

NWQ Fiduciary Fund

Product Disclosure Statement

Issue Date 19 December 2019



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Portfolio Manager

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Important information

Fund codes	
ARSN	606 556 049
Direct Investors	APIR: SLT0064AU ISIN: AU60SLT00642 Morningstar Ticker: 41011
Indirect Investors	APIR: SLT0063AU ISIN: AU60SLT00634 Morningstar Ticker: 41421
Wholesale A	APIR: NWQ0001AU ISIN: AU60NWQ00018 Morningstar Ticker: 40274
Wholesale B	APIR: SLT0061AU ISIN: AU60SLT00618 Morningstar Ticker: 41422

This document

This is the product disclosure statement (PDS) for the NWQ Fiduciary Fund ARSN 606 556 049 (the Fund). It is an important document, and it is a condition of investing that you have read it carefully.

It has been prepared by Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, the Responsible Entity of the Fund (Responsible Entity, Equity Trustees, us or we).

Seek advice

This PDS is for general information only. It does not take into account the particular objectives, situation or needs of any person, and is not a recommendation to any person to invest.

Investing involves risk. This is a medium-risk investment which should be considered as long term. Neither returns nor the money you invest are guaranteed. You can lose as well as make money.

We strongly encourage you to seek timely professional advice before making investment decisions.

The past and the future

What happened in the past is not a reliable indicator of what may happen in the future. Keep this in mind when considering historical matters in this PDS, such as past performance.

The future is also uncertain. Statements in this PDS about the future, although made on a basis considered reasonable, may prove to be untrue. Keep this in mind when considering statements about what may happen and what is intended.

Indirect Investors

You may gain investment exposure to the Fund by investing 'indirectly' through an administration platform (known commonly as an IDPS, IDPS-like scheme, master trust, wrap account or managed discretionary account). In this PDS, we call them Administration Platforms and persons who invest like this we call Indirect Investors.

About the NWQ Fiduciary Fund

The NWQ Fiduciary Fund is an established multi-manager portfolio that is diversified both across and within three broad investment strategies:

- defensive strategies,
- growth strategies, and
- hedge strategies.

NWQ Capital Management Pty Ltd (NWQ or Portfolio Manager) is the Portfolio Manager of the Fund. NWQ is a specialist provider of multi-manager or fund-of-fund portfolios, founded on a core philosophy of absolute return investing, that aims to deliver positive returns in both rising and falling markets.

The Fund aims to produce returns, after the Investment Management Fee and after Usual Expenses, of RBA Cash Rate + 4.0-5.0% p.a. over rolling five-year periods. It seeks to do this with lower volatility than equity markets through exposure to a range of leading fund managers within three broad investment strategies. NWQ actively manages the allocations made to each fund in which the Fund invests (an underlying fund). Underlying funds are managed by investment managers (underlying fund managers) that meet stringent criteria and are aligned with NWQ's core absolute return investment philosophy.

A robust investment process is employed with the aim of generating for investors attractive positive returns, irrespective of market direction, with a moderate risk of loss. However investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

NWQ expects that investors in the Fund will principally be seeking capital growth from the Fund and income will be a secondary consideration. The Fund should be regarded as a long term investment.

The Fund offers monthly applications and withdrawals, and a choice of competitive management fee structures which are lower where you have more to invest or you invest indirectly through an Administration Platform.

Investors should look to invest for 5 years or longer.

1. Main features

Fund details	
Name of Fund	NWQ Fiduciary Fund
Scheme number	ARSN 606 556 049
Portfolio Manager	NWQ Capital Management Pty Ltd ABN 74 114 108 879, AFSL 318835
Administrator	Apex Fund Services (Sydney) Pty Limited ABN 32 131 370 931
Responsible Entity	Equity Trustees Limited ABN 46 004 031 298, AFSL 240975
How the Fund invests	
Fund style	Actively managed multi-manager portfolio, diversified both across and within chosen investment strategies, aimed at achieving a consistent absolute return outcome.
Management style	Lower volatility, risk-managed investment outcomes.
Investment Objective	The Fund targets a return of RBA Cash Rate + 4.0-5.0% pa after the Investment Management Fee and after Usual Expenses over rolling 5 year periods, but neither returns nor the money you invest are guaranteed.
Investment Exposure	The Fund provides investors with exposure to select Australian investment managers via a number of actively managed underlying funds that can have exposure to local and international equities and/or local and international fixed income instruments, together with some exposure to cash.
Geographical exposure	Investment exposure to local and international markets (principally developed countries in the Asia-Pacific region).
Borrowing	Underlying funds can borrow and invest in ways that result in leverage. Any borrowing by the Fund would be very limited.
Derivatives	The Fund does not use sophisticated financial instruments such as derivatives. However, the underlying funds in which the Fund invests may use these to manage risk and/or gain exposure to investments.
Return, volatility and risk	
Suitability	Investors who seek long term growth.
Returns	The Fund targets a return of RBA Cash Rate + 4.0-5.0% pa after the Investment Management Fee and after Usual Expenses over rolling 5 year periods, but neither returns nor the money you invest are guaranteed.
Volatility	The Fund targets a volatility of less than half that of the Australian equity market over rolling 5 year periods.
Risk	Medium.
Investment timeframe	5 years or longer.
Investing, withdrawing and distributions	
Applications	Monthly: we need to have your completed application form by 4pm at least 5 Sydney business days before the last business day of the month.
Minimum initial investment	\$25,000 for retail investors or a lesser sum at our discretion. \$500,000 for wholesale investors or a lesser sum at our discretion. For Indirect Investors - ask the platform operator.
Minimum additional investment	\$10,000 for retail investors. \$10,000 for wholesale investors. For Indirect Investors - ask the platform operator.
Withdrawals	Monthly: we need to have your completed withdrawal form by 4pm at least 30 days before the last business day of the month, in Sydney, if the withdrawal is to be processed that month.
Minimum withdrawal	\$10,000 or a lesser sum at our discretion.
Minimum account balance	\$25,000 for retail investors. \$500,000 for wholesale investors. For Indirect Investors - ask the platform operator.
Income/distributions	Annually after 30 June each year.

Cooling off	Yes, available for retail investors only.
Available through Administration Platforms?	Check with your operator.
Fees and costs	
Direct investors	<ul style="list-style-type: none"> Investment Management Fee: 1.30% pa Performance Related Fees: nil
Indirect Investors investing through an Administration Platform	<ul style="list-style-type: none"> Investment Management Fee: 1.00% pa Performance Related Fees: nil
Wholesale A investors investing \$500,000+ Performance Related Fee option	<ul style="list-style-type: none"> Investment Management Fee: 0.50% pa Performance Related Fees: 5% of performance after fees and expense, subject to outperforming the RBA cash rate, with the protection of a high water-mark
Wholesale B investors investing \$500,000+ No performance fee option	<ul style="list-style-type: none"> Investment Management Fee: 0.95% pa Performance Related Fees: nil
Usual Expenses	0.50% pa estimated
Buy spread and Sell spread	+0.05% and -0.05%

2. ASIC benchmarks and principles

This section summarises some important information. All ASIC benchmarks and disclosure principles are met.

For more details

Benchmark 1: Valuation of assets

The unit prices of the Fund are determined at least at the end of each month, based on the information most recently available. Unit prices of the underlying funds are generally provided monthly. Cash is at value.

See Investing your money section 3

Valuation information is independent of us and the Portfolio Manager. Valuation policies are different for each underlying fund and is expected to be independent of the underlying fund manager.

Benchmark 2: Periodic reporting

- every transaction you make is confirmed,
- reporting to you is at least monthly - if you want an update at any time, just ask,
- you are sent a tax report as soon as possible after the end of each financial year, and
- the accounts of the Fund are available on the Fund's website as soon as possible after the end of each financial year.

See Keeping you informed section 9

Disclosure principle 1: Investment Strategy

The Fund provides investors with exposure to select Australian investment managers via a number of actively managed underlying funds that can have exposure to local and international equities and/or local and international fixed income instruments, together with some exposure to cash.

See Investing your money section 3

Generally, the investment strategy of underlying funds will be consistent with the investment strategy for this Fund. The investment strategy, and risk management, will be different for each underlying fund.

Disclosure principle 2: Investment Manager

There have been no adverse findings (significant or otherwise) against us or the Portfolio Manager, or any of the senior investment professionals at these organisations. It is the members of the Portfolio Manager's Investment Committee who play a key role in investment decisions.

See The Team section 4

Generally, we would not be aware of any such findings in relation to the underlying fund manager or its senior investment professionals. Generally, the underlying fund manager's board or investment committee is key in making its investment decisions. These matters are different for each underlying fund.

Disclosure principle 3: Fund Structure

A registered open ended Australian unit trust operated as a fund of funds that invests in other funds.

See Legal Structure in section 10

Underlying funds generally will be open ended hedge funds. Fund structure tends to depend on where the underlying fund is located and Australian funds will usually be trusts.

Disclosure principle 4: Valuation, location and custody of assets

For the Fund, valuation is independent of the Responsible Entity and the Portfolio Manager. Assets are held by the Custodian.

See Investing your money section 3

For underlying funds, the valuation rules are generally independent of the underlying fund manager, often with a discretion to value assets at a price where the result is fairer for investors. The assets of underlying funds can be located anywhere in the world, and are generally held by custodians independent of the underlying fund manager. These matters are different for each underlying fund.

Disclosure principle 5: Liquidity

The Fund is managed to target liquidity to support monthly withdrawals. We need to have your completed withdrawal form by 4pm at least 30 days before the last Sydney business day of the month if the withdrawal is to be processed that month.

See How to invest and withdraw section 5

Generally, the Fund aims to invest in underlying funds that in normal conditions can support our anticipated withdrawal processing. These matters are different for each underlying fund.

Disclosure principle 6: Leverage

Underlying funds can borrow and invest in ways that result in leverage. Any borrowing by the Fund would be very limited. Underlying funds can use leverage. Leverage and borrowing is different for each underlying fund.	See Investing your money section 3
Disclosure principle 7: Derivatives	
The Fund does not use sophisticated financial instruments such as derivatives.	See Investing your money section 3
The underlying funds in which the Fund invests may use these to manage risk and/or gain exposure to investments. This will be different for each underlying fund.	
Disclosure principle 8: Short selling	
The Fund does not use short selling.	See Investing your money section 3
The underlying funds in which the Fund invests may use this investment technique. This will be different for each underlying fund.	
Disclosure principle 9: Withdrawals	
The Fund is managed to target liquidity to support monthly withdrawals. We need to have your completed withdrawal form by 4pm at least 30 days before last Sydney business day of the month if the withdrawal is to be processed that month.	See How to invest and withdraw section 5
Generally, the Fund aims to invest in underlying funds that in normal conditions can support our anticipated withdrawal processing. These matters are different for each underlying fund.	

3. Investing your money

NWQ

NWQ is the Portfolio Manager of the Fund.

NWQ is a specialist investment fund manager, founded on a core philosophy of absolute return investing that aims to deliver positive returns in both rising and falling markets.

NWQ adopts a multi-manager approach, managing fund-of-fund portfolios spanning Australian and global equities, commodities, cash and fixed-income.

NWQ is led by experienced institutional professionals and has a strong commitment to research and education with the objective of delivering clients rigorously constructed absolute return portfolios that they can understand. NWQ serves a range of clients including high net worth individuals, family offices and non-profit organisations, as well as retail clients via their financial advisers.

Managing this Fund

This is an established fund.

The Fund is founded on NWQ's belief that conventional portfolio design is prone to undesirable volatility and large negative shocks that can be mitigated. This Fund is designed to address these undesirable outcomes, looking for smoother performance over time, and targets performance of RBA Cash Rate + 4.0-5.0% pa over rolling five-year periods, after the Investment Management Fee and after Usual Expenses.

NWQ manages the exposures to the underlying funds with a balance between capital preservation and return optimisation.

In NWQ's view there are three fundamental elements to optimal portfolio design:

- a pragmatic, market-aware approach to asset allocation,
- active exploitation of the universe of traditional and alternative assets, and
- identification of skilled underlying fund managers.

NWQ seeks to identify underlying fund managers that can collectively deliver a more balanced approach to capital preservation and investment returns compared to more common approaches to investments in similar asset classes.

The Fund provides investors with exposure to select Australian investment managers via a number of actively managed underlying funds that can have exposure to local and international equities and/or local and international fixed income instruments, together with some exposure to cash.

Investment strategies

The Fund represents a multi-asset class portfolio. It invests in underlying funds which use specialist, actively managed local and international equity and fixed-income strategies, and can also give some exposure to cash. There are three core allocations, the mix of which is actively managed by NWQ:

Style	called	Strategy types	Target allocation ranges
Defensive	Cash & fixed income strategies	Cash, enhanced cash, fixed income	0-70%
Growth	Beta strategies	Long only equity, active equity extension, variable beta and REITs	0-70%
Hedge	Alpha strategies	Equity market neutral	0-70%

The underlying fund managers have different styles and skills, some more traditional, others less traditional. Underlying fund managers in the growth and hedge strategies will almost always invest directly in Australian equities and many will also invest in

The aims of the Fund

The Fund aims to produce attractive risk-adjusted returns, irrespective of market direction. The Fund targets returns, after the Investment Management Fee and after Usual Expenses, of RBA Cash Rate + 4.0-5.0% pa over rolling five-year periods, with the portfolio designed to reflect less risk than the ASX 200 five year average (as measured by volatility).

The Fund is designed to realise lower volatility than the wider Australian equities market over time (volatility describes the extent to which the value of an investment varies - the higher the volatility, the greater the value swings - in other words, the Fund aims to have smoother returns over time).

The Fund aims to deliver an absolute return investment outcome. Absolute return investing is simply one where the focus is on returns that do not completely depend on the direction of the market, allowing the Fund the possibility of producing positive returns in both rising and falling markets.

Remember that investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

Designing the optimal portfolio

The Fund invests in an individually selected portfolio of Australian investment funds managed by some of Australia's leading fund managers which share NWQ's core investment philosophy of absolute return investing. Usually, there are between 8 and 12 underlying funds. The underlying funds use specialist, actively managed local and international - principally developed countries in the Asia-Pacific region - equity and fixed income strategies, and can also give some exposure to cash.

NWQ chooses and actively manages the underlying fund mix with the goal of achieving the Fund's investment objectives. NWQ's investment process consists of a bottom-up, fundamental, underlying fund manager selection process aiming to choose the leading managers and the leading funds, combined with top-down, market aware portfolio analysis which drives the balance amongst the different underlying investment strategies.

international equities. Many underlying fund managers will also use a range of sophisticated investment techniques such as derivatives and short selling with the goal of achieving the best investment results from their chosen strategy.

NWQ manages the mix of underlying funds so as to obtain a combination of investment strategies that NWQ believes will achieve the Fund's risk and return objectives.

The maximum target exposure to any one underlying fund is generally 15% of the net asset value of the Fund.

The target minimum number of individual managers is generally 8 separate funds.

Note that these targets can and will vary over time depending on factors including availability of managers that NWQ considers to be appropriate for investment together with NWQ's assessment of the underlying fund size, risks and returns.

No labour standards or environmental, social or ethical considerations are taken into account in selection, retention or realisation of any underlying fund.

Diversification

This Fund is designed to offer an investor diversification. Diversification is believed by NWQ to be important in lowering overall portfolio volatility and mitigating losses that can occur from time to time when mainstream investments experience corrections.

Fully allocated, the NWQ Fiduciary Fund benefits from diversification both across and within its chosen investment strategies.

The Fund is exposed to an actively managed portfolio of underlying funds, usually consisting of between 8 and 12 underlying funds.

Each underlying fund invests in or is exposed to multiple individual investments. Some underlying funds may invest in the same securities, similar market sectors or similar instruments. As such, there may be times that the intended effects of diversification are less effective.

Underlying funds may from time to time exceed 15% of the Fund's assets, but this will only be where NWQ considers the exposure increases the likelihood that the Fund will achieve its objectives.

Where are the investments?

The funds that NWQ selects are all Australian domiciled funds, usually with Australian based underlying fund managers, managing assets located in both Australia and other countries, principally developed countries in the Asia-Pacific region.

Selecting underlying fund managers

In choosing underlying funds and the mix of investment strategies to which the Fund is exposed, NWQ looks for underlying fund managers that have specialist skills with a demonstrated track record.

The deep experience of NWQ's investment professionals in managing multi-manager portfolios is key in the rigorous screening and selection process that is the genesis of the Fund's performance.

The underlying fund manager selection process is objective and based on comprehensive qualitative and quantitative due diligence. Only managers demonstrating transparency in their investment and operational processes that meet NWQ's stringent criteria will be approved by the Investment Committee for inclusion on a short list of managers available for the allocation of investment funds.

Initial assessment	<p>New investment opportunities are subjected to an initial screening process to ensure that only those that meet qualifying criteria are considered for inclusion in the Fund's portfolio. At this phase NWQ considers the following factors:</p> <ul style="list-style-type: none"> • credible risk/return objectives, • investment approach consistent with NWQ's philosophy, • risk profile, • consistency and longevity, • management quality and track record, • financial standing and funding requirements, and • liquidity and transparency.
Due Diligence	<p>A thorough due diligence exercise is undertaken by representatives nominated by the Chairman of the Investment Committee. This includes:</p> <ul style="list-style-type: none"> • comprehensive desktop corporate and investment review, • on-site visit (to Australian domiciled managers), • reference checks, • risk assessment, • investment process interrogation, • systems demonstration(s), • viability of business size and plan, and • robust compliance and operational processes due diligence checks.
Investment Committee Submission	<p>The following formal analysis is prepared by NWQ for consideration by the Investment Committee:</p> <ul style="list-style-type: none"> • due diligence findings, • manager qualifications and experience, • performance track record and quantitative analysis, • risk analysis of portfolio and sizing limits, and • management fees and liquidity (pricing). <p>The analysis includes reviews of governing documentation, portfolio correlation analysis, risk analysis and an exit strategy. An NWQ proprietary research report is produced for review by the Investment Committee. The investment is then considered by the Investment Committee for adoption. If adopted by the Investment Committee, the manager is added to the short list of underlying fund managers available for the allocation of investment funds.</p>

Acceptance	Upon formal acceptance of the investment proposal the investment memorandum terms are entered into the risk management system for portfolio monitoring.
Review	Following approval, investee fund performance is monitored monthly to ensure expectations are being met. Conference calls or face to face meetings are conducted with managers quarterly and site visits are conducted semi-annually for Australian domiciled managers. Annual reviews are conducted on the anniversary of manager appointment, at which point the NWQ proprietary research report is reviewed and updated.

Underlying fund manager allocations are changed as NWQ considers appropriate. Underlying fund managers may come and go.

Leverage

The Fund does not itself generally borrow.

However, the underlying funds can invest in ways that result in leverage, principally through the use of derivatives and also short selling. Whilst some specialist strategies may use very little or no leverage, others can utilize substantial leverage, and at times the Fund will have exposure to specialist strategies which are or can be significantly leveraged.

Leverage means that the risk of both higher losses and higher gains is amplified and could result in the Fund realising larger losses (or gains) than the Australian equities market, although that is not the investment objective of the Fund.

The impact of leverage can be offset by the ways that the underlying fund managers manage their funds and also by the mix of underlying funds that NWQ chooses over time. This is an essential part of the overall goal of the Fund: to reduce undesirable volatility and reduce the chances of large negative shocks.

See the Risks section for more details on this subject.

The Fund itself does not use sophisticated financial instruments such as derivatives.

The underlying funds in which the Fund invests may, however, use derivatives to manage risk and/or gain exposure to investments.

The types of derivatives used by the underlying funds may include options, futures, forwards, index derivatives and exotic derivatives, and may be exchange traded or over the counter.

See the Risks section for more details on this subject.

Short selling

Short sales involve selling an investment which is not at the time owned in anticipation that the investment's price will decline.

The Fund itself does not use short selling, however the underlying funds in which the Fund invests may use this investment technique.

Short sales are important as they can generate positive performance in declining markets or provide a hedge to long market exposure.

Short sales present a risk on an individual investment basis, since the underlying fund manager may be required to buy back the investment sold short at a time when the investment has increased in value, which would generate a loss.

See the Risks section for more details on this subject.

Withdrawals

The Fund is designed to offer monthly liquidity during normal conditions.

NWQ only selects underlying funds which have the goal of providing at least monthly liquidity.

Liquidity is, however, often a function of what comes to pass in the markets generally or in the portfolio of any particular underlying fund. As with many investments, there is a risk that your withdrawal requests cannot be met because selling investments is not always possible, practicable or consistent with the best interests of investors.

The constitution for the Fund as well as the law sometimes restricts withdrawals.

Investors will be notified of any material changes to withdrawals (e.g. if withdrawals need to be restricted).

See the Risks section and the section 'What else should you know?' for more details on this subject.

Valuation of assets

The Fund's assets (which are units in the underlying funds in which it invests), are valued regularly and provided to the Fund's independent administrator Apex Fund Services (Sydney) Pty Limited (the Administrator or Apex), which then calculates the unit prices for the Fund.

Changes

We would give at least 4 weeks' notice of any material change in investment strategy.

4. The Team

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 NWQ Capital Management Pty Ltd 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 Portfolio Manager

NWQ

NWQ is the Portfolio Manager of the Fund. NWQ is a specialist investment fund manager, founded on a core philosophy of absolute return investing that aims to deliver positive returns in both rising and falling markets.

Jonathan Horton - Director and Managing Partner of NWQ

Jonathan has over 25 years' experience in international capital markets. Prior to founding the Portfolio Manager, Jonathan spent time with Lehman Brothers and UBS (Paine Webber) in the US, and later established his own asset management firm in San Francisco, which he sold in 2006. During this time he developed experience in asset management, portfolio construction, derivative and cash markets trading, and credit and risk analysis. Jonathan currently serves as Chief Investment Officer of NWQ. Jonathan has served on a number of charitable boards in Australia and the United States. Jonathan holds a Bachelor of Economics and a Bachelor of Commerce from The University of Western Australia.

Stephen Kennedy - Investment Committee Member of NWQ

Stephen has more than three decades' experience working in the financial markets industry including more than 25 years at Deutsche Bank. Among other things, he was responsible for overseeing proprietary traders and identifying hedge funds in which Deutsche Bank would make investments. Stephen held the position of Managing Director in Deutsche Bank Global Markets Division. In this capacity he held a number of senior roles including Deutsche Bank's Joint Head of Global Markets in Australia, Head of Global Foreign Proprietary Risk in London, and Head of Fixed Income in Australia.

Glenn Stevens AC - Investment Committee Member of NWQ

Glenn is a graduate of the University of Sydney and the University of Western Ontario, Canada. His professional career in the Reserve Bank of Australia spanned three and a half decades. He joined the RBA as a junior economist in 1980 and in the 1990s he held senior policy advising positions in the economics and markets areas, and was closely involved in designing and establishing Australia's highly successful monetary policy framework in the early 1990s. From 1996 Glenn was Assistant Governor (Economic). He was appointed Deputy Governor and member of the Reserve Bank Board in 2001. In September 2006, he was appointed Governor and Chair of the Reserve Bank Board and of the Payments System Board. Glenn

was reappointed in 2013, serving a total of ten years as Governor of Australia's central bank. In June 2016 Glenn was made a Companion in the Order of Australia, for services to central banking and finance, and to the community. He has been awarded honorary doctorates by Western University, Canada and the University of Sydney, Australia. Retiring from the Reserve Bank in September 2016 after nearly 37 years of service, he now pursues private interests, including in aviation and financial services.

Sharon Hicks - Investment Committee Member of NWQ

Sharon has more than 25 years' experience in financial markets, having worked in stockbroking houses as an equity analyst covering an array of sectors and for a family office. As Investment Strategist and Chief Investment Officer for Western Australia's largest superannuation fund, she has accumulated significant experience in the strategy, structure and implementation of multi-asset, multi-manager portfolios.

Stephen Baldwin - Investment Committee Member of NWQ

Stephen served as the Chief Operating Officer of Regal Funds Management Pty Limited. He joined Regal Funds Management Pty Limited in 2005. Previously, Stephen served as a Software Engineer of Global Equities and Derivatives Division at Deutsche Bank and as a Software Engineer for six years across the finance, telecommunications and electronics industries. He is a Fellow of the Financial Services Institute of Australasia. Stephen holds a Bachelor of Computer Engineering and Bachelor of Arts (First Class Honours) from the University of New South Wales.

Service providers

In addition to the Portfolio Manager, Equity Trustees has appointed the following service providers.

Administrator: Apex. As administrator, Apex is responsible for the general administration of the Fund, which includes keeping the register of unitholders, arranging for the issue and redemption of units and the calculation of asset valuations and fees. Apex is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS. Equity Trustees maintains an agreement with Apex which has certain limits on its liability.

Custodian: Custodian: Equity Trustees. Equity Trustees has appointed itself as a custodian to hold the assets of the Fund.

Equity Trustees' role is to hold the assets in its name and act on the direction of the Responsible Entity or Portfolio Manager as relevant to effect cash and investment transactions.

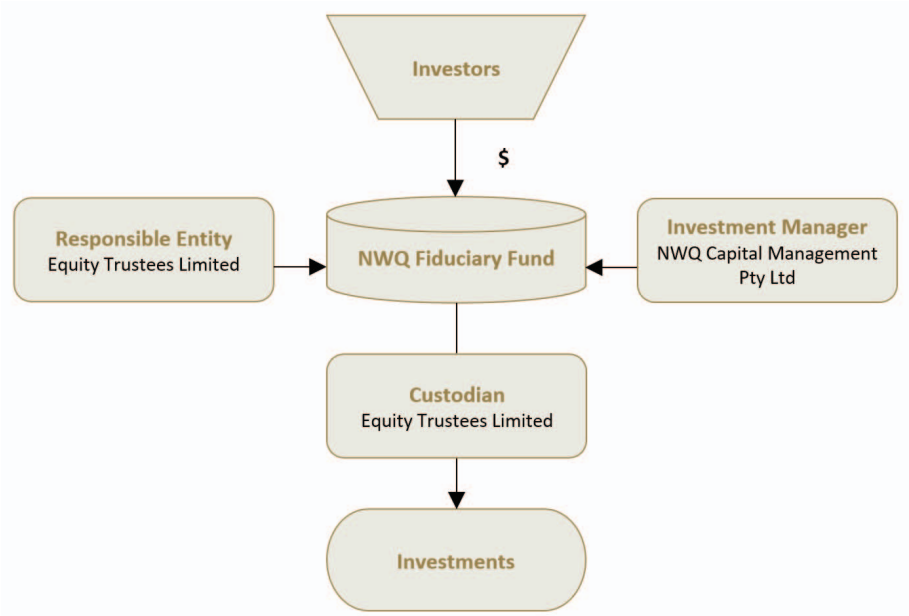
Equity Trustees has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to any investor for any act done or omission made in accordance with its agreement with the Responsible Entity.

Fund auditor: Ernst & Young. Ernst & Young has been appointed as the independent auditor of the Fund's financial statements and Compliance Plan. Ernst & Young is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS.

We have processes for selecting, monitoring and reviewing the performance of all of our service providers. Service providers can change without prior notice. We will inform investors as required by law.

We are not aware of any related party relationships between any of the service providers above other than as disclosed in this PDS, nor between any of the key service providers and any underlying funds or counterparties. We are not aware of any material arrangements in connection with the Fund that are not on at least arm's length terms.

Fund structure



5. How to invest and withdraw

Investing for the first time

The easiest way to invest is online at:

<https://www.olivia123.com/applications/nwq-fiduciary-fund.php?StartNew=1>

If you prefer, complete the Application Form attached to this PDS. Post the original Application Form, together with the required identification documents, to the Administrator.

The minimum initial investment amount for the Fund is \$25,000 for retail investors and \$500,000 for wholesale investors. The minimum initial investment amount may be different for Indirect Investors - those who invest through an Administration Platform - ask the operator of your service. Remember that you will have the benefit of reduced Investment Management Fees if you directly invest at least \$500,000.

Investing more

To make an additional investment, simply complete our Additional Investment Form available free from us. Post, fax or email your form to the Administrator.

The minimum additional investment amount for the Fund is \$10,000.

How you pay

You can pay using electronic funds transfer (EFT) or Australian cheque. You will find instructions if you apply online and also in our forms. Cash is not accepted. Please use your investor name or number as the reference when using EFT.

Processing of your application

Applications are generally processed on the last Sydney business day of each month.

Completed applications with cleared application moneys which are received by 4pm at least 5 Sydney business days before the last business day of the month receive that month's price. If received after this, you will receive the next price calculated, usually the next month.

Once lodged, applications cannot generally be withdrawn. Equity Trustees has discretion to refuse any application and does not need to give a reason.

Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund fluctuates.

There can be processing delays, for example because your forms are incomplete. If we refuse or are unable to process your request, we will return your money. Law also requires that we return application moneys to you if units are not issued within 30 days of us receiving them. Any interest earned on lodged application moneys is credited to the Fund and not to the individual applicant. Refunds are made generally less any taxes and transactions (such as bank) fees, and if we are sending money back overseas, the exchange rate applicable at the time will be used.

You will receive confirmation when your application is processed.

Cooling off

If you are a Retail Client who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

- confirmation of the investment being received; and
- the end of the fifth business day after the units are issued.

A Retail Client may exercise this right by notifying Equity Trustees in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant Application Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

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.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard.

Your promises when you invest

When you apply to invest, you (the applicant) are telling us:

- you have received, read and understood the current PDS,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing (nor will monies received from your account have any such association),
- you are not bankrupt or a minor, and
- you agree to be bound by the Constitution and the PDS (as supplemented, replaced or reissued from time to time).

Withdrawing

At any time you can request to withdraw your money from the Fund.

You generally have access to your investment at the end of each month, but in unusual circumstances (and even after your request is processed) there can be delays in payment - see below.

To request a withdrawal, complete our Redemption Form, available free from us. Post, fax or email your original form to the Administrator. There can be delays if your Redemption Form is incomplete. We may also contact you to check your details before processing your withdrawal request. No interest is payable for any delay.

Once lodged, withdrawal requests cannot generally be withdrawn.

The minimum withdrawal amount for the Fund is generally \$10,000. You generally need to keep a minimum of \$25,000 invested and if your account falls below this we may close your account.

Withdrawals are generally processed on the last Sydney business day of each month, so we need to have your completed withdrawal form by 4pm at least 30 days before last Sydney business day of each month if the withdrawal is to be

processed. If Equity Trustees receives a withdrawal request after this, or on a non-Sydney business day, it will wait for the next processing day - usually the next month.

Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund fluctuates.

Deductions are made for any money you owe relating to your investment. Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund fluctuate.

You will receive confirmation when your withdrawal is processed. Your withdrawal will be paid by transfer to your nominated account, normally within 6 weeks of the request being processed. Withdrawals may be delayed at the end of the financial year due to distribution calculations. We do not pay by cheque or cash.

Unit prices

Ask your professional financial adviser or the operator of your Administration Platform, or visit our website, for the latest prices. Remember that quoted unit prices will be historical and are unlikely to be the price you will receive when applying or withdrawing - that price could be higher or lower.

Unit prices are determined at least at the end of each month, based on the information most recently available. They vary as the market value of the net assets of the Fund goes up and down.

Unit prices are calculated in three steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted - this gives the net asset value,
- this is divided by the number of units on issue, and
- an adjustment is generally made for transaction costs (or spread) see the Fees and costs section of this PDS for further details.

We have a policy that sets out the guidelines and relevant factors and discretions for calculating unit prices.

A copy, and records of any departures from the policy, is available free from us.

There can be delays in accessing your investment

An investor may ask to exit the Fund any time, but there is no obligation for Equity Trustees to satisfy the request. Equity Trustees can delay access to money invested in the Fund including:

- if the Fund becomes illiquid (the law and the constitution dictate this). The Fund will stay liquid so long as at least 80% of the assets comprise assets which the law prescribes (such as cash, shares and interests in managed investment schemes) unless it is proved that Equity Trustees cannot reasonably expect to realise them within the period

specified in the constitution for satisfying withdrawal requests while the scheme is liquid (that period being 90 business days). If the Fund becomes illiquid Equity Trustees can, if it wishes, make some money available and the law requires Equity Trustees to allocate this on a pro rata basis among those wanting to exit,

- if something outside Equity Trustees' control impacts on its ability to properly or fairly calculate the unit price (for example, this might occur if the assets or relevant currencies are subject to restrictions or pricing delays or if there is material market uncertainty). Equity Trustees can then delay payment for so long as this goes on, or in order to balance the daily access to your investment with the potential illiquidity of some of the underlying funds, and
- if the Fund receives requests in respect of any withdrawal processing day, which if paid, would result in 20% or more of the net asset value of the Fund being withdrawn. Equity Trustees can then stagger those withdrawal payments over a longer period as the Responsible Entity determines and payments to investors must be in the proportion that their withdrawal monies bear to all other withdrawal monies which were payable at that processing day.

Unit prices are generally calculated at the time the delay ends. If there is a delay, we will make this known on the Fund's website and/or contact investors.

Returning your invested money

Sometimes Equity Trustees can redeem your investment or part without asking you first: if you breach your legal obligations to Equity Trustees, to satisfy money you owe Equity Trustees or anyone else, you fail to meet any minimum holding Equity Trustees may set from time to time, where law allows, or law stops you from legally being an investor.

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.

6. Managing risk

Risk is a part of investing

All investments are subject to varying risks, and the value of your investment will rise and fall over time. Changes in value can be significant and they can happen quickly - the greater and faster the changes the greater the volatility.

As a general rule, the higher the potential returns, the higher the level of risk.

Different types of investments have different risk characteristics which will affect investment performance.

As risk cannot be entirely avoided when investing, the philosophy employed for the Fund is to identify and manage risk as far as is practicable.

Neither we nor the Portfolio Manager can promise that the ways in which risks are aimed to be managed will always be successful.

Neither returns nor the money you invest in the Fund are guaranteed.

The significant risks of the Fund include the following:

Investment risk

This is the risk that the value of an investment may change or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in government policies, the Portfolio Manager's operations or management, the business environment or in perceptions of the risk of an investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure. Since the Fund's individual managers may employ leverage, derivatives and short-selling techniques, these risks may be further amplified and losses worse than those experienced in investments that do not use leverage, derivatives or short-selling.

Market risk

This is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that the country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of the currency changes (either through inflation or deflation), and/or other market-wide factors, like economic growth or the unemployment rate, deteriorate, which can cause a reduction in the value of the Fund and increase its volatility. This may be because, amongst many other things, there are adverse changes in economic, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment.

International risk

Investors have exposure to global markets.

Investing internationally in one of the major asset categories will include all the risks associated with that asset class, but will also include risks not associated with holding Australian investments such as currency risk. For example, international investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets.

The Fund may have some indirect exposure to emerging and developing economies. These markets are generally less sophisticated with poorer reporting, governance and regulatory frameworks, and greater political, legal and other risks.

Currency risk

Investment exposure to global markets gives rise to foreign currency exposure. The value of investments will vary depending on changes to the exchange rate.

The Fund does not itself manage currency risk.

However, the investment managers of underlying funds may use various strategies to either reduce the impact of movements in currency or interest rates or use movements to their advantage. The Fund's exposure to movements in currency rates can be 'hedged', 'unhedged' or an investment manager may choose to actively manage currency exposure.

Hedging is an investment made with the goal of reducing the risk of loss, but which might also reduce the potential gain from changes in the exchange rates. Unfortunately hedging is not perfect. It is not always successful, is not always used to offset all currency risk, and is sometimes not cost effective or practical to use.

Unhedged or partially hedged international investments are fully or partially (as the case may be) exposed to the impact of currency movements in the Australian dollar.

Some underlying investment managers may vary the level of hedging of the Australian dollar to increase portfolio returns - known as active currency management. Active currency management has the potential to add further value to an investment but consequently can also expose the investment to greater risk.

Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and Reserve Bank of Australia (RBA) policies. Higher interest rates can result in declines in the value of leveraged investments, including equity products like those held by the Fund.

Derivatives risk

The Fund does not itself use sophisticated financial instruments such as derivatives, however the underlying funds in which the Fund invests may use these to manage risk and/or gain exposure to asset classes.

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in a portfolio or expose a portfolio to additional risks.

Risks include the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative, or that the parties do not perform their obligations under the contract.

In general, underlying fund managers may use derivatives to:

- protect against changes in the market value of existing investments,
- achieve a desired investment position without buying or selling the underlying asset,
- leverage their portfolio,
- manage actual or anticipated interest rate and credit risk,
- alter the risk profile of the portfolio or the various investment positions, and/or
- manage currency risk.

Derivatives used in an underlying fund may result in the effective exposure to a particular asset, asset class or combination of asset classes exceeding the value of the portfolio. The effect of using derivatives to provide leverage may not only result in capital losses but also an increase in the volatility and magnitude of the returns (both positive and negative) for the fund. As financial instruments, derivatives are valued regularly and movements in the value of the underlying asset or index should be reflected in the value of the derivative.

Underlying fund managers use derivatives which include futures, options, forward currency contracts and swaps, and they may be exchange-traded or over-the-counter.

Borrowing or leverage risk

This is the risk associated with borrowing (or leveraging an investment). Both direct borrowing and indirect borrowing using derivatives magnifies returns and losses.

By itself, leverage can amplify gains and also amplify losses.

The Fund does not generally itself borrow - any borrowing in the Fund would be very limited (particularly, from time to time amounts may be borrowed on a short term basis to meet redemptions, distributions, or short term Fund obligations, but only if the borrowing is considered to be prudent and in the best interests of all investors, and no more than 10% of net asset value. Such borrowing would only be from leading financial institutions. Security may be granted over Fund assets).

Underlying fund managers may however use leverage. Each underlying fund has different approaches to the way it uses leverage. Some underlying funds will be more leveraged than others. Underlying fund managers most often do have their own leverage limit for their individual underlying funds.

But importantly, many underlying fund managers use techniques designed to offset, or hedge, risks associated with leverage.

NWQ carefully assesses underlying leverage management as an essential part of underlying fund selection.

NWQ also carefully assesses overall leverage in deciding the optimal mix of underlying funds from time to time.

It is not practicable to give investors the maximum anticipated level of leverage of the Fund because underlying levels vary, some funds use leverage whilst others do not, techniques are used to offset the impact of leverage and the underlying fund mix changes from month to month.

It is important to remember however that even though by itself leverage can amplify gains and losses, the overall goal of the fund is in fact to reduce undesirable volatility and the chances of large negative shocks, and the management of leverage is consistent with this. See the Risks section for an assessment of the overall risk level of the Fund (as an example of the impact of leverage in the absence of any techniques designed to minimise its impact, if an underlying fund has assets of \$100 and it borrows \$10 to satisfy a payment request pending return of \$10 from an underlying redemption then the underlying fund has borrowed 10% of its assets. If the underlying redemption is not paid then the underlying fund still has to repay the \$10 (plus interest) that it borrowed. This would mean the underlying fund has made a loss of \$10 (plus interest).

Volatility risk

Markets can be volatile. Investing in volatile conditions usually implies a greater level of risk for investors than an investment in a more stable market. Since the global financial crisis hit in 2008 there have been periods of extremely high volatility in which both hedged and unhedged equity funds have suffered large losses.

Valuation risk

The value of the Fund's underlying funds, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments. The Fund seeks to reduce this risk by having all the assets of the Fund valued independently on a monthly basis and wherever possible using market prices.

Liquidity risk

This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw, investments of the Fund may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.

This is one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal request. The law sometimes restricts withdrawals.

Although you may sell your units privately, you may not find a buyer or a buyer at the price you want.

Structure risk

This is the risk associated with having someone invest for you. Risks associated with investing in the Fund include: it could be closed and your money returned to you at the prevailing valuations at that time, there can be a change in the responsible entity, the portfolio manager, the underlying fund managers and/or key individuals cease to be involved in managing the Fund or underlying funds, someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail or insurance may be inadequate.

Investment decisions by the Portfolio Manager and underlying fund managers, although taken carefully, are not always successful.

Investing through an administration platform also brings some risks that the operator of the administration platform may not perform its obligations properly.

Investing in the Fund may give inferior results compared to investing directly (where, for example, you avoid the impact of others coming and going and may be able to manage your tax situation better).

Short sale risk

The Fund invests in individual funds that use short-selling techniques.

Short selling means the fund sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale.

The short sale of a security can greatly increase the risk of loss, as losses on a short position are not limited to the purchased value of the security.

Short selling strategies involve additional risks such as:

- Liquidity risk (in certain market conditions, an underlying fund that adopts a short selling strategy may be required to reverse a short position if it is no longer able to borrow the securities or may not be able to reverse a short position because the security it needs to buy may not be available for purchase in a reasonable timeframe or at all. In this event, losses may be magnified).
- Leverage risk (whilst short selling can often reduce risk, it is also possible for an underlying fund's long positions and short positions to both lose money at the same time).

- Prime broker risk (when short selling is employed, the assets of the investment fund are generally held by a prime broker (which provides the broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker and there is a risk that the prime broker does not return equivalent assets, security or value to the fund (for example, because of insolvency). These arrangements sometimes rely upon the creditworthiness of the prime broker. This would have a substantial negative impact on the value of an investment).

As part of the process in selecting an underlying fund manager, NWQ looks for managers who carefully evaluate and monitor their short positions.

Information risk

We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. We use the Internet in operating the Fund and may store records in a cloud system. If stored overseas, different privacy and other standards may apply there.

The internet does not, however, always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

Managing risk

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable.

Whenever investments are made, the potential for returns in light of the likely risks involved are assessed.

Risk is considered throughout the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond our, the Portfolio Manager's, and any underlying fund manager's control altogether.

Remember, investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

Risk generally

The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary,
- the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed and investors may lose some or all of their money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a financial adviser.

Further information about the risks of investing in managed investment schemes can be found on the ASIC's MoneySmart website at www.moneysmart.gov.au.

Risk measure

The Portfolio Manager considers that the "standard risk measure" for this Fund is a Medium risk rating, which means that the estimated number of negative annual returns over any 20 year period is 3. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 4.

The standard risk measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. It is not a complete assessment of all forms of investment risk. For instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of fees and taxes on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

7. Fees and 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 investment 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.

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.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee	Nil	Not applicable
Contribution fee	Nil	Not applicable
Withdrawal fee	Nil	Not applicable
Exit fee	Nil	Not applicable
MANAGEMENT COSTS		
The fees and costs for managing your investment		
Direct Investors	<ul style="list-style-type: none"> Investment Management Fee: 1.30% pa Performance Related Fees: nil 	Investment Management Fees are paid to the Portfolio Manager. They are calculated and accrued daily and are paid monthly in arrears out of the Fund's assets. They are not negotiable. Performance Related Fees are calculated and accrued daily and paid quarterly in arrears out of the Fund's assets. They are not negotiable.
Indirect Investors	<ul style="list-style-type: none"> Investment Management Fee: 1.00% pa Performance Related Fees: nil 	
Wholesale A Investors investing \$500,000+ Performance Related Fee option	<ul style="list-style-type: none"> Investment Management Fee: 0.50% pa Performance Related Fees: 5% performance after other fees and expenses, subject to outperforming the RBA cash rate, with the protection of a high water-mark 	
Wholesale B Investors investing \$500,000+ No performance fee option	<ul style="list-style-type: none"> Investment Management Fee: 0.95% pa Performance Related Fees: nil 	
Indirect costs	Estimated at 2.20% pa of the net asset value of the Fund including net GST	The indirect costs are calculated with reference to the relevant costs incurred during financial year ended 30 June 2019. See “Indirect costs” below for more information.
Usual expenses payable from the Fund	Estimated at 0.50% pa of the net asset value of the Fund including net GST	Any Usual Expenses above this level are currently being paid by the Portfolio Manager. See Expenses below for more detail.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
SERVICE FEES		
Switching fee the fee for changing investment options	Not applicable	Not applicable
Other fees	As agreed with you advisor	You can authorise the payment of adviser service fees to your adviser. This is not compulsory - speak to your adviser. See Additional explanation of fees and costs for details.

¹ All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how management costs are calculated.

² Management fees can be negotiated. See "Negotiating fees and costs" below.

³ The indirect costs are calculated and incorporate estimated amounts with reference to the predicted relevant costs incurred during financial year ended 30 June 2019. See "Indirect costs" below for more information.

⁴ This represents the performance fees which are payable as an expense of the Portfolio to the Portfolio Manager. See "Performance fees" below for more information.

Additional Explanation of fees and costs

Investment Management Fee

The level of Investment Management Fee depends on what type of investor you are.

The Investment Management Fee is paid to the Portfolio Manager for managing the assets of the Fund. This is calculated and accrued daily, and paid monthly in arrears out of the assets of the Fund. This fee is not negotiable.

Performance Related Fee

Wholesale investors - being those who directly invest at least \$500,000 - can choose a fee option which has a lower Management Fee but the potential to pay a Performance Fee. Use the Application Form to choose which structure you prefer.

The Performance Fee, if payable, is paid to NWQ primarily for successfully managing the assets of the Fund. It is only payable if the Fund's investment performance (after accrued Investment Management fees and Usual Expenses) is positive for the quarter and has exceeded the RBA Cash Rate return for the period (the Hurdle Rate).

These investors also have the protection of a high-water mark: the value of the Fund at the end of the quarter must also be higher than the highest historical Fund value at the end of any prior quarter where a performance fee has been paid. Put another way, the Fund must make up any underperformance from previous periods before a Performance Fee is payable.

Entitlement is calculated monthly and if payable, is paid shortly after the end of each quarter. The fee accrues in the unit price through the quarter. When calculating the Fund value for performance fee purposes, adjustments are made for applications and redemptions, the value is before any distributions determined to be made or made in respect of that quarter and is also before any performance fees but after the payment of other fees and expenses.

The Hurdle Rate is not intended to be a forecast. It is only an indication of the minimum return the Portfolio Manager aims to achieve to earn a performance fee. The Fund may not perform. Returns are not guaranteed.

Note that performance may exceed the Hurdle Rate (and incur performance fees) even when the Performance Objective for the Fund is not met.

Performance Related Fees are part of the overall management costs for the Fund.

See the Example of annual fees and costs below for further details on Performance Related Fees.

We would remind all investors that past performance is not an indicator of future performance and any performance related fee for a given year may not be repeated in a future year.

Expenses

In addition to fees, investors also bear the impact of certain expenses associated with the Fund, as explained below. We only pay an expense from the Fund if it is incurred in the proper performance of our duties.

Usual expenses are costs associated with the Fund which we consider in the ordinary course of fund operations. They include fees charged by the Responsible Entity and service providers.

All Usual Expenses are paid from the Fund. There is no cap on Usual Expenses, but the Portfolio Manager estimates they will be in the order of 0.50% pa of the net asset value of the Fund including net GST, but they could be higher or lower than this estimate.

All other expenses are Unusual Expenses. If incurred, Unusual Expenses can also be paid from the Fund. Examples include including trust establishment, reporting including to investors and regulators, promotion including production and distribution of product disclosure statements, advertising and promotional material, and travel, accommodation, entertainment and distribution costs, as well as stationery, postage, design, printing and search optimisation, research, licensing, settlement and hedging costs, financial institution and regulatory costs, investor liaison and complaints, advice including legal, taxation and accounting, consultants, delegates, agents and contractors including investment management, audit, custody (excluding transaction-based fees such as trading or settlement costs incurred by the custodian), registry and fund administration, any tax liability the Fund may have, accounts and audit, compliance and compliance committee costs, regulator liaison and investigation, and regulatory expenses and legal proceedings, as well as any GST impact on these services) change of responsible entity, investment manager or any service provider, and costs incurred especially for this fund.

Occasionally, costs which might otherwise be considered usual are of such a nature that we may deem them to be unusual.

Other transactional and operational costs which the Fund incurs could increase overall management costs. They include any brokerage (however the Fund does not incur brokerage), any Fund borrowing (any Fund borrowing would be very limited), any break costs charged when exiting some types of investments early (the Fund does not invest in these types of

assets), any hedging by the Fund (there is none) and certain derivatives costs when used in a structuring way (which the Fund does not do). If incurred, these would be treated as Unusual Expenses.

Expenses are generally paid as incurred.

We and the Portfolio Manager pay our respective personal costs.

When expenses relate to related parties, these are always on at least arm's length terms.

Many expenses have taxes and duties associated with them, such as GST and stamp duty, which are paid as part of the expense.

Indirect costs

The tables in this section include a measure of 'indirect costs'. The indirect cost figure is intended to give you some measure of the cost of entities used or interposed to give you investment exposure through the Fund. It seeks to show you what additional cost you are paying for not investing directly yourself.

Example include the fees and expenses, and transactional and operational costs, charged by the underlying investments.

Indirect costs will reduce overall returns. However, these costs are deemed necessary in the opinion of the Investment Manager to implement the Fund's strategy.

This figure is based on figures known to us and/or we may reasonably estimate. Not all indirect costs are known to us or the Investment Manager and if not, they cannot always reasonably be estimated, for example underlying performance related fees. Information may not be available, reporting may not be meaningful, significant or reliable if for example it comes from a jurisdiction where reporting standards differ from those in Australia, or there may be incomplete historical figures so that a reasonable estimate is not possible.

Others fees and costs

Government and other charges

Government fees, taxes and duties, as well as charges made by your financial institution (including dishonour fees), may also apply to investments and withdrawals, and these are payable from your investment.

Stamp duty is usually payable if you transfer your units in the Fund to someone else.

Deductions

We may deduct from any money payable to you, or adjust the value of Assets to be transferred, for any money due to us (as trustee or in any other capacity) by you or any money we (as trustee or in any other capacity) owe someone else relating to your investment (for example, to the tax office or someone who has lent you money to invest like a margin lender).

If the Fund is terminated and wound up, then any amount or value to be distributed to you may be reduced for moneys owed or unpaid.

Transactional and operational costs

These are costs associated with making the Fund's investments. They include:

- the Buy Spread and the Sell Spread, and
- other transactional and operational costs.

The Buy Spread and Sell Spread are designed to ensure investors are treated fairly when others invest in and leave the Fund. The impact of transaction costs associated with buying and selling of the Fund's investments when you enter or exit the Fund is reflected through an adjustment to the unit price called the Buy Spread and the Sell Spread respectively. The Buy/Sell Spread is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These

costs are an additional cost to the investor but are incorporated into the unit price and arise when investing applications monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Portfolio Manager. The entry and the exit price are made 0.05% higher and lower respectively. For example, if you withdraw \$1,000 in the Fund then a sell spread \$0.50 would apply, in effect as an additional cost to you. The Buy Spread and the Sell Spread compensates the Fund for, or offsets the impact on investors on a continuing basis for certain transactional and operational costs.

Transactional and operational costs are payable from the Fund and vary from year to year. Transactional and operational costs include brokerage, any spread charged by the Fund's investments and costs associated with any borrowing or hedging. Many are in effect offset by the Buy Spread and the Sell Spread.

For the financial year ended 30 June 2019 for Direct Investors, the total transaction costs for the Fund are estimated to be 1.82% of the NAV of the Fund, of which 3.15% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 1.76% p.a. However, such costs for future years may differ.

For the financial year ended 30 June 2019 for Indirect Investors, the total transaction costs for the Fund are estimated to be 1.82% of the NAV of the Fund, of which 2.89% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 1.77% p.a. However, such costs for future years may differ.

For the financial year ended 30 June 2019 for Wholesale A Investors, the total transaction costs for the Fund are estimated to be 1.82% of the NAV of the Fund, of which 0.89% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 1.80% p.a. However, such costs for future years may differ.

For the financial year ended 30 June 2019 for Wholesale B Investors, the total transaction costs for the Fund are estimated to be 1.82% of the NAV of the Fund, of which 0.63% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 1.81% p.a. However, such costs for future years may differ.

Tax

The Fund does not usually pay tax. You will usually pay tax in relation to your investment. See the Tax section for details.

Payments to others

Neither we nor the Portfolio Manager makes payments to any person (including your adviser) to distribute the Fund unless law allows. The law restricts payments by us and the Portfolio Manager to other AFSL holders which are 'conflicted'. Subject to law, we and the Portfolio Manager may make payments to others associated with the Fund.

Negotiating fees and costs

The law regulates with whom we can negotiate fees. We are not usually allowed to negotiate fees with investors who are retail clients (as the Corporations Act defines this) but we can do so for our employees and those of a related body corporate. We may also negotiate fees on an individual basis with wholesale clients (as the Corporations Act defines this) but there is no obligation for us to do so: enquiries can be made direct to us.

We aim to invest on the best terms possible. If the Fund invests on an institutional basis and we secure fee reductions, these amounts are paid into the Fund for the benefit of all investors.

Indirect investors

Fees and costs relating to the Fund which are borne by indirect investors may be less, or calculated differently. The operator of your Administration Platform may also charge you fees and expenses. It follows that your overall costs could be more or they could be less. Speak to the operator of your Administration Platform or your financial adviser.

Changes

Our fees are not indexed. However, we may change the fees and costs without your consent. You will receive at least 30 days' notice of any increase (often we will send a revised PDS). In any

case, you cannot be charged more than the Fund's constitution allows. Maxima are set in the constitution, available free from us. Changing a maximum in the constitution requires investor approval.

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: NWQ FIDUCIARY FUND		Balance of \$50,000 including a contribution of \$5,000 during the year
Entry Fees	Nil	For every additional \$5,000 you put in, you may be charged a \$0 entry fee.
PLUS Investment Management Fee Payable from the Fund	1.30% pa of the net asset value of the Fund including net GST	And, for every \$50,000 you have in the Fund you will be charged \$650 each year.
PLUS Performance Related Fees Payable from the Fund	Estimated at nil	And, for every \$50,000 you have in the Fund you will be charged \$0 (there is no reasonable basis to estimate future performance fees for this class).
PLUS Usual expenses	Estimated at 0.50% pa of the net asset value of the Fund including net GST	And, for every \$50,000 you have in the Fund you will be charged \$250 each year.
PLUS Indirect costs	2.20% pa estimate	And, for every \$50,000 you have in the Fund you will be charged \$1,100 each year.
EQUALS Cost of the Fund		If you put in \$50,000 at the beginning of the year and your balance was \$50,000, then you would be charged fees of \$2,000 each year.

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.

About this example

Other fee levels are possible

For Indirect Investors, the Investment Management Fee is lower - 1.00% pa - and so in this example it would be \$500. No Performance Related Fees are payable by Indirect investors.

For Wholesale Investors (those directly investing at least \$500,000), the Investment Management Fee is also lower:

- 0.95% pa Management Fee with no Performance Related Fee when you choose the No Performance Related Fee option, and so in this example it would be \$475, and
- 0.50% pa Management Fee potentially with a Performance Related Fee, when you choose the Performance Related Fee option, and so in this example the Management Fee is \$250 + if, the Fund return was above the Hurdle Rate (being the RBA Cash Rate return for the period), the RBA Cash Rate was 2.00% pa and the Fund's return was 11.00% pa, Performance Related Fee of \$275.

Assumptions

This example assumes:

- The \$5,000 contribution was made at the beginning of the year, as part of the \$50,000 investment,
- No other investments were made through the year, nor were there any withdrawals or distributions,
- There were no Unusual Expenses, and
- Fees are applied to a constant investment balance over the year (that is, neither the Fund's value nor its unit price changes during the year).

- Transactional and operational costs are not included in this example. Estimated figures could turn out to be higher or lower.

Warning: 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 fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on your investment in the Fund.

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 Related Fee") our estimated typical ongoing performance fees 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.

8. Tax

Tax implications

This information is a general guide only for Australian resident investors who hold their investment on capital account for income tax purposes and is based on our interpretation of the Australian taxation laws and Australian Taxation Office (ATO) administrative practices as at the date of the publication of this PDS.

Tax can be complex and this guide is not intended to be a complete statement of all relevant tax laws. Investing through a trust can also mean different things for you from a tax perspective. It is important that you seek timely professional tax advice concerning the particular tax implications before making investment decisions.

Distributions

The Fund usually distributes income annually effective at the end of June each year, however distribution frequency can be changed by the RE without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date. The Fund's policy is to distribute all cash income of the Fund unless we consider it in the best interests of investors as a whole to do otherwise.

The Australian Government has enacted a regime for the taxation of managed investment trusts (MITs), referred to as the Attribution Managed Investment Trust (AMIT) rules which may impact how the Fund's tax calculations are prepared (refer below). Where the Fund is a MIT it will make/rely on an election to apply deemed capital account treatment for gains and losses on disposal of eligible investments (including equities and units in trust).

Attribution Managed Investment Trusts (AMITs)

Where the Fund is subject to the new AMIT tax regime:

- The taxable income of the Fund is attributed to you by the Responsible Entity (RE) on a fair and reasonable basis and in accordance with the Fund's constitution. You have rights in limited circumstances to object to any such decision however, we expect that for the most part, all investors of each class will be treated the same.
- Subsequent to its annual distribution, the Fund may discover that it under or over distributed its determined trust components (e.g. where actual amounts differ to the estimates of income used in the distribution calculation). If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be entitled to a decrease in the tax cost base of their units. Estimates of these net cost base increase or decrease amounts will also be provided to investors through the AMIT Member Annual Statement ("AMMA Statement").
- Unders and overs of trust components will generally be carried forward and included as an adjustment in the calculation of distributions in the year of discovery.

Non – Attribution Managed Investment Trusts (non-AMIT)

Where the Fund does not qualify or elect to be an AMIT, it will be subject to ordinary trust taxation provisions in the tax legislation.

Investors in the Fund will be made 'presently entitled' to and distributed all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

Taxation of Australian resident investors

Australian resident investors will be required each year to include in their own tax calculations and tax return filings the assessable income, exempt income, non-assessable income and tax offsets allocated to them by the Fund.

The Australian tax law may impact the time that income is brought to account as assessable and included in an investors taxable income. Broadly, the Taxation of Financial Arrangements (TOFA) rules may affect the time at which gains and losses from financial arrangements held by the Fund are recognised for income tax purposes, including whether the gains and losses are recognised on an accruals or realisation basis. Certain foreign income may also be recognised on an accruals basis.

You may be entitled to tax offsets (such as franking credits attached to dividend income and credits for tax paid on foreign income) which may reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains. The ability to utilise these tax offsets and concessional rates of tax may be subject to certain requirements being satisfied.

Withdrawals

Australian investors may be liable for tax on any gains realised on the disposal of units when they make a withdrawal from the Fund or when ownership of their units' changes. In calculating any capital gain or capital loss under the CGT provisions, any taxable capital gain arising on disposal of your units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their units if the units are held of a period of more than 12 months, and certain other requirements are satisfied. You should always obtain professional tax advice about the availability of the CGT discount provisions.

Offshore tax rules

The Australian tax treatment of offshore investments is complex. The type of offshore investment held by the Fund may impact the nature of the income and gains derived, as well as the timing of when these amounts are recognised. For example, gains in respect of certain offshore investments may be treated as deemed dividends for Australian tax purposes and capital account treatment not available.

Under Australia's offshore tax rules, the ATO also expects that tax be paid by Australian investors on some gains made on an accruals basis even though those gains realised offshore are not yet received by investors in Australia. This can mean there could be a cash flow issue for investors where there is a liability with no matching payment to fund the liability. If Fund distributions are insufficient, you will need to independently fund any such tax liability.

The Fund's offshore investments may also be subject to foreign income and withholding taxes. Investors may be eligible for tax offsets in respect of these foreign taxes where certain requirements are satisfied.

Foreign investors

If you are a non-resident of Australia for tax purposes, the Responsible Entity may be required to withhold tax from taxable income distributions allocated to you.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard' which is designed to be a global standard for collection and reporting of tax information. Generally, we report this to the ATO, who then shares this with relevant foreign authorities.

TFNs and ABNs

You do not have to disclose your tax file number (TFN) or any Australian Business Number (ABN) you may have, but most investors do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

What else should you know?

We will send you information after the end of each financial year (June) to help you to complete your tax return, including details of taxable income allocated to you for the year and any net cost base adjustment amount by which the cost base of your units in the Fund should be increased or decreased.

At the time of your initial or additional investment in the Fund there may be accrued income or unrealised capital gains included in the unit price which, if later realised, may be included in the taxable income of the Fund allocated to you. There may also be realised but undistributed income or capital gains in the Fund which may be included in the taxable income allocated to you.

Sometimes when we are administering the Fund we learn new things about past tax matters and need to make adjustments. Where these matters cannot be treated as under and over distributions, it is possible that we will ask you to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

Indirect investors

Tax outcomes can be different for indirect investors. We strongly encourage you to seek timely professional advice before making investment decisions.

Tax reform

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

9. Keeping you informed

Questions

If you have any questions, contact your professional adviser, Equity Trustees or the Administrator, Apex. If you provide your email address, Equity Trustees, NWQ and the Administrator will use that to stay in touch with you.

Remember, however, that if you are investing through a Platform then reports on your investment will come from the operator of that platform.

How to find out more

Contact us. Our details are on the back cover.

The Fund's website has plenty of further information about the Fund, including the latest:

- unit prices,
- performance figures,
- investment reports, and
- press releases and media.

You can contact ASIC or Equity Trustees to obtain copies of any documents Equity Trustees has lodged with the ASIC, for example, the accounts of the Fund.

The Fund is subject to regular reporting and disclosure obligations. Copies of documents we may lodge with the ASIC (such as any half-year and annual financial reports) may be obtained from or inspected at an ASIC office or distributor. We will send you copies of any document which we lodge, on request.

We will make information required to be disclosed under continuous disclosure obligations available on our website at www.eqt.com.au/insto and you can request a paper copy free of charge from us anytime.

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely affected by not receiving notice of it, the PDS may be updated by notice at www.eqt.com.au/insto and you can request a paper copy free from us or your professional financial adviser.

Otherwise, this PDS will be replaced or a supplementary PDS issued.

Regular reporting

Reporting to you is regular, for example:

- every transaction you make is confirmed,
- reporting to you is at least monthly
- you are sent a tax report as soon as possible after the end of each financial year, and
- the accounts of the Fund are available on eqt.com.au/insto as soon as possible after the end of each financial year but no later than 30 September

Information that Equity Trustees is required to disclose to satisfy any continuous disclosure obligations will be available on the Fund's website and you can request a paper copy free of charge from your professional adviser or by contacting Equity Trustees.

Additional Reporting

We will make available on NWQ's website a report on investment matters, including:

- net asset value,
- key service providers if they have changed,
- investment returns,
- 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.

We will also make available on the Fund's website at least annually a report on key strategic investment matters, including:

- allocation to asset type,
- liquidity profile,
- investment returns, and
- key service providers if they have changed.

Monthly reports are available on NWQ's website, which detail the Fund's performance, strategy allocations and other key investment matters.

If you are an Indirect Investor then reporting will come from the operator of that Platform.

Neither the Responsible Entity nor the Portfolio Manager, and none of their employees, officers, agents, contractors or associates is responsible for any mis-delivery or non-receipt of any facsimile or email from or on behalf of any investor. Facsimiles or emails sent by or for investors are only effective when actually received.

If you received this PDS electronically, a paper copy will be provided free from us during the life of this PDS.

Information about you

It's important to keep your details with us up to date - please contact us to correct them if required.

You must in a timely way and in such way as we require give us all information that we reasonably request or which you suspect we should know to perform our functions, for example, your contact details and regarding your identity or the source or use of invested moneys.

Indirect Investors do not need to update their details with us: we hold no personal information about them.

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.

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 or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

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 joint holder 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 educational 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 are 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@eqt.com.au.

The Constitution

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

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.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal 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). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Portfolio Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

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.

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.

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.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

10. What else should you know?

Distributions

This Fund aims to pay distributions annually after 30 June each year. NWQ expects that investors in the Fund will principally be seeking capital growth from the Fund and income will be a secondary consideration. The Fund should be regarded as a long term investment.

Any distribution is calculated as at 30 June, and is normally paid to investors within 6 weeks but this does depend on the timing of receipt of all relevant information regarding the Fund's portfolio.

An investor's entitlement is generally based on the number of units held by the investor at the end of the distribution period. See the Tax section for more details.

Distributions are automatically reinvested, unless you request otherwise. You may need to make a cash payment to the ATO for tax on your distribution even if it is reinvested. You will need to independently fund any such tax liability.

Communications

Subject to relevant law, communications from us to you may be in any form we determine. We often use email. We use the last physical or electronic address we have as your contact details.

Subject to relevant law, communications from you to us must be in the form we determine. We can for example require this to be in writing, or for a document to be a certified copy.

The Fund's constitution sets out the details of the rules for how and when communications are given and received (for example, emails are taken to be received by you an hour after sending, or the next morning if not a Sydney business day, provided we have no reason to doubt successful sending, and communications from you to us or to someone on our behalf are taken to be received only when actually received).

You should check your mail, emails and other communications regularly. If you suspect we haven't received something you sent us (for example, an email), please check with us.

Your rights and other important issues

Our legal relationship with investors is governed by the Fund's constitution together with this PDS and certain financial services laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of the Fund (all units of each class are identical),
- our powers (and how and when we can exercise them),
- when the Fund terminates (we can terminate the Fund at any time and eligible investors share the net proceeds on a pro-rata basis),
- when we can retire and what happens if we do (usually another responsible entity will be appointed), and
- changing the constitution (we need investors' approval for any changes which are adverse to rights).
- We will send you a copy of the constitution free of charge if you ask.

Transferring your units

To transfer units, complete a Transfer Form available on request from us.

Send the original to the Administrator.

You will receive confirmation when your transfer is processed. You may need to pay stamp duty on the transfer. Changes in ownership affecting Indirect Investors should be directed to the operator of your Administration Platform.

Meetings and changes of the Responsible Entity

Investor meetings are uncommon.

Investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 investors present in person or by proxy together holding at least 25% of all units in the relevant class.

Changes of Responsible Entity are also uncommon. They too are largely regulated by the Corporations Act.

Direct investors can requisition a meeting.

Terminating the Fund

We can decide to terminate the Fund anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to investors as soon as we consider practicable. Winding up must be completed as soon as is practicable. It can take some time to finalise this process.

Limits on our responsibility

The constitution has some limits on when we are liable to investors, for example, subject to any liability which the Corporations Act might impose on us which cannot be excluded, we may take and may act (or not act, as relevant) on any advice, information and documents which we have no reason to doubt is authentic, accurate or genuine.

Subject to any liability which the Corporations Act might impose on us which cannot be excluded, if we act without fraud, reckless default or intentional breach of trust, we are not liable to investors for any loss suffered in any way relating to an investment in the Fund.

The constitution also contains a provision that the relevant constitution is the source of our relationship with investors and not any other laws, except those laws we cannot exclude.

Limits on your responsibility

We have included provisions in the constitution designed to protect investors. The constitution limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the Responsible Entity and/or any creditor in the event that the liabilities of the Fund exceed the assets of the Fund. However an absolute assurance about these things cannot be given as the issue has not been finally determined by Australian courts.

Regulatory and contractual information

There have been no adverse findings (significant or otherwise) against us or the Portfolio Manager, or any of our or the Portfolio Manager's senior investment professionals.

The Responsible Entity has appointed the Portfolio Manager on terms that are at least arm's length. There are no unusual or materially onerous provisions in those agreements from an investor's perspective. Each can be terminated in usual commercial circumstances, for example insolvency and material un-remedied breach.

Indirect Investors

We authorise the use of this PDS by operators of Platforms.

Indirect Investors do not acquire the rights of an investor in the Fund, and their rights and liabilities will be governed by the terms of the disclosure documents for the relevant Platform. The

operator of the Platform is the investor and acquires these rights and can exercise or decline to exercise, their rights according to the arrangements Indirect Investors have with them.

Indirect Investors complete the application form for the Platform. They do not receive confirmation of transactions, statements or reports directly from us, as these are provided to the operator of the Platform. Indirect Investors also forgo voting rights and generally do not receive notice of, or be able to attend, investor meetings. The tax information in this PDS does not specifically cater for Indirect Investors.

The disclosure documents for the Platform should have further details. You should read these carefully and contact the operator of that service if you have any questions.

Neither the Responsible Entity nor the Portfolio Manager, and none of their employees, officers, agents, contractors or associates, are responsible for the operation of any Platform.

Legal structure

The Fund is an Australian unit trust regulated as a managed investment scheme under the Corporations Act.

It is available to both retail clients and wholesale clients as the Corporations Act defines these. Although it is registered by the ASIC under the Corporations Act and falls within ASIC's policy governing 'hedge funds', ASIC takes no responsibility for the Fund or this PDS.

Legal matters

The offer made in this PDS is only available to persons receiving this PDS in Australia, electronically or otherwise. It is not an offer to issue, or a solicitation of an offer to issue, any units in any place where it is unlawful to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither we nor the Portfolio Manager conducts any business other than in Australia.

Unless otherwise stated, all figures in this PDS are in Australian dollars inclusive of GST after allowing for any reduced input tax credits.

Your investment in the Fund is governed by the terms and conditions described in the PDS as well as the Fund's constitution, as those documents are supplemented, replaced or re-issued from time to time. Copies of those documents are available free from us.

Consents

Apex has given its consent to be named in this PDS as administrator of the Fund in the form and context in which it is named. Apex does not make, or purport to make, any statement that is included in this PDS other than references to its name and contact details.

To the maximum extent permitted by law, Apex expressly disclaims and takes no responsibility for any part of this PDS other than references to its name and contact details. Apex does not guarantee the repayment of capital or any particular rate of capital or income return.

Equity Trustees has given its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. Equity Trustees does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by Equity Trustees.

To the maximum extent permitted by law, Equity Trustees expressly disclaims and takes no responsibility for any part of this PDS other than references to its name. Equity Trustees does not guarantee the repayment of capital or any particular rate of capital or income return.

Ernst & Young (EY) has given its consent to be named in this PDS as auditor of the Fund in the form and context in which it is named. EY does not make, or purport to make, any statement that is included in this PDS.

To the maximum extent permitted by law, EY expressly disclaims and takes no responsibility for any part of this PDS other than references to being named as auditor. EY does not guarantee the repayment of capital or any particular rate of capital or income return.

11. Glossary of important terms

AFSL

Australian Financial Services Licence.

Application Form

The Application Form that accompanies this PDS.

ASIC

Australian Securities and Investments Commission

AFSL

Australian Financial Services Licence.

Application Form

The Application Form that accompanies the PDS.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Business Day

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

Buy/Sell Spread

The difference between the Application Price and Withdrawal Price of units in the Portfolio, which reflects the estimated transaction costs associated with buying or selling the assets of the Portfolio, when investors invest in or withdraw from the Portfolio.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Portfolio, as amended from time to time.

Corporations Act

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

Derivative

A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common Derivatives include options, futures and forward exchange contracts.

Portfolio

NWQ Fiduciary Fund

ARSN

606 556 049

GST

Goods and Services Tax.

Indirect Investors

Individuals who invest in the Portfolio through an IDPS.

Portfolio Manager

NWQ Capital Management Pty Ltd.

Net Asset Value (NAV)

Value of the investments of the Portfolio after deducting certain liabilities including income entitlements and contingent liabilities.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

Responsible Entity

Equity Trustees Limited.

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 where applicable to reduce the cost of GST to a Portfolio.

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 Fund 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 not a Retail Client.