

Equus Point Capital Market Neutral Fund



Product Disclosure Statement

ARSN 630 140 242
APIR ETL5256AU
Issue Date 29 November 2018

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This Product Disclosure Statement (“PDS”) was issued on 29 November 2018. This PDS is for the offer of interests in the Equus Point Capital Market Neutral Fund ARSN 630 140 242 (referred throughout this PDS as “Equus Point Capital Market Neutral Fund” or the “Fund”).

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence (“AFSL”) No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the “Responsible Entity”, “Equity Trustees”, “us” or “we”). The investment manager is Prodigy Investment Partners Limited (referred to throughout this PDS as “Prodigy” or the “Investment Manager”). The Sub-Investment Manager of the Fund is Equus Point Capital Pty Limited (“Equus Point” or “Sub-Investment Manager”). The Administrator of the Fund is RBC Investor Services Trust and is referred to throughout this PDS as “RBC” or “the Administrator”. The Custodian and Prime Broker of the Fund is Morgan Stanley & Co International plc and is referred to throughout this PDS as “Morgan Stanley”, the “Custodian” or the “Prime Broker”.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (“IDPS”). This PDS is available for use by persons applying for units through an IDPS (“Indirect Investors”). The operator of an IDPS is referred to in this PDS as the “IDPS Operator” and the disclosure document for an IDPS is referred to as the “IDPS Guide”. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have the rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor’s behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Equity Trustees or to withdraw the PDS from circulation if required by Equity Trustees.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, the Sub-Investment Manager or any associate, employee, agent or officer of the Responsible Entity, Investment Manager, the Sub-Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or

needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial situation and needs. You may want to seek professional financial advice before making an investment decision.

Equity Trustees, the Investment Manager, the Sub-Investment Manager and their respective employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager, the Sub-Investment Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in the Fund.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager, the Sub-Investment Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements.

In particular, in considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 6.

All amounts quoted in this PDS are in Australian dollars (“AUD”) unless stated otherwise.

The offer to which this PDS relates is only available to persons receiving this PDS in Australia (electronically or otherwise) and Wholesale Investors (as defined in the Glossary) receiving this PDS (electronically or otherwise) in New Zealand who have completed a Wholesale Investor Certificate attached to the Application Form. All references to dollars or “\$” in this PDS are to be Australian dollars. This PDS has not been, and will not be, lodged with the Registrar of Financial Service Providers in New Zealand and is not a Product Disclosure Statement under the Financial Markets Conduct Act 2013 (NZ). New Zealand Wholesale Investors wishing to invest in the Fund should be aware that there may be different tax implications or investing in the Fund and should seek their own tax advice as necessary. If you received this PDS electronically we will provide a paper copy free upon request during the life of this PDS. The PDS is available at www.equuspointcapital.com or you can request a copy free of charge by calling Prodigy on (03) 9909 2680.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (“US Securities Act”). Equity Trustees may vary its position and offers may be accepted on merit at

Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- by calling Prodigy on (03) 9909 2680; or
- by visiting the website www.prodigyinvest.com.au

A paper copy of the updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC").

New Zealand Investors: Availability and Selling Restriction

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor who has completed a Wholesale Investor Certification.

Each New Zealand investor acknowledges and agrees that:

(a) he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund; and

(b) he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and

(c) he, she or it has not distributed and will not distribute, directly or indirectly, a PDS or any other offering materials or advertisement in relation to any offer of any units in the Fund,

in each case in New Zealand other than to a person who is a Wholesale Investor; and

(d) he, she or it will notify Equity Trustees Limited if he, she, or it ceases to be a Wholesale Investor.

All references to Wholesale Investor in this document are a reference to an investor who is both a Wholesale Client under the Australian Corporations Act 2001 and a Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

1. Fund at a glance

	Summary	For further information
Name of the Fund	Equus Point Capital Market Neutral Fund	Section 5
ARSN	630 140 242	Section 5
Investment objective	<p>To deliver absolute returns above the RBA Official Cash Rate over a rolling five year period, with low volatility and a low correlation to traditional asset classes.</p> <p>Please note the investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.</p>	Section 5
Fund Performance Hurdle	RBA cash rate plus investment management fee of 1.20% p.a.	Section 5
Investment strategy and investments held	<p>The strategy seeks to harvest meaningful risk adjusted returns from behavioural biases in the Australian equities market, irrespective of market direction, with low volatility and uncorrelated to traditional assets.</p> <p>The portfolio will hold an underlying portfolio of both long and short Australian stocks and derivatives.</p> <p>The Net Asset Value (“NAV”) of the Fund’s exposure is typically between 0-200%, and limited to no more than 300%.</p> <p>Given the nature of the investment strategy it is likely that a large percentage of returns will be realised capital gains paid out in semi-annual distributions.</p>	Section 5
The type(s) of investors for whom the Fund would be suitable	Designed for investors seeking absolute returns uncorrelated to major asset classes.	Section 5
Recommended investment timeframe	<p>At least 5 years.</p> <p>The minimum suggested investment timeframe for the Fund is 5 years. We recommend that you consider, with your financial adviser, the suggested investment period for the Fund in relation to your own financial circumstances.</p> <p>You should review your investment regularly to ensure that the Fund continues to meet your investment needs.</p>	Section 5
Minimum initial investment	\$25,000	Section 7
Minimum additional investment	\$25,000	Section 7
Minimum withdrawal amount	\$25,000	Section 7
Minimum balance	\$25,000	Section 7
Cut off time for applications and withdrawals	<ul style="list-style-type: none"> before or on 2pm on a Business Day, the application will be processed on that Business Day. This means you will receive the application price calculated for that Business Day, and after 2pm on a Business Day, the application will be processed on the next Business Day. This means you will receive the application price calculated for the next Business Day <p>IT IS IMPERATIVE THAT FUNDING IS SENT AT THE SAME TIME THE APPLICATION IS LODGED. IF FUNDING A ROLLOVER PLEASE LODGE APPLICATION WHEN FUNDS ARE RECEIVED. FAILURE TO SEND FUNDS MAY RESULT IN YOUR APPLICATION BEING REJECTED.</p>	Section 7
Cooling Off	Applicable to Retail Clients only	Section 7
Valuation frequency	Daily	Section 7
Unit pricing	Daily	Section 7
Applications	Daily	Section 7
Withdrawals	Daily	Section 7
Income distribution	Semi-annual (30 June and 31 December)	Section 7

	Summary	For further information
Management fee ²	1.20% p.a. (inclusive of GST and net of RITC)	Section 9
Entry fee/ exit fee	n/a	Section 9
Buy/Sell Spread	0.35% on the entry price and 0.35% on the exit price when investors buy and sell units.	Section 9
Performance fee	20% (plus GST less RITC) of the investment return above the performance hurdle is payable to Equus Point as an expense of the Fund	Section 9

2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission (ASIC) Regulatory Guide 240. The following table sets out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of ASIC Regulatory Guide 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from www.asic.gov.au.

The information summarised in this table and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with the detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in section 6 of this PDS.

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	Equity Trustees has appointed an independent administrator, RBC, to provide administration services for the Fund, including valuation services for non-exchange traded assets.	Section 5.4
Periodic reporting			
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	Yes	The Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	Section 8

3. ASIC disclosure principles

	Summary	Section (for further information)
<i>Investment strategy</i>	<p>The strategy seeks to harvest meaningful risk adjusted returns from behavioural biases in the Australian equities market, irrespective of market direction, with low volatility and uncorrelated to traditional assets.</p> <p>The portfolio will hold an underlying portfolio of both long and short Australian stocks and exchange traded derivatives.</p> <p>The gross exposure of the Fund relative to Net Asset Value (“NAV”) of the Fund’s is typically between 0-200%, and limited to no more than 300%.</p> <p>Given the nature of the investment strategy it is likely that a large percentage of the Fund’s returns will be by way of distributions made semi-annually.</p>	Section 5.2
<i>Investment manager</i>	<p>Equity Trustees Limited, as Responsible Entity of the Fund, has appointed Prodigy Investment Partners Limited as the Investment Manager of the Fund.</p> <p>See Section 4 in relation to the expertise of the Investment Manager and the Investment Management Agreement under which the Investment Manager has been appointed.</p> <p>Under the Investment Management Agreement between the Investment Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager’s appointment where the Investment Manager becomes insolvent, materially breaches the agreement, ceases to carry on its business, if Equity Trustees reasonably considers that it is required to terminate the agreement by law or in certain other circumstances. In the event that Equity Trustees terminates the Investment Manager following one of these events, the Investment Manager’s appointment would cease upon any termination date specified in the notice, and the Investment Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.</p>	Section 4
<i>Fund structure</i>	<p>The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme.</p> <p>The responsible entity of the Fund is Equity Trustees Limited. Equity Trustees Limited may appoint service providers to assist in the ongoing operation, management and administration of the Fund.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> • Prodigy, the investment manager of the Fund; • RBC, the administrator of the assets of the Fund; and • Morgan Stanley, the custodian of the assets of the Fund. <p>See Section 5.3 for further information on other key service providers, Equity Trustees’ role in monitoring the performance of service providers and a diagram of the flow of funds through the Fund.</p>	Section 5.3
<i>Valuation, location and custody of assets</i>	<p>All positions in the Fund are independently valued by the Administrator.</p> <p>RBC is the administrator of the Fund and provides administrative, accounting, registry and transfer agency services. The Administrator is responsible for calculating the Fund’s NAV.</p> <p>Morgan Stanley is the custodian of the Fund and provides custodial services.</p> <p>See section 5.4 for further information on the valuation, custodial arrangements and the geographical location of the Fund’s assets.</p>	Section 5.4
<i>Liquidity</i>	<p>Equity Trustees reasonably expects to realise at least 80% of the Fund’s assets, at the value ascribed to those assets in calculating the Fund’s NAV, within 10 days.</p>	Section 5.5

	Summary	Section (for further information)
<i>Leverage</i>	The Fund will use leverage to gain an exposure to Australian equities and exchange traded derivatives within the allowable limits. The anticipated leverage is typically less than 200% of NAV and the maximum allowable leverage is 300% of NAV. For every \$1 of the Fund's NAV, the Fund may be leveraged \$2 (with a maximum of \$3)	Section 5.6
<i>Derivatives</i>	Exchange traded derivatives, limited to index futures, exchange traded index options, company specific exchange traded options.	Section 5.7
<i>Short selling</i>	To achieve a market neutral portfolio the strategy may employ short selling of Australian equities. See section 6 for more information on the risks associated with short selling.	Section 5.8
<i>Withdrawals</i>	Daily. Withdrawal requests must be received by 2pm on any Business Day to receive that day's unit price. The minimum withdrawal amount is \$25,000. See Section 7 for more information on making a withdrawal Risks and limitations on withdrawal are set out in Section 5.9.	Section 5.9

4. Who is Managing the Fund?

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Prodigy Investment Partners Limited as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

Prodigy Investment Partners Limited

Prodigy is a multi-boutique investment firm, established in June 2014. It is owned by Euroz Limited, an ASX listed financial services company, and Prodigy senior staff.

Prodigy partners with talented investment teams, under a business model that enables a clear focus on investing and is aligned with the interests of the firm's clients.

Prodigy has appointed Equus Point Capital Pty Limited as the Sub-Investment Manager of the Fund, to make the day-to-day investment management decisions.

The Sub-Investment Manager

Equus Point Capital Pty Limited

Equus Point Capital is a boutique investment manager established in February 2017. The business is a subsidiary of Prodigy. The team is made up of investment professionals with deep Australian and international equity market experience coupled with detailed derivative and leveraged fund management knowledge.

Equus Point uses a systematic approach to investing, seeking to harvest meaningful risk adjusted returns from behavioural biases in the Australian equities market. The strategy uses both long and short positions coupled with index futures to achieve a market neutral portfolio that seeks to produce positive returns irrespective of equity market direction and uncorrelated to traditional assets. Equus Point's robust risk management approach limits to portfolio's beta positioning, portfolio volatility, individual stock positioning, and long and short portfolio positioning.

Rob Stewart is the co-founder and Director of Equus Point and is responsible for research, implementation and execution decisions on behalf of Equus Point. Rob will devote at least 80% of his time to investment decision making. Prior to establishing Equus Point, Rob has held senior portfolio management positions at Challenger Limited and Colonial First State Global Asset Management. He has been responsible for managing portfolios and businesses with more than \$12.0 billion in funds under management and teams of more than ten investment professionals.

Rob started his career in 1993 and holds a Master of Science from the University of NSW, a Master of Applied Finance, FINSIA, and a Bachelor of Science from the University of Sydney.

Toby Masters is the co-founder and Director of Equus Point and is responsible for research, implementation and execution decisions on behalf of Equus Point. Toby will devote at least 80% of his time to investment decision making. Prior to establishing Equus Point Toby was Director and Co-founder of Pittwater Capital, a private hedge fund focused on ADR and volatility arbitrage strategies, Director of Equity Derivatives at Credit Suisse, joint portfolio manager at Ord Minnett / JP Morgan, and equity derivatives trader and risk manager at Bankers Trust.

Toby started his career in 1995 and holds a Bachelor of Commerce (Finance and Accounting) from the University of Sydney.

No significant adverse regulatory finding

No significant adverse regulatory findings have been made against the Investment Manager, the Sub-Investment Manager or the portfolio managers who manage the Fund.

Termination of the appointment of the Investment Manager

Under the Investment Management Agreement between the Investment Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager's appointment where the Investment Manager becomes insolvent, materially breaches the agreement, ceases to carry on its business, if Equity Trustees reasonably considers that it is required to terminate the agreement by law or in certain other circumstances. In the event that Equity Trustees terminates the Investment Manager following one of these events, the Investment Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.

From an investor's perspective the Responsible Entity considers that there are no unusual or materially onerous terms in the investment management agreement.

5. How the Fund invests

5.1 Investment objective

To deliver absolute returns above the RBA Official Cash Rate over a rolling five-year period, with low volatility and a low correlation to traditional asset classes.

Please note the investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.

5.2 Investment strategy

The investment strategy seeks to harvest meaningful risk adjusted returns derived from behavioural biases that exist in the Australian equities market.

The Fund employs a proprietary systematic investment process. The Fund invests exclusively in equities listed on the Australian Stock Exchange as well as exchange traded derivatives and cash.

We believe in the following:

- In the short to medium term behavioural biases of investors can influence stock prices leading to both momentum and reversion effects. Momentum is where stocks with positive historical returns tend to be rewarded with a continuation of positive returns, and stocks with negative historical returns tend to underperform with a continuation of negative returns. Reversion is where stock prices initially overshoot before returning to a perceived fair value.
- Meaningful risk adjusted returns can be achieved through a portfolio of both long and short positions seeking to harvest positive and negative momentum.
- Managing the risks of the potential for stock price reversion, stock volatility, portfolio volatility and beta exposure are a core part of the investment process.
- Market neutral positioning between long and short portfolios is ensured through the use of index futures to offset residual beta risks.
- Combining the above dynamics with acceptable leverage delivers a portfolio that is designed to provide superior risk adjusted returns through market cycles.

The Investment Manager deliberately targets a beta of +/- 0.25. This is achieved by calculating the weighted average beta exposure of the long portfolio less the weighted average beta of the short portfolio and using futures to achieve the +/-0.25 targeted beta.

The following factors may affect the ability of the Fund to produce investment returns in line with the stated objectives;

- A breakdown in the long term historical relationship between relative momentum and future stock returns
- An inability to borrow stock in order to facilitate a short sale.
- A low volatility environment with no consistent share price leadership
- Extremely low market volumes

- Natural disasters

The Responsible Entity will write to investors should the investment strategy change.

Risk Management

The Sub-Investment Manager is responsible for the overall investment risk management of the product, the daily management and adherence to investment guidelines. A vital component of Equus Point's strategy is the systematic management of risk.

Equity Trustees together with Prodigy will perform due diligence and monitor counterparties, and the Fund's Administrator and Custodian to ensure providers are meeting compliance to contractual and regulatory obligations.

Investment Restrictions

Investment Universe

The Fund may invest in:

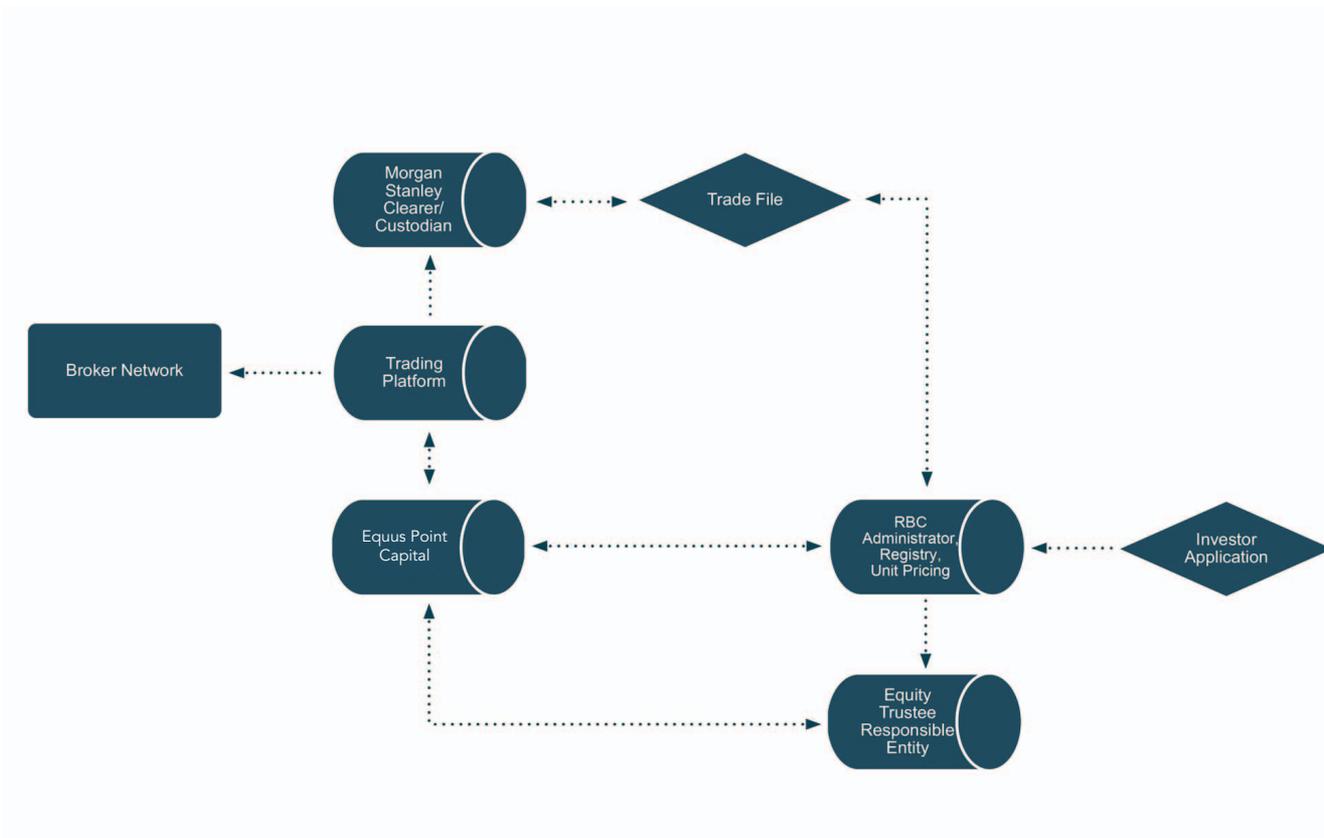
- Listed equities on the Australian Stock Exchange, including the potential to gain market exposure via Exchange Traded Funds;
- Exchange traded derivatives, limited to index futures, index options and company specific exchange traded options;
- Cash or cash equivalent instruments including term deposits no longer than 12 months in maturity;

All investments carry risks. More information can be found in section 6 "Managing Risks".

5.3 Fund Structure

The Fund is a registered managed investment scheme. It is a unit trust with one class of units and is governed by the Constitution. The Fund comprises assets which are acquired in accordance with its investment strategy. Investors receive units when they invest. In general, each unit represents an individual's interest in the assets of the Fund as a whole subject to liabilities; however it does not give the investor an interest in any particular asset.

The value of a unit in the Fund is determined by reference to the assets and liabilities in the Fund. Equity Trustees is the responsible entity for the Fund and has appointed Prodigy as the investment manager to manage the investments of the Fund on a day to day basis. The Responsible Entity has engaged a number of professional service providers to provide a range of investment, administration and back office services to the Fund including custody, administration services and transaction execution. The Responsible Entity has appointed Prodigy as the Investment Manager and Equus Point as the Sub-Investment Manager. The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of Prodigy, regularly monitor the performance of the service providers against service standards set out in the relevant agreements. The service providers and their relationship to the Fund and the flow of funds through the Fund are shown in the diagram below.



As at the date of this PDS, the service providers to the Fund are:

- Investment Manager and Sub-Investment Manager: Prodigy has appointed Equus Point as the Sub-Investment Manager. Equus Point is responsible for managing the investments of the Fund. For further details on Equus Point’s role please refer to section 4. The Investment Manager is located in Australia.
- Custodian: Morgan Stanley acts as the Custodian and is located in London.
- Administrator: RBC provides fund accounting and unit registry services in connection with the Fund. The Administrator is located in Australia.

Service providers to the Fund may change without prior notice to investors. Investors will be notified of any change to service providers in the regular reports available as described in section 8. Risks relating to the use of third party service providers are outlined in section 6.

5.4 Valuation, location and custody of assets

All positions in the Fund are independently valued and reconciled daily by the Administrator.

The Fund will invest in a diversified portfolio of equities listed on the Australian Stock Exchange. These equities will be valued in accordance with the valuation policies of the Administrator. There may also be the potential to gain market exposure via Exchange Traded Funds listed on the Australian Stock Exchange.

Exchange traded derivatives, limited to futures and options on the Australian Stock Exchange will be valued in accordance with the valuation policies of the Administrator Forward Foreign Exchange contracts will

be valued in accordance with the valuation policies of the Administrator.

Asset Class	Responsible Custodian	Location of Assets	Assets as a proportion of Net Asset Value of the Fund
Listed Australian Equities plus Exchange Traded Derivatives	Morgan Stanley	Australia	0 - 300%

5.5 Liquidity

The majority of assets currently traded and held by the Fund are liquid. The Responsible Entity and Investment Manager expect that the Fund will be able to realise at least 80% of the Fund’s assets, at the value ascribed to those assets in the most recent calculation of NAV, within 10 days.

Generally, it is the Sub-Investment Manager’s policy to ensure that the Fund remains liquid as the size of the Fund grows.

5.6 Leverage

Leverage may be employed by the Fund to enhance returns. The amount of leverage will change over time depending on the investment opportunities identified. The Fund's maximum Gross Market Exposure is +300% of the net asset value of the portfolio. Leverage is acquired by the portfolio through the use of derivatives, short selling and a leverage facility with the Prime Broker.

The Prime Broker has a security interest over the Fund as collateral and the Fund is subject to counterparty risk with respect to the Prime Broker (refer section 6 and section 11 for further information). The assets of the Fund may also be transferred to the Prime Broker as collateral. A worked example of the impact of Leverage on investment returns and losses is set out below.

This example assumes the maximum anticipated level of leverage (i.e. 300% gross exposure). The example further assumes that the Fund is fully invested. This will mean for each \$100,000 invested, the gross exposure will be \$300,000

- A 5% increase in the return on assets of the Fund results in a 15% increase in return to investors (\$15,000 gain for the gross exposure of \$300,000); and
- A 5% decrease in the return on assets of the Fund results in a 15% decrease in return to investors (\$15,000 loss for the gross exposure of \$300,000)

In the above example, if no leverage were used, the gross exposure on \$100,000 invested would be \$100,000:

- A 5% increase in the return on assets of the Fund results in a 5% increase in return to investors (\$5,000 gain for the gross exposure of \$100,000); and
- A 5% decrease in the return on assets of the Fund results in a 5% decrease in return to investors (\$5,000 loss for the gross exposure of \$100,000)

Please note the above example has been provided for reference purposes only. Any assumptions underlying these examples are hypothetical only.

5.7 Derivatives

The Fund will use exchange traded index derivatives, including index futures, index options and company specific exchange traded options for investment purposes.

5.8 Short selling

The Fund may employ short selling to take opportunities to increase returns and for risk management purposes (e.g. hedge the portfolio's investments).

In creating a short position the Fund will borrow a security from a securities lender and sell it with the intention of repurchasing the security when the price of the security falls. If the price of the security rises, a loss is incurred which may be much greater than the purchased value of the security. There is also the risk that the securities lender recalls the security at a time when the price has risen, and the Fund may be forced to buy back the security at a loss to meet its obligations.

In theory the potential loss on a short position can be infinite where the market price of the asset sold short rises. The cost of covering the short position can rise without limit. The risk of loss from short selling is greater than holding a long position. Please refer to Section 6 for further information regarding the risk of short selling.

5.9 Withdrawals

Withdrawal requests are generally processed within 5 Business Days of receipt Please see section 7 for further details of applications and withdrawals.

5.10 Suggested investment timeframe

The suggested investment timeframe is 5 years.

5.11 Labour standards and environmental, social and ethical considerations

Neither Equity Trustees, Prodigy nor Equus Point takes labour standards or environmental, social or ethical considerations into account in the selection, retention or realisation of Fund investments. However, where those factors negatively impact the investment performance or company stability, Prodigy's investment team will generally discuss these matters with company management and/or review the decision to hold the specific investment. No specific methodology is used for such reviews nor are there pre-determined views about the extent to which such factors will be taken into account in a review.

5.12 Fund performance

Fund performance can be obtained by contacting Prodigy on (03) 9909 2680 or visiting the Equus Point Capital website www.equuspointcapital.com. Please note that due to the historical nature of performance information and the volatility of returns, future returns may differ from past returns.

6. Managing risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity, the Investment Manager or the Sub-Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

Key Risks

Derivatives risk

The Fund may invest in exchange traded derivatives. In the case of derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index to which the Derivatives relate. The risks associated with derivative instruments include the potential to lose value because of a sudden price move or because of the passage of time, potential illiquidity of the derivative, that the Fund cannot meet payment obligations as they arise, and that the counterparty to any Derivative contract does not meet its obligations under the contract.

Investment Selection risk

Equus Point uses quantitative analysis to determine its trading strategy. The systematic trading strategy seeks to hold positions for as long as the system determines the particular market action to exist. There is a risk that these investments cannot be liquidated at the most favourable price and will not perform in line with Equus Point's expectations.

Investment System Risks

Trade Errors or Connectivity to Trading Systems: The Fund may incur losses or gains as a result of errors in executing specific trading instructions. The Sub-Investment Manager is also reliant upon information technology systems to send electronic trading instructions to brokers. Trading systems are subject to risks relating to technology failure or delays. The Investment Manager together with the Responsible Entity actively monitor third party software relationships and the performance of execution.

Quantitative Model Limitations: The Fund utilises the Sub-Investment Manager's investment strategy, which is based on research into past data and the application of that research to the development of mathematical models that attempt capture returns and manage risk..

Mathematical models are representations of reality but they may be incomplete and/or flawed and there is an inherent risk that any returns derived from them may be inaccurate, particularly if the research or models are based on, or incorporate, inaccurate assumptions or data.

Liquidity risk

There may be times when investments may not be readily sold (for example, in a falling market where some traded securities may become less liquid). Moreover, some securities may be thinly traded and there may not be sufficient market depth to facilitate the efficient realisation of those assets at all times. However, in the Investment Manager's opinion, trading volumes of investments that are to be made by the Fund are generally sufficient to satisfy liquidity requirements when necessary. The Fund generally invests in highly liquid investments which are traded in an active market, and can be readily disposed of. The Investment Manager attempts to mitigate the liquidity risk factor by ensuring that the Fund has sufficient cash (or cash equivalent) exposure to meet liquidity requirements. Note that neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the Fund's investments.

Exposure risk

The Fund may use leverage for the purpose of making investments. The assets, including securities and cash, plus margin, are held against the value of the position. The use of leverage creates particular risks and may significantly increase the Fund's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, increases the Fund's exposure to capital risk and, if leverage is in the form of borrowing, interest costs. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within the Fund. The use of leverage in a market that moves adversely could result in substantial losses to the Fund, which would be greater than if leverage was not used. The Fund is subject to leverage limits between 0-300% and is closely monitored by the Investment Manager in conjunction with the Prime Broker on a daily basis.

Short Selling Risk

In creating a short position the strategy borrows a security from a securities lender and sells it with the intention of repurchasing the security when the price of the security falls. If the price of the security rises, a loss is incurred which may be much greater than the purchased value of the security. There is also the risk that the securities lender recalls the security at a time when the price has risen, and the Fund may be forced to buy back the security at a loss to meet its obligations. In theory the potential loss on a short position can be infinite where the market price of the asset sold short rises. The cost of covering the short position can rise without limit. The risk of loss from short selling is greater than holding a long position.

Counterparty Risk

Prime Broker and Administrator: The Fund is at risk of the appointed Prime Broker entering into insolvency. The Fund's right to the return of securities equivalent to those of the Fund's securities to which a Prime Broker takes legal and beneficial title or which a Prime Broker borrows,

lends, pledges, charges, rehypothecates, sells, transfers, disposes of or otherwise uses for its own purposes is in accordance with the relevant prime brokerage agreement. However, the Fund will rank as an unsecured creditor of the relevant Prime Broker and, in the event of the insolvency of the relevant Prime Broker, the Fund may not be able to recover such equivalent securities in full, or at all.

The Administrator is responsible for calculating the Net Asset Value of the Fund. The valuation of the assets is

obtained by third-party pricing providers and in accordance with the pricing policy of the Administrator. There is a risk that the investor redeems its units from the Fund that is either higher or lower than the value provided by the external valuator. The Investment Manager together with the Responsible Entity performs due-diligence, and monitors the performance of the Prime Broker and Administrator to ensure the services provided meets contractual obligations and operates within the applicable law and regulation.

7. Investing and withdrawing

Initial applications

Investors can acquire units by completing an application form. Investors can also complete the application process online (please go to www.equuspointcapital.com for further instructions). If you choose to apply for units in the Fund online you will be required to register, confirm your acceptance of the terms and conditions, and download a copy of this PDS prior to proceeding. The online application includes the option of completing your AML and KYC requirements online, and submitting the application directly using an electronic signature. The minimum investment amount for the Fund is \$25,000 (unless otherwise determined by the Responsible Entity). To invest directly please complete the Application Form accompanying this PDS and send your original Application Form to:

RBC Investor Services Trust Registry Operations
GPO Box 4471
Sydney, NSW 2001
Australia

Initial applications can only be processed when copies of the Application Form and the relevant supporting documents are received.

Application money MUST be transferred to the bank account details shown in the Application Form at the same time the application forms are lodged. Failure to send funds may result in your application being rejected. Please note that neither cash nor cheques will be accepted.

Investors investing through an Investor Director Portfolio Service ("IDPS") should use the application form provided by the operator of the IDPS.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue plus any transaction costs.

Unit prices are calculated daily however, Equity Trustees may determine the price on another day, or more or less often than daily.

Prices can be found at www.eqt.com.au/insto.

If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money:

- before or at 2pm (Melbourne time) on a Business Day and your application for units is accepted, you will receive the Application Price calculated for that Business Day; or
- after 2pm (Melbourne time) on a Business Day and your application for units is accepted you will receive the Application Price calculated for the next Business Day.

Transaction costs may reduce the number of units which an investor receives when applying for units. See the 'Buy/Sell spread' and 'Transaction and other costs' information in the fees section for further information.

The Application Price will vary as the market value of assets in the Fund rises or falls.

New Zealand investors must complete the Wholesale Investor certification attached to the Application Form.

Additional applications

You can make additional investments into the Fund at any time by sending us confirmation of your additional investment amount together with a completed Application Form online, facsimile or by direct post to:

RBC Investor Services Trust Registry Operations
GPO Box 4471
Sydney, NSW 2001
Australia
Fax: 02 8262 5492

Investors can add to their investment at any time, subject to Equity Trustees' approval. The minimum additional investment into the Fund is \$25,000 as above (unless otherwise determined by the Responsible Entity).

Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in the initial applications section above.

Please note that we do not pay interest on application monies as application monies will be held in a non-interest bearing account.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Cooling off period

If you are a Retail Client, you can terminate your investment in the Fund during the period of 14 days starting on the earlier of the time when you receive confirmation of the issue of units in the Fund to you (or the confirmation is available to you) or the end of the fifth Business Day after the units are issued to you. Your refund will be processed as a withdrawal and the withdrawal value will be reduced or increased for market movements since your investment. We will also deduct any tax or duty that is paid or payable by the Fund, any reasonable administration or transaction costs incurred including the sell spread. As a result, the amount returned to you may be less than your original investment. To exercise your cooling-off rights, please write to Equity Trustees Limited.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14 day period; this could include selling part of your investment or switching it to another product.

Persons investing through an IDPS should consult the IDPS operator in relation to cooling off rights that may apply to their investment in the IDPS (if any).

If you are a Wholesale Client, the cooling off period is not available to you.

Making a withdrawal

Subject to the withdrawal limitations described in this PDS, investors of the Fund can withdraw all or a portion of their investment by written request to:

RBC Investor Services Trust Registry Operations
GPO Box 4471
Sydney, NSW 2001
Australia
Fax: 02 8262 5492

There is a minimum withdrawal amount of \$25,000 (unless otherwise determined by the Responsible Entity). Refer below for “Terms and conditions for withdrawals”. Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory’s (apparent) signature(s). The price at which units are withdrawn is determined in accordance with the Constitution (“Withdrawal Price”). The Withdrawal Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue less any transaction costs.

Withdrawal requests must be received by 2pm. The Withdrawal Price for withdrawal requests received by the cut-off time, which are accepted, will be determined as of the relevant Business Day. Withdrawal requests received after the cut-off time will not be processed until the following day. The processing cut-off times for applications and withdrawals referred to in this PDS are Australian Eastern Standard Time (Australian EST) and you should take this into account when faxing instructions.

Transaction costs may reduce the amount which an investor receives on withdrawal. See the ‘Buy/Sell spread’ information in the fees section for further information.

The Withdrawal Price will vary as the market value of assets referable to the Fund rises or falls.

Minimum withdrawal amounts are subject to the Australian dollar minimum amounts disclosed above. Withdrawal requests received from New Zealand investors must specify:

- the withdrawal amount in Australian dollars; or
- the number of units to be withdrawn.

We are unable to accept withdrawal amounts quoted in New Zealand dollars. Please note that the withdrawal amount paid to you will be in Australian dollars and may differ from the amount you receive in New Zealand dollars due to:

- Foreign Exchange spreads between Australian and New Zealand dollars (currency rate differs daily); and
- Overseas Telegraphic Transfer (“OTT”) costs.

Withdrawals will only be paid directly to the unitholder’s bank account held in the name of the unitholder with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator

Access to funds

The Responsible Entity will generally allow you to access your investment within 5 days of receipt of a withdrawal request by transferring the withdrawal proceeds to your nominated bank account. However, the period of time for satisfying withdrawal requests may be extended where the Responsible Entity considers that it is in the best interests of investors to do so and has taken all reasonable steps to realise sufficient assets, but is unable to do so due to circumstances outside its control. In these circumstances the period of time for satisfying withdrawal requests is extended for such further period as those circumstances apply and the Responsible Entity may suspend consideration of withdrawal requests. Withdrawals will not be funded from an external liquid facility. In such circumstances, the Responsible Entity will provide investors with 30 days’ prior written notice of such extension or suspension.

Equity Trustees reserves the right to fully redeem your investment upon 30 days’ notice if your investment balance in the Fund falls below \$25,000 as a result of processing your withdrawal request. If Equity Trustees increases this minimum balance, Equity Trustees may, after giving 30 days’ notice to an investor who holds units with an aggregate Withdrawal Price less than the then current minimum balance, redeem that investor’s units without a need for a withdrawal request. Equity Trustees may also request that an investor dispose their units to a person who is an Eligible Person or where the Fund is liquid (as defined in the Corporations Act), lodge a redemption request in respect of all units the investor holds within 30 days (or such longer period as Equity Trustees may determine from time to time). If the investor fails to comply with that request and the Fund is liquid, Equity Trustees may compulsorily redeem the investor’s units.

Terms and conditions for withdrawals

Once your withdrawal request is received, your instruction may be acted on without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory’s (apparent) signature(s).

Equity Trustees and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents.

No withdrawal proceeds will be paid until the Administrator has received the withdrawal request signed by the investor or an authorised signatory. Neither Equity Trustees nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile. Facsimiles sent to the Administrator shall only be effective when actually received by the Administrator.

When you are withdrawing, you should take note of the following:

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.
- The Constitution allows Equity Trustees to make payment up to 21 days after we accept a request (which may be extended in certain circumstances).
- Equity Trustees can deny a withdrawal request where accepting the request would cause the Fund to cease to be liquid 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 Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

The Fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, if Equity Trustees is unable to repatriate funds to meet withdrawal payments, it may suspend the calculation of the NAV and withhold withdrawal proceeds.

Distributions

The Fund usually distributes income semi-annually at the end of December and June. Distributions are calculated on the last day of period end, and are normally paid to investors within 14 Business Days of the period end although the distribution at 30 June may take longer. Equity Trustees may amend the distribution frequency without notice.

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period and the distributable income.

Investors can have their distribution reinvested or paid to a nominated bank account. Investors who do not indicate a preference will have their distributions automatically reinvested immediately after the period end.

If New Zealand investors elect to have their distribution paid in cash, they will need to nominate a bank account held in their own name with an Australian domiciled bank.

Cash distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted units in accordance with the terms and conditions set out above relating to the units in the Fund. The distribution reinvestment plan is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, the Responsible Entity will not have any information that

is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.

- The right to acquire, or require the Responsible Entity to issue, units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors of the same class as you.

There is available from the Responsible Entity, on request and free of charge, a copy of the most recent annual report (if any) of the Fund, the most recent financial statements (if any) of the Fund, the auditor's report on those financial statements, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from www.prodigyinvest.com.au.

In some circumstances, where an investor makes a large withdrawal request (5% or more of the units on issue in the Fund at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income.

Valuation of the Fund

The value of the investments of the Fund is generally determined daily. Generally, investments will be valued at the next available market value but other valuation methods and policies may be applied by Equity Trustees or the Administrator if appropriate.

The value of a unit in the Fund is based on the value of the investments in the Fund (after taking into account any liabilities of the Fund), in accordance with the Constitution of the Fund. For example, the Application Price of a unit in the Fund is based on the NAV of the Fund divided by the number of units on issue plus an allowance for transaction costs required for buying investments. This allowance is known as the Buy spread. At the date of this PDS, the Buy spread is 0.35%.

Joint account operation

For joint accounts, each signatory must sign withdrawal requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;

- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or internet the investor

releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the investor (e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's). The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees or the Fund in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address.

8. Keeping track of your investment

Enquiries

If you have any questions regarding the Fund you can call Prodigy on 1300 074 894 or visit www.prodigyinvest.com.au

Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 45 days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority (“AFCA”).

Contact details are:
Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it’s important that you contact us first.

Reports

We will make the following statements available to all investors;

- A transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request).
- The Fund’s annual audited accounts for each period ended 30 June.
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June.
- Annual report detailing each of the following:
 - the actual allocation to each asset type;
 - the liquidity profile of the portfolio assets as at the end of the period;
 - the maturity profile of the liabilities as at the end of the period;
 - the derivative counterparties engaged (including capital protection providers); and
 - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;
 - the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest annual report will be available online from www.eqt.com.au/insto.

The following information is available on Prodigy’s website and/or is disclosed monthly:

- the current total NAV of the Fund and the withdrawal value of a unit in each class of units as at the date the NAV was calculated;
- the monthly or annual investment returns over at least a five-year period (or, if the Fund has not been operating for five years, the returns since its inception);
- any change to key service providers if they have changed since last report given to investors;
- for each of the following matters since the last report on those matters:
 - the net return on the Fund’s assets after fees, costs and taxes;
 - any material change in the Fund’s risk profile;
 - any material change in the Fund’s strategy; and
 - any change in the individuals playing a key role in investment decisions for the Fund.

By applying to invest in the Fund, you agree that, to the extent permitted by law, any periodic information which is required to be given to you under the Corporations Act or ASIC policy can be given to you by making that information available on Equity Trustees’ or the Investment Manager’s website.

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. However, Equity Trustees will be providing the reports described above to relevant IDPS Operators. Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a ‘disclosing entity’. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC (“Annual Report”);
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained through ASIC’s website at www.asic.gov.au.

9. Fees and other costs

The warning statement below is required by law to be displayed at the beginning of the 'Fees and other costs' section of product disclosure statements for managed investment products. The example given in the warning statement does not relate to any investments described within this PDS.

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.

You should read all the information about fees and costs because it is important to understand their impact on your investment. For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges charged by your IDPS Operator.

The following table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Information about taxation is set out in Section 10 of this document.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	There is no establishment fee payable when you set up your investment in the Fund.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	There is no contribution fee payable when you invest in the Fund.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	There is no withdrawal fee payable when you withdraw investments from the Fund.
<i>Exit fee</i> The fee to close your investment	Nil	There is no exit fee payable when you close your investment in the Fund.
Management costs		
The fees and costs for managing your investment ¹	Management fees: 1.20%* (inclusive of the net impact of GST and RITC) p.a. of the NAV of the Fund.	These costs are calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid in arrears by deduction from the Fund assets at the end of each month. These costs reduce the NAV of the Fund and are reflected in the unit price.
Performance fees	20.5 % (inclusive of the net impact of GST and RITC) of the investment return above the performance hurdle is payable to Prodigy as an expense of the Fund	The performance fee is calculated and accrued monthly, based on the NAV of the Fund, subject to the high water mark. It is paid 6 monthly from the Fund's assets. This fee can be negotiated. See 'Differential fees' in the 'Additional explanation of fees and costs' below.

Type of fee or cost	Amount	How and when paid
Service fee		
<i>Switching fee</i> The fee for changing investment options	Nil	Nil

* This fee includes an amount payable to an adviser.

Additional Explanation of fees and costs

What do the management costs pay for?

Management costs comprise the additional fees or costs that a member incurs by investing in the Fund rather than by investing directly in the assets.

The management fees of 1.20% p.a. of the NAV of the Fund payable to the Responsible Entity 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. As at the date of this PDS, ordinary expenses such as investment management fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are covered by the management fees at no additional charge to you.

The management costs shown above do not include extraordinary expenses (if they are incurred in future) such as litigation costs, the costs of convening member meetings and other costs.

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

Performance fees are payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the RBA cash rate. The performance fees are 20.5% of this excess, calculated semi-annually and paid annually in arrears from the Fund and calculated based on the beginning NAV of the Fund over the relevant period.

No performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a high-watermark).

Based on the current calculation methodology for the performance fees, the Responsible Entity has estimated that the typical ongoing performance fees payable per annum may be \$512.50 assuming an average account balance of \$50,000 during the year. For further information, please refer to the "Performance fee example".

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 www.eqt.com.au/insto.

The method for calculating the performance fee expense for each 6 month period ending 30 June and 31 December ("Performance Fee Periods") is as follows:

- For each Business Day, the daily investment return of the Fund (net of capital inflows) is calculated to determine whether the performance hurdle for the Business Day has been exceeded.
- The performance hurdle will be exceeded where the daily performance is above the RBA cash rate plus investment management fee of 1.20% p.a. calculated on a daily basis.
- The daily investment return of the Fund (net of capital inflows) is calculated by dividing the amount of the gross asset value of the Fund for the Business Day, by the gross asset value for the previous Business Day.
- The daily performance fee amount is then calculated at 20.5% (inclusive of the net impact of GST and RITC) of the difference between the daily investment return of the Fund and the performance hurdle. The daily performance fee amount can be a positive or a negative amount depending on whether or not the performance hurdle has been exceeded.
- The daily performance fee amount is accrued and, where the aggregate amount is positive, the amount is reflected in the daily unit price as an expense provision.

An accrued performance fee is payable if the Fund's performance is positive and in excess of the performance hurdle of the RBA Cash rate plus the investment management fee for the Performance Fee Period.

If no performance fee is payable to the Investment Manager for the period, then any accrued negative performance fee will be carried forward into the next Performance Fee Period. This means that negative performance of the Fund must be made up before a performance fee is payable.

Performance fee example

Assume the following;

- The Fund's performance for the Performance Fee Period is 3.85% before management costs have been deducted
- The Fund's performance hurdle is 1.5% (RBA Cash Rate as at 1 Oct 2018) plus 1.20% p.a. (management fee), that is, 1.35% over the same Performance Fee Period
- The high water mark is set at zero
- The Fund's NAV is \$250,000

The Fund's return above the Fund's performance hurdle is 2.50% (3.85% - 1.35%) for the period. The performance fee is calculated as $20.5\% \times 2.50\% \times \$250,000 = \$1281.25$ for that Performance Fee Period.

Please note the benchmark used for the performance fee calculation is lower than the investment objective.

If the Fund's performance is lower than the Fund's Benchmark, a performance fee is not charged but a negative performance fee is recorded. Any negative performance fee recorded during the Performance Fee Period must be recouped before the Investment Manager becomes entitled to a performance fee.

Please note that the example is used for illustrative purposes only and does not forecast future performance.

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 investors invest in or withdraw from the Fund. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Fund and is not separately charged to the investor. The Buy/Sell Spread is paid into the Fund and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.35% upon entry and 0.35% upon exit (\$87.50 for each \$25,000 invested or withdrawn). The Buy/Sell Spread can be altered by the Responsible Entity at any time. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion.

Transactional costs which are incurred other than in connection with applications and withdrawals 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 Net Asset Value of the Fund and reflected in the unit price, they are an additional implicit cost to the investor and are not a fee paid to the Responsible Entity. 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 reflecting the compensation taken by market makers in providing liquidity for that asset.

We estimate that the total transaction costs for the Fund over the first full financial year will be 0.75% of the NAV of the Fund, of which 46.44% of these transaction costs is reasonably estimated to be recouped via the Buy/Sell Spread when applications or redemptions take place, resulting in a net transaction cost to the Fund of 0.40% p.a.

However, actual transactional and operational costs for future years may differ.

Differential fees

A separate fee arrangement may be negotiated from time to time with certain investors. Please contact Prodigy (03) 9909 2680 to discuss.

IDPS

For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges by your IDPS Operator.

Can the fees change?

Yes, all fees can change without investor consent. In most circumstances the Constitution defines the maximum fees that can be charged for fees described in this PDS. We have the right to recover all proper and reasonable expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days notice of any proposed change to the management costs. Expense recoveries and Buy/Sell Spreads may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law.

Payments to IDPS operators

Subject to the law, annual payments may be paid to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its management fees and is not an additional cost to the investor. If the payment of annual fees to IDPS Operators is limited or prohibited by the law, Equity Trustees will ensure the payment of such fees is reduced or ceased.

GST

All fees and other costs quoted include GST less any reduced input tax credits.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

Example – Equus Point Capital Market Neutral Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0
Plus Management Costs comprising of:	2.23% p.a.	And , for every \$50,000 you have in the Fund you will be charged \$1,150 each year comprising of:

Example – Equus Point Capital Market Neutral Fund

Management fees:	1.20% p.a.	\$600
Plus Performance fees:	1.03% p.a. of the Fund's performance above the Benchmark may be payable to the Investment Manager as an expense of the Fund	Based on the current calculation methodology of the performance fees, the Responsible Entity has estimated that the typical ongoing performance fees payable per annum may be \$515 assuming an average account balance of \$50,000 during the year
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, then you would be charged fees of: \$1,150** What it costs you will depend on the fees you negotiate.

* This example assumes the \$5,000 contribution occurs at the end of the first year, therefore Management Costs are calculated using the \$50,000 balance only.

**Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread. If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fees calculator on its website www.moneysmart.gov.au, which you could use to calculate the effects of fees and costs on your investment in the Fund.

See also above (next to the heading “Performance fees”) our estimated typical ongoing performance fees fee payable per annum. The actual performance fees for the current financial year and for future financial years may differ. For more information on the performance history of the Fund, visit Equity Trustees’ website at www.eqt.com.au/insto. Past performance is not a reliable indicator of future performance.

The performance fees stated in this table shows the estimated performance fees for the financial year ended 30 June 2018 as a percentage of the Fund’s average NAV. The performance of the Fund, and the performance fees, may be higher or lower or not payable in the future. As a result, the management costs may differ from the figure shown in the table. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future. See also above (next to the heading “Performance fees”) our estimated typical ongoing performance fees fee payable per annum. The actual indirect costs and performance fees for the current financial year and for future financial years may differ. For more information on the performance history of the Fund, visit Equity Trustees’ website at www.eqt.com.au/insto. Past performance is not a reliable indicator of future performance.

10. Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

A number of tax reform measures are currently under review by the Australian Government. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

General

The Fund is an Australian resident trust for Australian tax purposes. Therefore, the Fund is required to determine its net income (taxable income) for the year of income. On the basis that investors are presently entitled (which is the intention of Equity Trustees) to the net income of the Fund (including net taxable capital gains) or will be attributed their share of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their share of the Fund's net taxable income or the amount attributed to them, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to the operation of the trust loss rules.

Attribution Managed Investment Trust ("AMIT") - core rules

The Fund may qualify as an eligible Attribution Managed Investment Trust (AMIT), and if so, intends to elect into the AMIT regime. The AMIT legislation applies an attribution model whereby Equity Trustees as the Responsible Entity of the Fund attributes amounts of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Fund's Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

Fair and reasonable attribution: Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a "fair and reasonable" attribution basis, rather than being allocated proportionally based on each investor's present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustments will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement ("AMMA").

Large withdrawals: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the redeeming investor.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors. Where the Fund does not elect into the AMIT regime, or has made the election but the election is not effective for the income year (e.g. the Fund does not satisfy the requirements to be a managed investment trust for the income year), the Tax Law applicable to non-AMITs should be relevant. In particular, the Fund should not generally pay tax on behalf of its investors and instead, investors should be assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled.

Deemed Capital Gains Tax ("CGT") Election

Eligible managed investment trusts ("MITs") may make an election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives, debt securities and foreign exchange contracts). Where the election is made the Fund should hold its eligible investments on capital account and gains/(losses) from the disposal of eligible investments should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

Where the CGT election is not made, the Fund should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

Controlled Foreign Company ("CFC") Provisions

There are certain tax rules (i.e. the CFC provisions) which may result in assessable income arising in the Fund in relation to investments in foreign equities, where certain control thresholds are met. If such interests were to be held at the end of the income year, the taxable income of the Fund may include a share of net income and gains (i.e. CFC attributable income) from such investments.

Taxation of Financial Arrangements ("TOFA")

The TOFA rules may apply to certain "financial arrangements" held by the Fund. In broad terms, the TOFA regime seeks to recognise "sufficiently certain" returns on certain financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from derivative instruments are not "sufficiently certain" they will continue to be recognised on a realisation basis, unless specific tax timing elections are made.

Taxation Reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

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

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the investor authorises Equity Trustees to apply it in respect of all the investor's investments with Equity Trustees. If the investor does not want to quote their TFN or ABN for some investments, Equity Trustees should be advised.

GST

The Fund is registered for GST. The issue or withdrawal of units in the Fund and receipt of distributions are not subject to GST.

The Fund may be required to pay GST included in management and other fees, charges costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit. Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available reduced input tax credits. The Fund may be entitled to as yet undetermined additional input tax credits on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the unit price of the Fund. Investors should seek professional advice with respect to the GST consequences arising from their unit holding.

Australian Taxation of Australian Resident Investors

Distributions

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income,

exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them by Equity Trustees as the Responsible Entity of the Fund.

The tax consequences for investors in the Fund depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them.

Investors will receive an Annual Tax Statement (or an "AMMA" for an AMIT) detailing all relevant taxation information concerning attributed amounts and cash distributions, including any Foreign Income Tax Offset ("FITO") and franking credit entitlements, returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their units in the Fund (in the case of an AMIT).

An investor may receive their share of attributed tax components of the Fund or net income in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Fund on capital account, a capital gain or loss may arise on disposal and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 & 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for 12 months or more. No CGT discount is available to corporate investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units of the

Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Tax on Income

The Fund expects to derive income which may be subject to Australian withholding tax when attributed by Equity Trustees as the Responsible Entity of the Fund to non-resident investors.

Australian withholding tax may be withheld from distributions of Australian source income and gains attributed to a non-resident investor. The various components of the net income of the Fund which may be regarded as having an Australian source include Australian sourced interest, Australian sourced other gains, Australian sourced dividends and CGT taxable Australian property.

We recommend that non-resident investors seek independent tax advice before investing, taking into

account their particular circumstances and the provisions of any relevant Double Taxation Agreement/ Exchange of Information Agreement (“EOI”) between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property. We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

11. Other important information

Consent

The Investment Manager has given and, as at the date of this PDS, has not withdrawn:

- its written consent to be named in this PDS as the Investment Manager of the Fund; and
- its written consent to the inclusion of the statements made about it which are specifically attributed to it, in the form and context in which they appear.

The Investment Manager and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to Equity Trustees for inclusion in this PDS.

Constitution of the Fund

You will be issued units in the Fund when you invest. Subject to the rights, obligations and restrictions of a class, each unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease;
- processing withdrawals, such as if a Fund becomes 'illiquid';
- the nature of the units - identical rights attach to all units within a class; and
- an investor's rights to attend and vote at meetings - these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Fund - which is as permitted by law;
- when we can be removed as the Responsible Entity of the Fund - which is when required by law; and

- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets.

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees' responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests. Copies of the Constitution are available, free of charge, on request from Equity Trustees.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this. It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker. The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any jointholder of an investment;

- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to. Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or education material about products and services they believe may be of interest to you. You have the right to "opt out" of such communications by contacting us using the contact details below. In addition to the above information, Equity Trustees' Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees' Privacy Policy is available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to privacy@egt.com.au

Custodian and Prime Broker

Morgan Stanley & Co. International plc. (as the "Prime Broker" and "Custodian"), a member of the Morgan Stanley Group of companies, based in London, will provide prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (the "Agreement") entered into between the Fund and the Prime Broker for itself as agent for certain other members of the Morgan Stanley Group of companies (the "Morgan Stanley Companies"). These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise the Prime Broker, other Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker is authorised by the Prudential Regulatory Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA.

As security for the payment and discharge of all liabilities of the Fund to the Prime Broker and the Morgan Stanley Companies, the investments and cash held by the Prime Broker and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the FCA rules. Investments and cash may also be deposited by the Fund with the Prime Broker and other members of the Morgan Stanley Group of companies as margin and will also constitute collateral for the purposes of the FCA rules. The Fund's investments may be borrowed, lent or otherwise used by the Prime Broker and the Morgan Stanley Companies for its or their own purposes, whereupon such investments will become the property of the Prime Broker or the relevant Morgan Stanley Company and the Fund will have a right against the Prime Broker or the relevant Morgan Stanley Company for the return of equivalent assets. The Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of the Prime Broker or the relevant Morgan Stanley Company, the Fund may not be able to recover such equivalent assets in full. Neither the Prime

Broker nor any Morgan Stanley Company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of the Prime Broker or any Morgan Stanley Company. The Prime Broker will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Prime Broker and the Morgan Stanley Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Fund has agreed to indemnify the Prime Broker and the Morgan Stanley Companies against any loss suffered by, and any claims made against, them arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

As the Custodian, Morgan Stanley will also provide a custody service for all the Fund's investments, including documents of title or certificates evidencing title to investments, held on the books of the Custodian as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the FCA. The Custodian may appoint sub-custodians, including the Morgan Stanley Companies, of such investments.

In accordance with FCA rules, the Custodian will record and hold investments held by it as custodian in such a manner that the identity and location of the investments can be determined at any time and that such investments are readily identifiable as belonging to a customer of the Prime Broker and are separately identifiable from the Custodian's own investments. Furthermore, in the event that any of the Fund's investments are registered in the name of the Custodian where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund's best interests so to do or it is not feasible to do otherwise, such investments may not be segregated from the Custodian's own investments and in the event of the Custodian's default may not be as well protected.

Any cash which the Custodian holds or receives on the Fund's behalf will not be treated by the Custodian as client money and will not be subject to the client money protections conferred by the FCA's Client Money Rules (unless the Custodian has specifically agreed with or notified the Fund that certain cash will be given client money protection). As a consequence, the Fund's cash will not be segregated from the Custodian's own cash and will be used by the Custodian in the course of its investment business, and the Fund will therefore rank as one of the Custodian's general creditors in relation thereto.

The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker will not participate in the investment decision-making process.

Non-listing of units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs (including anticipated costs) of winding up the fund, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the sum of the Withdrawal Price for the units they hold in the Fund against the aggregate Withdrawal Price for all the units on issue in the fund.

Our legal relationship with you

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors.

Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investors rights. Otherwise the Constitution may be amended by way of a special resolution of investors.

To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation.

Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights.

A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

Compliance plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

Indemnity

Equity Trustees, as the responsible entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability

incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, Equity Trustees may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about Investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing Investors until such time as the information is provided.

Under the AML/CTF laws, Equity Trustees is required to submit ongoing regulatory reports to, and share collected information with, AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred. In order to comply with AML/CTF Laws, the Responsible Entity may also disclose information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). The Responsible Entity and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

It is expected that the Fund will be a reporting financial institution under the CRS. The Fund intends to comply with its CRS obligations, which will be fulfilled by the Responsible Entity of the Fund. In this regard, Unit Holders may be required to provide certification of tax residency to the extent units are held on or after 1 July 2017. Penalties may apply if a Unit Holder provides a false

certification, and Unit Holders may not be able to continue holding Units in the Fund if the appropriate certification is not provided. The Fund will report information on certain Unit Holders to the ATO, which will in turn report this information to relevant foreign tax authorities in other participating jurisdictions. The Responsible Entity will also provide information about the Fund's CRS status when requested by other financial institutions. Unlike FATCA, there is no withholding that is applicable under CRS. The Fund and the Responsible Entity will not be liable for any loss that a Unit Holder may suffer as a result of the Fund's compliance with CRS.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

12. Glossary of important terms

AFSL

Australian Financial Services Licence issued by ASIC under section 913B of the Corporations Act.

Application Form

The Application Form used by investors who wish to subscribe for units directly in the Fund and accompanying this PDS.

ASIC

The Australian Securities and Investments Commission

Business Day

A day other than Saturday or Sunday on which banks are open for general banking business in Melbourne or if Administrator primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the Administrator performs such functions.

Buy/Sell Spread

The Buy Spread is the difference between the NAV per unit and Application Price for units in the Fund, whereas the Sell Spread is the difference between the NAV per unit and the Withdrawal Price of units in the Fund. Collectively this is known as the Buy/Sell Spread. The Buy/Sell Spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution

The Constitution of the Fund which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund.

Corporations Act

The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

Derivatives

Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples include options contracts, futures contracts, forward foreign exchange contracts, options on futures contracts, swap agreements (including, but not limited to, long and short credit default swaps and forward swap spread locks) and options on swap agreements.

Distribution

The amount that is paid to investors after the end of a distribution period. This generally includes any income and realised capital gains.

Eligible Person

Any person:

- other than a US Person; or
- other than a person that the Responsible Entity has determined is not eligible to hold units in the Fund from time to time.

Hedge

The practice of undertaking one investment activity in order to protect against loss in another. While hedges can reduce potential losses, they can also reduce potential profits.

IDPS

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers. In New Zealand, the IDPS needs to be licensed as a Discretionary Investment Management Service provider.

IDPS Operators

An entity responsible for operating an IDPS

Liquidity

The ability of an investment to be easily and quickly converted into cash with little loss of capital.

Long positions

A long position is one in which the investor owns shares in a company. The investor will seek to profit as the price of the shares appreciates.

Net Asset Value (NAV)

The value of assets of the Fund less the value of the liabilities of the Fund (excluding net assets attributable to investors).

Pan-Asian stocks

Pan Asian stocks are listed equities quoted on the exchanges of the following countries Australia, Taiwan, Korea, Hong Kong, Singapore and Japan.

RBA Cash Rate

Cash rate of the Reserve Bank of Australia as at the final Business Day of the Performance Fee Period.

Retail Client

Persons or entities defined as such under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST costs to the Fund.

Short positions

A short position is one in which the Fund has sold shares that the Fund doesn't own. The Fund seeks to profit as the value of the shares falls, thereby reducing the size of the liability to re-purchase the shares. Short sales are generally covered, that is, the seller will "borrow" the investment to settle the sale and then will buy the same investment in the open market to return the borrowed investment. The difference between the sale price and the purchase price of the investment in the open market is the profit or loss earned by the Fund.

US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

(a) any citizen of, or natural person resident in, the US, its territories or possessions; or

(b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c) any agency or branch of a foreign entity located in the US; or

(d) a pension plan primarily for US employees of a US Person; or

(e) a US collective investment vehicle unless not offered to US Persons; or

(f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

Wholesale Client

Person or entity which is a wholesale client as defined under s761G of the Corporations Act.

Wholesale Investor

In the case of a New Zealand investor, means a Wholesale Client who also meets the definition of wholesale investor under clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).