

Coolabah Active Composite Bond Fund (Hedge Fund)



Product Disclosure Statement

Ticker: FIXD
ARSN 650 526 695
APIR ETL2716AU
Issue Date 12 August 2024

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This Product Disclosure Statement ("PDS") was issued on 12 August 2024. This PDS is for the offer of interests in the Coolabah Active Composite Bond Fund (Hedge Fund) ARSN 650 526 695, (CBOE: FIXD), APIR ETL2716AU (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The investment manager is Coolabah Capital Investments (Retail) Pty Ltd (referred to throughout this PDS as the "Investment Manager" or "CCIR"). Coolabah Capital Investments (Retail) Pty Ltd is a corporate authorised representative (#000414337) of Coolabah Capital Institutional Investments Pty Ltd (AFSL 482238). The portfolio manager of the Fund is Coolabah Capital Institutional Investments Pty Ltd ("CCII" or "Portfolio Manager"). Both the Investment Manager and Portfolio Manager are wholly owned subsidiaries of Coolabah Capital Investments Pty Ltd ("CCI" or "Coolabah").

The Fund's units are quoted on the Securities Exchange with the exchange ticker: FIXD and can be traded on the Securities Exchange in the same way as shares in listed companies are traded. Neither ASIC nor the Securities Exchange Operator takes any responsibility for the contents of this PDS.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). This PDS is available for use by persons applying for Units through an IDPS ("Indirect Investors").

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager and the Portfolio Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager and the Portfolio Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial situation and needs and you may want to seek professional financial advice before making an investment decision.

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

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager and the Portfolio Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the

assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. The significant risk factors affecting the Fund are summarised in Section 7.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand. All references to dollars or "\$" in this PDS are to Australian dollars. New Zealand investors wishing to invest in the Fund should be aware that there may be different tax implications of investing in the Fund and should seek their own tax advice as necessary.

New Zealand WARNING STATEMENT

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

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

c) 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.

d) 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.

e) 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.

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

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

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

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

j) If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

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

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The Units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this PDS electronically, you will need to print and read this document in its entirety. We will provide a paper copy free upon request during the life of this PDS. Please contact Coolabah at info@coolabahcapital.com.

Certain information in this PDS is subject to change. Information that is not materially adverse information can be updated by the Responsible Entity. You can obtain any updated information:

- by contacting Coolabah on 1300 901 711; or
- by visiting the Coolabah website at www.coolabahcapital.com

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

You may also contact Equity Trustees:

- by writing to GPO Box 2307 Melbourne VIC 3001; or
- by calling +613 8623 5000

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in Australian Dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

1. Fund at a glance

Name of the fund	Coolabah Active Composite Bond Fund (Hedge Fund)	Cover page
ARSN	650 526 695	Cover page
APIR Code	ETL2716AU	Cover page
Ticker	FIXD	Cover page
Responsible Entity	Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975)	Section 4
Investment Manager	Coolabah Capital Investments (Retail) Pty Ltd (ABN 64 153 555 867)	Section 4
Investment objective	<p>The Fund targets returns in excess of the Bloomberg AusBond Composite 0+ Yr Index, after management costs, by 1.0% to 2.0% per annum over a rolling 12 month period.</p> <p><i>The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed.</i></p>	Section 5
Fund Benchmark	Bloomberg AusBond Composite 0+ Yr Index (BACM0) plus management costs	Section 5
Investment strategy	<p>The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index, after management costs.</p> <p>The Fund is permitted to invest in bonds, such as government and semi-government bonds, bank and corporate bonds, and asset-backed securities, including residential-mortgage backed securities, issued in Australian Dollars or in G10 currencies hedged to Australian Dollars, as well as cash and cash equivalents.</p> <p>In addition to an active investment, the Fund also employs active asset-allocation between cash and debt securities. The Fund retains the agility to switch between cash and debt securities based on the portfolio managers' valuation views of each sector and may invest 100% in cash as a defensive measure.</p> <p>The Fund may also invest in over-the-counter ("OTC") or exchange traded derivatives for risk management purposes.</p> <p>The Fund's investment strategy may involve borrowing, using repurchase agreements or taking long or short positions to achieve "leverage". Any use of leverage is aimed to increase the Fund's exposure to mispriced bonds that can provide capital gains as their price appreciates in addition to the income they pay.</p> <p>If the Fund uses leverage, this can be expected to magnify both the investment gains and losses, and consequently significant variations in the value of the Fund's investments can be expected. The Fund may therefore involve risks that are not present in un-leveraged fixed income funds</p>	Section 5

The type(s) of investor(s) for whom the Fund would be suitable	<p>An investment in the Fund may be suitable for investors seeking:</p> <ul style="list-style-type: none"> • exposure to a fixed-rate strategy that aims to outperform the Bloomberg AusBond Composite 0+ Yr Index and are comfortable with interest rate risk which may be favourable in an a stable or decreasing interest rate environment, • a fixed income strategy that may be used to diversify equity risk in multi-asset class portfolios, • exposure to an actively managed portfolio of Australian and global government and corporate bonds, or • exposure to a strategy that aims to provide regular quarterly income. <p>The Fund carries certain investment risks. For more information on the risks applicable to the Fund see section 7.</p> <p>The Fund's use of derivatives and leverage may make the investment strategy of the Fund riskier than some other fixed income funds available in the Australian market. Potential investors should consider their tolerance for risk and their particular investment objectives and circumstances, in consultation with a professional adviser before making an investment decision.</p> <p>An investment in the Fund should only be considered as a component of an investor's overall portfolio.</p>	Sections 5 and 7
Recommended investment timeframe	<p>The suggested investment timeframe is 3 years.</p> <p>The Investment Manager has set the timeframe having regard to the investment "standard risk measure" developed by industry to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. Refer to section 7 "risk measure" for more details.</p> <p>Your investment timeframe will depend on your own personal circumstances and you should talk to your financial adviser to determine your particular investment timeframe.</p>	Sections 5 and 7
Net Asset Value	<p>The Net Asset Value ("NAV") of the Fund is calculated by deducting the liabilities (including any accrued fees) of the Fund from the aggregate value of assets. The NAV published on a particular Business Day reflects the value of the Fund on the previous day at the close of trading in each market in which the Fund invests.</p> <p>The NAV per Unit is calculated by dividing the NAV by the number of Units on issue in the Fund.</p> <p>An indicative NAV per Unit ("iNAV") will be published by the Fund throughout the Trading Day. The iNAV will be updated using a real time fair value methodology that seeks to ensure that the iNAV reflects movements in markets and currencies during the Trading Day.</p>	Section 6
Minimum initial investment	<ul style="list-style-type: none"> • Buying Units on the Securities Exchange: Nil • Applying for Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum additional investment	<ul style="list-style-type: none"> • Buying Units on the Securities Exchange: Nil • Applying for Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum withdrawal amount	<ul style="list-style-type: none"> • Selling Units on the Securities Exchange: Nil • Redeeming Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum balance	<ul style="list-style-type: none"> • Units held on the Securities Exchange: Nil • Units held directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Cut off time for applications and withdrawals	<ul style="list-style-type: none"> • Applications and withdrawals on the Securities Exchange: Close of the Trading Day • Applications and withdrawals directly with the Responsible Entity: before or at 3pm (Sydney time) on a Business Day 	Sections 6, 8 and 9

Entering and exiting the Fund	<p>A key feature of the Fund is that investors are offered flexibility to choose the method in which they may enter or exit an investment in the Fund. Investors can enter the Fund either by applying for Units directly with the Responsible Entity using an Application Form or by buying Units on the Securities Exchange through a stockbroker using your HIN.</p> <p>Investors can exit the Fund by either directly making a withdrawal request to the Responsible Entity using a withdrawal form or by selling Units on the Securities Exchange. Investors will need to hold Units on the issuer sponsored sub-register (SRN) to make a withdrawal request directly to the Responsible Entity. Refer to section 6 for further details regarding the transfer and conversion of Units.</p> <p>The method by which you enter the Fund does not affect the method by which you can exit the Fund. Investors can buy Units in the Fund on the Securities Exchange and sell Units on the Securities Exchange or directly with the Responsible Entity. An investor who enters the Fund by applying for Units directly with the Responsible Entity can exit the Fund by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity.</p> <p>There are some important differences that apply to the manner in which Investors enter or exit an investment in the Fund. These differences include, amongst others, the entry and exit price for Units in the Fund, and minimum investment amounts which apply when investing directly with the Responsible Entity.</p> <p>An investor that applies for Units directly with the Responsible Entity will pay an Application Price determined at the close of that Business Day on which the Investor makes an application for Units to the Responsible Entity, which may differ from the price that an Investor who buys Units on a Securities Exchange at the prevailing market price on that particular Trading Day will receive. Similarly, an Investor who redeems Units directly with the Responsible Entity by submitting a withdrawal form will receive a Withdrawal Price applicable to that Business Day (subject to the applicable cut-off times for that Business Day), which may differ from the price that an Investor who sells Units on a Securities Exchange at the prevailing market price on that particular Trading Day will receive. These differences in prices received by investors depending on the manner in which they enter or exit the Fund may result in a different return from an investment in the Fund made at the exact same time. Refer to the Comparison Table in section 6 regarding the differences in pricing between transacting with the Securities Exchange or directly with the Responsible Entity.</p>	Sections 6, 8 and 9
Market liquidity	<p>The Responsible Entity will appoint a market maker and an authorised participant(s) to provide liquidity to investors who choose to buy and sell Units in the Fund on the Securities Exchange. The market maker will provide liquidity by acting as buyer and seller of Units throughout the Trading Day.</p> <p>There may be other circumstances where:</p> <ul style="list-style-type: none"> • Withdrawals have been suspended in accordance with the Constitution or the Fund is not liquid (as defined under the Corporations Act). In such circumstances, Units in the Fund may continue to trade on the Securities Exchange provided that the Fund continues to comply with the Securities Exchange Rules. If the Fund ceases to comply with the Securities Exchange Rules, the Responsible Entity may seek a trading halt or the Securities Exchange Operator may suspend trading of Units in the Fund on the Securities Exchange; or • The Securities Exchange Operator suspends trading of Units in the Fund on the Securities Exchange. In such circumstances, investors may continue to withdraw directly with the Responsible Entity unless withdrawals have also been suspended in accordance with the Constitution. 	Sections 6 and 8
Transaction confirmations	<p>Investors buying or selling Units on the Securities Exchange will receive transaction confirmations from their stockbroker, including a HIN.</p> <p>Direct investors will receive transaction confirmations directly from the Administrator, including an investor number on the issuer sponsored sub-register.</p>	Sections 8 and 9

Income distribution	Distributions will generally be made quarterly but may be made less frequently at the discretion of the Responsible Entity.	Section 6
Management fees and costs	0.30% p.a. of the NAV. Please refer to section 11 for a detailed explanation of fees and costs.	Section 11
Transaction costs	Estimated at 0.05% p.a. (net) of the NAV of the Fund.	Section 11
Performance fee	20.50% of the amount by which the Fund's performance exceeds the Bloomberg AusBond Composite 0+ Yr Index plus management costs of 0.30% p.a. (Benchmark)], subject to a high water mark.	Section 11
Entry fee/exit fee	Nil	Section 11
Buy/Sell Spread	<ul style="list-style-type: none"> • Buying or selling Units on the Securities Exchange: determined by market participants. • Applying for Units directly with the Responsible Entity: nil on applications into the Fund, and 0.025% on withdrawals out of the Fund. 	Section 11

2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission (ASIC) Regulatory Guide 240. The following table and the tables in Sections 1 and 3 set out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of ASIC Regulatory Guide 240 is available from www.asic.gov.au.

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

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>Equity Trustees has appointed an independent administrator, Apex Fund Services Pty Ltd, to provide administration services for the Fund, including valuation services.</p> <p>The Fund satisfies Benchmark 1 by having its non-exchange traded assets independently valued by the Administrator in accordance with its pricing policy and by having OTC derivatives generally valued by reference to the counterparty settlement price which is based upon broad financial market indices.</p> <p>The Fund's Administrator will value all of the Fund's assets and calculate the total value of the Fund's assets and NAV per Unit using these valuations.</p> <p>The Fund's assets reflect their market value. The valuation methods applied to value the Fund's assets are consistent with applicable industry standards and result in the NAV per Unit calculations that are independently verifiable.</p>	5.4
Periodic reporting			
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	Yes	The Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	10

3. ASIC disclosure principles

	Summary	Section (for further information)
Investment strategy	<p>The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index after management costs.</p> <p>Assets will be held in custody in Australia and held in Australian dollars or hedged to Australian dollars. Any overseas bonds will be held by an offshore custodian under a sub-custody agreement with the Custodian.</p> <p>The Investment Manager and Portfolio Manager may use leverage through the use of repurchase agreements or as a result of short selling. If it is used, leverage can magnify both investment gains and losses, and consequently significant variations in the value of the Fund's investments can be expected. See "Leverage" below.</p> <p>The Investment Manager and Portfolio Manager intend to use derivatives in implementing the investment strategy. See "Derivatives" below.</p> <p>The Investment Manager and Portfolio Manager may use short selling strategies with the Fund's underlying investment products to generate returns in declining markets. See "Short Selling" below.</p> <p>The investors will receive distributions (generally quarterly) consisting of returns from (1) fixed income (coupons) paid to investors, normally quarterly; (2) changes in the value of the Fund's bond and derivative portfolio holdings magnified by the effect of leverage, which will be reflected in the Fund's NAV per Unit and (3) profits derived from short selling positions.</p> <p>The Fund's ability to produce investment returns is partially dependent on general bond market conditions, adverse price fluctuations on bond prices, prevailing interest rates, the price of a derivative's underlying financial product value and the availability of acceptable finance for gearing.</p> <p>Specific risks associated with the Fund's investment strategy are described in section 7, and include market risk, gearing risk and counterparty risk.</p> <p>The Responsible Entity's risk management strategy comprises: (1) monitoring the Fund's gearing ratio; (2) ensuring counterparties have been previously approved and monitoring counterparty positions in relation to repurchase agreements; (3) monitoring the price fluctuations of derivatives and bonds involved in short positions.</p>	Sections 5.2, 5.6, 5.7, 5.8 and 7
Investment manager	<p>Equity Trustees, as Responsible Entity of the Fund, has appointed Coolabah Capital Investments (Retail) Pty Ltd (ABN 64 153 555 867) as the Investment Manager of the Fund, which has in turn appointed Coolabah Capital Institutional Investments Pty Ltd (ABN 85 806 059; AFSL 482238) as the Portfolio Manager of the Fund.</p> <p>See Section 4 in relation to the expertise of the Investment Manager and the investment management agreement under which the Investment Manager has been appointed.</p>	Section 4

	Summary	Section (for further information)
Fund structure	<p>The Fund is a registered managed investment scheme and has been admitted for quotation on the Securities Exchange. Units in the Fund can be traded on the Securities Exchange like any quoted security.</p> <p>The Responsible Entity of the Fund is Equity Trustees Limited. Equity Trustees may appoint service providers to assist in the ongoing operation, management and administration of the Fund.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> • Coolabah Capital Investments (Retail) Pty Ltd, the Investment Manager of the Fund; • Coolabah Capital Institutional Investments Pty Ltd, the Portfolio Manager of the Fund; and • Apex Fund Services Pty Ltd, the Administrator, Unit registry and Custodian of the assets of the Fund; <p>See Section 4 for further information on other key service providers and Equity Trustees' role in monitoring the performance of service providers.</p> <p>See section 5.3 for a description of the Fund's structure. The risks associated with the Fund's structure are described in section 7. As an exchange traded managed fund, there is the risk of the Fund's Units being suspended from trading, of a lack of a liquid market for Units, and of the trading price of Units differing from NAV per Unit.</p>	Sections 4 and 5.3
Valuation, location and custody of assets	<p>Apex Fund Services Pty Ltd is the administrator of the Fund and provides administrative, fund accounting, registry and transfer agency services. The Administrator is responsible for calculating the Fund's NAV.</p> <p>Apex Fund Services Pty Ltd is also the Custodian and provides custodial services.</p> <p>See section 5.4 for further information on the custodial arrangements and the geographical location of the Fund's assets.</p> <p>Assets of the Fund are primarily expected to be located in Australia. Non-Australian dollar denominated bonds, which will predominately settle via Euroclear, will be held by an offshore custodian under a sub-custody agreement with the Custodian in the market of their denomination.</p>	Section 5.4
Fund liquidity	<p>The Responsible Entity intends that the Fund will only invest in liquid assets that it reasonably expects will be able to be liquidated (at their market value) on a daily basis (subject to normal settlement cycles of listed bonds and hybrid securities that generally do not exceed two Business Days).</p> <p>Further, in order to facilitate a liquid market for the Fund on the Securities Exchange, the Responsible Entity has appointed a market maker and authorised participant(s), on behalf of the Fund, to maintain continuous liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units. The authorised participant will create and redeem Units as required to hold an inventory of Units enabling it to provide buy and sell prices to the secondary market, while also potentially hedging their underlying positions.</p> <p>There may be circumstances where the Fund is suspended in accordance with the Constitution or where the Fund is not liquid as defined under the Corporations Act. In those cases, the Fund may continue to trade on the Securities Exchange provided the Fund complies with the Securities Exchange Rules. The Responsible Entity or the Securities Exchange Operator may seek a trading halt, if the Fund ceases to comply with the Securities Exchange Rules.</p> <p>Alternatively, there may be circumstances where the Securities Exchange Operator suspends trading of Units and unitholders may continue to withdraw directly from the Responsible Entity, provided the withdrawals have not also been suspended in accordance with the Constitution.</p>	

	Summary	Section (for further information)
Leverage	<p>The Fund may use leverage through its use of borrowing, repurchase agreements, derivatives and as a result of any short selling it undertakes for the purposes of generating alpha as part of the investment strategy.</p> <p>The counterparties to the repurchase agreements will typically be large Australian and international trading banks. The counterparties to derivative contracts will include large banks with superior credit ratings of at least 'A-'. The Fund may also secure borrowing arrangements with prime brokerage providers.</p> <p>The Fund does not target a specific level of leverage, and does not use leverage simply to increase Fund yield. Leverage can be used to obtain additional exposure to mispriced assets which the Investment Manager believe will generate capital gains for the Fund. The Fund will typically have leverage of 1.0x (i.e. no leverage) to 1.5x, and may have leverage of up to 2.5x subject to the opportunity set and the magnitude of the mispricings available to it.</p> <p>A worked example showing the impact of leverage on investment returns and losses, assuming the maximum anticipated level of leverage (including leverage embedded in assets, excluding leverage in listed bonds) is provided at section 5.6</p>	Section 5.6
Derivatives	<p>Derivatives are used to manage risk and/or gain limited exposure to investments (i.e. to provide leverage).</p> <p>The use of derivatives may amplify losses or returns on capital.</p> <p>The Investment Manager and Portfolio Manager intend to include exchange traded and OTC derivatives in the Fund's investment strategy.</p> <p>The counterparty to the Fund's OTC derivatives will typically be large banks with superior credit ratings of at least 'A-', and the Investment Manager selects counterparties based on selection criteria in its Trade Management Policy.</p> <p>In accordance with the Securities Exchange Rules, the Responsible Entity monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC derivatives counterparties is reduced to 10% or less of NAV.</p> <p>For key risks to the Fund associated with the collateral requirements of the derivative counterparties, please see Section 7.</p>	Section 5.7 and 7.
Short selling	<p>Short selling is used to manage risk and/or gain exposure to investments.</p> <p>The risks associated with short selling and the ways in which the Investment Manager seeks to mitigate those risks are set out in Sections 5.8 and 7.</p>	Sections 5.8 and 7
Withdrawals	<p>Investors can enter or exit the Fund by buying or selling Units on the Securities Exchange like any listed security.</p> <p>Investors may also apply or withdraw Units directly with the Responsible Entity. Investors will need to hold Units on the issuer-sponsored sub-register to withdraw directly from the Responsible Entity.</p> <p>The method by which an Investor enters the Fund does not affect the method by which the Investor can exit the Fund. For more information refer to the Comparison Table in section 6.</p> <p>For more information on buying and selling securities on the Securities Exchange, see section 8.</p> <p>For more information on applying to and withdrawing directly from the Responsible Entity, see section 9.</p>	Sections 6, 8 and 9

4. Who is Managing the Fund?

The Responsible Entity

Equity Trustees Limited

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

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's Constitution, the Corporations Act and general trust law. Equity Trustees has appointed Coolabah Capital Investments (Retail) Pty Ltd as the Investment Manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

Coolabah Capital Investments (Retail) Pty Ltd

The Investment Manager is Coolabah Capital Investments (Retail) Pty Ltd (CCIR or Investment Manager), which is a corporate authorised representative (#000414337) of Coolabah Capital Institutional Investments Pty Ltd (AFSL 482238).

CCIR has appointed its related entity, Coolabah Capital Institutional Investments Pty Ltd (CCII), as the Portfolio Manager to which it sub-delegates all portfolio management responsibilities for the Fund and its other fixed-income products. Both the Investment Manager and Portfolio Manager are wholly owned subsidiaries of Coolabah Capital Investments Pty Ltd (CCI). CCI is 65% owned by its portfolio management team, and 35% owned by Pinnacle Investment Management Group Limited, a leading Australian-based multi-affiliate investment firm.

Established in 2011, the CCI's goals are to deliver actively managed fixed income investment solutions that outperform traditional fixed-income products on a risk adjusted basis. CCI aims to achieve this through generating "alpha" or capital gains in liquid high-grade credit, which is in contrast to traditional fixed-income strategies that drive returns through adding more interest rate duration risk, credit default risk or illiquidity risk (or "beta"). As of 31 December 2023, CCI managed over \$9bn.

The Portfolio Manager

Coolabah Capital Institutional Investments Pty Ltd

The Investment Manager has appointed CCII, as the Portfolio Manager of the Fund. The Portfolio Manager's experienced investment team at the date of issue of this PDS comprises eleven full-time portfolio managers and traders and fifteen full-time analysts who apply intensive quantitative and qualitative valuation analysis to identify mispriced securities that can be profitably translated into active returns. This team is augmented by an experienced independent chair and an independent compliance committee specialist, and compliance oversight by Equity Trustees as the Responsible Entity.

Under the investment management agreement(s) between the Investment Manager, Portfolio Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager or Portfolio Manager's appointment where the Investment Manager or Portfolio Manager becomes insolvent, materially breaches the agreement, ceases to carry on its business or in certain other circumstances. In the event that Equity Trustees

terminates the Investment Manager or Portfolio Manager following one of these events, the Investment Manager or Portfolio Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager or Portfolio Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.

Key professionals

The Portfolio Manager's investment team includes the following key professionals:

Christopher Joye, Chief Investment Officer & Senior Portfolio Manager

Christopher founded Coolabah Capital in 2011 and leads the portfolio management effort that has produced one of Australia's top short-term fixed-interest capabilities. He is responsible for investment decisioning, portfolio management, research and asset pricing, and general business management, running a large team of portfolio managers and analysts. Christopher is also a Contributing Editor with The Australian Financial Review and well-known as one of Australia's leading economists, policy advisors and fund managers. In 2019, CCI was selected as one of FE fundinfo's Top 10 "Alpha Managers" based on his risk-adjusted performance throughout his career across all asset-classes. Christopher previously worked for Goldman Sachs in London and Sydney, the Reserve Bank of Australia, and was the founder of an awardwinning research and investment group, Rismark International. In 2009 The Australian newspaper selected Christopher as one of Australia's top 10 "Emerging Leaders" in its economic/wealth category. In 2007 Christopher was selected by The Bulletin magazine as one of Australia's "10 Smartest CEOs" and by BRW Magazine as one of "Australia's Top 10 Innovators". In 2008, the Australian Government invested \$15 billion behind a policy proposal developed by Christopher to provide liquidity to the Australian RMBS market to mitigate the effects of the GFC. In 2019 the Australian government committed \$2bn to invest in securitised SME loans on the basis of a policy proposal Christopher developed for the Treasurer at the time to enhance competition and liquidity in the SME finance sector. In February 2009, Christopher was invited by the Rockefeller and MacArthur Foundations to travel to advise the Obama Administration on the US housing crisis. Christopher served as a Director of The Menzies Research Centre, which is a leading Australian thinktank, from 2003 to 2007. Christopher received Joint 1st Class Honours (Economics & Finance) and the University Medal in Economics & Finance from the University of Sydney, where he was a Credit Suisse First Boston Scholar, SIRCA and University Honours Scholar. He studied in the PhD program at Cambridge University in 2002 and 2003, where he was a Commonwealth Trust scholarship recipient.

Ashley Kabel, Senior Portfolio Manager, Deputy CIO

Ashley joined Coolabah Capital in 2017 in a full-time role as a quantitative analyst and portfolio manager and helps lead all portfolio management and research efforts. Ashley was previously Director of Quantitative Strategies at the award-winning and strongly performing FX hedge fund, The Cambridge Strategy, between 2012 and 2016, based in London. At Cambridge Ashley managed US\$250m (and a small team) in medium-term, quant-based FX strategies spanning 2012-2016 with an average audited annual return of 13.4% and volatility of 8.2%, outperforming FX beta indices and FX and Macro Hedge Fund indices. Prior to Cambridge, Ashley served as an investment analyst with portfolio management responsibilities covering FX, equities and fixed-income at the \$800bn fund manager, Invesco between 2005 and 2012, based in Sydney. At

Invesco he helped develop, analyse and manage multiple quant strategies including direct execution of fixed-income portfolios. Ashley graduated with honours degrees in Law and Engineering (Software) from Melbourne University, has extensive quant analytical and programming skills, and in his youth was awarded Australian government prizes for mathematics.

Fionn O’Leary, Senior Portfolio Manager, Head of European Trading

Fionn joined Coolabah in 2023 as a Senior Portfolio Manager based in London. Fionn previously spent over a decade in various senior interest rate trading roles at Deutsche Bank in London, where he originally started his career in 2002. During this time, he also managed a €16 billion portfolio of on- and off-balance sheet financial assets through the GFC and sovereign credit exposures through the Eurozone crisis. In 2013, Fionn was promoted to Head of Financials, Sovereigns & Credit Index Trading, managing a team of 18 traders. Outside of Deutsche Bank, Fionn worked at Brevan Howard Asset Management between 2015 and 2016 where he was mandated to set up a credit trading business. Most recently Fionn has worked at a large inter-dealer broker on strategic transformation projects, including minimizing the commercial operating model in light of the changing regulatory landscape (MiFID II & Brexit). Fionn holds an MSc in Financial Mathematics (with Distinction) and a BSc in Mathematics & Applied Mathematics.

Jason Lindeman, Head of Credit Research

Jason joined Coolabah Capital in 2017 in a full-time role as a senior credit analyst. Jason has over 20 years buy-side experience in fundamental and technical credit analysis across the capital structure. Previously at Hadron Capital LLP, a London based global relative value and event driven multi-asset class hedge fund, he was jointly responsible for the Credit Long/Short absolute return portfolio. The strategy sought relative value and catalyst driven investments, with portfolio views expressed using Corporate Bonds, Hybrids, Credit Default Swaps and Loans. Prior to Hadron, Jason was the Credit Portfolio Manager at RBC Capital Markets London, responsible for the European Credit Proprietary Trading Portfolio. He built and continually developed the credit process at both funds, while hiring, training and managing the relevant credit analyst teams. At Credit Suisse Capital Markets London, Jason was a Private Equity/Private Placements Analyst, investing proprietary capital in sub investment grade public companies, via the issuance of privately placed structured debt and equity securities. He was involved in the entire investment process from initial on-site due diligence, credit analysis, negotiation of terms, documentation and ongoing portfolio maintenance. Previous roles include Credit Risk Management at Credit Suisse London and NAB Corporate Banking in both London & Melbourne. Jason has a Bachelor of Economics and Post Graduate Diploma in Applied Finance and Investment.

The investment team devotes all of their business time to the Portfolio Manager’s business, which includes managing and executing the investment strategy of the Fund and like mandates.

There have been no adverse findings (significant or otherwise) against the Responsible Entity or the Investment Manager or the Portfolio Manager, or any of the senior investment professionals at these organisations.

The Custodian and Administrator

Apex Fund Services Pty Limited

The Responsible Entity has appointed Apex Fund Services Pty Limited (Apex) to act as administrator for the Fund (Administrator). In such capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the Net Asset Value

of the Fund. The Administrator also provides Unit registry services. The Responsible Entity has entered into an Administration Agreement with the Administrator, which governs the services that will be provided by the Administrator to the Fund. The Investment Manager may at any time, in consultation with the Responsible Entity, select any other administrator to serve as administrator to the Fund.

The Responsible Entity has also appointed Apex as an independent custodian to hold the assets of the Fund (Custodian). In such capacity, the Custodian will hold the assets of the Fund in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. The Responsible Entity has entered into a Custodian Agreement, which governs the services that will be provided by the Custodian to the Fund. Certain assets may also be held in safe custody at the Responsible Entity or Equity Trustees as its delegate.

Fund Auditor

Ernst & Young ABN 75 288 172 749. Ernst & Young has been appointed as the independent auditor of the Fund’s financial statements and Compliance Plan. Ernst & Young is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS.

Process for selecting, monitoring and reviewing our services providers

We have processes for selecting, monitoring and reviewing the performance of all of our service providers. There are no unusual or materially onerous provisions in service provider agreements from an investor’s perspective.

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

Authorised Participant(s) and Market Maker(s)

Under the Securities Exchange Rules, the Responsible Entity is under certain obligations in respect of the Fund to facilitate an orderly and liquid market for the Fund. The Responsible Entity has appointed an authorised participant(s) and market maker(s) to create units in the primary market and maintain continuous liquidity.

Given the importance of this role, we seek to appoint authorised participant(s) and market maker(s) that:

- have experience in making markets in exchange quoted products and other types of listed securities in both Australia and overseas;
- are participants of the Securities Exchange and have agreements with the Securities Exchange Operator to act as a market maker; and
- have the necessary skill and expertise to perform a market making function.

For the avoidance of doubt, authorised participants transact in the ‘primary market’ where units are created and redeemed directly with the Responsible Entity. Once the Units have been acquired by the authorised participant, the authorised participant makes them available for purchase on the Securities Exchange. The market maker(s) act as buyer and seller on the “secondary market” for Units in the Fund (i.e. transact on the Securities Exchange trading platform) and are not involved with applications to and withdrawals from the Responsible Entity directly. Under the market making arrangements, the market maker will generally retain for its own account any trading profit or bear any loss generated by its market making activities.

5. How the Fund invests

5.1 Investment Objective

The Fund targets returns in excess of the Bloomberg AusBond Composite 0+ Yr Index by 1.0% to 2.0% per annum, after management costs, over a rolling 12 month period. Investors targeting returns above traditional fixed income investments may wish to consider the Fund.

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed.

5.2. Investment Strategy

The Investment Manager is an active manager. This entails applying bottom-up fundamental analysis and quantitative analysis of both issuers of the securities and the credit quality and structural features of the securities themselves to build a diversified portfolio of Australian cash and debt investments that offer attractive returns relative to the Benchmark whilst minimising the risk of capital loss. Active managers seek to exploit mispricing of assets and/or find undervalued securities in order to produce superior performance.

The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index after management costs. The Fund seeks to have broadly similar interest rate duration risk to the Benchmark subject to any active decisions implemented by the investment manager in order to generate excess returns.

In addition to an active investment philosophy that seeks to profit from mispriced assets, the Fund also employs active asset-allocation between cash and debt securities. The Fund retains the ability to switch between cash and debt securities based on the portfolio managers' valuation views of each sector. When credit spreads are wide and the risk-return payoff on debt securities may be higher than cash, the exposure to these debt securities may increase. Equally when credit spreads compress the portfolio weight to cash may rise.

The ability to invest 100% in cash is a defensive attribute of the Fund.

Although the Fund is not the same as a bank account, the Fund does have a considered and diversified investment approach, which includes:

- the Fund is permitted to invest in bonds, such as government and semi-government bonds, bank and corporate bonds, and asset-backed securities, including residential-mortgage backed securities, issued in Australian Dollars or in G10 currencies hedged to Australian Dollars;
- the Fund is also permitted to invest in cash and cash-equivalent securities, repurchase agreements, exchange traded derivatives and over-the-counter derivatives;
- all the Fund's investments are Australian Dollar-denominated or fully hedged into Australian Dollars (so the Fund has minimal direct exposure to foreign exchange risk);
- the Fund targets a minimum dollar-weighted average Standard & Poor's 'A' credit rating across its bonds and deposits (or equivalent rating as determined by rating agencies);
- the Fund does not invest in unrated debt, sub-investment grade debt or hybrid securities;

- the Fund does not invest directly in listed or unlisted ordinary shares (i.e. equities) although it can invest in certain exchange traded funds (ETFs) that invest in permitted underlying assets;
- the Fund can use derivatives to hedge risks such as interest rate, credit, currency & macro risks;
- the Fund's use of repurchase agreements, derivatives and shorting may result in gearing of up to 2.5x; and
- the Fund has a low to medium risk rating under the "standard risk measure"

The Fund also has access to liquidity facilities that allow assets that are classified as "eligible securities" for repurchase by the RBA to be swapped with major Australian and international trading banks in exchange for cash, subject to these banks accepting these assets as part of their own repurchase operations.

Due to movements in the market or similar events, the guidelines set out above may not be adhered to from time to time. In these circumstances, the Portfolio Manager will seek to bring the Fund's investments within the guidelines within a reasonable period of time.

Where there is a material change to the investment strategy of the Fund we will give not less than 30 days prior notice to investors of the Fund. A material change in the investment strategy may occur after consultation between the Investment Manager and Responsible Entity, where it is determined that the current strategy is inappropriate to deliver the Fund's objective as a result of a substantial change to economic and/or investment conditions.

5.3. Fund Structure

The Fund is a registered managed investment scheme and at the time of lodgement of this PDS with ASIC, it has been admitted to a Securities Exchange Operator for the quotation and trading of Units in the Fund on the Securities Exchange with the exchange ticker: FIXD.

In general, each Unit in the Fund represents an individual's interest in the assets as a whole subject to liabilities; however, it does not give the investor an interest in any particular asset of the Fund. The Responsible Entity is responsible for the operation of the Fund, and the key service providers to the Fund are outlined in Section 4.

See Section 6 "Managing risks" for details on the risks associated with the Fund's structure.

5.4. Valuation, location and custody of assets

The Fund's assets are valued on a daily basis and provided to the Fund's independent administrator, who then calculates the daily unit prices for the Fund. Assets of the Fund are primarily expected to be located in Australia. Non-Australian dollar denominated bonds which will typically be denominated in other G10 currencies, will predominately settle via Euroclear and held by an offshore custodian under a sub-custody agreement with the Custodian in the market of their denomination. Australian dollar denominated bonds that settled via Austraclear, will be held by the Custodian in Australia.

The value of the investments of the Fund is generally determined daily. The value of a Unit is determined by the NAV per Unit. This is calculated by deducting from the gross value of the assets of the Fund the value of the liabilities of the Fund (not including any investor liability). Generally, investments will be valued on each Business Day at their market value but other

valuation methods and policies may be applied by the Administrator if appropriate or if otherwise required by law or applicable accounting standards.

The Fund offers investors exposure to assets that are traditionally defined as defensive, including:

- cash and cash equivalents;
- government bonds;
- senior and subordinated bonds; and
- Asset-backed securities.

The derivatives used by the Fund may be exchange traded or OTC and may include, but are not limited to, the following:

- interest rate derivatives;
- credit derivatives;
- foreign exchange derivatives; and
- other related swaps.

The Fund invests in assets of investment-grade quality, which means assets with at least a BBB- credit rating from a recognised rating agency. The Fund does not target equities investments, focusing on securities ranking higher up the capital structure. The Fund does not adhere to pre-defined sectoral limits because the Investment Manager believes that this type of blind diversification can introduce correlated default and liquidity risks.

5.5. Liquidity

The Responsible Entity intends that the Fund will only invest in liquid assets that it reasonably expects will be able to be liquidated (at their market value) on a daily basis (subject to normal settlement cycles of listed bonds and hybrid securities that generally do not exceed two Business Days).

Further, in order to facilitate a liquid market for the Fund on the Securities Exchange, the Responsible Entity has appointed a market maker, on behalf of the Fund, to maintain continuous liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units. The market maker, under its authority as an authorised participant, will create and redeem Units as required to hold an inventory of Units enabling it to provide buy and sell prices to the secondary market, while also potentially hedging their underlying positions.

There may be circumstances where the Fund is suspended in accordance with the Constitution or where the Fund is not liquid as defined under the Corporations Act. In those cases, the Fund may continue to trade on the Securities Exchange provided the Fund complies with the Securities Exchange Rules. The Responsible Entity or the Securities Exchange Operator may seek a trading halt, if the Fund ceases to comply with the Securities Exchange Rules.

Alternatively, there may be circumstances where the Securities Exchange Operator suspends trading of Units and unitholders may continue to withdraw directly from the Responsible Entity, provided the withdrawals have not also been suspended in accordance with the Constitution.

5.6. Leverage

The Fund can take long and short positions, use repurchase agreements, borrow and use derivatives and this can mean the Fund is geared (or leveraged). Leverage can amplify gains and also amplify losses. At the core of the Portfolio Manager's use of leverage is that it is applied against liquid, investment-grade debt securities, which rank ahead of equities and hybrids in the corporate capital structure. The Portfolio Manager has set leverage limits and other exposure limits to assist with risk management, which is overseen by the Portfolio Manager's independent compliance committee.

The Fund does not target a specific level of leverage, and does not use leverage simply to increase Fund yield. Leverage may be used to obtain additional exposure to mispriced assets that the Manager believes will generate capital gains for the Fund. The Fund will typically have gearing of 1.0x (i.e. no gearing) to 1.5x, and may have gearing of up to 2.5x subject to the opportunity set and the magnitude of the mispricings available to it.

The Fund may enter into repurchase agreements with large bank counterparties that have credit ratings of at least A-. The Fund may also enter into other secured borrowing arrangements with various prime brokerage providers.

Leverage may also be used for the purpose of certain risk mitigation strategies, such as short-selling bonds in the event that the Manager believes the values of these bonds will decline.

The following example illustrates the way in which gearing can effect investment gains and losses in comparison to a fund that is not geared.

Example	Geared	Ungeared
Initial investment	\$4,000	\$4,000
Fund gearing level	60.00%	0.00%
Amount borrowed by Fund	\$6,000	\$0
Amount invested in market	\$10,000	\$4,000
If the value of the Fund's assets rises by 2.0%		
Rise in value of Fund's assets	\$200	\$80
Value of Fund assets	\$10,200	\$4,080
Outstanding loan	\$6,000	\$0
Value of investment	\$4,200	\$4,080
Gain on investment	\$200	\$80
Return %	5.0%	2.0%
If the value of the Fund's assets falls by 2.0%		
Fall in value of Fund's assets	-\$200	-\$80
Value of Fund assets	\$9,800	\$3,920
Outstanding loan	\$6,000	\$0
Value of investment	\$3,800	\$3,920
Loss on investment	-\$200	-\$80
Return %	-5.0%	-2.0%

The leverage rules are asset-class specific, with riskier exposures subject to tighter controls. They are designed to reduce the risk of loss and to manage portfolio volatility within the target range.

Please refer to Section 7 'Managing risk' for more details on this subject.

5.7. Derivatives

A derivative is any financial product that derives its value from another security, index or liability.

The Fund uses derivatives to take investment positions and to manage (or 'hedge') risks. Their use is central to the investment strategy of the Fund, employed so that the Fund can take long and short positions.

The Fund may invest in OTC and exchange traded derivatives, comprising the following types of derivatives:

- interest rate derivatives;
- credit derivatives;
- foreign exchange derivatives; and
- and other related swaps.

Under the Securities Exchange Rules, if the Fund's exposure to OTC derivatives exceeds 5% of the Fund's NAV, the Responsible Entity must disclose on a monthly basis:

- the exposure of the Fund to all OTC derivative counterparties as a percentage of the NAV of the Fund; and
- the value of the assets held by the Fund (excluding the value of the OTC derivatives but inclusive of collateral) as a percentage of the NAV of the Fund.

In accordance with the Securities Exchange Rules, the Responsible Entity monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC derivatives counterparties is reduced to 10% or less of NAV. Only cash may be held by the Fund as collateral under an OTC derivative.

5.8. Short Selling

Short sales involve selling an investment you do not own in anticipation that the investment's price will decline. Short sales are important as they can generate performance in declining markets or provide a hedge to long market exposure. But they present a risk on an individual investment basis, since the price of the investment may rise, causing the value of the Fund to decline. In addition, the Fund may be required to buy back the investment sold short at a time when the investment has increased in value, which would generate a loss.

The Fund may enter into short selling positions in order to profit from a particular mispricing, or to hedge other positions within the Fund. The Fund can enter short selling positions using derivatives or through securities borrowing via repurchase agreements or similar arrangements. Short selling does not form a substantive part of the Fund's investment strategy, and short sales are expected to be used opportunistically when certain bonds or derivatives are expected to decrease in value.

5.9 Labour, environmental, social and ethical considerations (ESG)

EQT has delegated the investment function (including ESG responsibilities) to the Investment Manager. The Investment Manager has delegated these responsibilities to the Portfolio Manager to which it sub-delegates all portfolio management responsibilities for the Fund and its other fixed-income products. The Portfolio Manager has contemplated that labour, environmental, social and ethical considerations will be taken into account in relation to the investment of the Fund.

The Portfolio Manager considers that environmental, social and governance (ESG) factors are important inputs into its investment process and can have notable consequences for the

performance of our investments. These consequences extend beyond merely downside risks; they may also include potential upside for the portfolio, such as opportunities arising from ESG factors being overlooked or mispriced by the market, with both market participants and rating agencies often failing to appreciate the full nuance of these factors. Consequently, the consideration and due diligence of ESG factors, both quantitatively and qualitatively, form an important part of the Portfolio Manager's broader investment process. However, these factors may not necessarily be assessed in accordance with any predetermined weighting or methodology.

Examples of the types of ESG factors that the Portfolio Manager takes into account as part of its investment process include, but are not limited to:

- Environmental:
 - Climate and weather related risks.
 - Dependency on assets which may be impacted by environmental considerations.
 - Pollution and environmental disruption.
 - Environment sustainability.
- Social:
 - Political stability in countries of operation.
 - Track record and policies on labour, human rights and modern slavery.
 - Diversity and inclusion.
 - Workplace health and safety, including employee wellbeing.
 - Commitment to maintaining internal and customer privacy, including cyber-security.
 - Impact on customers and local communities.
 - ESG related reputational and brand risks.
- Governance:
 - Board and government composition.
 - Risk management and compliance track-record.
 - Litigation and regulatory history.

The Portfolio Manager's ESG and Stewardship Policy (available here: www.coolabahcapital.com/esg-policy) provides further detail on how ESG factors are proactively considered and integrated into its broader investment and decision-making process.

5.10. Fund performance

The recent performance of the Fund will be available at www.coolabahcapital.com. Your financial adviser can also provide further information on the Fund.

Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

5.11. Investment timeframe

The suggested investment timeframe is 3 years, having regard to the underlying fixed income investments and other investment strategies such as the use of derivatives, leverage and short selling (discussed in this part 5). In suggesting this timeframe we have not taken into account your individual objectives, financial circumstances or needs. Consider whether this product is right for you and consult a financial adviser before making a decision to buy or continue to hold this product.

5.12. Significant benefits of investing in the Fund

Significant benefits	
Active management	The Portfolio Manager actively adjusts the Fund's portfolio of Australian cash, bonds, floating-rate notes and asset-backed securities with the aim of maximising returns while minimising risk.
Target return	The Fund targets returns in excess of the Bloomberg Ausbond Composite Bond (0+) Year Index by 1.0% to 2.0% per annum, after management costs, over a rolling 12 month period – see Fees and Costs section 11 of this PDS for details.
Exposure to the wholesale bond market	The Fund invests in wholesale bonds issued by Australian and global governments, banks and companies that are not always easy for individual investors to access.
Target interest rate duration	The Fund seeks to have broadly similar interest rate duration exposure to the Bloomberg Ausbond Composite Bond 0+ Yr Index subject to any active decisions implemented by the Portfolio Manager in order to generate excess returns.
Global presence	Access to the investment knowledge of Coolabah's global investment team.

6. About the Fund and Units

Investors' application monies are pooled together with other investors' money. The Investment Manager pools the application monies of all unitholders to buy investments and manage them on behalf of unitholders in accordance with the Fund's investment strategy. By investing in the Fund, unitholders have access to investments they may not be able to access on their own and benefit from the investment capabilities of Coolabah's investment team. The Fund serves as an efficient mechanism to invest on behalf of all unitholders.

Investors can enter the Fund through acquiring Units on the Securities Exchange, through an IDPS provider or directly with the Administrator. Investors can exit the Fund through selling Units on the Securities Exchange, redeeming Units through an IDPS or directly with the Administrator. All Units are fungible and the method you enter the Fund does not determine how you should exit the Fund. An investor who acquires Units directly with the Administrator can exit the Fund, or sell Units through the Securities Exchange by contacting their broker (see section 8, applications and withdrawal on the Securities Exchange). Similarly, an investor can redeem Units through their Administrator by submitting a redemption request to the Administrator (See section 9 'applications and withdrawals with the Responsible Entity).

Units and NAV per Unit

The Fund has been admitted to the Securities Exchange for Units in the Fund issued pursuant to this PDS to be quoted for trading on the Securities Exchange. Units of the Fund will be traded on the Securities Exchange like any quoted security.

Under the Securities Exchange Rules, the Responsible Entity has certain obligations in respect of the Fund to facilitate a liquid and orderly market. The Responsible Entity will appoint a market maker and authorised participant(s) to provide continuous liquidity to the market by acting as a buyer and seller to the Securities Exchange. The market maker and authorised participant(s) use information such as NAV and pricing baskets (see below) to determine the price of Units and places bid-ask spreads around this value before sending these prices to the Securities Exchange as bid and ask orders. The orders are published to the market, and investors can either 'hit' orders to trade with the market maker or send their own orders to the exchange and wait for someone else to 'hit' them. Market maker orders are updated continuously throughout the day to reflect price changes in the underlying securities.

The NAV estimates the value of the Fund at the close of trading on a previous day in each market in which the Fund invests. The NAV per unit will be published daily on the Investment Manager's website www.coolabahcapital.com prior to the commencement of each trading on the Securities Exchange. The NAV per unit may fluctuate each day as the market value of the Fund's assets rises or falls. The Responsible Entity's NAV Permitted Discretions Policy provides further information about how the NAV per Unit is calculated.

The Responsible Entity has engaged Solactive AG as its agent to calculate and disseminate an iNAV which will be published on the Responsible Entity's website www.eqt.com.au/insto as well as the Investment Manager's website www.coolabahcapital.com throughout the Securities Exchange Trading Day. The iNAV reflects the real time movements in markets and currencies during the Trading Day. The Responsible Entity or its appointed agents give no guarantees that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity nor its

appointed agent shall be liable to any person who relies on the iNAV. The price at which Units trade on the Securities Exchange may not reflect with the NAV per Unit or the iNAV.

The Fund will not disclose every underlying asset on a daily basis. Disclosing the ongoing investment strategy of the Fund would create an unacceptable risk to the Fund and the investors. The Fund will disclose a pricing basket that will enable the market maker and authorised participant(s) to determine the price at which it buys and sells Units on the Securities Exchange. The pricing basket is intended to represent the value of the applicable Fund during the Trading Day and is used to determine the iNAV.

The authorised participant(s) creates and redeems Units with the Responsible Entity at prices that are determined by the published NAV of the applicable Fund. The NAV is based on the value of every underlying asset in the applicable Fund. This means the authorised participant(s) has a strong incentive to ensure there is minimal or no difference between the price at which it buys and sells Units based on the NAV or pricing basket and the price of Units created or redeemed based on the net asset value of the Fund.

The price at which Units trade on the Securities Exchange, or may be applied for or redeemed with the Responsible Entity, may not reflect with the NAV per Unit or the iNAV. Refer to section 7 'Trading price of Units may differ from NAV per Unit' for further details on this Risk.

Investing through an IDPS

The Responsible Entity has authorised the use of this PDS as disclosure to investors or prospective clients of IDPSs, which provide investors with a menu of investment opportunities.

Investors who invest through an IDPS may rely on the information in this PDS to give a direction to the operator of the IDPS to invest in the Fund on their behalf. The Responsible Entity agrees to provide notice to the operators of the IDPSs promptly of any supplementary or replacement PDS that is issued under the Corporations Act.

Importantly, investors who invest in the Fund through an IDPS do not become unitholders of the Fund. In those instances the unitholder of the Fund is the operator of the IDPS. The unitholder's rights set out in this PDS may only be exercised by the operator of the IDPS on behalf of the investor for whom they have acquired the Units.

Investors should read this PDS in conjunction with the offer documents issued by the IDPS Operator. Investors complete the application form provided by the IDPS Operator and receive reports concerning the Fund from their IDPS Operator. Enquiries should be directed to the IDPS Operator.

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

Comparison Table – transacting on a Securities Exchange or with the Responsible Entity

Investors can enter the Fund either by applying for Units directly with the Responsible Entity using an Application Form or, once the Units are quoted on the Securities Exchange, by buying Units on the Securities Exchange.

Investors can exit the Fund either by directly making a withdrawal request to the Responsible Entity using a withdrawal form or by selling Units on the Securities Exchange.

The method by which you enter the Fund does not affect the method by which you can exit the Fund. If you enter the Fund by buying Units on the Securities Exchange, you can exit the Fund by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity. If you enter the Fund by applying for Units directly with the Responsible Entity you can exit the Fund by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity.

You need to hold your Units on the issuer-sponsored sub-register to make a withdrawal request directly to the Responsible Entity. Your stockbroker can assist you with this process if you hold your Units on a HIN. Similarly, if you hold your Units with the Fund (SRN holding on the issuer sponsor

sub-register) your stockbroker will need to convert Units to a CHESS sub-register (HIN) in order to settle the trade on a Securities Exchange. Refer to the heading 'Transfer and Conversion of Units' in this section 6 for further details.

The following table sets out the key differences between entering and exiting the Fund via the Securities Exchange or by applying for and withdrawing Units directly from the Fund. This is a summary only. This PDS should be read in full before making any decision to invest in the Fund. For more information on buying and selling Units on the Securities Exchange, see Section 8. For more information on applying to and withdrawing directly from the Fund, see Section 9.

	Buying Units on the Securities Exchange	Applying for Units directly with the Responsible Entity
How do I make an investment in the Fund?	<p>As the Units are quoted on the Securities Exchange, investors can invest in the Fund by purchasing Units via their trading platform or stockbroker.</p> <p>Investors do not need to complete an Application Form and they will settle the purchase of their Units in the same way they would settle purchases of quoted securities via the CHESS settlement service.</p>	<p>You can acquire Units by completing the Application Form that accompanies this PDS.</p> <p>If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money before or at 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will generally receive the Application Price calculated for that Business Day.</p>
What is my entry price when I make an investment in the Fund?	<p>An investor's entry price into the Fund will be the price at which they have purchased Units on the Securities Exchange.</p> <p>The Responsible Entity does not guarantee the price on the Securities Exchange will align with NAV or iNAV.</p> <p>Investors buying or selling Units on the Securities Exchange will receive transaction confirmations from their stockbroker.</p> <p>Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.</p>	<p>The Application Price at which Units are acquired is determined in accordance with the Constitution.</p> <p>The Application Price on a Business Day, is in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for transaction costs ("Buy Spread").</p> <p>As at the date of this PDS, the Buy Spread is nil</p>
Is there a minimum number of Units I need to purchase?	<p>There is no minimum number of Units investors can buy on the Securities Exchange.</p>	<p>The minimum initial investment amount to invest in for the Fund directly is \$1,000.</p> <p>The minimum additional investment amount is \$1,000.</p>
	Selling on the Securities Exchange	Withdrawing Units directly with the Responsible Entity
How do I withdraw my investment?	<p>Investors can withdraw from the Fund by selling Units on the Securities Exchange via their stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the CHESS settlement service.</p>	<p>Investor's in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund. To withdraw, you must hold your Units on the Fund's issuer sponsored sub-register and provide your SRN.</p> <p>If we receive a withdrawal request before or at 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day.</p>

	Selling on the Securities Exchange	Withdrawing Units directly with the Responsible Entity
At what price can I sell my Units in the Fund?	<p>An investor's exit price will be the price at which they have sold Units on the Securities Exchange.</p> <p>The Responsible Entity does not guarantee the price on the Securities Exchange will be the same as NAV or iNAV.</p> <p>Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.</p>	<p>The Withdrawal Price at which Units are withdrawn is determined in accordance with the Constitution.</p> <p>The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.025%.</p> <p>The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.</p>
Is there a minimum number of Units I need to withdraw?	There is no minimum number of Units investors can sell on the Securities Exchange.	The minimum withdrawal amount is \$1,000.

Access to funds

Except where the Fund is not liquid (see below), the Responsible Entity will generally allow investors to access their funds within 2 Business Days of receipt of a redemption request form for the relevant amount.

However, the Constitution of the Fund allows the Responsible Entity to make payment up to 21 days after receipt of a withdrawal request form, and this period can be extended at the discretion of Equity Trustees in accordance with the Constitution.

The Responsible Entity reserves the right to postpone the processing and payment of withdrawals for the Fund subject to the above extensions of time.

Where the Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. The Fund will cease to be liquid if less than 80% of its assets are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

Compulsory withdrawal

The Responsible Entity may redeem some or all of an investor's Units without asking them in accordance with the Constitution or as permitted by law. As an example, this may occur where an investor breaches their obligations to the Responsible Entity (for example, where the Responsible Entity believes that the Units are held in breach of prohibitions contained within the Constitution) or where the Responsible Entity believes that the Units are held in circumstances which might result in a violation of an applicable law or regulation.

Transfer and conversion of Units

Investors will be able to convert or transfer of Units in the following scenarios:

- (Selling Units on a Securities Exchange) If the Investor acquired Units from the Responsible Entity directly (Units held on the issuer sponsored sub-register), the Investor will need to convert or transfer Units to an account with a stockbroker (HIN holding on the CHESS sub-register) to

transact on a Securities Exchange. To do this, you will need to provide your broker with your SRN. You are only able to convert or transfer whole Units and any residual Units will be cancelled and become the assets of the Fund.

- (Redeeming Units directly with the Responsible Entity) If the Investor acquired Units on a Securities Exchange and wants to redeem Units with the Responsible Entity directly, Units must be held on the issuer sponsored sub-register (SRN). Your stockbroker can initiate the transfer or conversion of your Units held in an account with your stockbroker's CHESS sub-register (HIN) to an account directly with the Fund (SRN on the issuer sponsored sub-register). It is also open to Investors holding Units on an account with your stockbroker to transfer or convert your Units to another HIN. The Administrator (Unit registry) will process transfer of Units for investors on receipt of a completed original standard transfer form.

Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of Units held by the investor at the end of the distribution period. The Fund usually distributes income quarterly. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their AUD Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested. Additional Units issued to investors who hold their units with a stockbroker (HIN holding on the Securities Exchange sub-register) will be rounded to the nearest whole number.

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Under the AMIT rules, investors will be assessed for tax on the income of the Fund attributed to them. The Constitution permits the Responsible Entity to reinvest part or all of your distribution and/or accumulate part or all of the Fund's income in the Fund, in which case, under the AMIT rules, the income of the Fund that is attributed to you (and which must be included in your income tax return) will be more than the cash distribution paid and the tax cost base of your Units will increase by the amount that the income of the Fund attributed to you exceeds the cash distribution paid. For more details, see the Taxation overview in Section 13.

The Responsible Entity may, in a particular year:

- Retain or accumulate part or all of the income of the Fund. The tax cost base of Units will increase to the extent that the income of the Fund attributed to investors exceeds the cash distribution paid (and will decrease to the extent that the income of the Fund attributed to investors is less than the cash distribution paid). We will send you a tax statement after the end of each financial year detailing the amounts attributed to you to assist in the preparation of your tax return.

You can choose to have your distributions directly credited to your Australian bank account or, automatically reinvested as additional Units in the Fund. No fees or transaction costs will be payable in respect of distributions that are automatically reinvested. Additional Units issued to investors who hold their Units with a stockbroker (HIN holding on the CHES sub-register) will be rounded to the nearest whole number and investors who hold their Units directly with the Fund (SRN holding on the issuer sponsored sub-register) will be issued partial Units. Please be aware that distributions will be reinvested unless you instruct us otherwise.

Details in relation to each distribution will be published on the announcements platform of the Securities Exchange Operator and the Fund's website at www.coolabahcapital.com. The distribution policy of the Fund is current as at the date of this PDS and may be subject to change from time to time.

New Zealand investors

New Zealand investors can only have their distribution directly credited if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested. If New Zealand investors elect to have their distribution paid in cash, they will need to nominate a bank account held in their own name with an Australian domiciled bank. Cash distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted Units in accordance with the terms and conditions set out above.

The distribution reinvestment plan described above is offered to New Zealand investors on the following basis:

- At the time the price of the Units allotted pursuant to the distribution reinvestment plan is set, Equity Trustees will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire, or require Equity Trustees to issue, Units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as Units issued to all investors of the same class as you.

There is available from Equity Trustees, on request and free of charge, a copy of the most recent annual report (if any) of the Fund, the most recent financial statements (if any) of the Fund, the auditor's report on those financial statements or, if those financial statements are not audited or reviewed by an auditor, a statement to that effect, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from www.eq.com.au/insto.

7. Managing risk

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

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

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

Significant Risks

Counterparty risk

Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the Portfolio Manager of the Fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities or bonds in which the Fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Fund. While the Responsible Entity uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be honoured. A default on a financial commitment could result in a financial loss to the Fund.

To manage counterparty risks, the Portfolio Manager monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In accordance with the Securities Exchange Rules, in the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC Derivatives counterparties is reduced to 10% or less of NAV.

Currency risk

The Fund seeks to offer investors exposure to assets denominated in multiple currencies. The Portfolio Manager will manage the Fund's currency risk through the use of foreign exchange transactions such that at purchase the Fund's currency exposure is fully hedged into Australian dollars. Although the Portfolio Manager aims to fully hedge currency exposures within the Fund they may not be hedged perfectly.

Currency movements may adversely affect the value of the Fund's investments and the income from those investments.

Derivatives risk

The value of a derivative is derived from the value of an underlying asset and can be highly volatile. Changes in the value of derivatives may occur due to a range of factors that include

rises or falls in the value of the derivative in line with movements in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk.

Financial instruments risk

A derivative is any financial product that derives its value from another security, index or liability.

The Fund uses Derivatives to take investment positions and to manage (or 'hedge') risk. Their use is central to the investment strategy of the Fund.

Derivatives use attracts certain risks including the value of a Derivative failing to move in line with the underlying asset, potential illiquidity of a Derivative, the Fund not being able to meet payment obligations as they arise, leverage (or gearing) resulting from the position and counterparty risk (counterparty risk is where the other party to the Derivative cannot meet its obligations).

Specialist professionals are employed to help manage the Fund and have a thorough understanding of the financial instruments it invests in. The Portfolio Manager deals with issuers and counterparties it considers to be reputable. The Portfolio Manager manages the Fund so that assets are always available to meet Derivatives liabilities.

Unfortunately, using Derivatives to reduce the Fund's risks is not always successful, is not always used to offset all relevant risk, and is sometimes not cost effective or practical to use.

Derivatives may also result in leverage: see below for details.

ESG and Governance risk

The Portfolio Manager may take into account environmental, social and governance issues in the management of the Fund with the intention of helping to reduce certain potential credit risks and enhance relative performance of certain asset classes. Be aware that the Portfolio Manager's policy may not take into account all labour standards, environmental, social and ethical considerations, and that any assessment of what is or is not such a factor and should or need not be taken into consideration is subjective. Remember that the Portfolio Manager's policy can change, and that investing having regard to such factors may not result in environmental, social or governance outcomes improving or desired investment outcomes being achieved. Investments may form part of the portfolio even though they do not meet such standards.

Foreign investment risk

Exposure to securities, hybrids or derivative instruments issued overseas may include certain risks associated with:

- differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depositary nominee;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. These movements may either add to or subtract from performance. Passive currency management may be undertaken, however, it may not be possible to perfectly match performance of the hedging relative to that of its benchmark. Additionally, active currency management may be undertaken from time to time, with a view to manage risk and return. Currency management can result in capital losses and investment returns are not guaranteed;

- countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value; and
- differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect the Fund.

iNAV risk

The iNAV published by the Fund is indicative only and might not accurately reflect the underlying value of the Fund. As a consequence the Fund may be subject to market making risk.

Information risk

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

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

International risk

The Fund invests primarily in government and corporate bonds issued by entities domestically and overseas. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets. These factors can influence the Fund's investments.

The Fund may have some foreign currency exposure, which the Portfolio Manager normally seeks to minimise or hedge but may not always be successful in doing so. Changes in exchange rates can cause the value of the Fund to rise and fall.

Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and central bank policies.

The Fund aims to benchmark its interest rate exposure to that of the Bloomberg AusBond Composite Bond 0+ Yr Index, which may be a source of interest rate risk.

Investment and credit risk

This is the risk that the value of an individual investment in the Fund may change or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in the government or bank policies, the Investment Manager's or Portfolio Manager's operations or management, or business environment, or a change in perceptions of the risk of any investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure.

Since the Fund may employ leverage and Derivatives, these risks may be further amplified and losses worse than those experienced in investments that do not use leverage or Derivatives.

Certain assets may be pledged or otherwise encumbered to a broker that will facilitate the provision of leverage to the Fund. Should the Fund default on its obligations to such a broker the Fund may have assets under pledge seized by the broker to make up losses in trading positions.

Investment manager risk

Investment managers can be wound up or liquidated, they can cease to manage the relevant fund and be replaced, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly. If any of these occurred, Equity Trustees would do all things reasonably practicable to recover the value of the Fund's investments and seek a new investment manager or program, with a similar investment profile, if thought appropriate. If the investment program changed significantly, you would be given at least 30 days' notice before those changes come into effect. Further, only a small number of investment professionals between the Investment Manager and Portfolio Manager are responsible for managing the Fund and their personal circumstances can change. We aim to reduce this risk by having additional resources available through Equity Trustees as needed.

Leverage risk

The Fund may be exposed to investment strategies that use leverage. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within the portfolio. Therefore, if a leveraged portfolio generates a positive return, the returns will be greater than the returns generated by an equivalent unleveraged portfolio. Similarly, if the investments generate a negative return, the losses will be greater than the losses generated by an equivalent unleveraged portfolio.

At its core the use of leverage is applied against liquid, investment grade government and corporate bonds. The Portfolio Manager has set leverage limits and other exposure limits to assist with risk management, which is overseen by the Portfolio Manager's independent compliance committee. The Portfolio Manager will monitor the leverage ratio and exposure to OTC Derivative counterparties on a daily basis and make adjustments to ensure maximum leverage is not exceeded. For further information on the Fund's use of leverage, including exposure limits, see "Leverage" under Section 5.

Liquidity of investments risk

Whilst the Fund is exposed to bonds which are generally considered to be liquid investments, under extreme market conditions, there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations, including payment of withdrawals, within required timeframes or it may be required to sell assets at a substantial loss in order to do so.

Liquidity risk

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

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

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

Market making risk

The Responsible Entity has appointed a market maker to provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units in the Fund. Whilst the Responsible Entity will monitor its market maker(s) ability to maintain continuous liquidity in the market, there is a risk that the market maker may not always be able to make a market in times of uncertainty about the value of the portfolio due to its duty to act in the best interests of members. There is a risk that the Fund could suffer a material cost as a result of these market making activities which may adversely affect the NAV of the Fund and the value of investors' holdings regardless of whether the units were acquired on the Securities Exchange or directly with the Responsible Entity.

In order to mitigate this risk, the Responsible Entity has the discretion to increase the spread at which it makes a market and also has the right to cease making a market subject to its obligations under the Securities Exchange Rules. If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

Market risk

This is the risk that an entire market, country or economy (such as Australia) changes in value or becomes more volatile, including the risk that the purchasing power of the currency changes (either through inflation or deflation), potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and manmade disasters, conflicts and changes in market sentiment.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager, Portfolio Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

Performance risk

There can be no assurance that the Fund will achieve its objectives. Further, the Fund's future performance depends upon a number of factors with the Portfolio Manager, including its ability to manage the Fund's investment strategy, and to grow the funds under management in the Fund. An outline of the Portfolio Manager's and the experience of the key individual's managing the Fund can be found in Section 4.

Ratings risk

The assets in which the Fund invests may or may not have been assigned credit ratings by independent ratings agencies. A ratings downgrade could significantly reduce the value of an investment and impact the value of the Units of the Fund. Credit ratings do not guarantee the credit quality of a security, its underlying assets, or its repayment, and may be re-assessed by

ratings agencies in a range of circumstances. Ratings agencies can make mistakes. The Investment Manager seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

Structure risk

This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include that it could be closed and your money returned to you at the prevailing valuations at that time, there can be a change in the responsible entity or at the investment manager or portfolio manager (for example if key individuals were no longer involved in managing the Fund), someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail or insurance may be inadequate. Investment decisions by investment managers are not always successful.

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

Investing in the Fund may give inferior results compared to investing directly.

Securities Exchange liquidity risk

The liquidity of trading in the Units on the Securities Exchange may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the Securities Exchange during any period that the Securities Exchange suspends trading of Units in the Fund.

Short selling risk

Fund may be exposed to investment strategies that engage in short selling. Short selling allows the holder of a short position to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of covering the short position. Furthermore covering a short position may include activities which increase the price of the security (or the reference security if in a derivative contract) thereby exacerbating any loss.

The Portfolio Manager seeks to manage the risks associated with short selling through its portfolio construction processes. Short positions are periodically rebalanced, so as to reduce the risk of substantial changes in the price of the short security and exposure limits may be imposed with regards to single stock positions, in order to mitigate potential losses. When a short position is established through a derivative contract, the position may give rise to the risks detailed under "derivative risk".

Trading price of Units may differ from NAV or iNAV per Unit

As with any exchange traded managed fund, it is possible that the trading price of Units on the Securities Exchange may differ from the NAV or iNAV per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, pricing basket, investor confidence, the availability of the market maker services during the course of the Trading Day, and the bid-offer spread charged by the market maker.

The application and redemption process between Responsible Entity and market makers is designed to reduce the likelihood of Units trading at a significant discount or premium to the NAV

per Unit. However, if there is a suspension of the application or redemption process on a particular Trading Day, the trading price might diverge further from the NAV per Unit.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from the Fund's NAV per Unit. The risk may be higher in the period shortly after the Securities Exchange opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to NAV per Unit or sells at a time when the market price is at a discount to the NAV per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

Valuation risk

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

Volatility risk

Markets can be volatile. Investing in volatile conditions usually implies a greater level of risk for investors than an investment in a more stable market.

The Portfolio Manager uses sophisticated techniques with the goal of regularly measuring and managing volatility, and the Fund's losses in extreme shocks.

Managing risk

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

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

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

The Fund seeks to manage risk as far as is practicable through:

- taking long or short positions in relation to assets which are considered mispriced, with the goal to generate capital gain rather than simply chasing yield by focusing on duration, credit and/or illiquidity risk,
- focusing on holding securities that are liquid during normal market conditions,
- investing in securities that have relatively low expected probabilities of default and loss, and
- utilising internal and external risk management overlays that monitor the Fund's compliance with its mandate.

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

Risk generally

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

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

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a financial adviser. If you have questions about the Fund, feel free to call the Investment Manager or Administrator.

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

Risk measure

The Investment Manager considers that the "standard risk measure" for this Fund is a Low to Medium risk rating, which means that the estimated number of negative annual returns over any 20 year period is 1 to 2. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 3.

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

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

The Fund may be removed from quotation by the Securities Exchange Operator or terminated.

The Securities Exchange Operator imposes certain requirements for the continued quotation of securities, such as the Units, on the Securities Exchange. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain quotation on the Securities Exchange. In addition, the Securities Exchange Operator may change the quotation requirements. The Responsible Entity may elect, in accordance with the Constitution and Corporations Act, to terminate the Fund for any reason including if Units cease to be quoted on the Securities Exchange. Information about the Securities Exchange Rules applicable to quotation of Units in the Fund on the Securities Exchange is set out in Section 12 of this PDS.

8. Applications and Withdrawals on the Securities Exchange

Applications via the Securities Exchange

Once the Units are quoted on the Securities Exchange, Investors can invest in the Fund by buying Units through a broker who will settle the buy order on the CHESSE settlement service. Application Forms are not required to be completed and there is no minimum investment amount. The price applied to the investors buy order will be the market price at the time of purchase as reflected by the price at which they have bought Units on the Securities Exchange.

Withdrawing via the Securities Exchange

Once the Units are quoted on the Securities Exchange, Investors can withdraw from the Fund by selling Units through a broker who will settle the sell order on the CHESSE settlement service. Withdrawal forms are not required to be completed and there is no minimum withdrawal amount. The exit price applied to the investors sell order will be the market price as reflected by the price at which they have sold Units on the Securities Exchange. You are only able to withdraw whole Units and any residual Units will be cancelled and become the assets of the Fund.

Securities Exchange liquidity

Once the Units are quoted on the Securities Exchange, Units are transacted (bought and sold) on the secondary market, in the same manner as other listed securities.

The Responsible Entity has appointed an authorised participant(s) and market maker(s) to provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units.

Authorised participants transact in the 'primary market' where units are created and redeemed directly with the Responsible Entity. Market makers act as buyer and seller on the "secondary market" for Units in the Fund (i.e. transact on the Securities Exchange trading platform) and are not involved with applications to and withdrawals from the Responsible Entity directly. A market maker may hold an inventory of Units enabling it to provide buy and sell prices to the secondary market, while also potentially hedging their underlying positions.

The market maker(s) and authorised participant(s) use information such as the NAV prices (as referenced by iNAV) or pricing baskets to determine the price of Fund Units and places a bid/ask spread around this value before sending these prices to the Securities Exchange as bid and ask orders.

The price that the market maker may buy or sell Units on the Securities Exchange may vary due to market conditions, the number of Unit applications and withdrawals made directly with the Responsible Entity during a Business Day, and the supply and demand for Units on the Securities Exchange during the Trading Day. Please refer to the Market Making Risks in section 7.

9. Applications and Withdrawals with the Responsible Entity

Applying for Units directly with the Responsible Entity

You can acquire Units by completing the Application Form that accompanies this PDS or using the online application at www.coolabahcapital.com. The minimum initial investment amount for the Fund is \$1,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Please note that cash cannot be accepted.

By completing the online application at www.coolabahcapital.com, you can identify yourself and transfer funds by BPAY® or electronic funds transfer (EFT) (a reference number will be sent to you).

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The Application Price at which Units are acquired is determined in accordance with the Constitution. The Application Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for the Buy Spread. At the date of this PDS, the Buy Spread is nil.

The Buy/ Sell Spread may change depending on the liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at www.coolabahcapital.com.

The Application Price will vary as the market value of assets rise or fall.

Application cut-off times

If we receive a correctly completed online application or Application Form attached to the PDS, identification documents (if applicable) and cleared application money:

- before or at 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will receive the Application Price calculated for that Business Day; or
- after 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will receive the Application Price calculated for the next Business Day.

We will only start processing an application if:

- we consider that you have correctly completed the online application or Application Form attached to the PDS;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your online application or Application Form attached to the PDS.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

Additional applications

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. Alternatively complete the online application. You can transfer funds with BPAY® or electronic funds transfer (EFT). The minimum additional

investment into the Fund is \$1,000. You can also invest via direct debit on a monthly basis using the savings plan. The minimum monthly savings plan investment into the Fund is \$100 per month.

Terms and conditions for applications

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

Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Making a withdrawal directly with the Responsible Entity

If an investor's Units are held on the Fund's issuer sponsored sub-register, Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Or sending it by fax to +61 2 9251 3525

Or sending it by email to registry@apexgroup.com

The minimum withdrawal amount is \$1,000. Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

You will be required to provide your SRN or your investor number on the withdrawal form.

If your Units are held with your stockbroker (and so carry a HIN), then your Units are maintained on the CHESS sponsored sub-register. If your Units are held this way and you wish to withdraw directly from the Fund, you will first need to submit a request to your stockbroker to have your Units converted to an issuer sponsored holding so that an SRN can be allocated to you by the Unit registry. Your stockbroker is responsible for managing the process of converting your broker-sponsored holding to an issuer sponsored holding and is subject to their standard processing times. Please contact your stockbroker for further information.

The Withdrawal Price at which Units are withdrawn is determined in accordance with the Constitution. The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the assets the Fund, divided by the number of Units on issue for the Fund and adjusted for the Sell Spread. At the date of this PDS, the Sell Spread is 0.025%. The Withdrawal Price will vary as the market value of assets referable to the Fund rises or falls. The Buy/ Sell Spread may change depending on the

liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at www.coolabahcapital.com.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion.

Withdrawal cut-off times

If we receive a withdrawal request:

- before or at 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for that Business Day; or
- after 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for the next Business Day.

Terms and conditions for withdrawals

Equity Trustees will generally allow an investor to access their investment within 2 Business Days of receipt of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account. Access to your investment at the end of a distribution period will take longer as the Fund's Unit price is placed on a temporary hold whilst the distribution is calculated.

However, in accordance with the Constitution, while the Fund is 'liquid' for the purposes of the Corporations Act, Equity Trustees may take up to 21 days to satisfy a withdrawal request after the date a withdrawal request is accepted, or a longer period in limited circumstances including if there is a circumstance outside its control (such as restricted or suspended trading or extreme price fluctuation or uncertainty in the market for an asset).

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$1,000 as a result of processing your withdrawal request. Equity Trustees can reject a withdrawal request or suspend consideration of a withdrawal request in certain circumstances. Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. When the Fund is not liquid, an investor can only withdraw if Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers. The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities).

Withdrawals will only be paid directly to the unit holders' bank account held in the name of the unit holder with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

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

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your redemption request form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post,

courier, fax or email, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.

You agree that if the payment is made according to all the terms and conditions for withdrawals set out in this PDS, you and any person claiming through or under you, shall have no claim against Equity Trustees or the Investment Manager in relation to the payment. Investors will be notified of any material change to their withdrawal rights (such as any suspension of their withdrawal rights) in writing.

New Zealand investors

Withdrawal requests received from New Zealand investors must specify:

- The withdrawal amount in Australian dollars; or
- The number of Units to be withdrawn.

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

- Foreign exchange spreads between Australian and New Zealand dollars (the currency exchange rate differs daily); and
- Overseas telegraphic transfer costs.

Compulsory redemptions

We can redeem your investment without asking if you breach your legal obligations to us, to recover money you owe us or anyone else relating to your investment, if law prohibits you from legally being an investor or if you fail to meet the minimum account balance from time to time.

Joint account operation

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

Authorised signatories

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

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and

- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic instructions

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

Savings Plan

You can increase your investment in the Fund through a monthly direct debit from your nominated bank account. The minimum additional investment for the Fund under the savings plan is \$100 per month. Direct debits will be processed on the 19th calendar day of the month if this is not a Business Day then the direct debit will be processed on the next occurring Business Day. See the 'Direct Debit Request Service Agreement below.

The following is your Direct Debit Service Agreement with Apex Fund Services Pty Ltd ABN 81 118 902 891 who acts as the Unit registry provider of the Fund. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

Definitions

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

Agreement means this Direct Debit Request Service Agreement between you and us.

Banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Debit day means the day that payment by you to us is due.

Debit payment means a particular transaction where a debit is made.

Direct Debit Request or DDR means the Direct Debit Request in the application form or additional application form.

Us or we means Apex Fund Services, (the Debit User) you have authorised by signing a Direct Debit Request.

You means the customer who has signed or authorised by other means the Direct Debit Request.

Your financial institution means the financial institution nominated by you on the DDR at which the account is maintained.

1. Debiting your account

a) By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.

b) We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.

c) If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Amendments by us

a) We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

3. Amendments by you

a) You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14 days) notification by writing to:

I. Unit registry Apex Fund Services Pty Ltd GPO BOX 4968 Sydney NSW 2001

or

II. by telephoning us on 1300 133 451 during business hours; or

III. arranging it through your own financial institution.

4. Your obligations

a) It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.

b) If there are insufficient clear funds in your account to meet a debit payment:

I. you may be charged a fee and/or interest by your financial institution;

II. you may also incur fees or charges imposed or incurred by us; and

III. you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

c) You should check your account statement to verify that the amounts debited from your account are correct

d) If Apex Fund Services Pty Ltd is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay Apex Fund Services Pty Ltd on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

a) If you believe that there has been an error in debiting your account, you should notify us directly on 1300 133 451 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution direct.

b) If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

c) If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

6. Accounts

You should check:

I. with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.

II. your account details which you have provided to us are correct by checking them against a recent account statement; and

III. with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

7. Confidentiality

a) We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have

about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

b) We will only disclose information that we have about you:

I. to the extent specifically required by law; or

II. for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

a) If you wish to notify us in writing about anything relating to this agreement, you should write to

Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

b) We will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request.

Any notice will be deemed to have been received on the third banking day after posting;

10. Keeping track of your investment

Complaints resolution

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

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

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

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

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

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

Reports

We will make the following statements available to all investors;

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

The latest annual report will be available online from www.coolabahcapital.com.

The following information will be available on the Fund's website, www.coolabahcapital.com/active-composite-bond-strategy:

- the current total NAV of the Fund and the withdrawal value of a unit in each class of Units as at the date the NAV was calculated, updated daily;

- the 'pricing basket', available daily;
- the iNAV will be published throughout the Trading Day;
- the tracking performance between the pricing basket and the full portfolio holdings for the Fund on a quarterly basis;
- the full portfolio holdings at least quarterly with a delay of no more than two months;
- the number of individual Units on issue in relation to the last Business Day in that month, published within 5 days of the end of that month;
- Where the total notional value of more than 5% of the Fund's NAV comprises OTC derivatives, the total percentage of notional derivative exposure to the Fund's NAV will be disclosed to the market within 5 Business Days of the end of that month;
- any change to key service providers if they have changed since last report given to investors, disclosed monthly;
- for each of the following matters since the last report on those matters, disclosed monthly:
 - the net return on the Fund's assets after fees, costs and taxes;
 - any material change in the Fund's risk profile;
 - any material change in the Fund's strategy; and
 - any change in the individuals playing a key role in investment decisions for the Fund.

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

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

Additional disclosure information

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

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

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

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

11. 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 investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower 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.

Fees and other costs

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

Coolabah Active Composite Bond Fund (Hedge Fund)		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Management fees and costs</i> The fees and costs for managing your investment	0.30% of the NAV of the Fund	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	0.26% of the NAV of the Fund ²	Performance fees are calculated daily and paid semi-annually in arrears at 30 June and 31 December from the Fund and reflected in the unit price.
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.05% of the NAV of the Fund	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the Buy/Sell Spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable

Coolabah Active Composite Bond Fund (Hedge Fund)

<p><i>Buy/Sell Spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<ul style="list-style-type: none"> Buying units on the Securities Exchange: Determined by market participants. Applying for units directly with the Responsible Entity: Nil on applications into the Fund, and 0.025% on withdrawals out of the Fund. 	<p>These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.</p>
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Not applicable	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Not applicable	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Not applicable	Not applicable

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

² This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager and is based on the average of the performance fees paid by the Fund over the previous five financial years ending 30 June 2023 and is not a forecast of any future performance fees. See "Performance fees" below for more information

Additional Explanation of fees and costs

What do the management costs pay for?

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 0.30% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses is based on the relevant costs incurred during the financial year ended 30 June 2023.

The costs associated with holding derivatives for the primary purpose of avoiding or limiting the financial consequences of fluctuations in, or in the value of, receipts or costs of the Fund (particularly to hedge against foreign exchange movements related to financial products issued overseas) are not indirect costs, and are disclosed as transaction costs. Refer to "transaction costs" below.

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance fees for the Fund are 0.26% of the NAV of the Fund. The performance fee figure that is disclosed in the Fees and Costs Summary is generally based on an average of the performance fees over the previous five financial years, where each performance fee relevant to the Fund is averaged and totalled to give the performance fees for the Fund.

In respect of the Fund that was not in operation for the previous five financial years, the performance fee average is calculated by reference to the number of financial years in which the Fund was operated.

In terms of the performance fees payable to the Investment Manager, a performance fee is payable where the investment performance of the Fund exceeds the Bloomberg AusBond Composite 0+ Yr Index plus management costs of 0.30% p.a. (Benchmark), provided that the high water mark is also exceeded.

The performance fees are 20.50% of this excess, calculated daily and paid semi-annually in arrears at 30 June and 31 December from the Fund and calculated using the beginning NAV over the relevant period.

Please note that the performance fee disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ.

The Responsible Entity, Investment Manager and Portfolio Manager cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Information on current performance fees will be updated from time to time and available at www.eqt.com.au/insto.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, Buy-Sell Spreads in respect of the underlying investments of the Fund, settlement costs,

clearing costs and applicable stamp duty when assets are bought and sold, and the costs of over-the-counter derivatives that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is nil upon entry and 0.025% upon exit. The dollar value of these costs based on an application or a withdrawal of \$1,000 is \$0 (application) and \$0.25 (withdrawal) for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.coolabahcapital.com will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.06% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2023.

However, actual transaction costs for future years may differ.

Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 4% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on 1300 901 711 for further information.

Taxation

Please refer to Section 13 of the Product Disclosure Statement for further information on taxation.

Example of annual fees and costs for an investment option

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

EXAMPLE – Coolabah Active Composite Bond Fund (Hedge Fund)		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	0.30% p.a.	And , for every \$50,000 you have in the Coolabah Active Composite Bond Fund (Hedge Fund) you will be charged or have deducted from your investment \$150 each year
Plus Performance fees	0.26% p.a.	And , you will be charged or have deducted from your investment \$130 in performance fees each year
Plus Transaction costs	0.05% p.a.	And , you will be charged or have deducted from your investment \$25 in transaction costs

EXAMPLE – Coolabah Active Composite Bond Fund (Hedge Fund)

Equals Cost of Coolabah Active Composite Bond Fund (Hedge 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 and costs of: \$305* What it costs you will depend on the investment option you choose and the fees you negotiate.
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* 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.

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

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for the Fund, over the previous five financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

12. About the Securities Exchange and CHESS

Cboe Operating Rules Framework

An application has been made to Cboe Australia (“Securities Exchange Operator” or “Cboe”) for the Units in the Fund to be admitted for trading status on the market (“Securities Exchange”) operated by Cboe under the Cboe Operating Rules (“Securities Exchange Rules”). The Securities Exchange Rules are accessible at www.cboe.com.au.

As at the date of this PDS, the Units are not yet quoted on the Securities Exchange.

The following table sets out the key differences between the ASX Listing Rules and the Securities Exchange Rules

Requirement	ASX Listing Rules	Securities Exchange Rules
Control	<p>An issuer controls the value of its own securities and the business it runs.</p> <p>The value of those securities is directly influenced by the equity issuer’s performance and conduct. e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>An issuer of a product quoted on the Cboe platform does not control the value of the assets underlying its product. It offers a product that gives investors exposure to underlying assets – such as shares, bonds, indices, currencies or commodities.</p> <p>The value (price) of products quoted under the Securities Exchange Rules is dependent on the performance of the underlying assets rather than the financial performance of the issuer itself e.g. a managed fund issuer does not control the value of the shares it invests in.</p>
Continuous disclosure	<p>Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of products quoted under the Securities Exchange Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>As an overarching requirement, Rule 14.28 requires the Responsible Entity must disclose to the Securities Exchange Operator information required to be disclosed under the Corporations Act. In this regard, this means that the Responsible Entity must comply with section 675 of the Corporations Act and disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended).</p> <p>The Responsible Entity will publish such information on the Cboe announcements platform and its website at www.eqt.com.au/insto at the same time as it is disclosed to ASIC.</p> <p>Under Rule 14.29, the Responsible Entity must disclose:</p> <ul style="list-style-type: none"> • information about the NAV of the Fund’s underlying investments daily; • the Fund’s NAV whenever the issuer’s management activities cause the Fund’s NAV to move by more than 10% since the last reported NAV; • information about withdrawals from the Fund; • information about distributions paid in relation to the Fund;

		<ul style="list-style-type: none"> any other information that is required to be disclosed to ASIC under s675, 1017B or s323DA of the Corporations Act must be disclosed to Cboe via the Cboe market announcement platform at the same time it is disclosed to ASIC; any information the non-disclosure of which may establish a false market in the Units or otherwise impact on the price for the Units; and Immediately disclose the NAV whenever the activities of the Investment Manager or Portfolio Manager cause the NAV to move by more than 10% since the last reported NAV.
Periodic disclosure	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	<p>Under the Securities Exchange Rules, issuers are not required to disclose their half yearly and annual financial information or annual reports.</p> <p>Responsible entities of products quoted on Cboe that are registered managed investment schemes are, however, still required to lodge financial reports for those managed investment schemes with Cboe at the same time as they are provided to ASIC and investors. As at the date of this PDS, Equity Trustees as an issuer of a product quoted on Cboe is required to disclose:</p> <ul style="list-style-type: none"> within 5 Business Days of the end of each month, the total number of individual Units on issue on the last Business Day of that month; and in the case where the Fund's aggregate notional exposure to all OTC derivatives is greater than 5% of the Fund's NAV, within 5 Business Days of the end of each month, the exposure of the Fund to all OTC derivative counterparties as a percentage of the NAV of the Fund and the value of the assets (excluding the value of OTC derivatives, but inclusive of collateral) held by the Fund as a percentage of the NAV of the Fund.
Corporate control	Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	<p>Certain requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the Securities Exchange Rules.</p> <p>Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity by extraordinary resolution by the members entitled to vote.</p>

Related Party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to products quoted under the Securities Exchange Rules. The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the Securities Exchange Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Fund under section 601HG of the Corporations Act.

About CHESS

The Responsible Entity participates in the Clearing House Electronic Sub-register System ("CHESS"). CHESS is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit registry has established and will maintain an electronic sub-register with CHESS on behalf of the Responsible Entity. The Responsible Entity will not issue investors with certificates in respect of their Units. Instead, when investors purchase Units on the Securities Exchange they will receive a holding statement from the Unit registry which will set out the number of Units they hold. The holding statement will specify the "Holder Identification Number" or "Shareholder Reference Number" allocated by CHESS. Subject to the Securities Exchange Rules, the Responsible Entity may decline to register a purchaser of a Unit or Units.

13. Taxation

Taxation

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

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

General

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

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

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

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

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

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

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

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

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

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

Deemed Capital Gains Tax ("CGT") Election

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

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

Controlled Foreign Company ("CFC") Provisions

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

Taxation of Financial Arrangements ("TOFA")

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

Taxation Reform

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

necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

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

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

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

GST

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

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

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

Australian Taxation of Australian Resident Investors

Distributions

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them by Equity Trustees as the Responsible Entity of the Fund.

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

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

An investor may receive their share of attributed tax components of the Fund or net income in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income,

non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

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

Disposal of Units by Australian Resident Investors

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

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

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

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units of the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Tax on Income

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

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

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement ("EOI") between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the

non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property. We recommend that

non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

14. Other important information

Cooling off period

Investors do not have cooling-off rights in respect of Units in the Fund (regardless of whether they were purchased on the Securities Exchange or applied for directly with the Responsible Entity), however a complaints handling process has been established.

ASIC relief

The Responsible Entity relies on ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 which exempts it from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund was an unlisted disclosing entity.

Securities Exchange conditions of admission

As part of the Fund's conditions of admission to the Securities Exchange under the Securities Exchange Rules, the Responsible Entity has agreed to:

- disclose the Fund's portfolio holdings on a quarterly basis within two months of the end of each calendar quarter;
- make available half year and annual financial reports, distribution information and other required disclosures on the Cboe announcements platform;
- provide the iNAV as described in this PDS; and
- provide a daily pricing basket of securities and bonds as a proxy for the portfolio holdings.

Consent

The Investment Manager, Portfolio Manager, Administrator and the Custodian have both given and, as at the date of this PDS, have not withdrawn:

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

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

Constitution of the Fund

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

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

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

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

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

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise, the Constitution can only be amended if approved at a meeting of investors. To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights;
- when we can retire as the Responsible Entity of the Fund - which is as permitted by law;
- when we can be removed as the Responsible Entity of the Fund - which is when required by law; and
- our broad powers to invest, borrow and generally manage the Fund.

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

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss (provided we act in good faith and without negligence); and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

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

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and

- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests as well as other significant breaches required by law. Copies of the Constitution are available, free of charge, on request from Equity Trustees.

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

Termination of the Fund

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

Our legal relationship with you

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors. Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investors rights. Otherwise the Constitution may be amended by way of a special resolution of investors. To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights. A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

Compliance plan

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

Unit pricing discretions policy

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

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire Units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect

Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

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

IDPS Guide or other disclosure document issued by the IDPS Operator.

Indemnity

Equity Trustees, as the Responsible Entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, Equity Trustees may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

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

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

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

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

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

Foreign Account Tax Compliance Act ("FATCA")

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

Under FATCA, Australian financial institutions are required to collect and review their information to identify account holders that are U.S. residents and U.S. controlling persons that invest indirectly through certain passive entities. The information of such account holders is reported to the ATO. The ATO may then pass that information onto the U.S. Internal Revenue Service.

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

Common Reporting Standard (“CRS”)

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

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

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

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) (“Privacy Act”) regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and

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

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

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees’ Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

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

Information on underlying investments

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

15. Glossary of important terms

Administrator

Apex Fund Services Pty Limited will provide administrative and Unit registry services.

Administration Agreement

The administration agreement in respect of the Fund between the Responsible Entity and the Administrator.

AFSL

Australian Financial Services License.

Application Form

The application form attached to the PDS.

Application Price

The price at which Units are acquired.

APRA

Australian Prudential Regulation Authority.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

ASX

Australian Securities Exchange.

ASX Listing Rules

The listing rules of the ASX from time to time.

ASX Operating Rules

The operating rules of the ASX from time to time.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Benchmark

Bloomberg AusBond Composite 0+ Yr Index (BACM0) plus management costs.

Business Day

A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney.

Buy/Sell Spread

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

Cboe

Cboe Australia Pty Ltd.

Cboe Operating Rules

The operating rules of the Cboe from time to time.

CCI

Coolabah Capital Investments Pty Ltd.

CCII

Coolabah Capital Institutional Investments Pty Ltd, the portfolio Manager.

CCIR

Coolabah Capital Investments (Retail) Pty Limited, the Investment Manager.

CHESS

Clearing House Electronic Sub-register System, the Australian settlement system for equities and other issued products traded on the ASX or other exchanges (such as Chi-X). CHESS is owned by the ASX.

Fund

Coolabah Active Composite Bond Fund (Hedge Fund).

Constitution

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

Corporations Act

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

Custodian

Apex Fund Services Pty Limited will provide custody services to the Fund.

Custodian Agreement

The custody agreement in respect of the assets of the Fund between the Custodian and the Responsible Entity.

EFT

Electronic Funds Transfer

G10 Currencies

G10 Currencies refer to the ten (10) most liquid and heavily traded currencies in the world. At the time of this document, it refers to the Australian dollar (AUD), Canadian dollar (CAD), Euro (EUR), Japanese yen (JPY), New Zealand dollar (NZD), Norwegian krone (NOK), Pound sterling (GBP), Swedish krona (SEK), Swiss franc (CHF) and United States dollar (USD).

GAV

Gross Asset Value

GST

Goods and Services Tax.

HIN

Holder Identification Number.

IDPS

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

IDPS Guide

Investor-Directed Portfolio Service Guide.

IDPS Operator

An entity responsible for operating an IDPS.

iNAV

Indicative NAV per Unit.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Investment Manager

Coolabah Capital Investments (Retail) Pty Ltd

NAV per Unit

The NAV per Unit is calculated by dividing the NAV of the Fund by the number of Units on issue.

Net Asset Value (NAV)

The value of the assets of the Fund less the value of the liabilities of that Fund.

OTC

Over the counter.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

Responsible Entity

Equity Trustees Limited.

RITC

Reduced Input Tax Credit.

Securities Exchange

The market operated by Cboe Australia Pty Ltd (Cboe).

Securities Exchange Operator

The market operated by Cboe Australia Pty Ltd (Cboe).

Securities Exchange Rules

Refers to either the Cboe Operating Rules from time to time.

SRN

Securityholder Reference Number.

Trading Day

The day and time during which shares or Units are traded on the Exchange.

Unit or Units

The securities on offer under this PDS.

US Person

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

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

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

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

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

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

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

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

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

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

We, us

Refers to Equity Trustees

Wholesale Client

Has the meaning given by sections 761G and 761GA of the Corporations Act.

Withdrawal Price

The price at which Units are withdrawn

You, your

Refers to an investor.