aim to manage these risks by monitoring the Fund and acting in investors' best interests. In the event of winding up the Fund, we will realise all of the Fund's assets which will generally result in the crystallisation of tax positions (both income and capital) at that time.</p>
Interest rate risk	<p>Changes in interest rates can directly and indirectly impact investment values and returns. For example, an increase in a jurisdiction's official interest rates can result in a fall in the value of fixed interest securities, while a decrease in official interest rates can result in an increase in value. Changes in interest rates may also affect the value of Australian and international equities and the value of property securities. The risk increases as the term of the investment increases.</p>
Liquidity risk	<p>If a security is not actively traded, it may not be readily bought or sold without some adverse impact on the price paid or obtained. Securities that may be less liquid include certain debt instruments in which the Fund may invest or to which it may have exposure. Bentham aims to manage this through its investment process and by carefully managing the sale and purchase of the Fund's assets.</p> <p>If an investor, or a group of investors, in the Fund with exposure to less liquid assets seeks 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.</p>
Market risk	<p>The value of a security may be influenced by the condition of investment markets (e.g. domestic and global share markets and bond markets etc.), as well as the economic state of particular regions or the returns of other asset classes.</p> <p>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 (e.g. natural disasters).</p> <p>Often assets from less developed regions or markets display higher levels of volatility of investment return than assets in mature markets.</p>
Service provider risk	<p>The Fund is, to a certain extent, reliant on external service providers in connection with their operation, such as the custodian and any sub-advisory managers appointed in respect of the Fund. 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.</p>

Risk	Explanation
Withdrawal risk	<p>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 five 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.</p> <p>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 2001), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act 2001. Please refer to 'Additional information about withdrawing' on pages 4 and 5 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.</p>

Additional information about the Fund's investments

Borrowings

While the Fund's constitution allows for borrowing, Bentham 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.

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 change the lending financial institution (if any) from time to time and may also seek to vary the terms of any borrowing facility where we believe this is in the best interests of unitholders.

Derivatives

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

The Fund may, at times, invest in or obtain exposure to derivatives, such as futures and options, interest rate swaps, currency hedging and credit default swaps.

The Fund's constitution permits the use of derivatives; however Bentham 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

Bentham or us as soon as reasonably practicable. Where the Fund uses derivatives, Bentham aims to manage the Fund so as to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives.

Derivatives will 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, and as a risk management tool (such as managing the effect of interest rate 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 use of derivatives may expose the Fund to certain risks. Please refer to 'Derivative risk' on page 8 for more information.

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.

See 'How we invest your money' on pages 4 and 5 of the PDS for indicative 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 the indicative asset allocations, or a limit set out in this PDS, this will be addressed by us or Bentham 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.

Important investment terms

Investment term	Explanation
active management	Refers to a style of portfolio management where the manager actively makes specific investments with the goal of outperforming an investment benchmark. Portfolio investment strategies are generally constrained within specific investment risk limits.
asset backed security (ABS)	A debt security that is secured by assets such as loans, leases, credit card debt, etc. See “Credit risk’ of page 7 for more information.
bottom-up investing	An investment approach where the focus of the analysis is on individual securities with less emphasis on broad economic and market cycle themes.
cash	Cash and short-term securities include cash, deposits and short-term bank bills. Cash traditionally produces a stable investment return (through the payment of interest).
collateralised debt obligations (CDO)	An ABS backed by a pool of debt securities that are generally corporate bonds, loans or other ABS.
collateralised loan obligation (CLO)	An ABS backed by a pool of debt securities that are generally senior secured syndicated loans.
commercial mortgage backed security (CMBS)	An ABS backed by a pool of commercial property mortgages
credit default swap (CDS)	A derivative contract designed to transfer the credit risk exposure of a debt security from one party to another. A CDS contract can be used to create or reduce exposure on a particular debt security. In the event of default on an underlying debt security, the purchaser of the CDS contract is generally entitled to receive face value in exchange for delivering the underlying debt security.
credit investment	A debt security or derivative that has credit risk.
credit protection	Buying a CDS contract to protect, or benefit from, the deterioration in credit quality of an underlying debt security.
debt security	A financial instrument that is an obligation of its issuer to make payments to the holder of the instrument. The terms of the instrument define the interest payment terms, maturity date and investor protections. Debt securities can be bought and sold between different parties either over-the-counter or on an exchange. Examples of debt securities include government bonds, investment grade corporate bonds, non-investment grade corporate bonds (high yield bonds), syndicated loans, preferred securities and asset backed securities.
equity delta	The financial ratio that relates the change in the price of a derivative to the corresponding change in the price of an underlying asset.
floating rate security	A floating rate security is a debt security that makes interest payments based on a market reference rate that is likely to change during the term of the instrument plus an interest margin, which is set at the time of issuance. The interest payments for a floating rate security vary with short-term interest rates. A common market reference rate for AUD floating rate securities includes the 90-day Bank Bill Swap Rate.
high yield bond	A non-investment grade security issued by a corporation.
hybrid security	Hybrid securities are financial securities that have aspects of both equity and debt securities. The securities can include debt security terms such as defined interest payments and redemption features as well as equity terms such as the ability to convert into equity and discretionary payment of income distributions.
investment grade bond	An investment grade security issued by a corporation.
investment grade security	Debt securities are generally assigned a credit rating of BBB–/Baa3 or better by the credit rating agencies. The credit ratings assigned by rating agencies represent an assessment of the borrower’s creditworthiness, that is, its ability to make interest and principal payments. Higher rated borrowers with an investment grade rating generally allow companies to reduce the interest rates that they pay on their debt when compared with lower rated borrowers.

Investment term	Explanation
non-investment grade security	Debt securities that are generally unrated or assigned a credit rating of below BBB–/Baa3 by the credit rating agencies. The credit ratings assigned by rating agencies represent an assessment of the borrower's creditworthiness, that is, its ability to make interest and principal payments. Non-investment grade borrowers generally pay higher interest rates than higher rated borrowers as their financial position is not as strong.
non-rated securities	A debt security that has not been rated by a large credit rating agency, usually because the security is too small.
residential mortgage backed security (RMBS)	An ABS backed by a pool of residential home mortgages.
SEC	United States Securities and Exchange Commission.
second lien loans	Debts that are subordinate to the rights of other, more senior debts issued against the same collateral, or a portion of the same collateral. If a borrower defaults, second lien debts stand behind higher lien debts in terms of rights to collect proceeds from the debt's underlying collateral.
shares/equities	Shares (also known as equities) represent the part ownership in a company and generally have voting rights. Shares are the residual claim on the assets of a company after all liabilities are paid. Shareholders may be entitled to receive some of the company's profits if the company's board decides to pay a dividend. Shareholders may experience some capital growth if the share price rises, or some capital loss may occur if the share price falls.
top-down investing	An investment approach that focuses on broader economic and market cycle themes in an attempt to identify investment sectors that are forecasted to outperform the market (not the individual company or companies).

Fees and other costs

This table shows fees and other costs that you may be charged and applies to the Fund offered through this PDS. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole. Taxes are set out under 'Taxation considerations' on pages 15 and 16 of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund¹		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee: The fee to close your investment	Nil	Not applicable
Management costs^{2,3,4} The fees and costs for managing your investment		Management costs include the management fee and reimbursable expenses expressed as a percentage of the net asset value of the Fund. The amount quoted does not include any abnormal expenses that may be charged.
• Management fee	0.72% p.a.	The management fee and reimbursable expenses are deducted from the Fund's assets, accrued daily and paid monthly in arrears.
PLUS		
• Estimated reimbursable expenses	0.07% p.a.	
Service fees⁵		
Switching fee: The fee for changing investment options	Nil	Not applicable

1. An allowance for transaction costs may apply to investments into, and withdrawals from, the Fund (refer to 'Buy/sell spreads' on page 14 of this document for more information).

2. Unless otherwise stated, all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and net of any input tax credits (ITCs) or reduced input tax credits (RITCs) as applicable. Where available the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Please refer to 'Government charges and GST' on page 14 of this document for more information. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.

3. For certain wholesale clients (as defined in the Corporations Act 2001) 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?' on page 14 of this document.

4. Please refer to 'Additional explanation of fees and costs' below for information on management costs.

5. Please refer to 'Adviser remuneration' on pages 14 and 15 of this document for information on additional fees that may be paid to approved participants.

Additional explanation of fees and costs

Management costs

The total management costs for the Fund, also known as the Indirect Cost Ratio (ICR), comprise the additional fees or costs that an investor incurs by investing in the Fund rather than investing directly in the underlying assets.

Management costs include the management fee, reimbursable expenses, investment expenses and abnormal expenses. They do not include the transaction costs (i.e. buy/sell spreads) or other costs that an investor would ordinarily incur when investing directly in the underlying assets.

Management costs are payable from the Fund's assets and are not paid directly from your account.

The management costs quoted in this document and the PDS are based on current financial information. For details of the maximum fees permitted under the constitution of

the Fund, please refer to 'Maximum allowable fees' on page 15 of this document.

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 is calculated daily as a percentage of the net asset value of the Fund and payable monthly in arrears.

Reimbursable expenses

Under the constitution of the Fund, we are entitled to recover costs incurred in the performance of our duties as Responsible Entity of the Fund and in the administration and management of the Fund. These reimbursable expenses include charges, fees, expenses, commissions, liabilities and losses associated with the Fund.

The estimated reimbursable expenses are based on the current reimbursable expenses charged for the Fund. This amount is not an indication or guarantee of the amount that

may be charged in the future. Reimbursable expenses, and therefore total management costs, may vary each year.

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. The management costs set out in the table on page 13 of this document do not include any abnormal expenses. 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.

Investment expenses

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

Buy/sell spreads

The buy/sell spread is a type of transaction cost that may include brokerage incurred by the investment manager, stamp duty, underlying security buy/sell spreads and other government taxes or charges. 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 net asset value of the Fund 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 the investment manager's brokerage will make up the vast majority of transaction costs.

The current buy/sell spread of the Fund is +0.40%/–0.40%; however, a different buy/sell spread may apply if the estimate changes. We will provide notification of any changes on our website

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

Please note that while the buy/sell spread is an additional cost to you, it is not a fee paid to us or Bentham. 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 0.40%. Therefore, the cost of an investment of \$50,000 into the Fund would be \$200.
- The current sell spread on a withdrawal from the Fund is 0.40%. Therefore, the cost on a withdrawal of

\$50,000 from the Fund would be \$200.

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

Can fees be different for different investors?

Yes; we may negotiate, rebate or waive fees for wholesale clients (as defined in the Corporations Act 2001). We do not negotiate fees with retail clients.

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. They would therefore increase the management costs of the Fund.

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 'Taxation considerations' on pages 15 and 16 of this document for additional information on GST.

Other payments

We may pay fees from our resources to some investor directed portfolio service (IDPS) operators because they offer the Fund on their investment menus. These fees may be rebated to the Indirect Investor investing in the Fund through the IDPS operator or retained by the IDPS operator and include:

- for each IDPS operator, product access payments of up to \$8,250 p.a.; and/or
- where permitted by law, fund manager payments of up to 0.55% p.a. of the amount invested by the IDPS operator in the Fund.

If we do pay fees, we will pay them from our own resources so that they are not an additional cost to the Fund or its unitholders. These amounts are current at the date of this document.

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.

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

Under the constitution of the Fund, we are presently entitled to charge the following maximum fees (GST can be added to all these fees if applicable).

Fee	Maximum amount
Contribution fee (currently not charged)	6.00% of the contribution amount
Management fee	2.00% of the net asset value of the Fund
Withdrawal fee (currently not charged)	6.00% of the withdrawal amount
Transfer fee (currently not charged)	2.00% of the amount transferred
Switching fee (currently not charged)	2.00% of the amount switched

The constitution for the Fund permits us to charge a trustee fee of 0.04% p.a. of the value of the Fund that is invested in any of the other funds managed by Bentham, plus 0.10% p.a. of the value of the balance of that fund, or, in certain circumstances specified in the constitution, an amount no greater than an amount based on \$15,000 adjusted for inflation since 1992. We are also entitled to be reimbursed for certain fees and expenses of a custodian or sub-custodian up to a maximum of 1% of the net asset value of the Fund. It is not our current intention to charge any of these fees. However, should we propose to change this we will give unitholders 30 days' written notice of the change. 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 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 our Investor Services team.

Taxation considerations

Any investment can have a substantial impact on your tax position from year to year. The following information 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. 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.

The Fund will generally not be liable to pay income tax on its net income (broadly 'taxable income') on the basis that unitholders are presently entitled to the Fund's distributable income. You will generally be required to include in your assessable income your share of the net income of the Fund, which will be based on your share of the distributable income of the Fund, even if your distributions are reinvested. 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). For any investors who are non-residents, Australian withholding tax may be deducted from distributions.

The Foreign Investment Fund (FIF) provisions were repealed with effect from the 2010/2011 income year. The FIF provisions will be replaced by a specific anti-avoidance roll-up rule for Foreign Accumulation Funds (FAF), which seek to ensure that Australian residents cannot defer or avoid a tax liability on income earned in a FAF. As at the date of this document, the Government has not released final legislation on the FAF legislation.

Since 1 July 2010, the Taxation of Financial Arrangement (TOFA) provisions have applied 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. Due to the implementation of the TOFA regime, there may be some instances where your share of the taxable income of the Fund exceeds the cash distribution you receive from the Fund. 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.

The Managed Investment Trust (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. We, as responsible entity of the Fund, have made an irrevocable election 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.

Some of the income distributed to investors may be classified as tax-deferred income. For investors who hold their units on capital account, the tax-deferred income

should not form part of an investor's assessable income in the year that the tax-deferred distribution is paid. Instead, the investor's cost base in the units will be reduced by the tax-deferred amount and may affect the capital gains tax position of the investment. However, for those investors who have a zero cost base in their units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the investor in the year in which payment is made. Investors should maintain records of their adjustments.

You may also be entitled to tax credits (franking credits and/or foreign tax offsets) distributed by the Fund. Provided investors satisfy certain provisions of the Tax Act, investors may be able to utilise these credits against their tax liability on the taxable components of the distributions. In order to claim the amount of tax credits, investors must include the amount of the credits in their assessable income.

We will advise each investor of their share of tax credits in the annual tax 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. For non-resident investors, complex laws govern the taxation of capital gains distributed by the Fund or those realised on the disposal of units. Accordingly, non-resident investors should seek their own professional tax advice.

The Australian Government is currently reviewing the taxation of trusts, and the treatment of MITs. The Responsible Entity will monitor the developments in relation to these reforms, and their impact on the Fund.

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 reduces the non-recoverable GST cost incurred.

The Foreign Account Tax Compliance Act (**FATCA**) is US legislation targeting US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (IRS). Institutions defined as 'foreign financial institutions' (which includes us) are required to comply with certain requirements including the provision of information to the IRS. The information will only relate to investors who we identify as US citizens or residents or those whose citizenship or residency we cannot identify due to insufficient information being provided ('non-compliant account holders'). We will provide the ATO with any required FATCA information which would otherwise be submitted to the IRS, and there will be no obligations for us to withhold tax for FATCA purposes from any payments.

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 any income distribution payable 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). The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws. Nonresidents are generally exempt from providing a TFN.

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 and 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 in our office before the expiry of the 14-day cooling-off period..

mFund Investors

If you are an mFund Investor, please contact your nominated broker. We must receive your written instructions in our office before the expiry of the 14-day cooling-off period.

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 2001). Please note that as an investor in the Fund you will not necessarily be a wholesale client for the purposes of the Corporations Act 2001.

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 immediately after receiving it and investigate, properly consider and decide what action (if any) to take and to provide a final response to you within 45 days (30 days in relation to privacy 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 +61 2 9994 7000 from outside Australia (during Sydney business hours) or by writing to:

Complaints Resolution Officer

Fidante Partners
Reply Paid 86049
Sydney NSW 2001

If you are a Direct Investor and are not happy with our response or how the complaint has been handled (or if we have not responded within 45 days), you may contact the following external dispute resolution scheme.

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Tel: 1300 780 808
www.fos.org.au

Its service is generally only available to retail clients.

Indirect Investors must contact their IDPS operator if they wish to make a complaint or if they are not happy with how a complaint has been handled.

Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law.

In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. We will only pay withdrawal proceeds and distributions to an accessible Australian bank account.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

Contact details for New Zealand investors

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