

Product Disclosure Statement

Terra Capital Natural Resources Fund

ARSN 624 739 493 | Product APIR Code TER0001AU

26 April 2018

Read This

This Product Disclosure Statement ('PDS') provides a summary of significant information and the Fund's Reference Guide dated 26 April 2018 ('Reference Guide') contains a number of references to important information (each of which forms part of this PDS). You should consider both the information in this PDS, and the information in the Reference Guide, before making a decision about investing in the Fund.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

We reserve the right to change any terms and conditions set out in this PDS. If you receive this PDS electronically, we will provide a paper copy to you free of charge upon request during the life of this PDS.

The offer made in this PDS is available only to persons receiving this PDS (electronically or otherwise) within Australia and New Zealand. Applications from outside Australia and New Zealand will not be accepted.

Updated Information

Information in this PDS is subject to change. We will notify you of any changes that have a materially adverse impact on you or other significant events that affect the information contained in this PDS. Any information that is not materially adverse is subject to change from time to time and may be obtained by contacting Evolution on +61 2 8866 5150, emailing info@evolutiontrustees.com.au or visiting evolutiontrustees.com.au. A paper copy of any updated information will be provided free of charge on request.

Responsible Entity

Evolution Trustees Limited ACN 611 839 519
AFS Licence No 486217

Participant APIR Code: EVOX100AU

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Fund

Terra Capital Natural Resources Fund ('Fund')

Product APIR Code: TER0001AU

Investment Manager

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('Investment Manager') ('Terra Capital')

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Warning Statements 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 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- 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 (Aust) and the regulations made under that Act set out how the offer must be made.
- There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- Both the Australian and New Zealand financial markets 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, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- 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 financial products is not New Zealand dollars. The value of the financial products 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 financial products 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.
- The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

1. About Evolution

Responsible Entity

Evolution is the Fund's Responsible Entity and issuer of this PDS. Evolution is a business servicing Australian and offshore asset managers and institutions with a select range of fiduciary services including corporate trustee, MIT trustee and acting as a responsible entity for registered schemes. Evolution's approach is to tailor its service offering to specifically meet the needs of each structure in a manner which is consistent with Australian laws and regulations. Evolution is focused on advancing the best interests of the investors whose money it takes care of.

Evolution's responsibilities and obligations as the Responsible Entity are governed by the Fund's constitution ('**Constitution**'), the Corporations Act and general law. As Responsible Entity, Evolution is solely responsible for the management of the Fund. Evolution has delegated the investment management functions to Terra Capital Holdings Pty Limited which will make investment decisions for the Fund.

Investment Manager

We have appointed Terra Capital as the Investment Manager of the Fund. The Investment Manager has been appointed as a corporate authorised representative (001260962) of Evolution (AFSL 486217) and is authorised to provide general financial product advice and deal in a financial product in relation to derivatives. The Investment Manager has been appointed as a corporate authorised representative of PT Asset Management Pty Ltd (AFSL 318961) and is authorised to provide general financial product advice and deal in a financial product in relation to basic deposit products, interests in management investment schemes (excluding IDPS) and securities.

Terra Capital is a specialist equity investment manager established in 2010 focusing on small and mid-sized companies. Terra Capital's investment strategy is fundamentally driven, high conviction, and relatively high concentration. Terra Capital's research driven process and true active management is complimented by a focus on risk management.

You should read the important information about consents and the appointment and termination of the Investment Manager (the Important Information) before making a decision.

Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the Important Information may change between the time when you read this PDS and the day when you sign the Application Form.

Neither the Responsible Entity nor the Investment Manager guarantees the performance of the Fund or the return of capital or income. Your investment in the Fund is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested. For details about risks see Section 4.

2. How the Terra Capital Natural Resources Fund Works

Managed Investments

The Fund is a managed investment scheme. When you invest your money in a managed investment scheme, your money is pooled together with other people's money. We use this pool of money to buy investments and manage them on behalf of all members of the Fund. This means that, through the managed investment scheme, you may access certain investments that you may not otherwise be able to access, your transaction costs may be reduced, and you access the knowledge of our specialist Investment Manager through their investment decisions concerning the Fund. However, we, rather than you, have day to day control over the operation of the Fund.

Your Interests

So that you know what your interest in the Fund is worth, the total value of the assets in the Fund (which are normally valued monthly) is divided into 'Units'. We will provide you a monthly price for each Unit and will keep a record of the number of Units you have bought.

How Unit Prices are calculated

Under the Constitution, the Unit application (or withdrawal) price is generally calculated monthly as of the last Business Day of each month by establishing the net asset value of the Fund and dividing the resulting amount by the number of Units on issue (with adjustments for Transaction Costs (buy/sell spread)). For more detail, see the Reference Guide.

We will be able to provide you with information about the current unit price to help you decide whether to sell or retain your Units or buy more.

Applications

You can acquire Units by completing the accompanying Application Form. The minimum investment amount for the Fund is \$25,000.

Additional Applications

You can increase your investment at any time by applying for more Units in the Fund with a minimum of \$10,000.

Withdrawals

Generally, you can decrease your investment by selling (in particular, by redeeming) some or all of your Units. However in certain circumstances (such as a freeze on withdrawals) you may have to wait for a period of time before we can process your withdrawal request. The minimum amount you can reduce your investment by is \$10,000 unless you are withdrawing all of your investment.

Proceeds of a properly completed withdrawal request are paid at the end of each month with a 30 day notice period. Withdrawals are usually paid within 15 business days after the month end but may take longer in some circumstances (up to 21 days).

We reserve the right to fully redeem your investment if your investment balance in the Fund falls below \$10,000 as a result of processing your withdrawal request. We can deny a withdrawal request or suspend consideration of a withdrawal request in certain circumstances, including where accepting the request is not in the best interests of investors in the Fund or where the Fund is not liquid (as defined in the Corporations Act). When the Fund is not liquid, an investor can only withdraw when we make a withdrawal offer to investors in accordance with the Corporations Act. We are not obliged to make such offers.

Application Processing

Properly completed requests for applications received by the fund administrator before 5:00 pm Sydney Time on the last Business Day of the month will be processed using the application price calculated for that month. Where a request is received after that time, it will be processed using the application price calculated for the next month. Applications must be accompanied by cleared funds to be processed.

We reserve the right to vary or waive the minimum amounts stated in this PDS. If investing through an investor directed portfolio service ('IDPS'), other minimum investment amounts may apply and you can only increase and decrease your investment in accordance with the IDPS terms and conditions.

Distributions

Distributions are paid annually within 15 Business Days after the end of each financial year ending 30 June. The amount you receive is dependent on the number of Units you hold on the last day of the distribution period.

In special circumstances, such as where there is a large withdrawal during a distribution period, we may change distribution periods by giving notice to you.

Depending on your selection, your distributions will be paid directly to your nominated account or reinvested. Reinvestments of units will be applied back to the Fund using the reinvestment unit price at the date of distribution. There is no buy/sell spread charged for income reinvestment. We do not accept directions to pay distributions to third parties. If an attempted deposit is rejected, the deposit may be cancelled.

If you do not make a selection or distributions cannot be paid into your account, distributions will be reinvested (less any bank charges), until you advise us otherwise.

You should read the important information about your interests, staggering or freezing of withdrawals, anti-money laundering requirements, unit pricing, distributions, withdrawals, privacy, the rights of Evolution and the retirement of Evolution, electronic instructions and the term of the Fund (the Important Information) before making a decision to invest in the Fund.

Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the Important Information may change between the time when you read this PDS and the day when you sign the Application Form.

Holding of Fund Assets and fund Administration

We have appointed Mainstream Fund Service Pty Ltd ABN 81 118 902 891 AFSL 303253 ('Mainstream', 'Custodian' and 'Administrator') as the custodian and administrator of the assets of the Fund. In its capacity as Custodian, Mainstream (or its appointed agent) will hold the Fund assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. The Custodian has no supervisory role for the operation of the Fund and has no liability or responsibility to a unit holder for any act done, or omission made, under the Custodian Agreement. The Custodian's role is limited to holding the Fund's Assets. In its capacity of Administrator, Mainstream will administer the Fund assets, including providing Fund accounting and unit registry services.

Indirect Investors

If you invest in the Fund through an IDPS you will not become a Unit Holder in the Fund. The operator or custodian of the IDPS will be the Unit Holder entered in the Fund's register and will be the only person who is able to exercise the rights and receive benefits of a Unit Holder. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the following explanation of the benefits applies to direct investors.

3. Benefits of Investing in the Terra Capital Natural Resources Fund

Investing in the Fund offers you a range of features and benefits including but not limited to:

- The expertise of the Investment Manager managing the Fund's assets.
- Pooling of your investment with other investors, which provides you with the potential to access investments you may not be able to access by yourself and/or a reduction in the costs of investing in these assets.
- Services to make investing easier – you will receive a confirmation of investment or withdrawal plus regular statements to keep you up to date with your account, including an annual taxation statement (if investing through an IDPS, your IDPS operator will provide you with this information).
- Investor protection - your rights are set out under the Constitution as well as under the Corporations Act.
- We have a compliance plan used to monitor compliance with the Corporations Act and the Constitution. The compliance plan is lodged with ASIC and our compliance with the plan is independently audited each year.

Details of the Fund, including what assets it invests in, are set out later in this PDS at Section 5, How we invest your money.

4. Risks of Managed Investment Schemes

You should read the important information about the rights of investors before making a decision. Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the rights of investors may change between the time when you read this PDS and the day when you sign the Application Form.

Investment Risks

All investments have some level of risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy.

Managed investment schemes can invest in a range of asset classes – for example, cash, bonds, equities and property. The likely investment return, and the level of risk of losing money, is different for each asset class. Those assets with the highest long-term returns (such as equities) may also carry a higher-level of short-term risk. Before making an investment decision, it is important to understand the risks that may affect the value of your investment. While it is not possible to identify every risk relevant to investing in the Fund, we have detailed significant risks that may affect your investment.

Neither the Investment Manager nor the Responsible Entity, either together or separately, or their respective associates or related bodies corporate, guarantee that the investment objective will be achieved or that you will earn any return on your investment or that your investment will gain in value or retain its value. In addition, neither the investment manager nor the Responsible Entity, either together or separately, or their respective associates or related bodies corporate, guarantee any particular taxation consequences of investing. The level of returns will vary, and future returns may differ from past returns. Investment in the Fund is subject to investment risk, including possible delays in repayment and the loss of income and capital invested.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some of your money in some years. Your financial adviser can help you understand investment risk and help you design an investment strategy that is right for you. They will also be able to assist in determining whether this investment is suited to your investment strategy. The value of your investment may fall for a number of reasons, including the risks set out below. The following significant risks apply to this investment:

Commodity price risk:

The Fund may invest in companies which have exposure to a single commodity. The risk that commodities rise and fall regularly depending on the commodity cycle, commodity consumption and supply of the commodity. Commodities are generally more volatile than other asset classes such as equities, bonds and cash.

Small companies risk:

Small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of small companies may also be less liquid than those of larger companies.

Liquidity risk:

Whilst the Fund is primarily exposed to securities listed on the Australian Securities Exchange and other global securities exchanges which are generally considered liquid, under extreme market conditions there is a risk that investments cannot be readily converted to cash or at an appropriate price. There is a risk that the Fund may have to sell assets at a substantial loss in these circumstances in order to meet its obligations within required timeframes.

Concentration risk:

The Fund's performance is heavily dependent on the performance of the resources sector. The Fund will be less diversified than more balanced funds and there is a greater risk negative returns, particularly over the short to medium term.

Unlisted securities risk:

The Fund may have exposure to securities that are not listed on a securities exchange. Unlisted securities may have higher risk of loss, and may be difficult to value and sell due to their unlisted nature.

Market risk:

An investment in the Fund exposes you to securities markets. Movements in various markets due to the economic or political conditions, as well as investor sentiment, will result in the value of your investment moving up or down.

Legal and regulatory risk:

The Fund itself or investments of the Fund, or the effectiveness of the Fund's trading or investment strategy, may be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods).

Fund risk:

Risks particular to the Fund include that it could terminate (for example, at a date we decide), the fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Counterparty risk:

The counterparty to a transaction or contract (such as a broker or other agent of the Responsible Entity) may default on their obligations and that the Fund may, as a result, experience an adverse investment outcome or liability.

Interest rate risk:

The capital value or income of a security may be adversely affected when interest rates rise or fall.

Investment manager risk:

Investment managers can be wound up or liquidated, they can cease to manage the relevant fund and be replaced, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly. If any of these occurred we would do all things reasonably practicable to recover the value of the Fund's investments and may seek to appoint a new investment manager or program, with a similar investment profile if thought appropriate. If the investment program changed significantly, you would be given at least 30 days' notice. Further, only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change which can affect their performance.

○ **Foreign currency risk:**

Investment in international markets usually involves the risk of loss arising from changes in exchange rates that negatively impact upon the value of the Fund's investment denominated in a currency other than Australian dollars. The Fund from time to time invests in foreign assets and disposes of foreign assets. The Investment Manager does not maintain a hedging policy, and will convert currencies when appropriate for acquiring or disposing of assets.

○ **Foreign issuer risk:**

Investments in foreign companies may decline in value because of sovereign, political, economic or market instability; the absence of accurate information about the companies; risks of unfavourable government actions such as expropriation and nationalisation. Such securities may be less liquid, more volatile, and harder to value. In times of market disruptions (including but not limited to market closures), security prices may be delayed or unavailable. Some countries may have different legal systems, taxation regimes, auditing and accounting standards with less governmental regulation and transparency. These risks may be higher when investing in emerging markets.

5. How we Invest your Money

WARNING: Before choosing to invest in the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

The following table presents a summary of the Fund's investment profile.

SUMMARY OF INVESTMENT FEATURES	
Investment objective	To deliver superior absolute returns over the medium to long term by investing in small to medium-sized companies in the mining and resources sectors.
Benchmark	5% annually (0.42% monthly)
Investor Suitability	You should be comfortable with some volatility and the possibility of negative returns.
Investments	The Fund will invest in the securities of listed and unlisted companies who operate in the natural resource sector or who have exposure to this sector (such as companies providing service to natural resource companies).
Geographical exposure to equity markets	Australia (up to 100% of Fund assets) and global (up to 40% of Fund assets)
Fund asset allocation	<ul style="list-style-type: none"> • Generally hold 15% cash at all times • Hold no more than 20% of the Fund in unlisted equities and other unlisted securities • Hold no more than 10% of the equity in any one company (as % of investee company) • Hold no more than 10% of the Fund in any one security (as % of the Fund at the time of investment) • Hold no more than 40% of the Fund in any one commodity • Hold no more than 40% of the Fund in non-ASX listed securities

SUMMARY OF INVESTMENT FEATURES

Risk Level	High - the likelihood of your investment going down in the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash.
Instrument constraints	The Fund does not utilise leverage and is not permitted to engage in short selling. The Fund will hold listed assets, derivatives of those assets (options/warrants) and pre-IPO unlisted assets (which can include convertible Notes and derivatives, such as options).
Currency	AUD
Minimum suggested investment timeframe	Five-year plus investment period. This is a guide only and not a recommendation.
Fund performance	The Fund's performance is available at: www.terracapital.com.au
Change to Fund details	For up-to-date information about the Fund's investment strategy, performance and unit prices, visit www.terracapital.com.au

Environmental and Ethical Considerations

Whilst we intend to conduct our affairs in an ethical and sound manner, the Fund's investment criteria does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment of the Fund.

Changes to the Investment Option and Other Matters

You should read the important information about the rights of investors before making a decision. Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the rights of investors may change between the time when you read this PDS and the day when you sign the Application Form.

We have the right to close or terminate the Fund and change the Fund's investment objective, asset classes and asset allocation ranges and investment approach, without prior notice to you. We will inform you of any material change to the Fund's details.

These changes will be made available on the Investment Manager's website at www.terracapital.com.au.

6. Fees and Costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

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

Fees and Costs

This table shows fees and other costs that you may be charged in the Fund and can be used to compare costs between different managed investment schemes. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Details about taxes are set out in a later part of this PDS at Section 7, How managed investment schemes are taxed. You should use this information to compare costs with other simple managed investment scheme products.

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the managed investment product	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil

Management costs*

<p>The fees and costs for managing your investment¹:</p> <p>Management fee 1.568% p.a.</p> <p>Responsible Entity fee 0.07% - 0.08% p.a.²</p> <p>Indirect Costs 0.523% p.a.</p> <p>Performance fee 20.5% of the Fund's excess return versus its benchmark, net of the management fee.³</p>	<p>The management fee is payable to the Investment Manager for managing the investments of the Fund. The management fee is calculated on the Fund's gross asset value, reflected in the unit price and payable monthly in arrears from the Fund.</p> <p>The performance fee is calculated and accrued each business day and is payable half-yearly, if applicable.</p>
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¹The fees are inclusive of GST and net of RITC.

²The Responsible Entity Fee is 0.08% p.a. for the first \$200,000,000 and 0.07% p.a. for amounts above \$200,000,000. Notwithstanding this, the minimum Responsible Entity fee for the fund is \$32,000 p.a inclusive of GST and net of RITC.

³The Fund's benchmark is 5% annually. You should use this information to compare this product with other simple managed investment schemes. The performance fee is subject to a "high watermark" such that it will only be paid if the Fund's value (in absolute terms) increases by or more than 5% since the last payment of a performance fee.

*What it costs you will depend on the fees you negotiate with your financial adviser or the fees charged by your IDPS (as applicable). For further information, refer to the information about fees paid to a financial adviser which appears below, or information about wholesale investors in the Fees and costs section in the Reference Guide.

Unless otherwise stated, the fees and costs shown in this section are inclusive of Goods and Services Tax ('GST') and any applicable stamp duty, less Reduced Input Tax Credits ('RITCs') or other input tax credits claimable.

WARNING: Additional fees and costs may be paid to a financial adviser if a financial adviser is consulted. The details of these fees and costs should be set out in the statement of advice by your adviser.

Example of Annual Fees and Costs for the Fund

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

EXAMPLE: BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged nil.
PLUS Management fee Responsible Entity fee (Indirect Costs)	1.568% p.a. management fee plus 0.08% p.a. Responsible Entity fee, estimated indirect costs of 0.523% p.a. plus estimated performance fee of 1.52% p.a.	And , for every \$50,000 you have in the Fund you will be charged \$1,845 (comprising \$783.75 management fee, \$40.00 Responsible Entity fee, estimated indirect costs of \$261.25 and estimated performance fee of \$760 ¹ .)
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee of \$250 ²

¹The example includes the performance fee estimate of 1.52%, which is calculated as the actual performance fee charged for 30 June 2017 as a percentage of total average net assets. Past performance is not a reliable indicator of future performance. In particular, the performance fee payable (if any) will depend on the performance of the Fund and previous performance fees may not be a reliable indicator of future performance fees of the Fund.

²This example assumes the \$5,000 contribution occurs at the end

of the year and therefore management costs are calculated using the \$50,000 balance only. The additional management costs would be \$78.40 if you had invested the \$5,000 for the full 12 months. Additional fees may apply, including a buy/sell spread (excludes performance fees).

This example assumes the \$5,000 contribution occurs at the end of the year and so management costs are calculated using the \$50,000 balance only and also excludes any transactional and operational costs that may be charged (see Additional Explanation of Fees and Costs below). Additional costs may be charged by your financial adviser or IDPS (as applicable) if you are an indirect investor for investing in the Fund. You should refer to the statement of advice provided by your financial adviser for details of these fees are set out.

Additional Explanation of Fees and Costs

Management Costs

Management costs comprise the additional fees or costs that you incur by investing in the Fund rather than by investing directly in the assets.

The management fees of 1.568% p.a. of the Gross Asset Value of the Fund are payable to the Investment Manager of the Fund for managing the assets and overseeing the operations of the Fund. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price.

The management costs shown above do not include extraordinary expenses (if they are incurred in future), including litigation costs, the costs of convening Unit Holder meetings. In addition, management costs do not include transactional and operational costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through Buy/Sell Spreads).

Performance Fees

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be, but it will be reflected in the management costs for the Fund for the relevant year. Information on current performance fees will be updated from time to time and available at evolutiontrustees.com.au.

Indirect Costs

The Constitution provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited.

However, we cap our recovery of ordinary expenses for the Fund at 0.523% per annum of the gross assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund. Any expenses in excess of this cap amount is paid by the Investment Manager personally and not out of the assets of the Fund.

While ordinary and every day expenses are capped, we reserve the right to recover abnormal expenses.

Abnormal expenses are expected to incur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund and termination and wind up costs.

Transactional and Operational Costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. This generally happens when the assets of a fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of a fund.

The Buy/Sell Spread reflects the estimated transaction costs incurred in buying or selling assets of the Fund when you invest in or withdraw from the Fund. The Buy/Sell Spread is an additional cost to you and is incorporated into the unit price and incurred when you invest in or withdraw from the Fund and is not an expense of the Fund. The Buy/Sell Spread is paid into the Fund and not paid to us or the Investment Manager. The estimated Buy/Sell Spread is 0.25% upon entry and 0.25% upon exit. The dollar value of these costs based on an application or a withdrawal of \$10,000 is \$25 for each individual transaction. The Buy/Sell Spread can be altered by us at any time. We may also waive the Buy/Sell Spread in part or in full at its discretion. If we are to amend the Buy/Sell Spread we will provide you with 30 days' notice.

Transactional costs which are incurred other than in connection with applications and redemptions arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's Unit price. As these costs are factored into the NAV of the Fund and reflected in the unit price, they are an additional implicit cost to the Unit Holder and are not a fee paid to the us or the Investment Manager. These costs can arise as a result of bid-offer spreads (the difference between an asset's bid/buy price and offer/ask price) being applied to securities traded by the Fund. Liquid securities generally have a lower bid-offer spread while less liquid assets have a higher bid-offer spread.

In the year ended 30 June 2017 total transaction costs amounted to 0.584% of the Fund's net asset value. Historically, the Fund has not charged a buy/sell spread, consequently these costs were borne by the Fund entirely. Going forward the impact of such charges will be reduced by the impact of the buy/sell spread. As flows into the Fund cannot be predicted it is not possible to provide an illustrative example of the net effects of the buy/sell spread on historical transactional costs.

Fee Changes

Keep in mind that the amount of transaction or management costs may change without investor consent, except if required by the Corporations Act. We will give you at least 30 days prior notice of any increase in the management fees.

Differential Fees

We or the Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients.

Fees paid to a Financial Adviser

If you have a financial adviser, you may also have to pay other fees to your adviser. See the Statement of Advice given to you by your adviser. A service charge may be separately negotiated with your financial adviser and deducted from your investment at your request. These payments are separate from the management costs referred to in this PDS.

You should read the important information about financial adviser remuneration, maximum costs, abnormal expenses, indirect costs, wholesale investors and related party transactions (the Important Information) before making a decision. Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the Important Information may change between the time when you read this PDS and the day when you sign the Application Form.

7. How Managed Investment Schemes are taxed

WARNING: Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

The Fund is a resident for Australian income tax purposes and does not pay tax on behalf of its members. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund.

You should read the important information about Australian Taxation and Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) Obligations (the Important Information) before making a decision. Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the Important Information may change between the time when you read this PDS and the day when you sign the Application Form.

8. How to Apply

1. Read this PDS together with the Reference Guide.
2. Complete the Application Form along with the requisite identification documents which are available by calling the Administrator.
3. You can then start to make regular and/or ad hoc payments into your account.

You should read the important information about facsimiles (the Important Information) before making a decision. Go to www.evolutiontrustees.com.au for a copy of the Reference Guide. The material relating to the Important Information may change between the time when you read this PDS and the day when you sign the Application Form.

If you are investing indirectly through an IDPS, you may invest in the Fund by directing the IDPS operator to lodge an application with us. You should complete any relevant forms provided by the IDPS operator.

Cooling-off

If you are a retail client (as defined in the Corporations Act) and

decide that you don't want the units we have issued you in the Fund in the period set out below, we must repay your money to you.

We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$25,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, the amount you receive will be the reduced unit value and you would incur a buy spread of +0.25% and a sell spread of - 0.25%. This means that \$24,625 would be transferred from the Fund back to you.

If you change your mind, you have 14 days to tell us, starting on the earlier of when we send you confirmation that you are invested or 5 business days after we issue the units to you.

This right terminates immediately if you exercise a right or power under the terms of the product, such as transferring your units or voting on any units held by you. For any subsequent investments made under a distribution reinvestment plan, cooling off rights do not apply.

A cooling-off right does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined in the Corporations Act), or to additional investments, reinvested distributions or switches between funds.

Complaints

If you have a complaint about any aspect of your investment, please contact us by writing to us at

Evolution Trustees Limited
Suite 306, Burns Philp Building, 7 Bridge Street, Sydney:
Telephone +61 2 8866 5150
Fax +61 2 8866 5151
Email info@evolutiontrustees.com.au

We have a structured internal complaints procedure. Every effort will be made to address your complaint. We generally will acknowledge your complaint within 5 business days and seek to resolve it within 45 days with a written response.

If you are not satisfied with the response, you should refer your complaint to the Financial Ombudsman Service by calling 1300 780 808, emailing info@fos.org.au or by writing to GPO Box 3, Melbourne VIC 3001. If investing through an IDPS, you should contact the IDPS operator for their complaint processes.

9. Other Information

Consents

The Investment Manager, and Mainstream have each given, and as at the date of this PDS have not withdrawn, their consent to inclusion in the PDS of the statements concerning them in the form and context in which they are included.

Terra Capital Natural Resources Fund

ARSN 624 739 493

Product APIR Code TER0001AU

Reference Guide

26 April 2018

Issued by Evolution Trustees Limited ACN 611 839 519, AFSL No 486217,
Participant APIR Code EVOX100AU

Contact details

If you have any questions or would like more information about the Fund, please
contact the Administrator,

Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL No 303253

Level 1, 51-57 Pitt Street, Sydney, NSW 2000

Telephone +61 2 9247 3326

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Email registry@mainstreamgroup.com

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1. ABOUT EVOLUTION

RIGHTS OF EVOLUTION

Evolution is the responsible entity of the Fund. Evolution:

- may change the terms and conditions set out in the PDS or this Reference Guide;
- may appoint, and rely on the advice of agents, investment managers, advisers, brokers or other contractors and will not be liable for their acts or omissions, provided it exercises care in their selection;
- is not liable for loss to Unit Holders, except to the extent the loss is caused by Evolutions failure to properly perform their duties as Responsible Entity;
- are indemnified from the Fund for any liability incurred by it in properly performing its duties for the Fund when acting in good faith and without negligence;
- is not liable to you to any greater extent than the Assets held in the Fund, subject to the Corporations Act;
- may amend the Constitution, without the approval of Unit Holders, if the proposed change is not adverse to Unit Holders' rights.

RETIREMENT OF EVOLUTION

Evolution may retire as Responsible Entity and may appoint a new responsible entity in accordance with the Corporations Act and the requirements of the investment management agreement entered into between the Responsible Entity and the Investment Manager.

CONSENTS

The Investment Manager has given and, at the date of the PDS, has not withdrawn, its written consent to be named in the PDS as the investment manager of the Fund, and to the inclusion of the statements made about it and the Fund which are attributed to it. The Investment Manager does not guarantee the repayment of capital or any particular rate of capital or income return.

The Custodian has given, and as of the date of the PDS, not withdrawn its consent to be named in the PDS as custodian of the Fund in the form and context in which it is named. The Custodian does not make, or purport to make, any statement that is included in the PDS and there is no statement in the PDS which is based on any statement by the Custodian. To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any part of the PDS other than the references to its name. The Custodian does not guarantee the repayment of capital or any particular rate of capital or income return.

The Administrator has given, and as of the date of the PDS, has not withdrawn, its written consent to be named in the PDS as the Administrator of the Fund, and to the inclusion of the statements made about it or the Fund which are attributed to it, in the form and context in which they appear. The Administrator has not otherwise been involved in the preparation of the PDS and has not caused or otherwise authorised the issue of the PDS. The Administrator and its affiliates, employees and officers do not accept any responsibility arising in any way for errors or omissions from the PDS, other than in relation to the statements for which it has provided its consent.

APPOINTMENT AND TERMINATION OF THE INVESTMENT MANAGER

Under the Investment Management Agreement, Evolution may terminate the appointment of the Investment Manager in certain circumstances, including, for example if a receiver or manager or similar is appointed to the Investment Manager, or it ceases to carry on business as an investment manager. Otherwise, it is required to convene a Unit Holder meeting and obtain the approval of a special resolution should it seek to terminate the appointment of the Investment Manager.

2. HOW THE TERRA CAPITAL NATURAL RESOURCES FUND WORKS

YOUR INTERESTS

Evolution may accept or decline all or part of an application without giving any reason. Application money is deposited into a non-interest bearing account, pending its processing.

The Fund's Assets and liabilities are usually valued monthly as of the last Business Day of the month. Assets are generally valued at their fair value. Any income entitlements, cash at bank, and any amount of GST recoverable by the Fund from the Australian Taxation Office are also included in Asset values used to calculate the application and withdrawal Unit price.

Generally, for Unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs, indirect costs and any costs you would ordinarily incur when investing in the Fund's underlying Assets.

Evolution has a policy for Unit pricing discretions. The types of discretion we may exercise and when we can exercise our discretion are set out in Evolution's Unit Pricing Policy. The Policy is available by contacting us at no charge. An overview of how Unit prices are calculated is given below.

You may transfer your Units in accordance with the Constitution. Transfers will not be effective until registered by the Administrator. Evolution may refuse to register any transfer of Units and need not provide a reason for doing so.

You may invest indirectly in the Fund as an investor through an IDPS operator who acquires Units in the Fund on your behalf. An indirect investor does not hold Units in the Fund and does not acquire any rights relating to the Fund. The IDPS operator acquires these rights and can exercise, or decline to exercise, rights on your behalf according to the arrangements governing the IDPS. The offer document for an indirect investor's IDPS should have further details. The IDPS operator will provide an indirect investor with all reporting for the Fund. The net performance of an indirect investor's investment in the Fund may be different from the information we publish, due to cash flows specific to your portfolio and any fees charged by the IDPS operator.

HOW UNIT PRICES ARE CALCULATED

The Unit Application Price and Withdrawal Price is generally calculated bimonthly as of the last Business Day of the month:

- establishing the Fund Net Value which is generally based on the market value of the Fund's Assets, which includes undistributed income, after deducting liabilities such as fees and expenses and excluding application money for applications that have not been accepted
- dividing the resulting amount by the number of Units in issue
- increasing (or decreasing) the resulting amount per Unit by the buy/sell spread (currently 0.25%)
- rounding the price up (or down) to the nearest 4 decimal points.

We may decide to calculate the Application Price or Withdrawal Price more frequently than monthly. We may also accept an application payment in the form of property and, with your consent, transfer Assets in lieu of cash in satisfaction of a withdrawal request.

Calculation and publication of Unit application (or withdrawal) prices may be delayed around distribution periods.

DISTRIBUTIONS

Income is distributed to Unit Holders within 15 Business Days after the end of each financial year ended 30 June.

The income of the Fund is paid to Unit Holders in proportion to the number of Units held by the Unit Holder on the last day of a distribution period. As distributions are part of the Unit price, the Unit price normally falls following a distribution. Unit Holders who acquire Units just before a distribution may receive some of their investment back immediately as income, and may need to pay income tax on these amounts, or Unit Holders who dispose of Units just before a distribution may effectively turn income into capital. In certain circumstances, such as where there is a large withdrawal by a Unit Holder, part of the withdrawal proceeds may consist of taxable income, including any taxable gains.

If investing through an IDPS, other conditions may apply and you should consult the IDPS terms and conditions.

WITHDRAWALS

Withdrawal requests are subject to a 30 day notice period. The timing of when you get paid in accordance with a withdrawal request is dependent on when we receive notice of your withdrawal. The following are two examples of how the notice period for withdrawal requests operate:

1. A withdrawal request is received on 5 April. The notice period of the request expires on 5 May. The withdrawal will be processed using the unit price calculated for 31 May. The proceeds of the withdrawal will usually be paid on 15 June (but may be paid anytime up to 21 June).
2. A withdrawal request is received on 31 March. The notice period of the request expires on 30 April. The withdrawal will be processed using the unit price calculated on 30 April. The proceeds of the withdrawal will usually be paid on 15 May (but may be paid anytime up to 21 May).

STAGGERING OR FREEZING OF WITHDRAWALS

Where the Fund is liquid, we are required to process withdrawal requests. Where we receive on any one Withdrawal Date withdrawal requests representing more than 5% of the Units in issue, we may treat the withdrawal requests as 5 separate withdrawal requests and stagger them over the next successive 5 Withdrawal Dates.

Where we determine it is not possible, or in the best interests of Unit Holders due to circumstances outside of our control, we may suspend the issue or withdrawal of Units or the calculation of Application Prices or Withdrawal Prices.

These circumstances include but are not limited to restricted or suspended trading, or extreme price fluctuations, of a Fund Asset.

Where withdrawals are frozen, applications will also be suspended. For withdrawal or application requests lodged during a freeze period, the withdrawal and Application Prices will be those next calculated after the end of the suspension.

ANTI-MONEY LAUNDERING REQUIREMENTS

Evolution is bound by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('**AML Act**') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies. ('**AML Requirements**'). These laws, regulations, rules and policies regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ('**AUSTRAC**'). To comply with the AML Requirements, Evolution is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

We (and the Administrator as our agent) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment.

If there is a delay or failure by the investor to produce this information, we may refuse to accept an application and the application monies relating to the application or may suspend payment of withdrawal proceeds if necessary to comply with AML Requirements. Neither the Responsible Entity or the Administrator nor their delegates are liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any application or payment of withdrawal proceeds.

We have implemented a number of measures and controls to ensure we comply with our obligations under the AML Requirements, including carefully identifying and monitoring Unit Holders. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, neither we, nor the Administrator, are liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- we may from time to time require additional information from you to assist it in this process.

We have certain reporting obligations under the AML Requirements and are prevented from informing you that this reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither we nor the Administrator are liable for any loss you may suffer as a result of our compliance with the AML Requirements.

PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information;
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles ('APPs'), or a registered APP code (if any) that binds us, and how we will deal with such a complaint;
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Our privacy policy is publicly available at our website at www.evolutiontrustees.com.au or you can obtain a copy free of charge by contacting us.

If you are investing indirectly through an IDPS, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS operator for more information about their privacy policy.

The Custodian and/or Administrator may collect your personal information for primarily the purpose of providing custodial or administrative services to us and for ancillary purposes detailed in Administrator's and Custodian's privacy policy. The Custodian and Administrator may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, us or as otherwise instructed by us. The Custodian and Administrator are also permitted to collect and disclose your personal information when required or authorised to do so by law. The Administrator or Custodian is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Custodian's and Administrator's privacy policy. The Administrator and Custodian's privacy policy contains information about how you may access or correct your personal information held by the Custodian and Administrator and how you may complain about a breach of the APPs. You may obtain a copy of the privacy policy at <https://www.mainstreamgroup.com/mbpo/Privacy-Policy>.

3. BENEFITS OF INVESTING IN THE TERRA CAPITAL NATURAL RESOURCES FUND

RIGHTS OF UNIT HOLDERS

The Fund was established by the Constitution.

The Constitution, together with the Corporations Act, sets out the legal rights, duties and obligations of the Responsible Entity and Unit Holders and includes the following provisions:

- the rights, interests and liabilities of Unit Holders
- the duties and obligations of the Responsible Entity
- investment, valuation and borrowing powers
- fees and recoverable expenses
- Unit application and withdrawal procedures
- convening and conduct of Unit Holder meetings
- the duration and termination of the Fund
- the right to Fund distributions
- the right to a limitation of liability of Unit Holders to the issue price of Units (however, this limitation has not been tested before superior courts).

If investing through an IDPS, you do not become a Unit Holder in the Fund, the IDPS operator does so on your behalf. Refer to Section 2, Your Interests, for further information.

The Constitution allows for more than one class of Units to be offered to Unit Holders. Currently there is only one class of Units.

We may unilaterally vary the Constitution if the variation does not adversely affect Unit Holders' rights, or otherwise the variation must be approved by 75% of votes cast by Unit Holders in the Fund.

This document contains only a summary of some of these provisions and should be seen as a guide. The Constitution is lodged with ASIC.

You have a right to obtain a copy of the annual financial report most recently lodged with ASIC for the Fund.

The Fund may become a disclosing entity under the Corporations Act and be subject to regular reporting and disclosure obligations. Copies of documents lodged with the ASIC for the Fund may be obtained from, or inspected at, an ASIC office and will be made available to investors at our website www.evolutiontrustees.com.au.

If the Fund is a disclosing entity under the Corporations Act, you have a right to obtain a copy of the following additional documents at no charge to you:

- the most recent annual financial report ('**Annual Report**');
- half-year financial reports lodged with ASIC for the Fund after the lodgment of the Annual Report; and
- any continuous disclosure notices lodged with ASIC.

The above information may at our discretion be provided to you by email or through other electronic means or as required by law.

If the Fund is a disclosing entity, we will disclose information to you which may have a material effect on the price or value of Units or would be likely to influence persons who commonly invest in deciding whether to acquire or dispose of Units. You have a right to obtain a copy of these documents at no charge. Please call the Administrator, on + 61 2 9247 3326 and they will provide you with a copy of the requested document within 5 days or go our website www.evolutiontrustees.com.au.

TERM OF THE FUND

The Fund commenced on the first issue of Units in the Fund. The Fund will terminate on the earlier of:

- the 80th anniversary of the day before the Fund commenced
- the date on which an event occurs which under the Corporations Act or the Constitution requires the Responsible Entity to wind up the Fund; or
- the date specified by the Responsible Entity in a notice to Unit Holders.

On termination, the Fund will be wound up in an orderly fashion and the net proceeds distributed to Unit Holders according to the Constitution.

4. RISKS OF MANAGED INVESTMENT SCHEMES

All risks are set out in the Product Disclosure Statement.

5. HOW WE INVEST YOUR MONEY

The Investment Manager of the Fund will implement the same strategy over each of the Fund's investments. The Fund will hold listed assets, derivatives of those assets (options/warrants) and Pre-IPO unlisted assets (which can include convertible notes and derivatives, such as options) which are planned to list within a year.

The Fund's investment strategy is built upon four key pillars detailed below which the Investment Manager applies to any investment opportunity it sees. If that company fits the criteria we may look to invest:

1. Fundamentals (Management, Capital Structure, Commodity)
2. Valuation (Can the Fund invest at less than the intrinsic value?)
3. Sentiment (Industry Tailwinds, Peer Performance)
4. Catalyst (What will force the market to realise the value of this company?)

To assess the above criteria, the Investment Manager utilises a number of techniques including:

- Meetings with management and key employees
- Site visits and tours
- Quantitative modelling

- Discussions with suppliers/competitors/industry experts
- The Investment Manager's own Industry-specific research

Throughout the investment process, the Investment Manager creates a specific investment file for each company which contains notes and information to assist making investment decisions. The file holds workings, quantitative analysis and comments on each of the four pillars as well as any other research that assists in making an investment decision.

6. FEES AND COSTS

MAXIMUM COSTS

The costs of the Fund consist of the management costs and other expenses. The management cost includes the fee we charge for overseeing the operations of the Fund and managing the Assets of the Fund.

It also includes the fees of the Investment Manager, Custodian and Administrator. The management costs are calculated and accrued daily and paid monthly in arrears out of the Fund's gross Assets and can be expressed for the Fund as an ICR. The Constitution allows us to charge the amount of the management costs set out in the Constitution. Until further notice we will charge the lower management costs stated in the PDS, rather than the higher management costs set out in the Constitution summarised in the table below. Fees are shown inclusive of the net effects of GST. For further information about tax, refer to Section 7, How managed investment schemes are taxed.

Fee Type	Maximum prescribed in the Constitution	Actual fee charged as ICR*
Responsible Entity Fee	0.08% p.a. for the first \$200,000,000 and 0.07% p.a. for amounts above \$200,000,000 + GST	0.08% p.a of Gross Asset Value inclusive of GST net of RITC
Establishment Fee	\$5,000	No establishment fee charged
Performance Fee	20% of increased Gross Asset Value above 5% benchmark + GST	20.5% of excess returns above 5% net of Management Fee.
Management Fee	2.2% p.a. of Gross Asset Value + GST	1.568% p.a of Gross Asset Value inclusive of GST net of RITC.
Indirect Costs	unlimited	0.523% p.a. of Gross Asset Value inclusive of GST net of RITC.

Transactional and operational costs for the operation of the Fund are reimbursed from the Fund. These costs include (but are not limited to) bank charges, brokerage and custody transaction fees. These expenses are not included in the 1.568% ICR.

If you are investing via an IDPS, fees and expenses applicable to the IDPS (as set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses in the PDS.

INDIRECT COSTS

The Constitution provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the Assets of the Fund and are unlimited.

However, we cap our recovery of ordinary expenses for the Fund at 0.523% inclusive of GST net of RITC per annum of the gross Assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the Assets of the Fund as and when they are incurred. Any expenses more than this cap amount is paid by the Investment Manager personally and not out of the Assets of the Fund.

ABNORMAL EXPENSES

We are entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of Unit holder meetings, defending legal proceedings, special valuation of Assets and the costs of terminating the Fund. These abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any year. If they arise, we may deduct these expenses from the Fund.

WHOLESALE INVESTORS AND SERVICE PROVIDERS

We may negotiate management costs individually with certain wholesale investors (as defined by the Corporations Act 2001). All other fees remain the same. Accordingly, we may waive or rebate some of our fees to these wholesale investors so that they pay reduced fees. This is generally because they invest large amounts of money in the Fund.

We may enter into a variety of arrangements with service providers like IDPS operators that may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. These payments may be one-off or on-going and are paid by us out of our fees and are not an additional cost to Unit Holders.

RELATED PARTY TRANSACTIONS

All related party transactions involving either Evolution or the Investment Manager and their related parties will be conducted in accordance with Evolution's Related Party Transactions Policy.

7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

AUSTRALIAN TAXATION

The taxation information in this Reference Guide is of a general nature and is current as at the date of this Reference Guide. This information provides a general overview of the tax implications for Australian tax resident Unit Holders that hold their Units on capital account. The application of these laws depend on your individual circumstances.

The following comments should not be regarded as tax advice and it is recommended that you should obtain independent professional tax advice about your specific circumstances. This section applies to Australian resident Unit Holders only.

THE FUND

Under the Fund's Constitution and consistent with the operation of the current tax law as it relates to the taxation of trusts, where Unit Holders are entitled to all of the distributable income from the Fund for a financial year, the Fund itself should not be liable for income tax. However, if for any reason there is distributable income to which no Unit Holder is presently entitled, the Fund will be taxed at the highest marginal tax rate in respect of the taxable income that corresponds to that amount.

DISTRIBUTIONS

Where you are entitled to a share of the Fund's distributable income for an income year, you will be liable to tax on your proportional share of the taxable income of the Fund.

You will be assessed on your proportionate share of the Fund's net taxable income in the financial year in respect of which your entitlement to the distributable income arises even though it may not have been received in that financial year.

As the Fund's investments may include Australian equities, income distributions from the Fund may include an entitlement to franked dividends. Generally, you should include the franked dividends and the franking credits (imputation credits) you receive in your assessable income.

Certain additional requirements, including the 45 day holding period rule may need to be satisfied to obtain franking credits for dividends. Your particular circumstances (and that of the Fund) will be relevant to determine whether you are entitled to any franking credits for your share of the franked dividends.

Any excess imputation credits may be refundable to some Unit Holders, such as individuals and complying superannuation funds.

DISPOSAL OR WITHDRAWAL OF UNITS

You must include any realised capital gain or loss on disposal or withdrawal of your Units (together with any capital gain distributed by the Fund) in the calculation of your net capital gain or loss for an income year. The Fund may determine that some part of the Withdrawal Price of a Unit represents a distribution of income for tax purposes for the financial year. Where the Withdrawal Price includes a distribution of income, any capital gain made will likely be reduced by the taxable income amount included in your assessable income.

A net capital gain will be included in your assessable income. A net capital loss may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income. In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the Units have been held for 12 months or more.

ATTRIBUTION MANAGED INVESTMENT TRUST

The Fund intends to qualify as an eligible Attribution Managed Investment Trust ('AMIT'). When the Fund qualifies, it intends to make an irrevocable election to apply the AMIT tax legislation. The AMIT tax legislation applies an attribution model whereby the trustee attributes amounts of trust components of a particular character to Unit Holders ('members' for the purposes of this section) on a fair and reasonable basis consistent with the operation of the AMIT's constitution.

Amounts related to income and tax offsets of an AMIT, of a particular tax character are attributed to the members of the AMIT on the basis of their determined member components of that tax character. Notably, there are three determined member components of an income character being (a) assessable income; or (b) exempt income; or (c) non-assessable non-exempt income. A separate determined member component exists for tax offsets.

Assessable income includes ordinary and statutory income from all Australian and foreign sources, discount and non-discount capital gains, capital gains from taxable and non-taxable Australian property, dividends, interest, royalties and the gross-up for franking credits.

The sum of all AMIT trust components must equal the AMIT's assessable income for the income year.

Subsequently deductions that relate directly to each type of AMIT income are applied to each specific income type. Any remaining deductions are allocated to the various types of AMIT income "on a reasonable basis".

The effect of the application of deductions results in a calculation of the taxable income for the AMIT for the year of income.

We, as the AMIT trustee, will subsequently determine the “taxable member component” for each Unit Holder member and must provide each member with an AMIT member’ annual statement (**‘AMMA Statement’**) which sets out the various trust characters and amounts allocated to that member in an approved format within 3 months of the AMIT year end. The AMMA Statement must also notify of any adjustments to the member’s cost base in AMIT Units. We, as AMIT trustee, are permitted to issue a revised AMMA Statement within 4 years of the AMIT’s income year to which it relates in the event of required changes as a result of variances identified consistent with the “unders and overs” rules. The member has the ability to dispute the basis of calculation of the determined member components notified on the AMMA Statement. A specific dispute resolution process is provided in the AMIT legislation.

TAX FILE NUMBER

In the Application form investors are asked to provide their tax file number (**‘TFN’**) or Australian Business Number (**‘ABN’**). You may quote your TFN or ABN (if applicable) in relation to your investment in the Fund. It is not an offence to fail to quote a TFN or ABN, but if you do not provide your TFN, ABN or exemption, tax must be withheld from distributions at the highest marginal rate plus Medicare Levy.

GST

Generally, GST is payable by the Fund on fees and any reimbursement of expenses. The Fund may be entitled to claim Input Tax Credits and Reduced Input Tax Credits (**‘RITCs’**) of currently between 55% and 75% of the GST paid in respect of most fees and expense.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS) OBLIGATIONS

We are required to identify tax residents of countries other than Australia to meet reporting requirements under local and international laws; the FATCA and the Common Reporting Standard (CRS, together the Foreign Tax Reporting Obligations). This may include disclosing information to the ATO, who may in turn report that information to the US Internal Revenue Service or other international tax collection entity.

Failure to comply with these reporting obligations could result in the Fund being subject to US withholding tax on payments of US income or gross proceeds from the sale of particular US securities for FATCA, or for CRS, the amount assessed by the relevant country. However, provided all information requested by us is obtained and provided, these taxes should not apply to the Fund or Unit Holders. We may therefore request that Unit Holders and prospective investors provide certain information in order to comply with these requirements - see section 2.

This information should be updated after an investor becomes a Unit Holder for any change in the Unit Holder’s or any Controlling Person’s foreign tax status. If, after becoming a Unit Holder, information in our possession suggests that the Unit Holder or a Controlling Person of an entity which is a Unit Holder may be a tax resident of a country other than Australia not previously advised to us, the Unit Holder may be contacted to provide further information on the foreign tax status of the Unit Holder and/or the Controlling Person. It is important to note that if the Unit Holder fails to provide this information and the Fund or we as a result becomes subject to this tax, we may seek to recover the amount of the tax from the Unit Holder or redeem the Unit Holder’s Units in accordance with the provisions of the Constitution.

8. HOW TO APPLY

FACSIMILES

By lodging a facsimile withdrawal request, you release, discharge and agree to indemnify us from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request. You also agree that any payment made in accordance with a facsimile withdrawal request is in complete satisfaction of our obligations, notwithstanding any fact or circumstance including that the payment was made without your knowledge or authority. You agree that if the payment is made in accordance with a facsimile withdrawal request, you and any person claiming through or under you shall have no claim against us to the payment.

ELECTRONIC INSTRUCTIONS

If you instruct us by electronic means, such as facsimile or internet, you release us from, and indemnify us against, all losses and liabilities arising from any payment or action we make based on any instruction (even if not genuine) that we receive by an electronic communication bearing your investor code and which appears to indicate to us that the communication has been provided by you. You also agree that neither you nor anyone claiming through you has any claim against us or the Fund for these payments or actions.

DEFINITIONS AND INTERPRETATION

Any reference to a currency is a reference to Australian dollars.

Any reference to time is a reference to Australian Eastern Standard Time (AEST).

Any reference to “we”, “us” or “our” is a reference to the Responsible Entity.

Administrator: Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL 303253.

AFSL: Australian Financial Services Licence.

APIR: APIR Systems Limited, the industry standard provider of reference data for unlisted financial products.

Application Form: the application form for Units in the Fund.

Application Price: the price at which Units are issued which is based on the Fund Net Value at the time of application divided by the number of Units on issue and adjusted to include the Transaction Cost.

ARSN: Australian Registered Scheme Number.

Asset: an investment made by the Fund.

ATO: Australian Taxation Office.

ASX: Australian Securities Exchange.

Business Day: a day on which banks are open for business in Sydney, but excludes Saturday and Sunday.

Constitution: the constitution of the Fund which was registered with ASIC on 15 March 2018 as may be amended.

Controlling Person: An individual who directly or indirectly own a legal interest in an entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective, such as through voting rights. For a trust, a controlling person includes the settlor, trustee(s), appointer(s), protector(s), beneficiary(ies) or classes of beneficiaries. For an entity other than a trust, it includes persons in equivalent or similar positions.

Corporations Act: *Corporations Act 2001* (Cth).

Custodian: Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL 303253.

FATCA: the US Tax Withholding and Reporting under the *Foreign Account Tax Compliance Act* (Cth) 2010.

Fund: Terra Capital Natural Resources Fund ARSN 624 739 493.

Fund Net Value: the Fund value less the liabilities of the Fund.

Fund Value: the total value of the Assets held by the Fund.

Gross Asset Value: means, at any time, the amount determined in accordance with Australian accounting principles to be equal to the total value of the Fund's assets in accordance with the Fund's constitution at that time adjusted for such provisions and incremental or decremental adjustments as the auditor of the Fund considers appropriate.

GST: the tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth).

ICR: the indirect cost ratio, which is a measure of the fees and costs you can expect to pay if you invest in the Fund, being the total of management costs of the fund during a financial year, represented as a percentage, which is not deducted directly from you.

IDPS: investor directed portfolio service.

Investment Management Agreement: the agreement under which Terra Capital Holdings Pty Ltd is appointed the investment manager of the Fund by the Responsible Entity.

Investment Manager: Terra Capital Holdings Pty Ltd ACN 622 649 647.

IPO: Initial Public Offering.

PDS: the Product Disclosure Statement for the Terra Capital Natural Resources Fund which includes the information in this Reference Guide.

Quarter: a three month period commencing on 1 January, 1 April, 1 July or 1 October.

Responsible Entity: Evolution Trustees Limited ACN 611 839 519.

Transaction Cost: an amount paid into the Fund to cover the costs of buying or selling assets of the Fund. This includes any tax or duty or valuation required for Fund property to effect an acquisition or sale, as well as buy-sell spread.

Unit: a fully paid ordinary unit in the Fund.

Unit Holder: a person noted on the Unit register as the holder of a unit, including persons jointly registered.

Withdrawal Date: the date determined by us with effect from when a Unit is to be redeemed.

Withdrawal Price: the price at which units are sold which is based on the Fund Net Value at the time of withdrawal divided by the number of units on issue and decreased by the amount of the Transaction Cost.