



INTERNATIONAL SHARES FUND

PRODUCT DISCLOSURE STATEMENT

ARSN 161 843 778, APIR FHT0032AU
30 September 2021

FUNDHOST LIMITED
ABN 69 092 517 087
AUSTRALIAN FINANCIAL SERVICES LICENCE
(AFSL) NO. 233045

FORAGER FUNDS MANAGEMENT PTY LTD
ABN 78 138 351 345
AFSL NO. 459312

IMPORTANT INFORMATION

Welcome to the Forager International Shares Fund Product Disclosure Statement (**PDS**).

Fundhost Limited (**Fundhost, we or us**) invites you to invest in the Forager International Shares Fund (**Fund**). Fundhost is the responsible entity of the Fund and issuer of this PDS. This PDS has not been lodged with the Australian Securities & Investments Commission (**ASIC**) and is not required to be so lodged. ASIC takes no responsibility for the contents of this PDS.

If you received this PDS electronically we will provide you, free of charge, with a paper copy of this PDS (together with the application form) upon request. Please phone Fundhost on +61 2 8223 5400. If you make this PDS available to another person, you must give them the entire PDS, including the application form and any supplementary documents.

This PDS is also available to investors who invest through a master trust or wrap account. Different conditions may apply to such investors so please refer to “Investing through a master trust or wrap account?”. This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. New Zealand investors should refer to the section “Information for New Zealand investors”.

All references to \$ amounts are to Australian dollars.

This PDS is current as at 30 September 2021. Information in this PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by Fundhost posting a notice of the change on its website at www.fundhost.com.au. Fundhost will provide to investors, free of charge, a paper copy of the updated information upon request when they contact Fundhost on +61 2 8223 5400. If the change is materially adverse to investors, Fundhost will notify affected investors and supplement or replace this PDS.

Neither Fundhost nor Forager Funds Management Pty Ltd (the **Investment Manager** or **Forager**) promise that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Fundhost and the Investment Manager makes any statement or representation in this PDS.

This PDS has been prepared without considering your personal objectives, financial situation or needs. You should read the entire PDS and speak to a financial adviser before deciding to invest in the Fund.

This Fund is not a simple managed investment scheme as it may not satisfy the liquidity test which requires that it can reasonably be expected that 80% of the portfolio can be sold in 10 days at market value. Investors should refer to ‘Risks’ for more information.

CONTACTS

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WHAT'S IN THIS PDS?

We hope you find this PDS easy to use. We encourage you to read it all before you make any investment decision.

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FUND SNAPSHOT

FEATURE	SUMMARY
Fund Name	Forager International Shares Fund
What the Fund invests in	International shares and some cash
Investment Manager	Forager Funds Management Pty Ltd
Responsible Entity	Fundhost Limited
Custodian	National Australia Bank Limited (ABN 12 004 044 937) (NAB)
Benchmark	MSCI All Country World Investable Market Index (Net) in Australian Dollars (MSCI ACWI IMI (Net) (AUD) or Benchmark)
Investment Objective	<p>To outperform the Benchmark over a rolling 5 year period.</p> <p>There is no guarantee that the investment objective will be achieved. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.</p>
Risk and Suitability	For investors who seek higher returns over the medium to long term and are prepared to accept higher volatility in returns including negative returns over the short term.
Suggested Investment Period¹	At least 5 years
Labour and Environmental, Social /or Ethical Considerations	Decisions about the selection, retention or realisation of investments for the Fund are primarily made by the Investment Manager. The Investment Manager does not take into account labour standards, environmental, social or ethical issues when making these decisions except to the extent that these issues have a material impact on either investment risk or return.
Fund Inception	8 February 2013
Entry Fees	Nil
Exit Fees	Nil
Management Fees and Costs	1.23% per annum
Performance Fee	12.53% of the amount by which the Fund outperforms the Benchmark after other fees and expenses have been deducted, and achieves positive performance.
Buy-Sell Spread	+0.2% / -0.2%
Minimum Initial Investment	\$20,000 or \$200 for monthly direct debit
Minimum Additional Investment	\$1,000
Minimum Withdrawal	\$10,000
Minimum Balance	\$1,000
Unit Pricing Frequency	Weekly
Application Processing	Weekly subject to being received by 4.00 pm Sydney time on Friday
Redemption Processing	Weekly subject to being received by 4.00 pm Sydney time on Friday
Distribution Frequency	The Fund will generally distribute any available income annually as at 30 June and may make interim distributions from time to time.

¹This suggested investment period may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.

ABOUT FUNDHOST AND FORAGER

FUNDHOST

Fundhost is a public company that acts as the responsible entity and provides essential services to the Fund. Fundhost's core business is to operate registered managed investment schemes and provide compliance, administration, reporting services and to ensure that the funds are audited as required by law. We are responsible for the day to day operations of the Fund and have appointed the Investment Manager to manage the assets of the Fund.

THE INVESTMENT MANAGER

Forager is the Investment Manager of the Fund and operates under AFSL 459312. The Investment Manager was launched by Steven Johnson in 2009 as Intelligent Investor Funds Management Pty Ltd, as part of the Intelligent Investor Group, which had provided a stock market newsletter to retail investors for the prior 11 years.

Forager has a small and experienced team, and over \$480m in funds under management.

In 2014 the Intelligent Investor Group (excluding the Investment Manager) was sold to a new owner, and the Investment Manager was renamed Forager Funds Management Pty Ltd. The Investment Manager is no longer related in any way to Intelligent Investor Group.

The Investment Manager's Chief Investment Officer is Steve Johnson. Steve is a director and holds a beneficial interest in the Investment Manager. Steve has a Bachelor of Economics (Econometrics and Finance) from the University of NSW and is a CFA Charterholder.

HOW THE FUND WORKS

When you invest in the Fund your money (together with all other investors' monies) is gathered in one place and invested in assets. We have appointed Forager to manage the Fund. Forager uses its resources, experience and expertise to make the investment decisions.

We have appointed NAB as the independent custodian to hold the assets of the Fund

UNITS

The Fund is a unit trust. This means your interests in the Fund are represented by units. Certain rights (such as the right to any income and a right to vote) attach to your units. You may also have obligations in respect of your units.

Each unit has a value which we calculate. When you invest, we issue you a number of units depending on the amount you invest. Similarly, when you withdraw from the Fund, we calculate your withdrawal proceeds by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Fund rises or falls.

HOW WE INVEST YOUR MONEY

You should consider the likely investment return, risk and your investment time frame when choosing a fund to invest in.

HOW WE INVEST YOUR MONEY

Fund description	The Fund invests predominantly in companies listed on recognised stock exchanges around the world. The Fund will typically contain 20-40 securities (although it may hold more or less) that Forager believes are undervalued by the market at the time of purchase. When sufficient opportunities cannot be found, the Fund may hold higher than normal levels of cash. The Fund aims to provide capital growth and some distributions. The Fund may also invest in companies that are likely to be listed on an exchange in the near future or remain invested in companies that have been delisted from an exchange. The Fund will invest no more than 10% of its assets into unlisted investments.
Benchmark	MSCI ACWI IMI (Net) (AUD)
Investment return objective	<p>The Fund aims to outperform the Benchmark over a rolling 5 year period. <i>Note the investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the long term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.</i></p> <p>The Investment Manager has developed an investment process that aims to achieve the investment return objective.</p>
Fund's investments and asset allocation	The Fund does not have any 'target' position with regards to asset allocation. When attractive opportunities are sparse and Forager believes the overall portfolio return can be increased by holding cash, the Fund may hold higher than normal levels of cash. Conversely, when Forager is finding plenty of opportunities that meet its investment criteria, the portfolio could be fully invested.

Fund's investments and asset allocation	Assets	Min	Max
	International developed markets* listed assets	0%	100%
	International emerging markets* listed assets	0%	20%
	International unlisted assets	0%	10%
	Cash	0%	30%
	Remember the investment mix can change within the ranges significantly and sometimes quickly. Ask your adviser or contact us for the latest investment mix and size of the Fund. *As defined by MSCI		
Recommended minimum investment period	5 years		
Borrowing	The Fund will not borrow		
Risk and Suitability	The Fund is generally suited for persons who seek higher returns over the medium to long term and are prepared to accept higher volatility in returns including negative returns over the short term. You should speak with your financial adviser before investing in the Fund.		

Any of the above details could change at any time and without notice. Where we consider the changes are significant, we will notify you of the changes (and give you, or your master trust or wrap account operator, 30 days' prior notice where practicable).

THE INVESTMENT PROCESS

Investment philosophy

Value investing is at the heart of the Investment Manager's investment philosophy. A value investor takes the view that security prices represent what it costs, at one point in time, to buy a proportion of a business listed on a securities exchange – a business that employs people, produces goods or services and, hopefully, generates revenue, profit and cash flow. Alongside this quoted security price, value investors like the Investment Manager take account of a business's underlying or intrinsic value. Unlike the security price, the Investment Manager believes that you can never get an exact fix on this figure but you can sometimes make a reasonable estimate by looking at a business's financial statements over time and making an assessment of its management, markets and growth potential. Forager is not precluded from investing in growth stocks and will apply the same value philosophy and valuation based discipline to such investments.

Security prices can vary enormously over the course of a year but a business's revenue, profit and cash flow rarely change as much as its security price. The Investment Manager believes the reason for this is that the price of a business's securities is only a reflection of what people are willing to pay for them at any given time and is influenced by investors' emotions that can swing from greed to fear. These emotions can push the security price a long way from the assessed intrinsic value of the underlying business, or what a rational person might be expected to pay for the business. The Investment Manager aims to benefit from this by buying securities where the estimated intrinsic value is substantially higher than the security price.

Through the analysis of many businesses and with the value investing philosophy as its foundation, the Investment Manager aims to construct a portfolio of securities that are assessed to be attractively priced, at the point of investment, and that combine in a way that achieves the overall portfolio objectives. The Investment Manager believes that the returns of the portfolio can be improved by concentrating on the most prospective investments, which means that the portfolios it manages are relatively concentrated.

Stock selection

Forager's process of putting together a portfolio of undervalued businesses is accomplished by analysing securities on an individual basis to determine whether they are attractively priced (a "bottom-up" approach). This contrasts with other investment approaches such as using macro-economic predictions to determine a portfolio weighting to certain investment themes (a "top-down" approach) or processes that pay consideration to index weighting (a "benchmarking" approach). Of the many individual securities considered by the Investment Manager, only a small number make it through to become actual portfolio candidates.

To the extent relevant, Forager's research process analyses the competitive landscape, business strategy, management team, historical financial record, balance sheet structure, threats and opportunities and ultimately, the security valuation. A security that offers an attractive return relative to the risk of capital impairment is added to the list of candidates.

Investment ideas are always founded on internal research, although external research is read and referenced if useful. The investment thesis must be internally understood and backed by the investment team's analysis.

Portfolio construction

Whether or not to add a candidate to the portfolio and how much of the portfolio to invest in any one idea depends on:

- the risk/reward trade-off relative to other candidates and existing securities in the portfolio;
- the perceived risk correlations between the individual securities and the existing portfolio;
- the impact on the overall risk and expected return of the portfolio. A security is only added to the extent it is expected to increase the expected return; and
- the size and resilience of the underlying business and the volume of trading in the securities. A security can be added to the portfolio if it adds defensive characteristics and liquidity to the portfolio.

The Investment Manager's portfolio risk assessment involves identifying sector concentration, stock and portfolio liquidity risks across the portfolio and managing portfolio weightings so as to leave the portfolio with an acceptable exposure to each individual risk.

The Fund typically invests in 20-40 securities (although it may hold more or less). Despite the focus on managing risk, the Fund may at times hold a relatively small number of stocks and may at times take concentrated investment positions. For this reason returns may be volatile and we therefore recommend an investment in the Fund forms part of a wider, diversified portfolio.

Currency Management

Currency is managed independently of country and stock selection decisions. The portfolio's net currency position will generally be managed to provide a currency exposure similar to that of the Benchmark.

Australia (and therefore Australian dollars) constitutes a small portion of this index and as such, the Fund will be exposed to foreign currencies. An appreciation of the Australian dollar versus other relevant global currencies could have a negative impact on the value of your investment and depreciation would likely have a positive effect, as measured in Australian dollars.

BENEFITS OF INVESTING IN THE FUND

SIGNIFICANT BENEFITS

Forager aims to achieve capital growth in the value of your investment as well as income, although you should be aware that distributions are likely to be highly variable. Some of the other significant benefits of investing in the Fund include:

- having access to the investment expertise and investment management of Forager;
- having your money managed by investment professionals, which allows access to investment opportunities which an ordinary investor often can't access or manage on their own;
- having exposure to an international portfolio of securities and currencies, which may offer diversification benefits to your overall investment portfolio;
- having the right to receive any distributions we make from the Fund;
- having clear legal rights as an investor through a robust corporate governance structure; and
- regular investment statements and an annual tax statement to keep you up to date on your investment.

For an updated performance summary or to receive regular email updates on performance visit www.foragerfunds.com. Please be aware that past performance is not a reliable indicator of future results.

Long Term Horizon

Because returns may be volatile, and some positions illiquid, the Fund wishes to attract investors with a long investment horizon (we recommend a minimum investment horizon of five years). If you are an investor with a long term horizon this approach may benefit you.

Recommended to be part of a diverse portfolio

The Fund will be invested in a relatively concentrated number of select opportunities. Returns could be volatile and we therefore recommend an investment in the Fund forms part of a wider, diverse portfolio.

As part of a wider portfolio the Fund – in particular the exposure to international stocks and currencies it provides – may offer diversification benefits to investors (this will depend on the nature of other assets in your portfolio).

Overview of management and corporate governance

Under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the documents governing the Fund, investors are provided with several layers of independent oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated and administered by a responsible entity (Fundhost) that holds an appropriate AFSL.

Fundhost has appointed NAB as the independent custodian to hold the assets of the Fund. Using a third party custodian is considered best practice in the industry because it reduces the risk that the Fund's assets are misappropriated or put at risk through, for example, the insolvency of the responsible entity or investment manager.

The following diagram summarises the management and governance structure of the Fund.



- 1 Forager reports to, and is appointed by, Fundhost
- 2 Forager is responsible for managing the assets of the Fund
- 3 Fundhost is responsible for operating and administering the Fund in accordance with the law, the constitution and the compliance plan
- 4 Fundhost establishes the Fund under the constitution
- 5 Units are issued to investors
- 6 NAB holds the assets on behalf of the Fund

CLEAR LEGAL RIGHTS

The constitution establishes the Fund and sets out the rules that the Fund operates within. Together with the PDS and the law from time to time, it governs Fundhost's relationship with you and provides you with your (and our) legal rights.

The constitution gives Fundhost the right to be paid fees and expenses for its services and to be indemnified from the Fund. It governs (amongst other things) Fundhost's powers, requirements for investor meetings, unit price calculations, applications and withdrawals, as well as what happens if the Fund terminates.

The constitution also describes Fundhost's responsibilities if things go wrong. Generally, subject always to liability which the Corporations Act imposes, Fundhost is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

RISKS

RISKS IN GENERAL

About risk and return

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses).

Investment returns are affected by many factors including market volatility, climate, interest rates and economic cycles. Changes in value can be significant and they can happen quickly.

Different types of investments perform differently at different times and have different risk characteristics and volatility.

These are some of the reasons why you should consider investing in several different types of investments (often called diversification).

The significant risks associated with investing in this Fund are discussed in the PDS. Whilst Forager's approach is to be selective and require an assessed margin of safety on investments, we can't eliminate all risks and can't promise that the ways they are managed will always be successful.

The performance of the Fund will be influenced by many factors, some of which are outside the control of Fundhost and Forager.

If these risks materialise, your distributions may be lower than expected or there may be none. The value of your investment can and does fall and you may lose money, even over the long term.

Ways to manage your risk

You can help manage your own risks too. You can:

- understand the Investment Manager's approach and how it might impact the value of your investment;
- know your investment goals and your risk tolerance;
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for;
- diversify your investments (that is, have a spread of investments);
- invest for at least the recommended timeframe;
- keep track of your investment; and
- speak with a financial adviser and make sure the Fund is the right investment for you.

SIGNIFICANT RISKS

The significant risks of the Fund include:

- **Concentration risk:** The Fund typically invests in a relatively concentrated portfolio of 20–40 securities (although it may hold more or less). The value of the Fund's investments may be more affected by any single adverse business, economic, political or regulatory event than the investments of a more diversified portfolio.
- **Counterparty risk:** Losses can be incurred if the counterparty (such as a broker) defaults on their obligations or experiences financial difficulty.
- **Cyber risk:** There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within our IT systems and networks and those of our service providers.
- **Fund risk:** The Fund could terminate, the fees and expenses could change (although we would always give you or your master trust or wrap operator at least 30 days' notice where practicable if fees charged under this PDS were to increase), we could be replaced as responsible entity and management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.
- **Interest rate risk:** The capital value or income of a security may be adversely affected by interest rate movements.
- **International investment risk:** The Fund will invest in international assets, which will give rise to currency exposure. The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance and the Fund may have less protection under laws outside of Australia, and any investments in emerging markets may be more volatile than investments in more developed countries.
- **Investment Manager risk:** There is a risk that the Investment Manager will not perform to expectation or factors such as changes to the investment team may affect the Fund's performance. The Investment Manager has a relatively small number of key investment staff. The Fund's performance depends on their expertise. There is a risk that the loss of key staff could negatively affect the Fund's performance.
- **Liquidity risk:** Access to your money may be delayed (see "[Payments can be delayed](#)"). Overall market liquidity can make it difficult to trade and to realise assets in a timely fashion to meet withdrawal requests. Be aware that a portion of the Fund may consist of unlisted investments that are generally illiquid (i.e. cannot readily be converted to cash).
- **Market risk:** Economic, technological, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund.
- **Regulatory risk:** The value or tax treatment of either the Fund itself or investments, or the effectiveness of its trading or investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws affecting registered managed investment schemes, or changes in generally accepted accounting policies or valuation methods.
- **Small companies and illiquidity risk:** Small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of small companies may also be less liquid than those of larger companies.

RISKS APPLICABLE TO MANAGED FUNDS GENERALLY

Other significant risks relevant to many managed funds include the value of investments will vary, the level of returns and income will vary, future returns may differ from past returns; and returns are not guaranteed. You may lose your money.

The level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of your wealth are invested and your risk tolerance. These risks can be managed but cannot be completely eliminated. You can adopt certain tools to help you manage your own risk.

FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower fees. 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) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section 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 managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

FEES AND COSTS SUMMARY

Forager International Shares Fund

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs¹		
Management fees and costs The fees and costs for managing your investment	1.23% p.a.	Fees are calculated and accrue weekly and are paid monthly in arrears. A portion of the fees is negotiable for certain types of investors. Costs are generally paid as incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	12.53% of the amount by which the Fund outperforms its Benchmark (being the MSCI ACWI IMI (Net) (AUD)) after other fees and costs have been deducted, and achieves positive performance.	This fee is calculated and accrues weekly and is paid semi-annually in arrears.
Transaction costs (net) The costs incurred by the product when buying or selling assets	0.46% p.a.	These costs are expressed net of any amount recovered by the buy-sell spread and are generally paid as incurred.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Member activity related fees and costs (fees for services² or when your money moves in or out of the product)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	+0.20%/-0.20%	Calculated as a percentage of the mid unit price. Paid from investor's money when the investor applies to purchase or redeem units. Retained by the Fund.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

¹All fees are expressed as a percentage of portfolio value of the Fund and are paid from the Fund.

²See "Additional explanation of fees and costs" for more detail on service fees.

Any item marked with an asterisk () is an estimate.

EXAMPLE OF ANNUAL FEES AND COSTS

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

EXAMPLE	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs*	1.23%	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$613 each year.
PLUS Performance fees*	3.40%	And , you will be charged or have deducted from your investment \$1,701 in performance fees each year.
PLUS Transaction costs*	0.46%	And , you will be charged or have deducted from your investment \$229 in net transaction costs.
EQUALS Cost of the Fund	5.09%	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$2,544. What it costs you will depend on the fees you negotiate.

When calculating ongoing annual fees and costs in this table, the law says we must assume that the value of your investment remains at \$50,000 and the Fund's unit price does not fluctuate. Ongoing annual fees and costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, no service fees are charged and that fees are not individually negotiated. The fact that a performance fee was paid or not paid in the example however is not a representation of likely future performance. The actual performance fee and therefore the total cost of the fund in the future will depend on the performance of Forager. Totals may appear incorrect due to rounding.

Any item marked with an asterisk () is an estimate. Please refer to our website for any updates on these estimates which are not considered to be materially adverse from a retail investor's point of view.

ADDITIONAL EXPLANATION OF FEES AND COSTS

ABOUT MANAGEMENT FEES AND COSTS

The management fees and costs include Fundhost's fees, Forager's management fees, ordinary and abnormal expenses and any indirect costs. Fees payable to Fundhost and Forager are calculated and accrued weekly based on the portfolio value of the Fund and are paid monthly in arrears. Management fees and costs paid out of Fund assets reduce the net asset value of the Fund and are reflected in the unit price. Management fees and costs include any indirect costs and exclude transaction

costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through buy-sell spreads).

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs. The Fund's indirect costs are based on the financial year ending 30 June 2021 and are estimated to be nil. Actual indirect costs for future years may differ.

The ordinary expenses are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund as and when they are incurred. The constitution of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited. We reserve the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

PERFORMANCE FEE

A performance fee is payable to Forager half-yearly in respect of each 6 monthly period ending 30 June or 31 December when the investment performance of the Fund has exceeded the Benchmark, being the MSCI ACWI IMI (Net) (AUD), and positive performance is achieved.

The performance fee is applied to the total return of the Fund (after any fees and expenses have been deducted) that is in excess of the Benchmark return, and is accrued weekly and paid 6 monthly in arrears.

The performance fee payable on the outperformance against the Benchmark is 12.53% of the amount by which the Fund return exceeds the Benchmark.

When the total return of the Fund is less than the Benchmark return, no performance fee is payable. No performance fee is payable until any previous periods of underperformance (which occur after 1 July 2019) have been made up.

When the absolute return of the Fund is negative, but the Fund has performed better than the Benchmark, the relative outperformance of the Fund in dollar value is carried forward to ensuing period(s).

A performance fee was introduced from 1 July 2019. The average performance fee based on the previous two financial years is 3.40%.

TRANSACTION COSTS

Transaction costs include brokerage, settlement costs, clearing costs, stamp duty costs, costs associated with certain derivatives, and buy-sell spreads and transactions costs of any interposed vehicles. They do not include borrowing costs or implicit transaction costs or market impact costs. When you invest in the Fund, Forager may buy investments, and incur these costs. When you withdraw, Forager may sell investments so we can pay your cash to you, and incur these costs. These costs are also incurred in connection with day to day trading within the Fund. Some of these costs are recovered through the buy-sell spread. A buy-sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/ withdrawing units from the Fund. The buy-sell spread is reflected in the buy/sell unit price. Currently, our buy-sell spread is estimated to be 0.40% of the unit price (that is +0.2% on the entry price and -0.2% on the exit price). So if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.2% (up 0.2 cents) and on exit we adjust the unit price down approximately 0.2% (down 0.2 cents). The buy-sell spread is not paid to Fundhost or Forager. The transaction costs shown in the fees and costs summary is net of any amount recovered by the buy-sell spread charged.

Transaction costs and recovery

Financial Year	Total (gross) Transaction Costs	Recovery through Buy-Sell Spread	Net Transaction Costs
2021	0.48%	0.02%	0.46%

Our estimate of the total transaction costs for the Fund during the year ended 30 June 2021 was calculated using the Fund's actual transactions during the last financial year. We expect this amount to vary from year to year as it will be impacted by the Fund's volume of trading, brokerage arrangements and other factors including the calculation methodology which can change from year to year. The amount recovered through the buy-sell spread was calculated using actual applications and redemptions during the last financial year. We expect this amount to vary from year to year as it will be impacted by the volume of applications and withdrawals and any changes in the buy-sell spread for the Fund. The net transaction costs is the difference between these two amounts. All of these amounts are expressed as a percentage of the Fund's average net asset value for the year. Based on an average account balance of \$50,000 over a one year period, the net transaction costs represent approximately \$229.

SERVICE FEES

If you need Fundhost to do something special for you, we may charge you a fee. These special fees vary depending on what you ask us to do.

CAN THE FEES CHANGE OR BE UPDATED?

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. However, we will give you (or your master trust or wrap account operator) 30 days' written notice of any increase to fees where practicable.

Please refer to our website for any updates on our estimates of any fees and costs (including indirect costs and net transaction costs) which are not considered to be materially adverse from a retail investor's point of view. Remember, past performance is not an indicator of future performance and any fee or cost for a given year may not be repeated in a future year.

ADVISER REMUNERATION

No commissions will be paid by us to financial advisers. Additional fees may be paid by you to your financial adviser if one is consulted. You should refer to the statement of advice they give you in which details of the fees are set out.

CAN FEES BE DIFFERENT FOR DIFFERENT INVESTORS?

The law allows us to negotiate fees with "wholesale" investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at our discretion. If you are investing \$5,000,000 or more in the Fund, contact Forager to see if you're eligible to negotiate their portion of the management fee.

GOVERNMENT CHARGES AND TAXATION

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in this PDS take into account GST and any reduced input tax credits which may be available.

WHAT ABOUT FUND PERFORMANCE?

If you are interested in:

- up to date Fund performance;
- receiving regular email updates on performance;
- the latest investment mix of the Fund;
- current unit prices; or
- the current size of the Fund,

further details including monthly reports are available from Forager at www.foragerfunds.com. You can also call Forager on +61 2 8277 4812, or alternatively contact Fundhost on +61 2 8223 5400. Up to date information is always free of charge.

Don't forget that any past returns are just that, just because they happened doesn't mean they will happen again. Returns are volatile and may go up and down significantly and sometimes quickly.

HOW TO INVEST

You have options for investing. You may make direct investments into the Fund with an initial amount of at least \$20,000. We also offer a monthly savings plan via direct debit with a minimum amount of \$200 per month. Investors who sign up for the direct debit monthly savings plan are not required to make the initial investment amount of \$20,000. Investors may invest using a combination of both direct investments and the monthly savings plan.

To apply as a direct investor, use the online application process provided by Fundhost or the application form accompanying this PDS.

Direct investments are processed on a weekly basis, and both your application form and investment must be received by 4.00 pm Sydney time Friday (unless Friday is a public holiday) to be processed using the unit price effective for that week (otherwise your application will be processed the next week). We do not earn interest on application monies held prior to the time we issue units to you.

To apply as a monthly savings plan investor, complete the application form and Direct Debit Savings Plan Form accompanying this PDS and submit both forms or use the online application process provided by Fundhost. Direct debits occur on the 25th of each month, or the next business day. All new savings plan applications received prior to the 25th of the month will be processed on the 25th of that month, or the next business day. All applications received between the 25th and end of the month will be processed on the 25th of the subsequent month, or the next business day.

Additional investments can be made at any time in writing, and are processed weekly. For investors not participating in the monthly savings plan the minimum amount for additional investments is \$1,000. See "[Investing through a master trust or wrap account?](#)" for arrangements that apply to investors using a master trust or wrap account service to invest.

You can increase your units by reinvesting distributions in full (this will be done automatically unless you tell us otherwise) or in part, or by making an additional investment. If you reinvest your distributions it will help your investment grow. If you choose to reinvest only a portion, we can pay the remainder into your nominated account. Use the application form to tell us what percentage of your distributions you would like to reinvest.

COOLING OFF

If you decide that you don't want the units we have issued you in the Fund, we must repay your money to you. We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$20,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, we may charge you on account of the reduced unit value and you would incur a buy spread of +0.2% and a sell spread of -0.2%. This means that \$19,721 would be transferred from the Fund back to you.

If you change your mind, you have 14 days to tell us, starting on the earlier of:

- when we send you confirmation that you are invested; or
- the end of the 5th day after the day on which we issue the units to you.

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

WITHDRAWING

There is generally a minimum withdrawal amount of \$10,000 and a minimum balance of \$1,000 or \$200 for monthly direct debit.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw, specify your investor number and ensure your instructions are signed:

Fundhost Limited
PO Box N561
Grosvenor Place Sydney NSW 1220

Alternatively you can send a withdrawal request by email (admin@fundhost.com.au) or fax +61 2 9232 8600.

If you would like to send a withdrawal request by email or fax please be aware of the following requirements:

- instructions must be legible and bear your investor number and signature, and
- redemption proceeds can only be transferred to the financial institution account previously nominated on the application form.

Please be aware that for fax and email instructions you will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liabilities arising from us acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also, you agree that neither you nor any other person has any claim against us in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The Fund processes redemptions on a weekly basis. Weekly redemption requests are required to be received by Fundhost by 4.00 pm Sydney time Friday (unless Friday is a public holiday) to be processed using the unit price for that week.

Normally once we decide you can withdraw your money (usually this happens within 5 business days of receipt of your redemption request), we process the request within 8 business days (although the constitution for the Fund allows us 180 days), and pay funds to your account.

For anyone redeeming as at 1 July there may be a delay in receiving your redemption monies due to year end processes. Also note that units in the Fund are not listed on any stock exchange like the ASX, so you can't sell your units through a stockbroker.

SOME DETAILS ABOUT WITHDRAWALS AND HOW MUCH WE PAY

How much money you receive for each unit depends on the withdrawal price.

We calculate unit prices in three steps.

First, we calculate the value of the investments of the Fund and take away the value of the liabilities as defined in the Fund's constitution.

Second, we divide the result of this by the number of units we have on issue.

Third, we apply the buy/sell spread +0.2%, for the entry price and -0.2% for the exit price.

These steps give us a price per unit.

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices. We call this our unit pricing policy. We keep records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

We can withhold from amounts we pay you, any amount you owe us or we owe someone else relating to you (for example, the tax office).

We generally pay all withdrawal proceeds in cash, directly to your bank account but we are permitted under the constitution for the Fund to pay proceeds in kind (i.e. in specie share transfer).

PAYMENTS CAN BE DELAYED

In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act), you may have to wait a longer period of time before you can redeem your investment.

If the Fund is not sufficiently liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund's constitution and Corporations Act.

We can delay withdrawal of your money for 180 days or such a period as considered appropriate in our view in all the circumstances if:

- there are not enough investments which we can easily turn into cash (the law dictates this). If the Fund became illiquid, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit;
- we receive a quantity of withdrawal requests representing more than 20 per cent of the value of the investments of the Fund. In this case we can stagger withdrawal payments;
- something outside our control affects our ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash);
- a portion of the Fund's assets comprise illiquid assets (that is, assets not readily converted to cash). In this case Fundhost can redeem such a number of units that correspond to the portion of the Fund's liquid assets (that is, assets readily converted to cash). For example, if an investor requests redemption of all of their units and the Fund's assets comprise 10% of illiquid assets, Fundhost may determine to redeem only 90% of the investor's units. Fundhost may redeem the remaining units at such future time, or at times, over such period, as it determines;

- an emergency or similar state of affairs occurs which, in our reasonable opinion, makes it impractical to redeem units or which might be prejudicial to the remaining investors;
- there is a closure or material restriction on trading on the major global stock exchanges or realisation of the assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market; or
- we otherwise consider it is in the best interests of the investors to delay withdrawal of the units.

The constitution sets out the full range of circumstances in which we can delay withdrawal of your money.

WE CAN GIVE YOU BACK YOUR INVESTED MONEY

In certain circumstances we can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- if your account falls below the minimum investment amount (that is \$10,000 unless you are enrolled in the savings plan);
- if you breach your obligations to us (for example, you provide misleading information in your application form);
- to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to the Fund) by you;
- to satisfy any amount of money we (as responsible entity or in any other capacity relevant to the Fund) owe someone else relating to you (for example, to the tax office);
- where we suspect that law prohibits you from legally being an investor; or
- such other circumstance as we determine in our absolute discretion (but we must always act in the best interests of investors as a whole when deciding when to do this).

DISTRIBUTIONS

Income distributions are generally paid annually (as at 30 June each year), but can also be paid at other times, or in some years, not paid at all. They can be reinvested in part or in full back into the Fund or paid to the financial institution account nominated on your application form. You can indicate your choice on the application form. Distribution payments are made typically within 45 business days after the end of the applicable distribution period. Distributions will not be paid by cheque.

We generally calculate and pay distributions based on the Fund's net taxable income at the end of the distribution period divided by the number of units on issue. Distributions may also carry imputation or other tax credits.

If you elect to reinvest distributions, they will be reinvested at the ex-distribution net asset value price. The ex-distribution net asset value price is calculated by taking the value of the investments of the Fund and taking away the value of the liabilities (as defined in the Fund's constitution) including a provision for the distribution. We divide the result of this by the number of units we have on issue to obtain the ex-distribution net asset value price for distribution reinvestments. We make no adjustment for the costs of buying or realising investments (called a buy-sell spread).

ENQUIRIES AND COMPLAINTS

Please contact Fundhost (details are provided in the section “[Contacts](#)”) for any enquiries or complaints. To enable us to assist you as quickly as possible please have your investor number handy when you contact us.

If you do have a complaint you may of course contact us by telephone, however, if you would like a record of your complaint please write to us and we will ensure that your complaint is acknowledged and responded to as soon as practicable, and in any event within 14 days.

If you are unhappy with our response to your complaint you can contact the independent Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
1800 931 678 (free call)
info@afca.org.au
www.afca.org.au

AFCA operations will be financed by contributions made by its members, including Fundhost. AFCA is free to consumers. For information on the AFCA Rules governing its jurisdiction and processes, please refer to www.afca.org.au.

INVESTING THROUGH A MASTER TRUST OR WRAP ACCOUNT?

If this is you, then remember that it is generally the operator of that service which becomes the investor in the Fund (not you). It follows that they have the rights of an investor and can exercise them (or not) in accordance with their agreements with you. This means, for example, that you generally cannot vote on units held in the Fund and you do not have cooling off rights in respect of any units held in the Fund. Speak with your master trust or wrap account operator to determine whether any cooling off rights are available to you through the service.

We are not responsible for the operation of any master trust or wrap account through which you invest.

Indirect investors complete the application forms for the master trust or wrap account and receive reports from that operator, not from us. The minimum investment, balance and withdrawal amounts may be different. You should also take into account the additional fees and charges of the master trust or wrap account operator. You can however still rely on the information in this PDS. In addition to reading this PDS, you should read the document that explains the master trust or wrap account (called a “guide”).

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via a master trust or wrap account) are able to access Fundhost’s complaints procedures outlined in the PDS. For indirect investors, if your complaint concerns the operation of the master trust or wrap, you should contact the master trust or wrap account provider directly.

KEEPING YOU INFORMED

We will:

- confirm every transaction you make;
- soon after June each year send you a report to help you with your tax return;
- each year (around September) make the accounts of the Fund available to you on our website;
- send you your annual statement; and
- notify you of any material change to this PDS and any other significant event as required by law unless you hold units indirectly via a master trust or wrap account.

The Fund has 100 investors or more, and so is considered a “disclosing entity” for the purposes of the Corporations Act and therefore subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors have a right to obtain a copy, free of charge, in respect of the Fund, of the most recent annual financial report and any half yearly financial report lodged with ASIC after that most recent annual financial report.

Where Fundhost becomes aware of material information, we will ensure that such material information will be made available as soon as practicable on our website www.fundhost.com.au. If you would like hard copies of this information, call Fundhost on +61 2 8223 5400 and we will send it to you free of charge.

WHAT ABOUT TAX?

Investing in a registered managed investment scheme (like the Fund) is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes (like the Fund) do not pay tax on behalf of members. Members are assessed for tax on any income and capital gains generated by the Fund.

PAYING TAX

Depending on your circumstances you may need to pay tax in relation to your investment in the Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So it is important that you seek professional advice before you invest or deal with your investment.

We will send you the information you need each year to help you to complete your tax return.

We will generally distribute all net taxable income and capital gains, if any, shortly after 30 June each year. Distributions could comprise:

- net income (like dividends and interest);
- net taxable capital gains (from the sale of the Fund’s investments); and
- tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

We may also pay interim distributions.

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer units.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

If you choose not to provide us with your Tax File Number (TFN) or Australian Business Number (ABN) and don't have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

A taxation regime for managed investment trusts has been introduced called the Attribution Managed Investment Trust (AMIT) regime. Fundhost has elected to operate the Fund as an AMIT. The Fund can attribute amounts of income and tax offsets to investors on a fair and reasonable basis. There is also an ability to adjust the cost base of an investor's interest in a Fund upwards or downwards.

THE CONSTITUTION

The constitution establishes the Fund and sets out the rules. Together with this PDS and the law from time to time, it governs your relationship with Fundhost. It gives Fundhost rights to be paid fees and expenses and be indemnified from the Fund. It governs (amongst other things) Fundhost's powers (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The constitution limits Fundhost's need to compensate you if things go wrong. Subject always to any liability which the Corporations Act might impose, if Fundhost acts in good faith and without gross negligence it is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

The constitution also contains a provision that it alone is the source of the relationship between you and Fundhost and not any other laws (except, of course, those laws that can't be excluded).

Fundhost must have investor approval to make changes to the constitution which are adverse to the rights of investors.

You can obtain a free copy of the Fund's constitution by calling Fundhost on +61 2 8223 5400.

PRIVACY

We use personal information about you to administer your investment and also to conduct research.

By applying for units in the Fund you consent and agree to information about you being obtained and used by us. Fundhost and the Investment Manager will collect and use your information in accordance with their Privacy Policy, a copy of which is available free of charge.

If we don't receive required information from you or if the information is incomplete or inaccurate Fundhost may not be able to provide you with the products or services you are seeking within the time periods contemplated in the PDS.

Your information will not be disclosed to other parties unless:

- the law requires;
- it is in keeping with our Privacy Policy and may be provided to external service providers including to the Investment Manager, the Fund's custodian, auditors, taxation and legal advisers and information technology consultants; or
- your financial adviser needs the information.

Fundhost or the Investment Manager may also use your personal information to send you promotional material. If you do not want this, please indicate on your application form or contact Fundhost anytime.

Fundhost will disclose information if required by law to do so.

If you believe any of your personal details that Fundhost holds are wrong or out of date please contact Fundhost and we will correct the details. You can also always access the personal information held about you by contacting Fundhost on +61 2 8223 5400.

Forager has a Privacy Policy. Details are available at www.foragerfunds.com/privacy-statement/

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

In order to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML CTF Act**) or other applicable taxation or reporting legislation, we may require further information from you as to identity, the source of your funds and similar matters. Fundhost is required to verify that information by sighting appropriate documentation.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential.

By applying for units in the Fund, you also agree that Fundhost may in its absolute discretion determine not to issue units to you, may cancel units which have been issued to you or may redeem any units issued to you if Fundhost believes such action to be necessary or desirable in light of its obligations under the AML CTF Act or other applicable taxation or reporting legislation and Fundhost will not be liable to you for any resulting loss.

CUSTODIAN

NAB's role as custodian is limited to holding the assets of the Fund as Fundhost's agent. NAB has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the custody agreement. NAB makes no statement in the PDS and has not authorised or caused the issue of it.

Investments of the Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies (**NAB Group**). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of Fundhost or its related entities.

CONSENTS

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

RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

In respect of the operation of the Fund, neither Fundhost nor Forager engages in any related party transactions with any person. All dealings with other parties are at commercial, arms' length terms.

Fundhost has a conflicts of interest policy and register which it maintains in accordance with the law. It seeks to address any conflicts that may arise as part of Fundhost's business and that relate to the Fund.

INFORMATION FOR NEW ZEALAND INVESTORS

Units in the Fund offered under this PDS are offered to New Zealand as well as Australian investors.

NEW ZEALAND INVESTORS' WARNING STATEMENT

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

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

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

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

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

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

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

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

The above statements are required pursuant to New Zealand's financial markets legislation. If you credit New Zealand dollars to Fundhost's application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You can avoid these fees by only crediting Australian dollars.

NEW ZEALAND DISCLOSURES RELATING TO DISTRIBUTION REINVESTMENT

Distributions from the Fund may be reinvested resulting in additional units being issued to you.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in the constitution of the Fund and this PDS.

The allotment of units as part of a distribution described in this PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted as part of a distribution reinvestment is set, we 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 us to issue, units as part of a distribution reinvestment will be offered to all investors in the Fund of the same class, other than those who are resident outside New Zealand and who are excluded by us so as to avoid breaching overseas laws.
- Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued or transferred on the terms disclosed to you in this PDS, and will be subject to the same rights as units issued or transferred to all investors of the same class as you who agree to receive the units.

You have the right to receive from us, on request and free of charge, a copy of:

- the most recent annual report of the Fund (if any);
- the most recent financial statements of the Fund and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
- a copy of the auditor's report on those statements (if any);
- the current PDS;
- the constitution of the Fund and any amendments to it.

Copies may be obtained electronically at www.fundhost.com.au or by emailing admin@fundhost.com.au.

Within 30 days of the day on which the units in the Fund are allotted to you, you will be sent a statement of the amount of the distribution and the number of units that have been allotted to you.