

Product Disclosure Statement

6 February 2020

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Issuer and Responsible Entity

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Investment Manager

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Custodian and Administrator

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Important information

This Product Disclosure Statement (PDS) is issued by the RE of the Fund and is a summary of significant information about the Fund. The PDS contains a number of references marked with the symbol “✳” to indicate important additional information contained in the Reference Guide which forms part of this PDS. You should consider the information contained in this PDS before making a decision about the Fund. The information in this PDS is general information only and does not consider your personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

Information in this PDS is subject to change. Information that is not materially adverse to investors will be updated on www.fairlightam.com.au or you can call 02 8231 6486 to obtain a paper copy of the PDS (including any materials incorporated by reference) or any updated information free of charge. If the change is materially adverse to investors, we will notify affected investors and replace this PDS.

This PDS is also available to investors who invest through an IDPS (such as a master trust or wrap account). Different conditions may apply to such investors so please refer to Section 2 “How the Fund works” and “Investing via an IDPS”. This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. All references to time and to business days are to Sydney time and Sydney business days. All references to \$ amounts are to Australian dollars. All fees and costs are quoted inclusive of GST and are net of any reduced input tax credits (RITC).

Neither the RE nor Fairlight promise that you will earn any return on your investment or that your investment will gain or retain its value. No company other than the RE and Fairlight make any statement or representation in this PDS.

New Zealand investors should refer to Part C Additional information for New Zealand investors in our Reference Guide. All references to \$ or amounts are to Australian dollars.

1. About the Trust Company (RE Services) Limited

Responsible Entity

The RE is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827. Perpetual has been in operation for approximately 130 years and is an Australian public company that has been listed on the ASX for over 50 years. The RE is responsible for the operation of the Fund and ensuring that the Fund operates in accordance with the Corporations Act 2001 (Act), the Fund constitution (Constitution) and general law.

The RE has the power to delegate certain of its duties and has appointed Fairlight as the Investment Manager of the Fund to implement the Fund strategy and make all investment decisions. The RE has also appointed Mainstream as the independent custodian and administrator of the Fund's assets. Mainstream's role as custodian is limited to holding the assets of the Fund as the RE's agent. Mainstream has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The RE in its discretion, may appoint and change the custodian and administrator from time to time or appoint additional service providers.

Investment Manager

Fairlight is an authorised representative of Perennial Value Management Limited ABN 22 090 879 904, AFSL 000247293 and is appointed as the Investment Manager of the Fund. Fairlight was established in 2018 and is an independent, global small and mid cap equity specialist. Fairlight uses its resources, experience and expertise to manage the Fund.

2. How the Fairlight Global Small and Mid Cap Fund works

What do you invest in?

The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. When you invest in the Fund your money (together with all other investors' monies) is invested in assets. The total value of the assets is divided into 'units'. This means your interests in the assets of the Fund, subject to liabilities, are represented by units. However, it does not give you the right to any particular asset of the Fund. Certain rights (such as the right to any income) attach to your units. You may also have obligations in respect of your units.

The Fund's Constitution allows the RE to issue more than one class of units and each separate class may have different rights attached to the units. The Fund currently offers investment in four classes of units. This PDS is for investment in units other than Foundation class of units, which includes the Currency Unhedged class and Currency Hedged class. The Currency Hedged class aims to mitigate the effect of a strengthening or weakening currency on your investment returns.

Units

Each unit has a value which we calculate daily in accordance with the Constitution by dividing the net asset value of the Fund by the number of units on issue, adjusted for transaction costs, all as relating to the particular class of units. When you invest, we issue you a number of units depending on the amount you invest, subject to fees and costs. Similarly, when you withdraw from the Fund, we calculate your withdrawal proceeds by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Fund rises or falls.

Investing and withdrawing

To invest in the Fund, use the application form accompanying this PDS. Applications are subject to client identification procedures that we and the Administrator consider necessary to satisfy obligations under the relevant anti-money laundering and counter terrorism legislation, being completed. We are not bound to accept an application.

The following minimum transactions, balance requirements and processing rules generally apply (although we may vary or waive them at our discretion and without notice):

Minimum initial investment	\$20,000
Minimum additional investment	\$10,000
Minimum withdrawal	\$10,000
Minimum balance	\$10,000
Unit pricing frequency	Each business day.
Applications/withdrawals processing	If Mainstream receives your correctly completed application and monies or a correctly completed withdrawal request before 2pm on any business day, then they are generally processed on the same day using the unit price effective for that day. If your request is received after this time, or on a non-business day, it is treated as having been received before 2pm the next business day.

Distributions

Distributions are generally paid annually at 30 June and are reinvested in full (unless you indicate otherwise on the application form, in which case the amount will be paid out entirely to you directly to your financial institution account nominated on your application form). Any distributions reinvested are reinvested at the ex-distribution mid-price.

We generally calculate income distributions based on the Fund's net income at the end of the distribution period divided by the number of units on issue in the class of units you hold. The amount of your income distribution is paid to you in proportion to the number of units held

by you in that class on the last day of the distribution period. Distributions are likely to be variable. We intend to distribute all taxable income to investors each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits. Distributions to non-residents may incur withholding tax.

All distributions are paid in Australian dollars. If you do not have a valid Australian financial institution account on file, the income distributions will be reinvested. Distributions will not be paid by cheque. If investing through an IDPS, other conditions may apply and you should consult the IDPS terms and conditions.

Investing via an IDPS

When you invest via an IDPS, it is the IDPS operator who becomes the investor in the Fund (not you). It follows that the IDPS operator has the rights of an investor and can exercise them (or not) in accordance with their arrangements with you. This means for example, that you generally cannot vote on units held in the Fund and you do not have cooling off rights in respect of any units held in the Fund. Speak with the IDPS operator to determine whether any cooling off rights are available to you through the service. Relevant references to “you” (for example, keeping you informed of material changes) are references to the IDPS operator or its custodian as the holder of the units.

We are not responsible for the operation of any IDPS through which you invest. Indirect investors complete the application forms for the IDPS and receive reports from that operator, not from us. The minimum investment, balance and withdrawal amounts may be different. You should also take into account the fees and charges of the IDPS operator as these will be in addition to the fees paid in connection with an investment in the Fund. You can however still rely on the information in this PDS. In addition to reading this PDS, you should read the document that explains the IDPS (called a “Guide” or PDS).

Investing through mFund

While the Fund is admitted as an mFund product, you will be able to make application and withdrawal requests through mFund by placing a buy or sell order with approved ASX brokers or your financial adviser who uses a stockbroking firm on your behalf. Cut-off times for placing an application or withdrawal request via mFunds is 11.15am (Sydney time), on a Business Day. Go to Section 2, “Transactions via mFund”, of the Reference Guide, which forms part of this PDS, for further information. Units will be issued to the nearest 3 decimal points.

Delays

If we receive a correctly completed withdrawal request before 2pm (Sydney Time) on a Business day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for that Business day, and then pay funds to your account generally within 7 business days but may take longer in some circumstances (for example, up to 15 business days if withdrawals are processed close to 30 June). In certain circumstances, such as a freeze on withdrawals or where the Fund is not liquid (as defined in the Act), you may have to wait a longer period of time before you can withdraw your investment. If the Fund is not sufficiently liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund Constitution and the Act.

Compulsory withdrawals

In some circumstances we may also compulsorily withdraw your units, for example, where we suspect that a law prohibits you from being an investor in the Fund.



You should read the following important information before making a decision to invest in the Fund: Part A: How the Fairlight Global Small & Mid Cap Fund works. Go to Part A of the Reference Guide available at www.fairlightam.com.au. Note the information may change between the time when you read this PDS and when you acquire or dispose of the product.

3. Benefits of investing in the Fairlight Global Small and Mid Cap Fund

Significant features

The Fund is an international equities fund, targeting undervalued small and mid capitalisation securities on the world’s stock markets. Global small and mid cap companies are the largest investment universe with the least amount of broker research coverage. Historically, global small and mid cap companies have generally outperformed global large cap companies over the long term.

The Fund’s goal is to produce superior long-term returns, generally from a portfolio of 30–40 businesses with market capitalisations between US\$500m and US\$20bn. The Fund’s investment objective is to outperform the MSCI World Small & Mid Cap Index (Net) in Australian dollars over a rolling 7-year period. This investment objective is not a forecast and returns are not guaranteed. See Section 5 “How we invest your money” for more information.

Significant benefits

Fairlight aims to achieve capital growth in the value of your investment as well as income. Investing in the Fund offers you a range of features and benefits including but not limited to:

- access to the investment experience and expertise of the Fairlight investment team;
- your money is managed by investment professionals, which allows access to investment opportunities you may not be able to access or manage on your own;
- exposure to an international portfolio of securities and currencies, which may offer diversification benefits to your overall investment portfolio; and
- clear legal rights through the Fund’s Constitution and a robust corporate governance structure.

4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest risk level of losing money on a short-term view. Investment in the Fund is subject to investment risk, including possible delays in repayment and the loss of income or capital invested.

It is important you assess the risks and your own financial position to determine whether any managed fund (including the Fund) is suitable for you. The value of assets in the Fund and the level of return will vary over time. Neither Fairlight nor the RE, either together or separately, or their respective associates or related bodies corporate, guarantee a return on your investment, or that your investment will gain in value or retain its value, or that the Fund will meet its investment objectives. Neither do any of these persons or entities, guarantee any particular taxation consequences of investing in the fund. Past returns do not guarantee future returns. You may lose some or all of your invested capital.

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

The significant risks of the Fund include:

Fund Risk: Like all managed funds, there is the risk the Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing. Further, the Fund issues four classes of units and may issue further classes in the future. The assets and liabilities of the Fund are attributed to the relevant classes and are administered separately so the unit price, fees and performance of each class is independent of each other. However, legally the assets and liabilities of a particular class are the assets and liabilities of the Fund as a whole. As such, if a particular class were to suffer an adverse financial event, in the event the Fund is terminated it is possible that all classes of units may be affected.

Market Risk: Movements in financial markets due to economic, technological, political or legal conditions, interest rate movements and even market sentiment, can (and do) change, resulting in the value of the Fund's underlying assets, and the value of your investment, moving up or down.

Liquidity Risk: Investments may become illiquid making it difficult to acquire or dispose of them at the prices quoted on exchanges or readily convert them to cash. The Fund's inability to dispose of investments may, from time to time, limit its ability to meet withdrawal requests within required timeframes. Further, large withdrawals might result in the Fund being required to sell assets at a loss in an unfavourable market. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker.

International Investment Risk: The Fund will invest in companies listed on overseas exchanges which will give rise to foreign currency exposure. The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance as expressed in Australian dollars. Fairlight may, but is not obliged to, mitigate currency risk by using FX contracts to hedge the Fund against currency fluctuations as it determines. The Fund may have less protection under laws outside of Australia, and any investments in emerging markets may be more volatile than investments in more developed countries.

Underlying Investment Risk: The value of the Fund's assets and liabilities may increase or decrease. The Fund invests in the securities of smaller to medium size companies by market capitalisation, and these securities may have a more limited market and /or have greater price volatility than that of a larger company. There is no guarantee that the Fund's asset allocation strategy and individual investment selections will provide positive investment performance at all stages of the investment cycle.

Concentration Risk: The Fund's typical holdings of 30-40 securities represents a relatively high investment concentration of assets in a limited number of stocks, or in a limited number of sectors or industries. The lower number of securities may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than a more diversified or less concentrated investment.

Currency Hedging Risk (Hedged Classes): Although the Fund's foreign currency exposure is hedged, the hedge may not provide complete protection from adverse currency movements. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. The foreign currency exposure of the Fund will be hedged back to Australian dollars.

Derivative Risk (Hedged Classes): Forward foreign exchange contracts are utilised to hedge the Fund's foreign currency exposure. The contracts are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that the Fund has unrealised gains in such instruments or has deposited collateral with its counterparty(ies) the Fund is at risk that a counterparty to a transaction may become bankrupt or may otherwise wholly or partially fail to perform their contractual obligations under the contract.

Conflict of Interest Risk: Fairlight may be the Investment Manager of other funds not described in this PDS and entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the RE) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid conflict.

Interest Rate Risk: The capital value or income of a security held by the Fund may be adversely affected by interest rate movements.

Service-Provider Risk: The RE has appointed the Investment Manager, Custodian and Administrator of the Fund. We are satisfied that these providers have in place adequate internal controls. This reliance on external service providers may present a risk if they default in performing their obligations, potentially causing break down in operations, a loss to the Fund and requiring us to seek an alternative supplier. Further, losses can be incurred if a counterparty (such as a broker) defaults on their contractual obligations or experiences financial difficulty.

Investment Manager Personnel Risk: The skill and performance of Fairlight as Investment Manager can impact the Fund's investment returns. Changes in Fairlight's key personnel and resources may also have an impact on the Fund.

Political and Regulatory Risks: The value of the Fund's assets may be affected by uncertainties such as international and national political developments, changes in government policies, changes in taxation, changes in regulation and laws affecting registered managed

investment schemes, changes in generally accepted accounting policies or valuation methods, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries of origin. Fund assets located overseas may have less protection under laws outside of Australia.

Cyber Risk: There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity and its agents.

Foreign Account Tax Compliance Act ('FATCA') Risk: The Fund intends to be treated under Australian FATCA Rules as a Reporting Financial Institution or a trustee-documented trust, and is not expected to be subject to a 30% FATCA withholding tax on US sourced income. However, this cannot be assured given the complexity of the Australian FATCA Rules.

mFund registration risk: While the Fund is an mFund product, if you invest via mFund, then you may be exposed to some additional counterparty risks. Losses can be incurred if a counterparty fails to deliver on its contractual obligations, experiences financial difficulty or abandons the mFund settlement service. You may incur loss through exposure to a counterparty. In addition, there is some risk that the ASX may suspend or revoke the admission of the Fund to the mFund settlement service, that the ASX systems could fail, or that there could be errors in connection with the system. As a result investors may experience delay in processing applications or redemptions.

5. How we invest your money

The table below shows a summary of the Fund's investment profile:

Fund description	The Fund will invest in a portfolio of global small and mid capitalisation companies drawn from international equity markets outside Australia.		
Currency Unhedged	Class A		
Investment return objective	The Fund aims to achieve annualised returns in excess of the benchmark after all fees and expenses measured over a market cycle, which we consider to be 7 years. Returns are not guaranteed.		
Benchmark	MSCI World SMID Cap Index (AUD)(Net).		
Currency Hedged	Class H		
Investment return objective	The Fund aims to achieve annualised returns in excess of the benchmark after all fees and expenses measured over a market cycle, which we consider to be 7 years hedged for foreign currency exposure. Returns are not guaranteed.		
Benchmark	MSCI World SMID Cap Index (AUD) (Net) (Hedged).		
Fund's investments and asset allocation	The Fund will hold international stocks. The portfolio allocation will generally be:		
	Assets	Min	Max
	Listed securities (or to be listed) on international exchanges*	80%	100%
	Cash or cash equivalents including short term money market instruments.	0%	20%
	* Includes the value of FX contracts for hedged classes.		
	The Fund takes a bottom up approach to investing with deep fundamental research of both the quantitative and qualitative aspects of investee companies. The Fund is benchmark unaware as the Investment Manager believes this unconstrained approach allows maximum flexibility to pursue attractive risk adjusted investments. The intention of the Fund is to hold high quality businesses that generate attractive returns on capital employed through a full market cycle with low levels of debt, managed by competent executive teams that are highly aligned.		
	In addition, FX contracts may be used to hedge the currency exposure of assets held by the Fund in one currency, against movement in other currencies, including but not limited to the Australian dollar.		
Recommended minimum investment period	5–7 years.		
Borrowing	Nil. The Fund will not short sell any securities or leverage the assets of the portfolio.		
Risk	High. This Fund has been assigned a 'higher risk' designation based on its exposure to a diversified global portfolio of small and mid cap markets equities. This grading is not intended to be a guarantee of any actual level of risk or an indication of likely returns.		
Suitability	The Fund is generally suited for persons seeking long-term capital growth and those who can tolerate a high level of risk. You should speak with your financial adviser before investing in the Fund.		
Labour and environmental, social or ethical considerations	The Investment Manager does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.		

Any of the above details could change at any time and without notice. Where we consider the changes are significant, we will notify you of the changes (and give you 30 days' prior notice where practicable). Other changed information will be made available on the Fund's website at www.fairlightam.com.au.

6. Fees and costs



Did you know?

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

To find out more

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

Information in the following table can be used to compare costs between different managed funds. Generally, fees and costs may be paid directly from your investment returns or from the Fund's assets as a whole.

Type of fee or cost	Amount
Fees when your money moves in or out of the fund[^]	
Establishment fee	Nil.
Contribution fee	Nil.
Withdrawal fee	Nil.
Exit fee	Nil.
Management costs^{^^}	
The fees and costs of managing your investment ^{^^^}	Management fee: 1.25% pa of the Fund's gross value.
	Administration fee: 0.05% pa of the Fund's gross value.
	Performance fee: 15% of the amount by which the Fund outperforms its benchmark (MSCI World SMID Cap Index Net in AUD), after deduction of other fees and expenses and provided any underperformance from previous periods has been recovered.
	Currency Hedging fee: 0.1% pa of the Fund's gross value.
Indirect costs [*]	Nil.

[^] Buy-sell spreads apply when you invest in the Fund and when you withdraw from the Fund. See "Additional explanation of fees and costs" for more detail.

^{^^} All fees are expressed as a percentage of portfolio value of the Fund and are paid from the Fund and include GST net of RITC.

^{^^^} The amount of this fee can be negotiated with wholesale clients only, generally those making an investment of \$5,000,000 or more.

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

Example of annual fees and costs

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

Example: Balance of \$50,000 including a contribution of \$5,000 during the year		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS:		And, for every \$50,000 you have in the Fund you will be charged \$875 each year, comprising:
Management Costs		
1.30% pa comprising	1.25% pa Management fee.	\$625
	0.05% pa Administration fee.	\$25
	15% of any outperformance of the benchmark*. Performance fee.	\$225*
EQUALS:	1.75% pa*	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 \$875* each year.
Cost of the Fund		

When calculating management costs in this table, the law says we must assume that the value of your investment remains at \$50,000. We also assume the \$5,000 contribution is made at the end of the first year and that the Fund's unit price does not fluctuate. We assume an outperformance of the benchmark by 3%. However, there is no guarantee that this will be the typical ongoing performance, so the total management costs may vary from the example provided. It is not a forecast of the performance fees in future. Note: The Fund is a new product, and hence fees cannot be calculated based on the fees charged in the past 12 months. The estimated ongoing performance fee that will be payable is 0.45% based on a potential relative return of 3% above the benchmark for the period from 1 July 2017 to 30 June 2018. Management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, no service fees are charged and that fees are not individually negotiated. Totals may appear incorrect due to rounding.

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

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website (www.moneysmart.gov.au) and use their managed management fee calculator.

Additional information on fees and costs

Management fees: The management fees for the Fund are payable to Fairlight for managing the assets of the Fund. These fees are accrued daily and paid monthly in arrears. Management costs paid out of Fund assets reduce the net asset value of the Fund and are reflected in the unit price. Management fees do not include extraordinary (or abnormal) expenses (if incurred), such as (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs. Further, management fees exclude transactional and operational costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through buy/sell spreads).

Administration fees: Ordinary expenses, such as the RE fees, administration and custody fees, audit fees and other ordinary expenses of operating the Fund are covered by the administration fee which is capped at 0.05% p.a (including GST).

Performance fees: A performance fee of 15% of any outperformance relative to the benchmark (being the MSCI World SMID Cap Index Net in AUD or hedged for Class H), after deduction of other fees and expenses and provided any underperformance from previous periods has been recovered, may apply. Should the absolute performance of the Fund be negative in the period, a performance fee will not apply. The performance fee is accrued daily, reflected in the unit price, and, if payable, paid bi-annually to Fairlight from the Fund's assets.

Indirect costs: Indirect costs include fees and expenses arising from any investment that qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs. The Fund's indirect costs are based on the anticipated portfolio for the financial year ahead and are estimated to be nil. This is because the Fund does not intend to invest in any interposed vehicles or use any OTC derivatives. Actual indirect costs for future years may differ where the portfolio composition changes.

Transactional and operational costs: Transactional and operational costs include brokerage, settlement costs, bid-offer spreads on investments and currency transactions and any borrowing costs, clearing and stamp duty costs. These are incurred as part of the day-to-day trading of the Fund and as investors move in and out of the Fund.

When you invest in the Fund, Fairlight may buy (and sell) investments, and incur these costs. When you withdraw, Fairlight may sell investments so we can pay your cash to you, and will incur these costs. These costs are also incurred in connection with day-to-day trading within the Fund.

Some of these costs are recovered through the buy/sell spread. A buy/sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/ withdrawing units from the Fund. The buy/sell spread is reflected in the buy/sell unit price. Currently, our buy/sell spread is estimated to be 0.25% of the unit price (that is +0.25% on the entry price and -0.25% on the exit price). So if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.25% (up 0.25 cents) and on exit we adjust the unit price down approximately 0.25% (down 0.25 cents).

There is no spread payable on reinvestment of distributions. The buy/sell spread is not paid to the RE or Fairlight. Because the buy/sell spread is reflected in the buy/sell unit prices, you won't see transaction costs on any account statement we send you. We may vary the buy and sell spreads from time to time. Updated information on the buy and sell spreads will be posted on www.fairlightam.com.au.

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

Our estimate of the total transactional and operational costs for the Fund that may be payable during a financial year is 0.11%. We expect this amount to vary from year to year as it will be impacted by the Fund's volume of trading, brokerage arrangements and other factors. Of this amount, we expect some costs will be recovered through the buy/sell spread. Again, we expect this recovery amount to vary from year to year as it will be impacted by the volume of applications and withdrawals and any changes in the buy/sell spread for the Fund. The net transactional and operational cost is the difference between these two amounts.

Transactional and operational costs estimate	Estimated recovery through buy/sell spread	Net transactional and operational costs estimate
0.11%	0.25%	Nil

Changes to fees: All fees can change. Reasons might include changing economic conditions and changes in regulation. However, we will give you 30 days' written notice of any increase to fees where practicable. The constitution for the Fund sets the maximum amount we can charge for all fees. The Constitution also entitles us to charge a management fee of up to 3% p.a. of the Fund's gross value, however, until further notice we are charging less than this maximum. If we wished to raise fees above the amounts allowed for in the Fund's constitution, we would need the approval of investors. Please refer to our website for any updates on our estimates of any fees and costs (including indirect costs and transactional and operational costs) which are not considered to be materially adverse from a retail investor's point of view. Remember, past performance is not an indicator of future performance and any fee or cost for a given year may not be repeated in a future year.

GST: Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. The fees outlined in this PDS are inclusive of GST and take into account any RITC that may be available.

Fees to financial advisers: Warning: Additional fees may be payable by you to your financial adviser. The Statement of Advice issued by your financial adviser will set out details of those additional fees. We do not pay any commissions to financial advisers. If you invest in the Fund via an IDPS, additional fees may be charged by the IDPS operator for investing in the Fund.

mFund Fees: Additional fees may be payable to approved ASX brokers (or your financial adviser who uses a stockbroking service on your behalf) or accessing the Fund through mFund while the Fund is an mFund product. You should consider the Financial Services Guide provided by your ASX broker or your adviser before accessing the Fund through mFund.

7. How managed investment schemes are taxed

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



You should read the following important information before making a decision to invest in the Fund, Part B: How managed investment schemes are taxed. Go to Part B of the Reference Guide available at www.fairlightam.com.au.

Note the information may change between the time when you read this PDS and when you acquire the product.

8. How to apply

You need to invest at least \$20,000 initially and you will need to maintain a minimum of \$10,000 in your account. Please use the application form accompanying this PDS to apply for units in the Fund. You may complete your application online by going to the Fund's website at www.fairlightam.com.au. We do not earn interest, nor do we pay you interest on, application monies held prior to the time we issue units to you. Additional investments can be made at any time in writing. Generally, the minimum amount for additional investments is \$10,000. For IDPS investors, please consult your IDPS operator about investing.

Cooling off rights

You have a 14-day cooling off period in which to decide whether the investment is right for you commencing from either the time your first investment is confirmed by us, or the end of the 5th calendar day after units are issued to you – whichever occurs earlier. We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For IDPS investors, you should consult your IDPS operator about any cooling off rights you may have.

Enquiries and complaints

The RE has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity or the Investment Manager during business hours. The RE will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case, no later than 45 days after receipt of the complaint.

If an investor is not satisfied with the outcome, the complaint can be referred to the Australian Financial Complaints Authority (AFCA) you can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Website: www.afca.org.au

The FOS will continue for a further period to deal with any open disputes it has at the commencement date of AFCA.

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via an IDPS) are able to access the RE's complaints procedures outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.