



System Capital Long Short Fund - Class A

Product Disclosure Document

24 February 2025

System Capital Long Short Fund Class A

ARSN 683 513 948

APIR HOW9939AU

Responsible Entity

Fidante Partners Limited

ABN 94 002 835 592

AFSL 234668

About this Product Disclosure Statement (PDS)

This product disclosure statement dated 24 February 2025 provides information to help investors and their advisers assess the merits of investing in the Class A class of units in the System Capital Long Short Fund (ARSN 683 513 948) (**Fund**). References in this PDS to the **System Capital Long Short Fund - Class A** or the **Fund** are to the Class A units in the System Capital Long Short Fund. No other class of units in the System Capital Long Short Fund is offered in this PDS. You should read this document in full before making an investment decision about the Fund. In addition you should also read the Target Market Determination (**TMD**) in conjunction with the PDS to ensure investment in this Fund aligns with your objectives, financial situation and needs. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your own personal circumstances before investing in the Fund.

In preparing this PDS we did not take into account your particular investment objectives, financial circumstances or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular objectives, financial circumstances or needs. You should also obtain independent advice before investing in the Fund, particularly about matters such as taxation, retirement planning and investment risk tolerance.

Important notices

Fidante Partners Limited (ABN 94 002 835 592, AFSL 234668) (**Fidante, we, our, us, Responsible Entity**) is the responsible entity of the Fund and issuer of this PDS. Our ultimate parent is Challenger Limited (ABN 85 106 842 371). Fidante is a member of the Challenger Limited group of companies (**Challenger Group**). Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

Fidante authorises the use of this PDS as disclosure to investors and potential investors who wish to access the Fund directly (**Direct Investors**), and through platforms that are an investor directed portfolio service (**IDPS**) or IDPS like scheme (**Indirect Investors**). Please refer to 'Indirect investors' in the "Additional information" section.

By investing in the Fund, you confirm that you have received a copy of the current PDS and TMD to which this investment relates, that you have read both documents and agree to the terms contained in them, and that you agree to be bound by the terms of the current PDS, TMD and the current Constitution (each as amended from time to time).

The offer or invitation to subscribe for units in the Fund under this PDS is only available to persons receiving this PDS in Australia or New Zealand and is subject to the terms and conditions described in this PDS. The information in this PDS is of a general nature and is based on our understanding of the Australian tax laws, as at the date of this document, as they relate to Australian resident individual taxpayers who hold their investment on capital account and does not take into account the tax treatment of New Zealand resident taxpayers.

We have appointed System Capital Pty Ltd (ABN 14 657 739 323) (**System Capital** or the **investment manager**) as the investment manager of the Fund. System Capital is a corporate authorised representative of Fidante (Authorised Representative Number 001309928).

Target Market Determination

The Target Market Determination (**TMD**) describes the type of customers who the product is likely to be appropriate for. It also specifies distribution conditions and restrictions that will help ensure the Fund is likely to reach customers in the target market. Each person should obtain and consider the Fund's TMD and this PDS before making a decision about whether to acquire or continue to hold the Fund to ensure this Fund aligns with your objectives, financial situation and needs.

Updated information

The information in this PDS is up-to-date at the time of preparation. However, some information can change from time to time. If a change is considered materially adverse we will issue a supplementary PDS or a replacement PDS. For updated or other information about the Fund (such as a copy of the PDS, TMD or other information such as performance) that is not considered materially adverse, please contact your financial adviser, call the Fidante Investor Services Team on 1300 721 637 or visit our website www.fidante.com. We will send you a copy of the updated information free of charge upon request.

Consents: System Capital has provided consent to the statements about it in the form and context in which they are included. System Capital was not otherwise involved in the preparation and distribution of this PDS and is not responsible for the issue of this PDS, nor is it responsible for any particular part of this PDS other than those parts that refer to it. System Capital has not withdrawn its consent before the date of this PDS.

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Contact details

Phone	Fidante Investor Services Team on 1300 721 637 or +612 8023 5428 from outside Australia between 8.15am to 5.30pm (Sydney time)
Email	info@fidante.com.au
Mail	Fidante GPO Box 3993 Sydney NSW 2001. For any complaints please address to the 'Complaints & Disputes Resolution Officer.'
Website	www.fidante.com.

About System Capital

System Capital is an absolute return, equities fund manager investing in developed markets. System Capital aim to deliver attractive long-term returns by investing in businesses with strong cashflow generation while also strengthening their competitive position. They focus on the entire value chain of a given industry to understand which businesses are best suited to capture and maintain a position of advantage or superiority.

System Capital looks for situations where the strength of a business, as measured by its relative bargaining position and share of economic value captured, grows over time.

System Capital employs detailed, bottom-up fundamental research to identify all aspects of a business ecosystem. They do this through company and industry meetings, detailed modelling work on suppliers and competitors, and a focus on engaging with key stakeholders which are relevant to each industry. If you would like more information on System Capital, please visit their website www.systemcapital.com.au

About the Responsible Entity

Fidante is the Responsible Entity of the Fund. As Responsible Entity of the Fund, we issue units in the Fund and are legally responsible to the unitholders of the Fund for its operation.

Fidante is one of Australia's largest active investors, offering compelling strategies across equities, fixed income, and alternative assets, via partnerships with leading investment teams. We have appointed System Capital as the investment manager of the Fund under an investment management agreement. In addition to operating the Fund, we provide back office, marketing, distribution, administration, and compliance support services to System Capital, allowing System Capital the freedom to focus on investing.

A related entity of Fidante has a partial equity stake in System Capital. Neither we, nor any of our related entities, nor System Capital guarantee the repayment of your capital or the performance of your investment or any particular taxation consequences of investing.

Significant features and benefits of the Fund

- **Experienced Investment Team:** The portfolio manager and investment team have significant experience in managing long short funds.
- **Selection Process:** The Fund's focus on identifying businesses with a structural advantage means the Fund can be invested across value and growth stocks and across many investment themes.
- **Global Portfolio:** The Fund is predominantly invested outside of Australia enabling investors to diversify Australian centric portfolios.
- **Exposure Management:** The Fund retains the ability to adjust market exposure to protect the portfolio's downside and benefit from market dislocations. Shorting capability enables the Fund to take advantage of structural winners and losers within specific industries.

Features at a glance

		Refer to Section
Minimum transaction requirements¹		'Making, withdrawing and monitoring your investment'
Initial investment	\$10,000 or \$1,000 when a Regular Investment Plan is established.	
Additional investment	No minimum.	
Minimum withdrawal	No minimum.	
Minimum balance	No minimum.	
Indirect Investors	If you are an Indirect Investor, you need to comply with any minimum transaction and balance requirements of your platform operator.	
Fees and costs		'Fees and other costs'
Management fees and costs	The management fees and costs of the Fund are 1.25% p.a. of the net asset value of the Fund.	
Performance fee	The performance fee is calculated as 20.00% of the Fund's excess performance (after fees and expenses and after adding back any distributions paid) above the higher of the RBA Cash Rate or 4% p.a., calculated daily and subject to a High Watermark.	
Buy/sell spread	+0.20% / -0.20% of the investment and withdrawal amount.	
Risks of investing in the Fund	A degree of risk applies to all types of investments, including investments in the Fund. The significant risks are described in 'Risks of investing in managed investment schemes'.	'Risks of investing in managed investment schemes'
Making and withdrawing your investment		'Making, withdrawing and monitoring your investment'
Investment and withdrawing	Generally, you can invest or withdraw at any time subject to certain limits in the Constitution and this PDS.	
Transaction cut-off times	Valid transaction requests must be received by us prior to 3:00pm Sydney time to be processed that day and withdrawal requests will usually be paid within five business days.	
Distribution payments		'Additional information'
Frequency	The Fund generally pays distributions half-yearly; however, there may be periods in which reduced or no distributions are paid and we do not guarantee any level of distributions.	
Payment methods	Reinvested into the Fund as additional units or paid to your nominated account. For Indirect Investors, distributions will be paid to your platform operator as soon as practicable after the end of the distribution period.	
Valuations and pricing		'Additional information'
Valuing the Fund's assets	The Fund's assets are usually valued each NSW business day.	
Unit pricing	Unit prices are usually calculated each NSW business day.	
Investor reporting		'Making, withdrawing and monitoring your investment'
Transaction confirmations	We generally send transaction confirmations for investments and withdrawals.	
Regular reporting	We send quarterly periodic statements with details of transactions and fees paid.	
Annual tax reporting	We send an annual tax statement.	

ASIC Benchmarks and Disclosure Principles

ASIC has developed two benchmarks and nine disclosure principles for funds that meet ASIC's definition of a hedge fund. These benchmarks and disclosure principles are aimed at assisting investors to understand the risks and features of these funds and whether such investments are suitable to them. The benchmarks deal with the valuation of assets and periodic reporting policy of the Fund, while the disclosure principles provide information on the Fund's investment strategy, investment manager and structure as well as further detail on the Fund's use of derivatives, leverage, short selling and the risks to withdrawals and liquidity.

'ASIC Benchmarks and Disclosure Principles'

¹ We may, at our discretion, accept lower minimum transaction and balance amounts.

ASIC Benchmarks and Disclosure Principles

The ASIC Benchmarks and Disclosure Principles are aimed at assisting investors to understand the risks of investing in hedge funds and assess whether such investments are suitable for them.

The following table provides a summary of the benchmarks and disclosure principles addressed in this PDS. Further information relating to each benchmark and disclosure principle is set out in the ASIC Benchmarks and Disclosure Principles Report (**Benchmark Report**), which also forms part of this PDS, available at www.fidante.com/au/SYST-ABR-LSF-A.pdf

The information in the Benchmark Report will be updated periodically. A copy of the Benchmark Report and any updated information is available on the Fidante website or will be given to you, without charge, upon request by calling our Fidante Investor Services Team on 1300 721 637.

ASIC Benchmark	Description	Summary	Reference
ASIC Benchmark 1: Valuation of assets	This benchmark is intended to support investor confidence in the value of the non-exchange traded assets of the Fund by addressing whether valuations of a fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	This benchmark is met as the Responsible Entity has in place a policy to ensure valuations of the non-exchange traded assets will be provided by an independent external provider.	For additional information in relation to the valuation of assets, please refer to 'Benchmark 1: Valuation of assets' in the Benchmark Report as well as 'Unit prices and valuing assets and liabilities' in this PDS.
ASIC Benchmark 2: Periodic Reporting	This benchmark is aimed at ensuring that investors receive timely, basic fund investment performance information on a periodic basis to make informed investment decisions.	This benchmark is met as the Responsible Entity has implemented a policy to provide detailed periodic updates to investors on certain key information in relation to the Fund on an annual and monthly basis as required.	For additional information in relation to periodic reporting, please refer to 'Benchmark 2: Periodic reporting' in the Benchmark Report as well as 'Monitoring your investment' in this PDS.


ASIC Benchmark	Description	Summary	Reference
ASIC Disclosure Principle 1: Investment strategy	This disclosure principle is intended to ensure that investors can make informed decisions about the Fund by disclosing details of the investment strategy for the Fund, including the type of strategy, how it works in practice and how risks are managed.	<p>The Fund aims to achieve an absolute return of 10% p.a (after fees) over rolling five-year periods.</p> <p>The Fund's investments are comprised mainly of equity securities (including ordinary shares, preference shares, partly paid shares, convertible securities, participation notes, equity-linked notes, warrants and rights) as well as equity-linked derivatives.</p> <p>The Fund is permitted to hold securities that provide exposure primarily to companies in developed markets.</p> <p>As part of the portfolio construction process, the Fund may use derivatives to manage risk, generate standalone returns or for leverage.</p> <p>Investors in the Fund are exposed to risks at both the company level and market level. The key risks and how they are managed are set out in this PDS.</p> <p>The Responsible Entity may change the investment strategies, benchmarks, asset allocation ranges and processes of the Fund and unitholders will be notified in writing if such a change is considered by the Responsible Entity to be material or would not have been reasonably expected by unitholders.</p>	For additional information in relation to the investment strategy, please refer to 'Disclosure principle 1: Investment strategy' in the Benchmark Report and 'How we invest your money' and 'Risks of investing in managed investment schemes' in this PDS.
ASIC Disclosure Principle 2: Investment manager	This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for managing the Fund's investments, as well as arrangements between the responsible entity and any investment manager.	As Responsible Entity of the Fund, Fidante have appointed System Capital as the investment manager of the Fund to invest and manage the Fund's portfolio. Fidante is entitled to terminate the investment manager's appointment in writing, under various circumstances, with a minimum twenty business days' notice of termination.	For additional information in relation to the investment manager, please refer to 'Disclosure Principle 2: Investment manager' in the Benchmark Report.

ASIC Benchmark	Description	Summary	Reference
ASIC Disclosure Principle 3: Fund structure	This disclosure principle is intended to ensure that the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the Responsible Entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.	<p>The Fund is a registered managed investment scheme with the ability to have multiple unit classes.</p> <p>The Fund's constitution grants us a broad power to quote a class of units (including Class A units) in the Fund on a Securities Exchange. Subject to the terms of the Fund's constitution, while a class is quoted, we may act as a market maker for the Fund to provide liquidity for the class of units quoted on a Securities Exchange and facilitate settlements on the Fund's behalf.</p> <p>There are a number of service providers that support the Fund such as Fidante (the Responsible Entity of the Fund), Boardroom Pty Limited (Boardroom) who acts as the Fund's registry provider, State Street Australia Limited (State Street) who acts as the Fund's administrator and Morgan Stanley International plc (Morgan Stanley) who acts as custodian and prime broker of the Fund.</p> <p>The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of the relationship.</p> <p>The Responsible Entity may enter into transactions with, and use the services of, any of our related entities. These arrangements will be based on arm's length commercial terms.</p> <p>The keys risks to the Fund's structure are counterparty risk, fund risk and service provider risk.</p>	For additional information in relation to the Fund structure, please refer to 'Disclosure Principle 3: Fund structure' in the Benchmark Report and 'Risks of investing in managed investment schemes' in this PDS.
ASIC Disclosure Principle 4: Valuation, location and custody of assets	This disclosure principle is intended to ensure that the Responsible Entity of the Fund discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.	<p>The Fund primarily invests in securities listed, or intended to be listed within 12 months, on Australian and international stock exchanges in other developed markets.</p> <p>The Fund has a valuation policy where assets and liabilities are usually valued each NSW business day. Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Any other assets such as cash and cash receivables are valued at recoverable value.</p> <p>The assets of the Fund are held by Morgan Stanley as the custodian of the Fund.</p>	For additional information in relation to the valuation of assets in the Fund, please refer to 'Disclosure principle 4: Valuation, location and custody of assets' in the Benchmark Report, 'How we invest your money' and 'Unit prices and valuing assets and liabilities' in this PDS.

ASIC Benchmark	Description	Summary	Reference
ASIC Disclosure Principle 5: Liquidity	This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.	This disclosure principle is currently not applicable to the Fund as the Responsible Entity of the Fund can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value within 10 days.	For additional information in relation to liquidity, please refer to 'Disclosure Principle 5: Liquidity' in the Benchmark Report.
ASIC Disclosure Principle 6: Leverage	This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).	System Capital may use leverage to increase the exposure of the Fund to investment markets. Leverage will generally be obtained through the use of derivative instruments. Leverage is also created as the proceeds from short-selling borrowed securities are reinvested in the long portfolio. In simple terms, because the Fund's gross exposure (equalling the sum of long and short positions) is greater than the amount of investors' capital, leverage is created. There will be a maximum net exposure: 150% of NAV, and a maximum gross exposure: 250% of NAV. The level of gross exposure is a product of the number of positions held and the size of those positions. The gross exposure of the Fund will typically be between 50-250%. The Fund must provide collateral to secure its obligations under the relevant agreements.	For additional information in relation to the use of leverage in the Fund, please refer to 'Disclosure Principle 6: Leverage' in the Benchmark Report and 'Additional information about the Fund's investments' in this PDS.
ASIC Disclosure Principle 7: Derivatives	This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the Responsible Entity or investment manager, and of the associated risks.	<p>The primary use of derivatives is to manage risk, generate standalone returns or for leverage.</p> <p>The Fund can invest in derivatives such as, but not limited to, exchange traded share price index futures, currency futures, currency forwards, single stock and equity index options (both exchange traded and over the counter), total return swaps, contracts for difference (CFDs) and interest rate instruments including credit default swaps (CDS') and interest rate derivatives.</p> <p>The main risks to the Fund as a consequence of dealing in derivatives are counterparty risk and derivative risk.</p>	For additional information in relation to how derivatives are used in the Fund, please refer to 'Disclosure Principle 7: Derivatives' in the Benchmark Report, and 'How the Fund uses short selling' and 'Risks of investing in managed investment schemes' in this PDS.
ASIC Disclosure Principle 8: Short selling	This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.	<p>The Fund uses short selling as an investment technique where System Capital aims to capitalise on a negative view of a stock, sector of the broader market.</p> <p>Short selling may expose the Fund to risks such as short position risk, liquidity risk and counterparty risk.</p>	For additional information in relation to how short selling is used in the Fund, please refer to 'Disclosure Principle 8: Short selling' in the Benchmark Report, and 'How the Fund uses short selling' and 'Risks of investing in managed investment schemes' in this PDS.

ASIC Benchmark	Description	Summary	Reference
ASIC Disclosure Principle 9: Withdrawals	This disclosure principle is intended to ensure that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.	If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security of an asset class, there is a risk that the generally applicable timeframe of five business days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price.	For additional information in relation to withdrawals from the Fund, please refer to 'Disclosure Principle 9: Withdrawals' in the Benchmark Report and 'Additional information about withdrawing your investment' in this PDS.

How we invest your money

Investment return objective	<p>The Fund aims to achieve an absolute return of 10% p.a (after fees) over rolling five-year periods.</p>
Minimum suggested investment timeframe	<p>At least five years</p>
Risk level	<div data-bbox="399 510 1157 638"> <p>Lower risk Typically, lower rewards</p> <p>Higher risk Typically, higher rewards</p>  </div> <p>Refer to 'Additional information about the Fund's investments' for further information about the Fund's risk.</p>
Description of the Fund	<p>The Fund provides diversified exposure to securities across global equity markets. The Fund is intended to be suitable for investors seeking to invest for at least five years, with a preference for capital growth and some income over the long term. Leverage may be employed to take advantage of investment opportunities in the market. As such, at times the Fund may experience periods of high volatility.</p> <p>The Fund seeks to achieve attractive absolute returns by identifying pricing inefficiencies between the valuation of a business and its structural position over time. System Capital's investment process aims to identify companies with strong and growing cashflows over the medium term with a strengthening competitive position. System Capital also look for situations where a structural position of a business is weakening and that is not yet reflected in valuation. The Fund targets three key focus areas for long positions: core cashflow franchises, digital infrastructure companies and hidden value businesses. The Fund's shorting approach aims to capitalise on a negative view of a stock, sector or the broader market. System Capital has developed a circle of competence in key industries built up over many years of experience and coverage which serve as the focus areas of investment for the Fund. System Capital's circle of competence includes the media, gaming, infrastructure, utilities, diversified financials, industrials, and technology sectors.</p> <p>Investment approach</p> <p>System Capital's approach can be described in the following four steps:</p> <ul style="list-style-type: none"> Idea generation Ideas are generated via quantitative screening, industry deep dives & stock specific catalysts. Through System Capital's investment research, they aim to incrementally grow their circle of competence in key industries over time, adding to future idea generation. System Capital's industry research is supported by a program of company visitation and longstanding relationships with industry experts. Research and analysis Ideas that pass the initial screen are subject to a detailed research and analysis process with the broader investment team to identify knowledge gaps, risks, and key return drivers. The team assesses a number of factors including business quality, operating environment and industry structure via a comprehensive checklist. The process is iterative and can often lead to further checklist sessions to follow up on outstanding questions. Scorecard Ideas that make it through the checklist process are ranked based on qualitative factors and valuation upside. Top ranked ideas eligible for portfolio inclusion are subject to a minimum quality score and return threshold. Those ideas which don't meet the valuation upside hurdle are side-lined for ongoing monitoring. Portfolio construction Portfolio construction is driven by the top ranked ideas within each focus area (core franchises, digital infrastructure, hidden value, shorts). The portfolio is adjusted to reduce exposure to risk factors (e.g. industry concentration, inflation, and duration). What results is a mix of short duration, cash generative investments combined with longer duration growth assets with highly visible earnings drivers. Shorts either reduce portfolio risk or aim to generate standalone returns.

Description of the Fund continued

Investment universe and portfolio construction

The Fund will typically hold between 20 to 50 securities listed, or intended to be listed within 12 months, on Australian and international stock exchanges in other developed markets. The Fund's investments are comprised mainly of equity securities (including ordinary shares, preference shares, partly paid shares, convertible securities, participation notes, equity-linked notes, warrants and rights) as well as equity-linked derivatives.

The Fund is permitted to hold securities that provide exposure primarily to companies in developed markets. This includes, but is not limited to: USA, Canada, EU member states, Hong Kong, Australia, and New Zealand.

As part of the portfolio construction process, the Fund may use derivatives to manage risk, generate standalone returns or for leverage. Derivatives may include but are not limited to, exchange traded share price index futures, currency futures, currency forwards, single stock and equity index options (both exchange traded and over the counter), total return swaps, contracts for difference (CFDs) and interest rate instruments including credit default swaps (CDS') and interest rate derivatives.

Portfolio construction guidelines are applied to ensure the final portfolio is consistent with the Fund's objectives and is managed in a risk-controlled manner. Any single investment exposure is limited to 15% of net asset value (**NAV**) of the Fund (on purchase).

Strategic asset allocation ranges¹

Asset class	Min (% of NAV)	Max (% of NAV) ²
Long securities (including derivatives)	50	200
Short securities (including derivatives)	0	100
Gross equity exposure ³	50	250
Net equity exposure	0	150
Cash ⁴	0	50

1 These are asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these ranges, or a limit set out in this PDS, this will be addressed by us or System Capital as soon as reasonably practicable.

2 Includes use of leverage to increase exposure of the Fund to investment markets.

3 Equity exposure is the combination of long and short equity exposure, including derivatives.

4 These ranges represent the effective cash exposure (after the cash cover for derivatives has been taken into account).

Currency strategy

System Capital intends the portfolio to be predominantly hedged back to AUD, however, there is no set hedge tolerance.

Labour standards or environmental, social or ethical (ESG) considerations

System Capital takes into account environmental, social and governance (ESG) issues and risks when selecting, retaining or realising underlying investments however does not adhere to any particular set of standards. System Capital does not have a predetermined view as to what constitutes an ESG consideration as these are determined on a case-by-case basis. System Capital's consideration of these factors is detailed further in 'Additional information about the Fund's investments'.

Changes to investment policy

The Constitution permits a wide range of investments and gives us, as Responsible Entity, broad investment powers. We may change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.

Additional information about the Fund's investments

About the Fund's risk level

The risk level, also known as the Standard Risk Measure, is based on the estimated number of negative annual returns that a managed investment scheme may experience in any 20-year period. In other words, it is a measure of the expected variability of the return of the Fund.

The Fund's anticipated risk level is 'High risk' – the Fund offers the potential for favourable levels of return over the long term but may exhibit high levels of volatility with the potential for some capital loss over the short to medium term. The estimated number of negative annual returns in any 20-year period based on this risk level is approximately between 4 and 6. Note that this is an estimate only. Negative annual returns may or may not occur in consecutive years and, should they be negative, the estimate does not indicate the size of the potential negative return (which may vary considerably from strategy to strategy).

The stated risk levels are based on industry guidance and are designed to allow investors to compare investments with different investment strategies and characteristics. However, investment managers and investment administrators may employ different methodologies to determine a risk level and therefore may not be representative of the same considerations. Furthermore, it is not a complete assessment of the risks of investing, nor does it indicate if an investment strategy is designed to meet an investor's investment objectives.

For further information, or to ask about the methodology for determining the risk level, please call the Fidante Investor Services Team.

Borrowings of the Fund

The Constitution allows for borrowing; however, it is expected that any leverage will be used opportunistically and not consistently. Borrowing may be used from time to time to cover short-term cash flow needs or if emergency or extraordinary situations arise. System Capital may use leverage to increase the exposure of the Fund to investment markets. Leverage can generally be obtained through the use of derivative instruments. Leverage is also created as the proceeds from short-selling borrowed securities are reinvested in the long portfolio. In simple terms, because the Fund's gross exposure (equalling the sum of long and short positions) is greater than the amount of investors' capital, leverage is created. There will be a maximum net exposure: 150% of NAV, and a maximum gross exposure: 250% of NAV. The level of gross exposure is a product of the number of positions held and the size of those positions. The gross exposure of the Fund will typically be between

50-250%. Please refer to 'Gearing and leverage' below for further information on how the Fund may use gearing and leverage.

Borrowings may be from a variety of sources, including related entities. Where funds are borrowed from related entities, the terms are set on a commercial and arm's length basis and will be for reasonable remuneration.

The availability and terms of borrowings are subject to the market for borrowings (including market conditions in debt and other markets) and therefore borrowings may not always be available. Lenders may refuse to provide borrowings, renew an existing borrowing facility or refuse to renew on commercially acceptable terms. This may be for reasons specific to the Fund or due to market-wide events.

We may change the lending financial institution (if any) from time to time and may also seek to vary the terms of any borrowing facility where it is believed it would be in the best interests of unitholders.

Asset allocation ranges

The Fund gains exposure to various investment markets and asset classes by investing into direct assets and/or indirectly via managed funds. References to asset allocations are references to the exposure of the Fund, not necessarily the physical unit or security held.

Refer to 'How we invest your money' for strategic asset allocations for the Fund.

If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment cause the Fund to exceed these asset allocations, or a limit set out in the PDS, this will be addressed by us or System Capital as soon as reasonably practicable.

How the Fund uses derivatives

The Fund may, at times, invest in or obtain exposure to derivatives, such as exchange traded share price index futures, currency futures, currency forwards, single stock and equity index options (both exchange-traded and over-the-counter), total return swaps, CFDs and interest rate instruments including CDS' and interest rate derivatives.

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

Derivatives may be used to gain exposure when they offer a more cost-effective way of purchasing the underlying security. Derivatives can be used to implement investment decisions, and as a risk management tool (such as hedging the Fund's market exposure). They may be used opportunistically to generate standalone returns on individual securities or to engage in relative value trades. They may also be used to adjust or

implement investment decisions and to gain or avoid exposure to a particular market rather than purchasing physical assets.

The Constitution permits the use of derivatives and System Capital may gear the Fund through the use of derivatives. Where the Fund uses derivatives, System Capital aims to manage the Fund to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives.

The use of derivatives may expose the Fund to certain risks. Please refer to 'Derivative risk' for more information.

Gearing and leverage

Gearing and leverage can be useful tools to enhance the returns of the Fund. Gearing can be obtained by using an asset as a security for borrowing money to increase the amount of money available to invest. Leverage can be obtained by any of the following methods:

- Using derivative instruments to increase the Fund's investment exposure beyond the net asset value of the Fund;
- Borrowing a share to sell on the market; or
- Loan finance facilities provided by the Fund's Prime Broker.

System Capital uses leverage to manage the exposure of the Fund to investment markets.

How the Fund uses short selling

The Fund uses short selling as an investment technique. Short selling occurs when the Fund 'borrows' a share from a securities lender and sells it on the share market (known as a short position). When the Fund returns the borrowed share to the lender, it will buy the share from the share market. If the share has dropped in price, the Fund will benefit, as it buys the share at a lower price than it sold it. If the share price has risen, the Fund will have to buy the share at a higher price than it sold it, thereby making a loss. Short positions on particular stocks are taken when it is expected that these stocks will fall in price.

Labour standards or environmental, social or ethical considerations

The Responsible Entity (Fidante) does not itself take into account labour standards and environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments. Fidante has delegated investment decisions for the purposes of selecting, retaining or realising investments for the Fund to System Capital who operates the Fund in accordance with the

investment management agreement. Fidante's parent Challenger Limited is a member of the PRI Association (PRI). Fidante incorporates consideration of environmental, social and governance considerations when selecting, appointing and monitoring investment managers. Fidante does not adhere to any particular set of labour standards, environmental, social and ethical considerations.

System Capital takes into account environmental, social, and governance (ESG) issues and risks when selecting, retaining or realising investments however does not adhere to any particular set of standards. System Capital does not have a predetermined view as to what constitutes an environmental, social or ethical consideration as these are determined on a case-by-case basis. System Capital integrates ESG factors into the investment process in order to identify investment risks and opportunities. These factors are a component of the research process that help to inform whether System Capital invests in, continues to hold or sells any particular security. System Capital does not have a predetermined list of securities or industry sectors in which it will not invest. Instead System Capital considers these factors, as it becomes aware of them and on a case by case basis, in its investment process.

For more information, please contact Fidante at info@fidante.com.au.

Risks of investing in managed investment schemes

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of risk.

When investing in an MIS, it is important to note that the value of assets in the MIS and the level of returns will vary. No return is guaranteed. Future returns may differ from past returns and investors may lose some or all of their money invested. Additionally, laws (including tax laws) that affect MIS may change in the future, which may have an adverse effect on the returns of MIS.

The level of acceptable risk will vary across investors and will depend upon a range of factors such as age, investment timeframe, where other parts of the investor's wealth is invested and the investor's level of risk tolerance.

New Zealand investors need to be aware there are differences in how securities are regulated under Australian laws. For example, the disclosure of fees may be different and the rights, remedies and compensation arrangements available to New Zealand investors may differ.

The risks set out in this section are general only and are not exhaustive. Prospective investors should consider obtaining independent financial advice to determine if an investment in the Fund is appropriate in light of their financial situation, objectives and needs.

Risks of investing in managed investment schemes

Risk	Explanation
Collateral risk	The Fund enters into derivatives arrangements that require it to deliver (or 'post') collateral to the derivative counterparty or clearer. As a result, the Fund may be exposed to certain risks in respect of that collateral including the credit risk of the counterparty or clearer.
Counterparty risk	The Fund is, to a certain extent, reliant on external counterparties in connection with its operation and investment activities. There is a risk with these arrangements that the other party to a contract (such as derivatives contract, physical security or foreign exchange contract trade) may fail to perform its contractual obligations either in whole or part. In such circumstances, any collateral lodged with counterparties related to these derivatives may also be at risk. This may result in the investment activities of the Fund being adversely affected.
Currency risk	<p>Some investments held by the Fund may be denominated in a currency different to Australian Dollars. The value of these investments may fluctuate in Australian dollar terms because of fluctuations in currency exchange rates.</p> <p>As an example, a rise in the Australian dollar relative to other currencies may negatively impact investment value or returns. Conversely, a decline in the Australian dollar relative to other currencies may positively impact investment returns.</p> <p>System Capital intends the Fund to be predominantly hedged back to AUD, however, there is no set hedge tolerance.</p>
Derivative risk	<p>The value of a derivative is linked to the value of an underlying asset and can be volatile. While the use of derivatives offers the opportunity for higher gains, it can also magnify losses to the Fund. Risks associated with using derivatives might include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative, the Fund not being able to meet payment obligations as they arise or the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations. Refer to 'Counterparty risk' and 'Collateral risk'.</p> <p>There are certain risks associated with the collateral requirements of derivative counterparties, particularly when over-the-counter (OTC) derivatives are used. This may involve the Fund providing margin financing or equivalent securities to the counterparty and the Fund may have a right to the return of equivalent assets. The margin or equivalent securities may exceed the value of the Fund's obligations to the counterparty where the counterparty requires excess margin or collateral. Counterparty risk is particularly prevalent in OTC derivative contracts as it centres on the creditworthiness of the counterparty and the potential for default or failing to perform an obligation in the manner and time agreed between the parties.</p> <p>System Capital may gear the Fund through the use of derivatives as part of the investment process. Derivative holdings may result in notional exposures that are greater than the underlying assets in the Fund.</p>

Equity security risk	<p>The value of an individual equity security (also known as a share) may be affected by market sentiment and other factors that may impact the performance of the actual company over short or extended periods of time. Investing in shares of a company will expose an investor to many of the risks to which the individual company is itself exposed. They include many factors, such as changes in management, technology, and a company's financial health, actions of competitors, regulators and market trends. Share markets tend to move in cycles, and the individual share price of a security may fluctuate.</p> <p>Equities may also be affected by dilutive equity issuance or changes to dividend policy.</p> <p>Such risk is considered by System Capital through its investment process and managed by maintaining a diversified portfolio of securities.</p> <p>Investment returns from international shares are also affected by exchange rate fluctuations. The currency exposure from the Fund's international equity investments may be hedged or partially hedged into the Australian dollar. (Refer to 'Currency strategy' under How we invest your money for more information.)</p>
Foreign investment risk	<p>The Fund may be exposed to investments that are located offshore and governed by foreign law. It is therefore subject to certain risks that are not prevalent if investing in markets locally. Such risks include:</p> <ul style="list-style-type: none"> • various investment laws and regulations imposed by the foreign jurisdiction that limit the use of certain securities and investment techniques that might improve performance; • securities not being actively traded, meaning the only option for liquidity is generally redemption which may be subject to delays; or • risk that taxation or other applicable laws may change in Australia that may affect the operation of the Fund, including how distributions are paid from the Fund.
Fund risk	<p>Fund risk refers to specific risks associated with the Fund, such as termination, changes to fees, or changes in government policies (including taxation, investment sanctions, regulations and laws) that may affect the Fund or investors in the Fund. We may close the Fund to further investments if, for example, we consider it appropriate given the investment objective and investment strategy of the Fund. We may also terminate the Fund by notice to unitholders.</p> <p>Your investment in the Fund is governed by the terms of the Constitution and the PDS of the Fund (each as amended from time to time), the Corporations Act (where applicable), and other laws. The value or tax treatment of an investment in the Fund or its underlying assets, or the effectiveness of the Fund's trading or investment strategy may also be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods. Such changes could also make some investors consider the Fund to be a less attractive investment option than other investments, prompting greater than usual levels of withdrawals, which could have adverse effects on the Fund.</p> <p>There is also a risk that investing in the Fund may give different results from holding the underlying assets of the Fund directly because of:</p> <ul style="list-style-type: none"> • income or capital gains accrued in the Fund at the time of investing; and • the consequences of investment and withdrawal decisions made by other investors in the Fund; for example, a large level of withdrawals from the Fund may lead to the need to sell underlying assets which would potentially realise income and/or capital gains. <p>We aim to manage these risks by monitoring the Fund and by acting in investors' best interests. In the event of winding up the Fund, we will realise all the Fund's assets, which will generally result in the crystallisation of tax positions (both income and capital) at that time.</p>
Gearing risk	<p>The use of borrowed money or gearing within the Fund will increase investment exposure and can magnify the potential gains and losses from investments and increase the volatility of the Fund's total return. Gearing also increases the risk of the Fund not meeting the financial obligations of the borrowing, including but not limited to the cost of the borrowing and refinancing risk.</p> <p>The gearing level for the Fund may change daily due to factors such as market movements, applications, withdrawals or changes to the amount borrowed. The Fund's gearing range and net market position is monitored regularly. Refer to 'Additional information about the Fund's investments' for more information about the Fund's gearing strategy.</p>

Liquidity risk	<p>Liquidity risk is the risk that the Fund will not have adequate cash resources to meet its short-term financial commitments as they fall due (including meeting the Fund's objective and investors' expectations for payment of redemptions).</p> <p>Liquidity risk may also occur due to the absence of an established market or a shortage of buyers for an investment which can result in a loss if the holder of the investment needs to sell it within a particular timeframe.</p> <p>Liquidity risk can also occur due to pandemics and other widespread public health emergencies such as the outbreak of COVID-19 which may cause volatility and declines in markets for financial assets (refer to 'Market risk' below) which in turn may impact the liquidity of the Fund.</p> <p>Certain investments may be typically less liquid than other investments or pose a higher risk of becoming illiquid during times of market stress. The less liquid the investment, the more difficult it may be to sell the investment when it is desirable to do so or to realise what the investment manager perceives to be fair value in the event of a sale.</p> <p>If an investor or a group of investors in a fund with exposure to less liquid assets seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price we receive for those assets. In certain circumstances, we may suspend or otherwise restrict withdrawals (refer to 'Withdrawal risk') to allow sufficient time for a more orderly liquidation of assets to meet the withdrawals.</p>
Market risk	<p>The Fund may experience investment losses due to factors that result in market volatility and disruption and affect the overall performance of the financial markets. These events may include changes in spreads, macro-economic, regulatory, social and political conditions, weather events, terrorism, changes in technology, the environment and market sentiment and pandemics and other widespread public health emergencies including outbreaks of infectious diseases such as COVID-19.</p> <p>Often assets from less developed regions or markets display higher levels of volatility of investment return than assets in mature markets.</p>
Service provider risk	<p>The Fund may be reliant on external service providers in connection with their operation, such as the fund administrator, custodian and registry provider. There is a risk with these arrangements that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Fund may be required to seek an alternative supplier and, in the interim, investment activities and other functions of the Fund may be affected.</p>
Short position risk	<p>As establishing a short position involves 'borrowing' a security, a different assessment of risk is required compared to the risk assessment of investing in the security directly. When investing in a security directly, the maximum loss is generally limited to the amount invested. With a short position, there is no limit to how much an investor can lose if the price of the security continues to rise. This is because a rising share price means the borrower (i.e. the Fund) must pay a higher amount to buy back the security when it comes time to return the security to the lender.</p> <p>Short selling will also increase the Fund's total gross effective exposure to the share market above 100% of its net assets. This in turn may magnify the exposure to other investment risks detailed in this section.</p> <p>Short positions are also affected by risks associated with the lender of the security. There is the risk that the securities lender may recall a security that has been borrowed at any time. This means the borrower (i.e. the Fund) will have to find another securities lender willing to lend the security or buy the security on the market within a short period of time. This may force the borrower to buy the security at an unfavourable price.</p>
Withdrawal risk	<p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally intended timeframe of 5 business days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer than the generally applicable timeframe and may need to be suspended (see 'Suspending withdrawals' for more information).</p> <p>The maximum timeframe in which we, as Responsible Entity, have to meet a withdrawal request is set out in the Constitution. Where the Fund is not liquid (as defined in the Corporations Act), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act. Please refer to 'Additional information about withdrawing' for further information about an investor's ability to withdraw when the Fund is liquid, including the timeframes, and an investor's ability to withdraw if the Fund is not liquid.</p>

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

System Capital Long Short Fund - Class A		
Type of fee or cost	Amount ⁷	How and when paid
Ongoing annual fees and costs		
Management fees and costs ^{1,2,3,4} The fees and costs for managing your investment	The management fees and costs of the Fund are 1.25% p.a. of the net asset value of the Fund	The amount quoted is made up of the following three components: Management fees, which are calculated and accrued daily and paid monthly in arrears from the Fund's assets on or around the last business day of the month. Indirect costs (if any), which are deducted from the Fund's assets, accrued daily in the net asset value, and then paid as and when due. Recoverable expenses, which may be abnormal operating expenses (if any) that, if charged, will be deducted from the Fund's assets, and paid as incurred; and/or normal operating expenses and investment expenses, which are paid out of the management fee.
Performance fees ⁵ Amounts deducted from your investment in relation to the performance of the product	We estimate that the performance fee of the Fund will be 4.31% p.a. of the net asset value of the Fund.	The performance fee is deducted from the Fund's assets and paid quarterly. It is calculated according to the Fund's particular methodology.
Transaction Costs ⁶ The costs incurred by the scheme when buying or selling assets	The net transaction costs are estimated to be 0.26% p.a. of the net asset value of the Fund	Transaction costs are deducted from the assets of the Fund as and when they are incurred (where not otherwise recovered through the buy/sell spread).

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be +0.20%/-0.20% of the investment or withdrawal amount	Charged at time of transaction and paid into the Fund when you invest in or withdraw from the Fund. The buy/sell spread is reflected in the unit price and is not separately charged to the investor.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing your investment options	Nil	Not applicable

- 1 Unless otherwise stated, all fees and costs are quoted gross of income tax and any Goods and Services Tax (GST) and reduced by any input tax credits (ITCs) or reduced input tax credits (RITCs) as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated and may be rounded to two decimal places.
- 2 For certain wholesale clients (as defined in the Corporations Act) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to 'Can fees be different for different investors?' in 'Fees and other costs'.
- 3 All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. The costs component of management fees and costs is based on the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12-month period). All figures have been rounded to two decimal places. Please refer to 'Management fees and costs' under the heading 'Additional explanation of fees and costs' for more information on management fees and costs.
- 4 Please refer to 'Other payments' under the heading 'Additional explanation of fees and costs' for more information on costs that may be payable.
- 5 The reasonable estimate of the performance fee is based on the Responsible Entity's reasonable estimate for the current financial year (adjusted to reflect a 12 month period). Past performance is not a reliable indicator of future performance and the Fund's actual performance fee will be based on the Fund's performance over the relevant period. Please refer to 'Performance fees' under the heading 'Additional explanation of fees and costs' for more information on performance fees.
- 6 Transaction costs are the costs associated with the buying and selling of the Fund's assets. These costs include brokerage, settlement costs, clearing costs, stamp duty and other government taxes or charges and include the transactional and operational costs incurred by the underlying assets. Transaction costs are recovered from the assets of the Fund as and when they are incurred. The transaction costs are based on the Responsible Entity's estimate of the costs for the current financial year, (adjusted to reflect a 12-month period).
- 7 'Nil' means there is an entitlement under the Constitution but we have elected not to charge it. 'Not applicable' means there is no entitlement for us to charge this fee.

Example of annual fees and costs for the Fund

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

EXAMPLE - System Capital Long Short Fund - Class A	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	1.25% p.a. of the net asset value of the Fund	And , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$625 each year.
PLUS Performance fees	4.31% p.a. of the net asset value of the Fund	And , you will be charged or have deducted from your investment \$2,155 in performance fees each year.
PLUS Transaction costs	0.26% p.a. of the net asset value of the Fund	And , you will be charged or have deducted from your investment \$130 in transaction costs.
EQUALS Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of and costs of: \$2,910 What it costs you will depend on the investment option you choose and the fees you negotiate.

! This example assumes that the \$5,000 contribution is made at the end of the year and the value of the investment is otherwise consistent, therefore the management fees and costs associated above are calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and expenses we charge are based on the value of the Fund, which also fluctuates daily. 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. For a detailed explanation about all of the fees and costs that apply see the fees and costs summary above.

Additional explanation of fees and costs

Management fees and costs

The costs component of management fees and costs in the 'Fees and costs summary' is based on the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12 month period). All figures have been rounded to two decimal places.

You should refer to the Fund's website at www.fidante.com from time to time for any updates which are not materially adverse to investors.

The total management fees and costs for the Fund, outlined in the 'Fees and costs summary' above include the management fee, indirect costs and recoverable expenses. They do not include the performance fees (if payable), the Fund's buy/sell spread or the transaction costs of underlying assets (as set out below).

The Fund's management fees and costs are payable from the Fund's assets (generally those being referable to the relevant class) and are not paid directly from your account. Each of these are explained further below.

For details of the maximum fees permitted under the Constitution, please refer to 'Maximum allowable fees'.

Management fee

This is the fee charged for managing the investments, overseeing the Fund's operations and providing access to the Fund. The management fee of the Fund is 1.25% p.a. of the net asset value of the Fund. It is calculated and accrued daily as a percentage of the net asset value of the Fund and payable monthly in arrears.

Indirect costs

Indirect costs are those amounts paid from the assets of the Fund that we know or, where required, reasonably estimate will reduce, whether directly or indirectly, the return of the Fund or the amount or value of the income of, or property attributable to, the Fund or an interposed vehicle in which the Fund invests. Indirect costs do not include the management fee, performance fee, or recoverable expenses as set out in this section.

Indirect costs of the Fund are estimated to be 0.00% p.a. of the Fund's net asset value.

Recoverable expenses

Normal operating expenses

We currently pay the normal operating expenses of the Fund (e.g. custody fees, audit fees, accounting fees, legal and regulatory fees) from the management fee and will not, without notice, recover these from the Fund's assets.

Abnormal expenses

We may recover abnormal expenses (such as costs of unitholder meetings, changes to the Constitution and defending or pursuing legal proceedings) from the Fund's assets. Whilst it is not possible to estimate such expenses with certainty, we anticipate that the events that give rise to such expenses will not occur regularly. In circumstances where such events do occur, we may decide not to recover these abnormal expenses from the Fund's assets.

The management fees and costs set out in the 'Fees and costs summary' above include abnormal expenses of 0.00% p.a. of the net asset value of the Fund, which is the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12 month period). If abnormal expenses are charged, they will be recovered from the Fund's assets when they are incurred. As the Fund has not been in existence for a full 12 months, this amount may not be a good indicator of the typical ongoing abnormal expenses of the Fund in the future. The amount quoted is not an indication or guarantee of the amount that may be charged in the future. At the date of this PDS, there is no intention to hold a unitholder meeting nor are we aware of any legal proceedings the Fund may be a part of that may require us to recover associated abnormal expenses from the Fund.

Investment expenses

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

Performance fee

A performance fee is calculated on each business day. If the Fund's daily return (after fees and expenses, and after adding back any distributions paid) exceeds its defined Performance Benchmark within a performance period, a performance fee may be payable. The performance fee is accrued daily and reflected in the Fund's unit price.

The performance fee in the 'Fees and costs summary' above is a reasonable estimate based on the Responsible Entity's reasonable estimate for the current financial year (adjusted to reflect a 12 month period).

Past performance is not a reliable indicator of future performance and the Fund's actual performance fee will be based on the Fund's performance over the relevant period. These amounts are inclusive of GST and income tax less reduced input tax credits.

Performance Benchmark

The Performance Benchmark is the daily return of the higher of the RBA Cash Rate or 4% p.a. (**Performance Benchmark**).

The Fund must outperform the Performance Benchmark before the performance fee becomes payable.

High watermark

A High Watermark is set each time a performance fee is paid. The Fund must outperform the High Watermark (i.e. have cumulative positive performance since the last High Watermark) for a performance fee to become payable at the end of a Performance Fee Period.

How is the performance fee calculated and paid?

The performance fee is calculated as 20.00% of the Fund's excess performance (after fees and expenses and after adding back any distributions paid) above the higher of the RBA Cash Rate or 4% p.a., calculated daily and subject to a High Watermark.

The performance fee is calculated on each business day and reflected in the unit price. The cumulative performance fee amount on any given business day is the aggregate of all the daily performance fee amounts since a performance fee was last paid from the Fund up to and including the day of the calculation date (**Cumulative Performance Amount**).

The Cumulative Performance Amount will be paid from the Fund for performance fee periods ending 31 March, 30 June, 30 September and 31 December, subject to the last High Watermark (**Performance Fee Period**). The Fund must outperform the High Watermark (i.e. have positive returns) for a performance fee to become payable.

If, on a given day the Fund has underperformed the Performance Benchmark, any Cumulative Performance Amount will be adjusted down to reflect the day's underperformance of the Performance Benchmark.

If, during a Performance Fee Period the Fund has underperformed the Performance Benchmark, the Cumulative Performance Amount will be zero. The Fund will need to outperform the Performance Benchmark before a performance fee is accrued.

The performance fee is estimated as 4.31% p.a. of net asset value of the Fund, calculated based on Responsible Entity's reasonable estimate for the current financial year.

For historical performance fees, please contact the Fidante Investor Services Team on 1300 721 637. For additional information about how unit prices are calculated please refer to 'How unit prices are calculated' in this document.

Performance fee – worked dollar example

The table below provides a dollar fee example based on an investor with a \$50,000 investment in the Fund. Please note that this is just an example and should not be taken as an indication or guarantee of future performance, nor an indication of the performance fee that may be charged in the future. We do not provide any assurance that the Fund will achieve the performance used in the examples and you should not rely on this in determining whether to invest in the Fund.

Scenario	Example (Balance of \$50,000)
<p>The Fund's daily performance exceeds the daily Performance Benchmark AND the overall Fund performance exceeds the Performance Benchmark for the Performance Fee Period.</p> <p>The Fund's daily net performance: 1%</p> <p>The daily Performance Benchmark (the higher of):</p> <ul style="list-style-type: none"> • RBA Cash Rate*: 4.35% (daily rate of 4.35%/365 = 0.0119%); OR • 4%: (daily rate of 4.00%/365 = 0.0110%) <p>The RBA Cash Rate is higher than 4% p.a., therefore the RBA Cash Rate is the daily Performance Benchmark. The daily Performance Benchmark return is 0.0119%.</p>	<p>$(1\% - 0.0119\%) \times 20\% \times \\$50,000 = \\$99$.</p> <p>For a balance of \$50,000, you would pay a performance fee of approximately \$99 for that day.</p>

Scenario	Example (Balance of \$50,000)
<p>The Fund's daily performance exceeds the daily Performance Benchmark AND the overall Fund performance <u>does not</u> exceed the Performance Benchmark for the Performance Fee Period.</p>	<p>No performance fee is payable as the Fund's overall performance is below the Performance Benchmark for the Performance Fee Period.</p>
<p>The Fund's daily performance <u>does not</u> exceed the daily Performance Benchmark AND the overall Fund performance <u>still exceeds</u> the Performance Benchmark for a Performance Fee period.</p>	<p>The Funds Cumulative Performance Amount (reflecting the Fund's outperformance of the Performance Benchmark for the Performance Fee Period) is adjusted down to reflect the days underperformance.</p>

*RBA Cash Rate of 4.35% used in this example is for illustrative purposes only.

Transaction costs

Transaction costs are the costs associated with the buying and selling of the Fund's assets. These costs include brokerage, settlement costs, custody and bank charges (where applicable), OTC derivative costs, clearing costs, stamp duty and other government taxes or charges and include underlying security buy/sell spreads and the transaction costs incurred to acquire or sell the underlying assets.

The Fund's estimated gross transaction costs are 0.26% p.a. of the net asset value of the Fund and are based on the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12-month period). The transaction costs shown in the 'Fees and costs summary' are net of any amount recovered by the buy/sell spread.

As the Fund has not been in existence for a full 12 months, this amount may not be a good indicator of the typical ongoing transaction costs of the Fund in the future.

The Fund's estimated net transaction costs (representing the total gross transaction costs minus the total amount recovered through the buy/sell spread of (+0.20%/-0.20%) are 0.26% p.a. of the net asset value of the Fund, based on the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12-month period).

Transaction costs are not included in the management fees and costs. Instead they are paid from the assets of the Fund as and when they are incurred and therefore (where not otherwise recovered through the buy/sell spread) are an additional cost to you.

Total fees and costs

Based on the estimated costs outlined in this section, the estimated total of the amounts for management fees and costs, performance fees and net transaction costs is estimated as 5.82% p.a. of the net asset value of the Fund. The dollar figure of these estimated total management fees and costs, performance fees and net transaction costs based on an investment balance of \$50,000 is \$2,910.

Buy/sell spreads

The buy/sell spread is a type of transaction cost that the Responsible Entity may charge to investors to recover some or all of the transaction costs of the Fund. The purpose of the buy/sell spread is to ensure that only those investors transacting in the Fund's units at a particular time bear the Fund's costs of buying and selling the Fund's assets as a consequence of their transaction.

The buy/sell spread for the Fund is stated as a percentage of the investment or withdrawal amount and is the difference between the investment unit price and the withdrawal unit price. It reflects an estimate of the transaction costs expected to be incurred in buying and selling the Fund's assets as a result of investments and withdrawals made by investors.

This estimate may take into account factors such as (but not limited to) historical transaction costs and anticipated levels of investments and withdrawals. It is expected that brokerage will make up the vast majority of transaction costs.

The current buy/sell spread of the Fund is +0.20%/-0.20%; however a different buy/sell spread may apply if the estimate changes.

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

Any difference between total gross transaction costs and the amounts recovered from the buy/sell spread from transacting investors is an additional cost that is borne by all investors of the Fund.

Please note that while the buy/sell spread is an additional cost to you, it is not a fee paid to us or System Capital. It is paid to the Fund and is reflected in the Fund's unit price.

Buy/sell spread example

- The current buy spread on an investment in the Fund is +0.20%. Therefore, the cost of an investment of \$50,000 into the Fund would be \$100.
- The current sell spread on a withdrawal from the Fund is -0.20%. Therefore, the cost on a withdrawal of \$50,000 from the Fund would be \$100.

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

Can fees be different for different investors?

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

Borrowing costs

Borrowing costs are the costs associated with borrowing money or securities. The Fund may enter into borrowing facilities and, if so, the costs of a borrowing facility would be deducted from the Fund and not paid for by us from the fees we receive. Borrowing costs are not part of transaction costs, and are not shown in the 'Fees and costs summary'.

Government charges and GST

Government taxes such as stamp duty and Goods and Services Tax (**GST**) may apply to the Fund or your investment. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) that are expected to be available to the Fund.

Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Please refer to 'How managed investment schemes are taxed' for additional information on GST.

Other payments

We may pay fees from our resources to some platform operators because they make the Fund available through their investment service. These fees may be rebated to the Indirect Investor investing in the Fund through the service or in some circumstances may be retained by the operator and include:

- for each platform operator, product access payments of up to \$20,000 p.a.; and/or
- where permitted by law, fund manager payments of up to 0.55% p.a. of the amount invested in the Fund.

These payments are made from our own resources so that they are not an additional cost to the Fund or its unitholders.

Maximum allowable fees

The Constitution allows certain maximum fees (see table below), and allows for expenses of the Fund (whether normal or abnormal expenses), such as registry, audit, taxation, advice, investment management and offer document costs to be paid directly from the Fund.

Fee	Maximum amount
Contribution fee (currently not charged)	5.00% of the contribution amount
Management fee (currently charged at 1.25% p.a.)	3.00% p.a. of the net asset value of the Fund
Responsible Entity fee (currently not charged)	The greater of \$250,000 or up to 2% p.a. of the net asset value of the Fund
Withdrawal fee (currently not charged)	5.00% of the withdrawal amount
Performance fee (currently charged at 20.00% of the Fund's net return above its performance benchmark)	30% of the difference between the Fund's daily return (after adding back any distributions paid) and the daily return of the RBA Cash Rate.
Switching fee (currently not charged)	Contribution fee plus \$50 (CPI adjusted each year)

The Constitution does not place any limit on the amount of the expenses that can be paid from the Fund.

Can fees change?

All fees can change without investor consent. Reasons for this might include changing economic conditions and changes in regulation. We will give unitholders 30 days' written notice of any proposed increase in fees. We cannot charge more than the Constitution allows. If we

wish to raise fees above the amount allowed for in the Constitution, we would first need to obtain the approval of unitholders. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

Indirect (or alternative form) remuneration

We may provide benefits to other financial services intermediaries where the law permits. If we do, we will provide these benefits from our own resources so that they are not an additional cost to the Fund or its unitholders.

We maintain a register (in compliance with the relevant regulatory requirements) summarising alternative forms of remuneration that are paid or provided to Australian financial services licensees and/or their representatives. Registers are publicly available and if you would like to review our register, please contact us.

Tax

Information about tax is set out in the 'How managed investment schemes are taxed' section.

Making, withdrawing and monitoring your investment

Each person should obtain and consider the Fund's PDS and TMD before making a decision about whether to acquire or continue to hold units in the Fund. A copy of the Fund's PDS and TMD can be obtained from your financial adviser, by calling the Fidante Investor Services Team on 1300 721 637, or at www.fidante.com. The information in the table below applies to Direct Investors only. If you are an Indirect Investor, you will need to comply with any requirements set by your platform operator. Please refer to 'Indirect Investors' for further information.

Please note that when making an investment, (whether initial or additional investments) the funds must come from an account held in your name. Similarly, withdrawals/distributions from your investment must also be paid to an account held in your name. Please note that 3rd party payments are not accepted.

	Minimum amounts ¹	How to lodge your request	More information
Initial investment	\$10,000	<p>You can invest in the Fund directly by following these two easy steps:</p> <ol style="list-style-type: none"> 1 Read and understand this PDS and TMD both available on our website or in hard copy on request; and 2 Complete and submit the online application form on our website by clicking "Invest Online". Please note paper application forms are available on our website or in hard copy on request. <p>Investments can be made from an account held in your name via direct debit, BPAY or electronic funds transfer. All direct debits and BPAY payments are subject to the Direct Debit Service Agreement and BPAY Service Agreement available on the Fidante website.</p>	'Additional information about making an investment' and 'Customer Identification Program'
Additional one-off investments	No minimum	<p>Once you have made your initial investment in the Fund, you can make additional one-off investments and/or regular monthly investments via the Regular Investment Plan.</p> <p>You can make additional investments in the Fund by following these two easy steps:</p> <ol style="list-style-type: none"> 1 Ensure you have read and understood the most recent copy of the Fund's PDS and TMD both available on our website or in hard copy on request; and 2 Complete and submit the online application form on our website by clicking "Invest Online". Please note paper application forms are available on our website or in hard copy on request. <p>Investments can be made from an account held in your name via direct debit, BPAY or electronic funds transfer. All direct debits and BPAY payments are subject to the Direct Debit Service Agreement and BPAY Service Agreement available on the Fidante website.</p>	'Additional information about making an investment'
Regular Investment Plan	No minimum per month	<p>The Regular Investment Plan (RIP) enables you to invest in the Fund each month via direct debit from a nominated account.</p> <p>You can set up an RIP at the time of making your application.</p>	'Regular Investment Plan'
Withdrawals	No minimum	<p>Direct Investors can request a withdrawal by lodging a Fidante Withdrawal Request Form or in writing. A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement. Withdrawals can only be made to a bank account held in your name.</p>	'Additional information about withdrawing'
Transferring ownership	No minimum	<p>Subject to conditions as required by law or that we, from time to time, prescribe.</p>	'Transferring ownership'

1. We may accept lower minimum transaction amounts at our discretion.

Additional information about making an investment

Initial Investments

When you make your initial investment in the Fund, we will email you a confirmation letter and log-in details to the secure online portal InvestorServe where you can manage your investment. Please refer to 'Keeping you informed' for more information.

Each person should obtain and consider the Fund's PDS and TMD before making a decision about whether to invest or continue to hold the Fund. A copy of the Fund's PDS and TMD can be obtained from your financial adviser, by calling the Fidante Investor Services Team on 1300 721 637, or at www.fidante.com.

Direct Investors

Details of how to make your initial investment are outlined in the 'Making, withdrawing, and monitoring your investment' table. Once you have made your initial investment in the Fund, you can make additional one-off investments and/or regular monthly investments via the Regular Investment Plan.

Indirect Investors

If you are an Indirect Investor you must complete the documentation which the platform operator requires. Please contact the relevant platform operator directly with any enquiries.

Additional one-off investments

Once you have made your initial investment in the Fund, you can make additional one-off investments and/or regular monthly investments via the Regular Investment Plan.

Each person should obtain and consider the Fund's PDS and TMD before making a decision about whether to make additional investments in the Fund. A copy of the Fund's PDS and TMD can be obtained from your financial adviser, by calling the Fidante Investor Services Team on 1300 721 637, or at www.fidante.com.

Direct Investors

Details of how to make your additional investment are outlined in the 'Making, withdrawing, and monitoring your investment' table.

Indirect Investors

If you are an Indirect Investor you must complete the documentation which the platform operator requires. Please contact the relevant platform operator directly with any enquiries.

Regular Investment Plan

The Regular Investment Plan (**RIP**) enables you to invest in the Fund each month via direct debit from a nominated account held in your name.

Direct Investors

You can set up an RIP via our online application process.

Your nominated account will be debited on or around the next business day after the 14th day of each month for the specified amount. Your application to commence an RIP must be received at least three business days before the 14th day of the month in which you wish your instructions to take effect. Participation in the RIP will be renewed annually by continuing to make contributions.

Units will be issued on the basis of information contained in the PDS and this document current at the time the contributions are made. Should a replacement PDS or additional important information be issued, we will notify you and inform you of any changes or updates if you continue to participate in the RIP. You can amend, suspend, or cancel your RIP at any time.

You should ensure that we receive your instructions to amend, suspend or cancel your RIP at least three business days before the 14th day of the month in which you wish your instructions to take effect. Any request received after this may result in the change not being effective until the following month.

If two consecutive debits are dishonoured due to insufficient funds, we will suspend your RIP.

Please ensure you have considered the Fund's PDS and TMD before making a decision about whether to set up an RIP. A copy of the Fund's PDS and TMD can be obtained from your financial adviser, the Fidante Investor Services Team on 1300 721 637, or at www.fidante.com.

Indirect Investors

RIP is not available to Indirect Investors.

Incomplete or rejected application forms

Under the Constitution, we can accept or reject any application for units and are not required to give any reason or grounds for such a refusal.

Monies from incomplete applications will generally be held on trust for a maximum period of 30 days in a non-interest bearing account commencing on the day we receive the monies. After this period, your funds will be returned to the source of payment.

Once we receive your completed application form, the monies held will be divided by the next determined unit price to calculate the number of units that will be allocated to you.

Customer Identification Program

Direct Investors

As part of the application process, we will electronically verify your identity (including, where applicable, the identity of any beneficial owners or related persons). If electronic verification can't be undertaken, we may ask you for additional identity verification documents and/or information.

In certain circumstances we may require the identity verification documentation to be certified.

Where the Application Form is signed under Power of Attorney we will also require a certified copy of the Power of Attorney document and a specimen signature of the attorney.

We may, where required, pass any information we collect and hold about you or your investment to the relevant government authority.

If any documentation requested by us is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator.

If we do not receive all required valid customer identity verification information and/or documents, we will not be able to commence your investment. We will contact you as soon as possible if we require more information. We may also seek to re-verify your identity or collect additional information at any time after your investment has commenced.

Indirect Investors

Indirect Investors should refer to their platform operator for details of their customer identification program.

Additional information about withdrawing

How to make a withdrawal

Direct Investors

Direct Investors can request a withdrawal by lodging a Fidante Withdrawal Request Form or in writing. A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement. Withdrawals can only be made to an Australian bank account held in your name.

We will require the following information when you make your withdrawal request:

- your account number;
- the full name(s) in which your investment account is held;
- the amount (dollars or units) you wish to withdraw;

- method of payment; and
- a daytime telephone number.

If you originally invested via direct debit and you make a withdrawal within the first three months of making your investment, we will only pay the withdrawal proceeds to the account that was debited when making your initial investment.

Indirect Investors

You must complete the withdrawal documentation required by the platform operator.

Processing your withdrawal

While withdrawals are normally processed and paid within five business days of receiving your valid withdrawal request, we may take significantly longer than this in certain circumstances (please refer to 'Delay of withdrawal payments').

For Direct Investors, we can make withdrawal payments by direct credit to your nominated account. You agree that if the type of payment you request results in bank fees being charged, we may deduct those fees from your withdrawal proceeds before remitting the net amount to you.

Generally, if the payment for your withdrawal is returned to us and remains outstanding for 1 month, we may reinvest the proceeds in the Fund. Any reinvestment of a withdrawal amount will be processed using the investment unit price current at the time of the reinvestment transaction. For more information on unit prices, refer to 'How unit prices are calculated' below.

We may determine that some or all of the withdrawal amount consists of income (which may include net capital gains), rather than capital of the Fund.

We will advise you when this is the case as soon as practicable after the end of the financial year in which the withdrawal occurred.

We have the discretion to transfer assets referable to the Fund to you (instead of cash) in payment (partly or fully) of the proceeds of your withdrawal request less any costs for the transfer.

We have the right to compulsorily redeem units in issue, if we give at least 30 days prior written notice to affected investors.

Delay of withdrawal payments

Withdrawals are normally processed and paid within five business days of receiving a valid withdrawal request; however, we do not guarantee this timeframe and we may take significantly longer to pay withdrawals in certain circumstances.

Withdrawals may be delayed in the following circumstances:

- under the Constitution, we have 21 days to satisfy a valid withdrawal request;
- under the Constitution, we can suspend withdrawals for up to 60 days (refer to 'Suspending withdrawals' below);
- we can also spread withdrawal payments, generally over four months (refer to 'Spreading withdrawals' below); or
- if the Fund becomes illiquid, we are not required to pay withdrawals unless we offer to do so in accordance with the Corporations Act (refer to 'If the Fund becomes illiquid' below).

Where multiple delays are applicable, timeframes may apply cumulatively.

Additionally, if we did not receive all required identity verification documents at the time of investment or your withdrawal request is incomplete, we may not process your withdrawal request until these documents are received or further requirements are met.

Suspending withdrawals

We may suspend withdrawal requests for up to 60 days where:

- it is impracticable for us or we are unable to calculate the Fund's net asset value (and hence unit prices) for example because of:
 - an inability to value the assets of the Fund due to (without limitation) closure of, or trading restrictions or suspensions on, stock, commodities, futures or securities exchanges, or over-the-counter market on which any significant portion of the assets of the Fund are listed, quoted, traded or dealt, or due to an emergency, natural disasters, acts of terrorism, insurrection, civil disorder, war, military operations or other state of affairs, or on declaration of a moratorium in a country where the Fund invests (or the Fund has exposure through any assets of the Fund (including any derivative) in which the Fund invests) or under the Corporations Act;
- we reasonably estimate that we must sell 5% or more (by value) of all the Fund's assets to meet withdrawals;
- there have been, or we anticipate there will be, withdrawal requests that will require us to realise a significant amount of the Fund's assets that would be disadvantageous to remaining investors (such as placing capital gains tax burden on remaining investors or resulting in a material diminution in the value of the assets of the Fund);
- we reasonably consider it to be in the interests of investors to do so;

- where the Fund or a class is quoted, the units or units in that class is suspended or the trading of any units or units in a class is otherwise halted, interrupted or restricted by the ASX, or the trading of any units or units in a class on the ASX is subject to a period of deferred settlement trading, or there is a period which units are subject to a consolidation or division;
- where the Fund or a class is quoted, units or units in a class cease to be quoted; or
- the law otherwise permits.

Any withdrawal requests received during a period of suspension, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

Spreading withdrawals

Under the Constitution, we may, if we consider it to be fair to all unitholders, spread the redemption of some or all of the relevant units across more than one redemption date. Generally, we may spread a withdrawal request where:

- we receive a withdrawal request for the value of 5% or more of the number of units on issue;
- we receive, on any day, withdrawal requests that in total represent 10% or more of the number of units on issue;
- there have been, or we anticipate that there will be, withdrawal requests for 10% or more of the total units on issue in the Fund and we consider that if those requests are met rapidly this may either place a disproportionate expense or capital gains tax burden on remaining investors or meeting the requests would impact negatively on the price we could achieve in selling Fund assets or otherwise disadvantage remaining investors.

When we spread withdrawals, we may determine that a withdrawal request is four separate requests, each for a quarter (or as close to a quarter as we determine) of the total number of units in the original withdrawal request.

Each of the four (deemed) withdrawal requests will be deemed to be received by us on the same business day of the month (or next business day, if not a business day or if that day does not occur in that month) in each of the four succeeding months following the original withdrawal request.

If the Fund becomes illiquid

If the Fund is not liquid (as defined in the Corporations Act), unitholders will only be able to withdraw from the Fund if we make an offer of withdrawal to unitholders. If

we do make such an offer, unitholders may only be able to withdraw part of their investment. There is no obligation for us to make withdrawal offers.

Under the Corporations Act, the Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets generally include money in an account or on deposit with a bank, bank-accepted bills, marketable securities and property of the kind prescribed under the Corporations Act.

As at the date of this PDS, the Responsible Entity expects that the Fund will be liquid.

Additional information about transactions

Transferring ownership

Direct Investors

You can generally transfer some or all of your investment to another person in such a manner and subject to such conditions as required by law and that we, from time to time, prescribe. We are not obliged to register a transfer that does not meet these criteria, or where there is an amount payable to us by the transferee or the transferor (as applicable) in respect of the units being transferred. We recommend that you obtain your own professional advice regarding your position before transferring some or all of your investment, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

Please contact us for further information about transferring units.

Indirect Investors

Contact the platform operator if you wish to transfer your units.

Transaction cut-off times

Direct Investors

Generally, if your valid investment or withdrawal request is received in our Sydney office before 3:00pm Sydney time on a New South Wales business day (referred to as the transaction cut-off time), it will usually be processed using the unit price determined as at the close of business on that day. If your valid investment or withdrawal request is received after the transaction cut-off time, or on a non-business day, it will usually be processed using the applicable unit price calculated as at the close of business on the next business day.

Indirect Investors

You should contact your IDPS operator for information regarding transaction cut-off times.

Online transacting terms and conditions

Direct Investors

You should understand that a person without your authority could login to your account via InvestorServe and, by pretending to be you, make changes to your account.

We take care when acting on instructions. In doing so, we have in place internal policies and procedures designed to reduce the risk that fraud may be committed in relation to your account. We currently only allow withdrawals to be made via the Fidante Withdrawal Request Form or in writing.

In using the online transacting facility, you agree that we are not responsible to you for any fraudulently completed communications and that we will not compensate you for any losses if we have complied with internal policies and procedures, and we have not been negligent, fraudulent or dishonest.

We will only act on completed communications that we receive.

If the details of the bank account quoted at the time of making a withdrawal do not match the nominated bank account we have on file, the withdrawal will not proceed. You can change your bank account details online via InvestorServe or in writing. If you lodge a withdrawal request within 90 days of changing your bank account on file, we will follow up with a call before processing the request.

We may cancel or vary these requirements by giving you notice in writing.

Indirect Investors

You should contact the platform operator for information regarding how to transact.

Changes to permitted transactions

We can vary the minimum investment amounts for the Fund at any time and can also change the application or withdrawal transaction cut-off time. Under the Constitution, we can refuse applications for any reason. Where we consider it to be in the interests of unitholders (such as an inability to value the Fund), we may suspend application or withdrawal requests. Any application or withdrawal requests received during the period of suspension, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

Keeping you informed

You can access your account information through the secure online access system InvestorServe, which is available 24 hours a day, 7 days a week. InvestorServe is a secure online service which provides access to up-to-date information about your investments.

Through InvestorServe you can:

- view your account balances and transaction histories;
- view all confirmations and statements relating to the Fund and your investment (this includes distribution and tax statements, transaction confirmations) ;
- view your quarterly periodic statement;
- view and change your contact details and distribution payment preference;
- select the way you would prefer us to communicate with you; and
- if applicable, set up, modify or cancel your Regular Investment Plan.

At any time, you may request a paper copy of any statement or confirmation by calling the Fidante Investor Services Team on 1300 721 637. We recommend that you check all statements and transaction confirmations carefully. If there are any discrepancies, please contact us or your financial adviser.

Indirect Investors

Please contact the platform operator for information regarding your investment in the Fund.

Keeping us informed

Direct Investors

Our records about you are important.

Please ensure your personal details on your account are up to date. You can update these details via InvestorServe at any time. This includes a new postal address, a change of name or new bank account details. We will send you confirmation of any changes that you request us to make to your personal details.

Indirect Investors

As an Indirect Investor, you should notify the platform operator of any changes to your personal details.

What happens if you choose not to disclose certain information?

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

- Account details: we will not be able to pay withdrawal proceeds or income distributions to you.
- Tax residency information: we may not be able to process your request, or we may be required to notify the ATO.

- Incomplete application form: unless otherwise agreed, we will not be able to process your investment request.
- If you do not provide all relevant identity verification documents, we will not be able to process your investment request.

For Australian resident investors, if you choose not to disclose your TFN, TFN exemption or ABN, we may have to deduct tax at the highest marginal tax rate plus Medicare levy (and any other levies we are required to deduct, from time to time) from any amounts attributed or distributed to you (refer to 'Tax File Number' in 'How managed investment schemes are taxed').

Up-to-date information about the Fund

You can obtain up-to-date Fund performance, actual asset allocations and Fund size information from the Fund's regular report available at www.fidante.com.

A paper copy of any updated information will be given to you, without charge, on request by contacting us.

If the Fund is a "disclosing entity" under the Corporations Act, it will be subject to regular reporting and disclosure obligations. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to the Fund may be obtained from, or inspected at, an ASIC office.

You can obtain copies of the Fund's most recent annual financial report by visiting the Fidante website. A paper copy of the Fund's annual financial reports, any continuous disclosure notices, and any half yearly financial report will also be given to you, without charge, on request.

As Responsible Entity of the Fund, we may be subject to continuous disclosure obligations that require us to make material information available to investors. You can obtain a copy of the Fund's continuous disclosure information by visiting the Fidante website.

How to exercise cooling-off rights

The repayment of your investment under the cooling-off right is subject to an adjustment for market movements (both positive or negative) during the period in which the investment has been held. We may also deduct a reasonable charge for our administration costs.

Direct Investors

If you are a Direct Investor and you wish to exercise the cooling off rights, we must receive your written instructions at our office before the expiry of the cooling-off period. This cooling-off right must be exercised within 14 days from the earlier of:

- when you receive confirmation of your investment; or
- the end of the fifth business day after the day on which your units were issued or sold to you.

Indirect Investors

If you are an indirect investor, you should seek advice from your financial adviser or platform operator about the cooling-off rights (if any) that might apply to your investment in or through the platform.

Wholesale clients

These cooling-off rights do not apply to wholesale clients (as defined in the Corporations Act). Please note that as an investor in the Fund you will not necessarily be a wholesale client for the purposes of the Corporations Act.

be directed to them. If a complaint is first raised with the platform operator and an Indirect Investor is not happy with how the complaint has been handled, the Indirect Investor will need to raise that with the platform operator or the platform operator's external dispute resolution service.

Additional information about making a complaint

As part of our commitment to providing quality service to our Investors, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within 24 hours or as soon as practical after receiving it and investigate, properly consider, and decide what action (if any) to take and to provide a final response to you within 30 calendar days for standard complaints. If you have a particular complaint regarding your investment, please do not hesitate to contact us by calling the Fidante Investor Services Team on 1300 721 637 or by writing or emailing to:

Complaints and Disputes Resolution Officer

C/- Fidante
GPO Box 3993
Sydney NSW 2001

E: info@fidante.com.au

If you are not satisfied with our response or how the complaint has been handled (or we have not responded within 30 days) you may contact the following external dispute resolution scheme.

The Australian Financial Complaints Authority (AFCA)

GPO Box 3
Melbourne VIC 3001
Tel: 1800 931 678
www.afca.org.au

email: info@afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers.

New Zealand investors must send all complaints in writing to the Financial Markets Authority, New Zealand.

Indirect Investors may either contact the platform operator or us with complaints relating to the Fund. Complaints regarding the operation of the platform should

How managed investment schemes are taxed

The Australian tax commentary below is of a general nature and is based on our understanding of the Australian tax laws, as at the date of this document, as they relate to Australian resident individual taxpayers who hold their investment on capital account. It does not take into account the Australian or New Zealand tax treatment of New Zealand resident taxpayers. Any information contained therein should be used as a guide only and does not constitute professional taxation advice as individual circumstances may differ. Fidante is not a registered tax (financial) adviser and is not licensed or authorised to provide tax advice. We recommend that you obtain your own professional advice regarding your position, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

Taxation of the Fund

The Attribution Managed Investment Trust (**AMIT**) legislation applies to qualifying Managed Investment Trusts (**MITs**) that make an irrevocable election to become an AMIT. The Responsible Entity has determined that the Fund will elect to become an AMIT from the 2023 financial year.

An AMIT must attribute its taxable income to investors on a fair and reasonable basis, and investors are advised of their share of the taxable income via an AMIT Member Annual Statement (**AMMA Statement**). The Fund will generally not be liable to pay income tax on its taxable income on the basis that it will attribute all determined trust components (i.e. assessable income, exempt income and non-assessable non-exempt income) to members each year. If the Fund were to cease being an AMIT, it should also generally not be liable to pay income tax on the basis that unitholders are presently entitled to the Fund's distributable income.

Other key features of the AMIT regime include: income character retention; deemed fixed trust status; an ability for adjustments and errors at the trust level to be carried forward and dealt with in the year in which they are discovered; adjustments (upwards and downwards) made to investors' cost bases for CGT purposes, and their costs for revenue purposes, where there are differences between the amount distributed and the amount attributed on an AMMA Statement; and clarification of the treatment of tax deferred distributions.

The MIT capital account election regime permits eligible MITs to make an irrevocable election to adopt capital account treatment for certain types of assets (broadly shares, units and real property) for income years to which the election applies. An irrevocable election has been made in respect of the Fund and accordingly deemed capital treatment will apply in respect of the qualifying assets for the income years to which the election applies.

Additionally, there is arm's length income legislation that applies to MITs. Under this legislation, excess income generated by a MIT from non-arm's length arrangements may be determined to be subject to tax at 30%. It is not expected that the arm's length income provisions will impact the Fund.

The Taxation of Financial Arrangement (**TOFA**) provisions apply on a mandatory basis to qualifying taxpayers in respect of certain financial arrangements. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on an accruals basis, which may result in a taxing point prior to the realisation of the investment. As at the date of this document, we, as Responsible Entity of the Fund, have not made an election to apply one of the elective methods under TOFA.

Tax losses incurred by the Fund will remain in the Fund and can be applied to reduce the Fund's income in future years (subject to the Fund satisfying the specific provisions of the trust loss carry forward legislation).

Tax position of Australian resident investors

You will generally be required to include in your assessable income your attributed income of the Fund. There may be instances where your attributed share of the taxable income of the Fund exceeds the distribution you receive from the Fund.

Where investors disagree with the allocation of taxable income in an AMMA Statement, they may give a 'member choice' to the Commissioner of Taxation. In the event investors make a member choice, the Constitution provides that the investors will indemnify us for all costs and liabilities incurred as a result of the member choice.

CGT cost base reductions or uplifts may occur where taxable income attributed is either less than or greater than, respectively, the total of both cash distributed and tax offsets attributed for an income year. Where cost base reductions or uplifts occur, this will affect the CGT position of the investment. For those investors who have a zero cost base in their units, or where the total cost base reduction amount exceeds the cost base of their units, a capital gain may arise to these investors for that year. Investors should maintain records of their cost base adjustments. You may also be entitled to tax offsets (franking credits and/or foreign tax offsets) attributed by the Fund. Provided investors satisfy certain provisions of the Tax Act, investors may be able to utilise these offsets against their tax liability on the taxable components of the distributions. In order to claim the amount of tax offsets, investors must include the amount of the offsets in their assessable income.

We will advise each investor of their share of tax offsets in the AMMA Statement.

The disposal of units (for instance by withdrawal or transfer) may give rise to a capital gains tax liability or a capital loss. Investors who have held their units on capital account for more than 12 months may be entitled to a capital gains tax discount.

Non-resident account holder reporting requirements

As a result of an increased international focus on account holder data exchange, a number of countries have legislated that financial institutions (which includes us) identify and report certain information about the financial accounts of investors. The regimes include the United States Foreign Account Tax Compliance Act (**FATCA**) and the OECD's Common Reporting Standard (**CRS**). To comply with our obligations under various reporting legislation we will provide to the ATO such data as required in respect of your investment with us. This will be required if you are a US citizen or a foreign tax resident of any jurisdiction outside of Australia. If we have attempted to confirm your tax status with you but have been unable to do so, we may still be required to notify the ATO.

Goods and Services Tax (GST)

GST is not payable on the issue, withdrawal or transfer of units in the Fund, as these are input-taxed financial supplies for GST purposes. However, GST will generally be incurred on various acquisitions made by the Fund, including the acquisition of investment management services. In certain specified circumstances, the Fund may be entitled to input tax credits (**ITCs**), or reduced input tax credits (**RITCs**) at the prescribed percentage of 55% or 75% depending on the acquisition. Any available ITCs or RITCs effectively reduce the non-recoverable GST cost incurred.

Tax file number

On your application form you may provide us with your Tax File Number (**TFN**), or TFN exemption. Alternatively, if you are investing in the Fund in the course of an enterprise, you may quote an Australian Business Number (**ABN**). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not, we are required to deduct tax from your attributed or distributed amounts at the highest marginal tax rate plus the Medicare levy (and any other levies we are required to deduct, from time to time). The collection of TFNs is authorised, and their use is strictly regulated, by tax and privacy laws. Non-residents are generally exempt from providing a TFN, however may be required to provide other information.

Additional information

How unit prices are calculated

Unit prices are determined in accordance with the Constitution and are usually calculated each NSW business day. The calculation of both the investment unit price and the withdrawal unit price is based on the net asset value (**NAV**) adjusted by the buy/sell spread. For information on buy/sell spreads, refer to 'Buy/sell spreads' in 'Additional explanation of fees and costs'.

For investment and withdrawal unit prices, the NAV is the value of all the Fund's assets attributed to the Fund less the value of the Fund's liabilities at the valuation time. When calculating the NAV, we must use the most recent valuations of the Fund's assets and the most recent determination of the liabilities. Where more than one class is on issue, the investment and withdrawal prices will be calculated for the relevant class using the NAV that is referable to that particular class.

The Fund's assets and liabilities are usually valued each NSW business day.

Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Other assets are generally valued at recoverable value. Any income entitlements, cash at bank, and any amount of Goods and Services Tax (**GST**) recoverable by the Fund from the Australian Taxation Office are also included in asset values used to calculate the investment and withdrawal unit prices.

Generally, for unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs (which includes management fees and performance fees up to and including the calculation date) and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets.

Where we receive a valid transaction request before the transaction cut-off time of 3:00pm (Sydney time) on a NSW business day, the unit price will generally be determined at the next valuation time after that transaction cut-off time. This is typically referred to as 'forward pricing'.

In rare circumstances, we may suspend unit pricing where, acting in accordance with our Responsible Entity obligations to unitholders, we consider it impracticable to calculate a NAV.

We have a Unit Pricing Permitted Discretions Policy. The policy sets out how we will exercise any discretions in relation to unit pricing (such as, for example, how often we determine unit prices and valuation methodology). If we depart from our policy, we are also required to record details of this departure. You can obtain a copy of this policy or any recorded departures free of charge by calling us.

Additional information about distributions

If we pay a distribution, as a Direct Investor you may choose to have your distribution reinvested in additional units in the Fund, or paid directly to your nominated account with an Australian financial institution. Unless you have indicated otherwise, we will reinvest your distributions.

As an Indirect Investor you should contact your IDPS operator for distribution payment or reinvestment options.

The price of units issued on reinvestment of distributions is the investment price for units next determined after the close of business on the last day of the distribution period. There is no buy/sell spread reflected in this investment price. The amount of each distribution may vary. Your share of any distribution depends on how many units you hold at the end of the relevant period as a proportion of the total number of units in the relevant class on issue at that time and the amount of distributable income referable to those units and that class.

As distributable amounts are a component of the unit price, unit prices normally fall by the distribution amount following a distribution.

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

If you invest just prior to a distribution payment, you may receive some of your investment back immediately as income. Conversely, if you withdraw from the Fund just before a distribution, you might turn income into a capital gain or reduce your capital losses.

Under the Constitution, we have the power to make reinvestment of distributions compulsory. At the date of this document, we have no intention of introducing compulsory distribution reinvestment. We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for a distribution amount.

Generally, if any distribution payments are returned to us and remain outstanding for 1 month, we may reinvest those distributions and amend your future distribution method to reinvest.

Generally, if any distribution payments made by electronic transfer of funds is unsuccessful three times, the money may be reinvested and your future distribution payment method will be updated to re-invest.

Any reinvestment of an unclaimed or returned distribution will be processed using the investment unit price current at the time of the reinvestment transaction.

If you wish to change your distribution payment instructions, please follow the process outlined below.

Direct Investors

Please log into InvestorServe to update your details.

Indirect Investors

Please contact your platform operator for the documentation required.

How the Fund is governed

The Constitution, together with the Corporations Act and other laws, governs the way in which the Fund operates, including the rights, responsibilities and duties of the Responsible Entity and unitholders.

The Constitution

The Constitution contains the rules relating to a number of issues including:

- unitholder rights;
- the process by which units are issued and redeemed;
- the calculation and distribution of income;
- the investment powers of the Responsible Entity;
- the Responsible Entity's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- the creation of other classes of units; and
- the termination of the Fund.

The Constitution allows for different classes of units to be established (this includes reclassifying a class as being the same as another class).

The Constitution also grants us the power to quote a class of units (including Class A Units) in the Fund on a Securities Exchange.

Subject to the terms of the Constitution, while a class is quoted, we may act as a market maker for the Fund to provide liquidity for the class of units quoted on a Securities Exchange and facilitate settlements on the Fund's behalf.

All rights, entitlements, obligations, assets, liabilities and calculations of a unit are referable to that class of units.

It is generally thought that unitholders' liabilities are limited to the value of their holding in the Fund. It is not expected that a unitholder would be under any obligation if a deficiency in the value of the Fund was to occur. However, this view has not been fully tested at law.

Unitholders can inspect a copy of the Constitution at our head office or we will provide a copy free of charge, on request.

We may alter the Constitution if we reasonably consider the amendments will not adversely affect unitholders' rights. Otherwise (subject to any exemption under the law), we must obtain unitholder approval at a meeting of unitholders.

We may retire or be required to retire as Responsible Entity if unitholders pass a resolution approving our removal.

Termination

The Constitution, together with the Corporations Act, governs how and when the Fund may be terminated. We may terminate the Fund at any time by written notice to unitholders. On termination, a unitholder is entitled to a share of the net proceeds of our realisation of the assets in proportion to the number of units they hold in the Fund.

Unitholder meetings

The conduct of unitholder meetings and unitholders' rights to requisition, attend and vote at those meetings are subject to the Corporations Act and (to the extent applicable) the Constitution.

Compliance plan and compliance committee

We have lodged the Fund's compliance plan with ASIC and established a compliance committee for the Fund with a majority of external members. The compliance plan sets out how we will ensure compliance with both the Corporations Act and the Constitution.

The compliance committee's role is to monitor compliance with the compliance plan. It must also regularly assess the adequacy of the compliance plan and report any breaches of the Corporations Act or the Constitution to us. If we do not take appropriate action to deal with the breach, the compliance committee must report the breach to ASIC.

The Fund and the compliance plan are required to be audited annually.

Other parties

We have engaged a third party registry provider that is responsible for maintaining the register of unitholders which includes all details of an investor's account and investments. The registry provider is responsible for sending all correspondence related to unitholders investments as well as providing customer service support.

We have also engaged a third party fund administrator that is responsible for back office, fund accounting, and other administrative services, including unit price calculations, distribution calculations and performance reporting.

In addition we have also appointed a third party custodian to hold the assets of the Fund. The custodian has no independent discretion with respect to the holding of assets and is subject to performance standards.

We have also appointed a registered company auditor. The auditor's role is to provide an audit of the financial statements of the Fund each year, as well as performing a half-yearly review (if required), and to provide an opinion on the financial statements.

Other important information

Indirect Investors

Investors accessing the Fund through platforms that are an IDPS or IDPS like scheme do not become unitholders in the Fund, nor do they acquire the rights of a unitholder. It is the platform operator that acquires those rights and can exercise or decline to exercise them on behalf of Indirect Investors.

To invest, Indirect Investors need to complete the documentation which their platform operator requires. Before investing please ensure you read and understand the Fund's PDS and TMD as well as the platform operator's documentation as that explains their services and fees.

Please contact the relevant platform operator directly with any enquiries.

New Zealand Investors

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

Privacy

We collect personal information from you and, if relevant, from your financial adviser. We may take steps to verify the information collected. Where you provide us with personal information about someone else (for example, your power of attorney, or related persons including the beneficial owners connected with your investment) you must have their consent to provide their personal information to us.

We will use your personal information to:

- process your application;
- provide and administer your investment and send you information;
- improve and personalise our products and services;
- conduct product and market research;
- inform you about other products and services that may be useful to you; and
- comply with our obligations under the law, including with respect of anti-money laundering, financial services and taxation laws.

If you decide not to provide certain information, we may not be able to process your investment or future withdrawal requests, or will have to deduct tax from any amounts attributed or distributed to you at the highest marginal tax rate plus the Medicare levy (and any other levies we are required to deduct, from time to time).

Disclosing your information

We disclose your information to your financial adviser. In addition, we may disclose information we hold about you:

- if you consent to the disclosure;
- if the disclosure is required or authorised by law;
- to our appointed registry services provider or organisations acting on our behalf (for example, external mail houses we may use to mail correspondence);
- to professional service firms that provide services to us such as legal and audit services, or data or information services;
- to related companies and/or the investment manager that may also provide you with a financial product or financial service;
- to electronic identity verification service providers, in order for identity information (about you or related persons connected with your investment) to be verified against relevant government and other databases, for the purpose of complying with anti-money laundering laws;
- in some circumstances, to digital service providers, such as Facebook, Google and LinkedIn, to develop a better understanding of our current and prospective customers and advisers (please refer to the Privacy Policy for additional information); or
- otherwise in accordance with our Privacy Policy.

From time to time we or our related companies may contact you to tell you about other products and services that might be useful to you, including financial, superannuation, investment, insurance and funds management products and services. Please contact us if you do not want to receive any of this kind of marketing material.

For information on how you can correct or update the personal information we hold about you refer to 'Keeping us informed' in this PDS and our 'Privacy Policy' available at www.fidante.com and our third party registry providers privacy policy for more information.

Our Privacy Policy contains further details about our handling of personal information and about how you can request access to it or lodge a complaint if you believe your personal information has been misused, and how we deal with complaints.

We do not normally receive any personal information about you when you invest in the Fund through a platform operator. For details on the collection, storage and use of personal information by a platform operator you should contact them directly. The information we collect and store from platform operators is used to establish and administer its investments. If we do receive any personal information we will deal with it in accordance with our Privacy Policy.

About the service providers

About the Prime Broker and Custodian

The Fund has appointed Morgan Stanley & Co. International plc (**Morgan Stanley**) to be the Prime Broker and Custodian for the Fund. The appointment was made pursuant to the prime brokerage customer documents (the 'Customer Documents') entered into between the Fund and the Prime Broker and the Custodian.

The services of Morgan Stanley as Prime Broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. Morgan Stanley may also provide a cash account which is a ledger for recording the Fund's cash balances under the Customer Documents. Morgan Stanley as Custodian to the Fund will provide custody services for some or all of the Fund's investments. The Custodian may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the Customer Documents. The assets of the Fund held by the Custodian will be subject to a security interest to secure the Fund's obligations to Morgan Stanley and its related entities.

Subject to limitations, the Prime Broker may request that the Custodian pay or deliver assets to the Prime Broker. The Prime Broker is entitled to borrow, lend, charge, rehypothecate, dispose of or otherwise use such assets for its own purposes, but is also subject to an obligation to return equivalent assets. In the event of the insolvency of the Prime Broker or the Custodian, the Fund will rank

as an unsecured creditor to the value of those assets, and may not be able to recover the equivalent assets in full.

Under the terms of the Customer Documents, the Fund may seek to borrow securities from the Prime Broker with a borrowing request. If the Prime Broker accepts the Fund's borrowing request, the Prime Broker will deliver the securities borrowed to the Fund or as the Fund directs. The Fund will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date, or otherwise the Prime Broker may call for the redelivery at any time by giving notice on the terms of the Customer Documents.

Under the Customer Documents, the Prime Broker is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of an executing broker, noncompliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction, amongst other things, (except to the extent that any loss arises directly as a result of the gross negligence, wilful default or fraud of Morgan Stanley).

To the extent permitted by law, neither the Prime Broker, the Custodian nor any related entity will be liable for any loss suffered by the Fund under or in connection with the Customer Documents unless such loss results directly from contractual breach by the Prime Broker, or the gross negligence, wilful default or fraud of the Prime Broker, Custodian or related entity as set out in the terms of the Customer Documents. The Custodian is not liable to the Fund for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the Customer Documents (other than related entities), but the Custodian will make available to the Fund, when and to the extent reasonably so requested, any rights that the Custodian may have against such person.

Under the Customer Documents the Fund indemnifies Morgan Stanley and its related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the Customer Documents other than as a result of contractual breach of the Prime Broker, gross negligence, wilful default or fraud of Morgan Stanley or the relevant related entity.

Although Morgan Stanley will provide reporting and information to the Fund about the assets held by Morgan Stanley, Morgan Stanley is not responsible for monitoring the Fund's positions for the purpose of determining their composition or performance.

The Fund may remove Morgan Stanley as the Prime Broker and Custodian by giving written notice to the terminated party.

Morgan Stanley consents to being named in the PDS and any electronic version of the PDS in the form and context in which Morgan Stanley is named in the PDS. Morgan Stanley is not responsible for the preparation of, and has not authorised or caused the issue of, the PDS, and has not made or purported to make any statement included in or any statement on which a statement in the PDS is based.

To the maximum extent permitted by law, Morgan Stanley expressly disclaims and takes no responsibility for any statements in, or omissions from, the PDS other than the statements made with its consent. Morgan Stanley is not responsible for the activities of the Fund, will not participate in the Fund's investment decision-making process and makes no representation in respect of the Fund or the Fund's investments.

Important information for New Zealand investors

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

This offer and the contents of the offer document are principally governed by Australian rather than New Zealand law. In particular, the Corporations Act and the regulations made under that Act set out how the offer must be made.

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

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

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

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

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

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

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

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

Contact details for New Zealand Investors

Fidante Investor Services Team: +612 8023 5428
8.15am to 5.30pm Monday to Friday (Sydney time)
Email: info@fidante.com.au
Website: www.fidante.com.

Glossary

Investment term	Explanation
active management	A style of investment management that seeks to attain returns through active asset allocation and security selection within each asset class rather than by tracking an index.
Constitution	The constitution of the System Capital Long Short Fund, as amended from time to time.
convertible securities	A debt security that can be converted into shares at the option of the holder or the issuer.
derivatives	Derivatives are a contract between two or more parties with a value based on an underlying asset. The value of derivatives generally is derived from the performance of an asset, index, interest rate, commodity, or currency. Generally derivative contracts are used to manage the risk associated with buying, selling, or trading assets with fluctuating prices. Futures, options and swaps are all types of derivative contracts.
futures	An agreement between two parties to buy or sell a specified quantity of a specified underlying asset, at a particular time in the future and at a price agreed when the agreement is made.
option	An agreement between two parties that conveys the right, but not the obligation, to the holder of the option to either buy or sell a specific asset at an agreed price and within an agreed period of time. If the option is not exercised during that time, the money paid for it is forfeited.
short selling	An investment technique whereby the Fund takes a short position in a market or stock (via borrowing a stock from a securities lender and selling it on the stock market or via derivatives such as a swap). If the market or stock drops in price, the Fund will benefit, as the price it entered into the short position is higher than the current price. If the price rises, the Fund will make a loss as the price it entered into the short position is lower than the current price.
swap	A contract between two parties to exchange an agreed stream of future cash flows for another.
volatility	The extent of fluctuations in share prices, exchange rates and interest rates. The higher the volatility, the less certain an investor is of the return, and therefore volatility is one measure of risk.
warrant	Similar to an option, it is an agreement between two parties that conveys the right, but not the obligation, to the holder of the warrant to either buy or sell a specific asset at an agreed price and within an agreed period of time. However, a warrant is issued by the company itself (the company will be one party to the transaction), and therefore when the warrant is exercised the transfer of shares is between the investor and the company.

