

Coolabah Long-Short Opportunities Fund - Assisted Investor Class



Product Disclosure Statement

ARSN 656 965 481
APIR ETL6881AU
Issue Date 18 February 2022

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This Product Disclosure Statement ("PDS") was issued on 18 February 2022. This PDS is for the offer of interests in the Coolabah Long-Short Opportunities Fund - Assisted Investor Class ARSN 656 965 481, APIR ETL6881AU (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 Limited (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 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").

The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have the rights of unitholders except in relation to access to Equity Trustee's complaints resolution process (see Section 8). The IDPS Operator becomes the unitholder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Equity Trustees or to withdraw the PDS from circulation if required by Equity Trustees.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

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 6.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia.

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.

Certain information in this PDS is subject to change. We may update this information. You can obtain a copy of the PDS and any updated information:

- by contacting CCIR on 1300 901 711; or
- by visiting the CCIR 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 (AUD) unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

Certain terms used in this PDS are defined in Section 12 of this PDS. To the extent permitted by law, Equity Trustees expressly disclaims all liability for any loss arising from omissions or errors contained in this PDS.

1. Fund at a glance

	Summary	For further information
<i>Name of the fund</i>	Coolabah Long-Short Opportunities Fund - Assisted Investor Class	N/A
<i>APIR Code</i>	ETL6881AU	N/A
<i>ARSN</i>	656 965 481	N/A
<i>Investment objective</i>	<p>The Fund targets returns in excess of the Reserve Bank of Australia's (RBA's) overnight cash rate by 8.0% per annum after fees and expenses, over rolling 3-year periods.</p> <p>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 3 year period. The Fund may not achieve its investment objective. Returns are not guaranteed.</p>	Section 5
<i>Fund Benchmark</i>	RBA overnight cash rate plus management fees p.a.	Section 5

Investment strategy

This is an absolute return fixed-income strategy focused on exploiting long and short mispricings in credit and bank equity markets. The Fund invests primarily in debt securities, hybrids, Derivatives and bank equities.

The Fund employs an "active" investment strategy, seeking to take 'long' and/or 'short' positions in relation to securities which are considered mispriced.

The goal is to generate 'alpha', or risk-adjusted excess returns, through identifying and exploiting mispricings in the underlying assets and/or Derivatives related to them.

The Fund is permitted to invest in bonds, such as government and semi-government bonds, bank and corporate bonds, asset-backed securities, including residential-mortgage-backed securities, hybrid securities, listed common equity and loans to or notes issued by warehouse securitisation providers issued in Australian dollars or in G10 Currencies hedged to Australian dollars, as well as cash and cash equivalents.

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.

The Fund may also invest in over-the-counter ("OTC") or exchange traded Derivatives for risk management purposes.

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.

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.

Section 5.2

	Summary	For further information
<i>The type(s) of investor(s) for whom the Fund would be suitable</i>	<p>An investment in the Fund may be suitable for investors seeking:</p> <ul style="list-style-type: none"> • relatively high absolute returns, • medium risk as defined by the Standard Risk Measure, • a suggested minimum investment timeframe of 3 years or more, • an actively managed portfolio of fixed income securities and bank equities, or • exposure to the full capital structure of Australian and overseas banking groups. <p>The Fund aims to reliably distribute strong quarterly income. It offers daily investment applications and withdrawal requests.</p> <p>It is not recommended that the Fund be used for short-term investments.</p> <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. An investment in the Fund should only be considered as a component of an investor's overall portfolio.</p>	Section 5
<i>Recommended investment timeframe</i>	A suggested investment timeframe of 3 years or more.	Section 5
<i>Minimum initial investment</i>	\$1,000	Section 7
<i>Minimum additional investment</i>	\$1,000	Section 7
<i>Minimum withdrawal amount</i>	\$1,000	Section 7
<i>Minimum balance</i>	\$1,000	Section 7
<i>Cut off time for applications and withdrawals</i>	3pm (Sydney time) on a Business Day.	Section 7
<i>Valuation frequency</i>	The Fund's assets are normally valued each Business Day.	Section 7
<i>Applications</i>	Accepted each Business Day.	Section 7
<i>Withdrawals</i>	Accepted each Business Day. Withdrawal requests are generally processed and paid within 4 Business Days although a longer period of time is permitted under the Constitution.	Section 7
<i>Income distribution</i>	The Fund usually distributes income quarterly at the end of June, September, December and March.	Section 7
<i>Management fees and costs</i>	1.25% p.a. of the Net Asset Value referable to the Fund ("NAV") (including GST less RITCs)	Section 9
<i>Entry fee/exit fee</i>	Nil	Section 9

	Summary	For further information
<i>Buy/Sell spread</i>	Nil on applications into the Fund, and 0.05% on withdrawals out of the Fund.	Section 9
<i>Performance fee</i>	The performance fee is 20.5% (inclusive of the net impact of GST and RITC) by which the Fund outperforms the RBA overnight cash rate plus management fees of 1.25% p.a. (Benchmark), subject to a high water mark.	Section 9

2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission ("ASIC") Regulatory Guide 240 ("RG 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 RG 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) 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
Benchmark 1: 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	Equity Trustees has appointed an independent administrator, Mainstream Fund Services Pty Ltd, to provide administration services for the Fund, including valuation services. 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 over-the-counter ("OTC") Derivatives generally valued by reference to the counterparty settlement price which is based upon broad financial market indices.	5.4
Benchmark 2: 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.	8

3. ASIC disclosure principles

	Summary	Section (for further information)
<i>Investment strategy</i>	<p>The Fund is an absolute return fixed-income strategy focused on exploiting long and short mispricings in credit and bank equity markets. The Fund invests primarily in debt securities, hybrids, Derivatives and bank equities.</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 6, 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>	Section 5.2
<i>Investment manager</i>	<p>Equity Trustees Limited, as Responsible Entity of the Fund, has appointed Coolabah Capital Investments (Retail) Pty Limited as the Investment Manager of the Fund, which has in turn appointed Coolabah Capital Institutional Investments Pty Ltd 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 ("IMA") under which the Investment Manager has been appointed.</p>	Section 4
<i>Fund structure</i>	<p>The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme.</p> <p>The responsible entity of the Fund is Equity Trustees Limited. Equity Trustees Limited 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 Limited, the Investment Manager of the Fund; • Coolabah Capital Institutional Investments Pty Ltd, the Portfolio Manager of the Fund; and • Mainstream Fund Services Pty Ltd, the administrator and custodian of the assets of the Fund; <p>See Sections 4 and 5.3 for further information on other key service providers, Equity Trustees' role in monitoring the performance of service providers and a diagram of the flow of funds through the Fund.</p>	Sections 4 & 5.3

	Summary	Section (for further information)
<i>Valuation, location and custody of assets</i>	<p>Mainstream 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>Mainstream 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>	Section 5.4
<i>Liquidity</i>	<p>Withdrawal requests are usually processed daily. Some underlying investments can be illiquid. The portfolio is managed to target appropriate liquidity with withdrawals generally available in your bank account after 3 Business Days.</p>	Section 5.5
<i>Leverage</i>	<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-".</p> <p>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.</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
<i>Derivatives</i>	<p>Derivatives are used to manage risk and/or gain exposure to investments.</p> <p>The use of Derivatives may amplify losses or returns on capital. 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>For key risks to the Fund associated with the collateral requirements of the Derivative counterparties, please see Section 6.3.</p>	Section 5.7
<i>Short selling</i>	<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 6.</p>	Sections 5.8 and 6
<i>Withdrawals</i>	<p>Daily.</p> <p>Withdrawal requests must be received by 3pm on any Business Day to receive that day's unit price.</p> <p>See Section 7 for more information on making a withdrawal.</p>	Section 7

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 ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Coolabah Capital Investments (Retail) Pty Limited 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 Limited

The Investment Manager is Coolabah Capital Investments (Retail) Pty Ltd (CCIR), 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 develop and deliver low risk savings and retirement solutions that outperform traditional cash and fixed-income products through active portfolio management. As at 31 December 2021, it managed approximately \$8 billion in assets.

These savings solutions, which include this Fund, have been created to satisfy demand for lower risk investment products that can:

- provide investors with cash and fixed-income opportunities that add value generally beyond deposits,
- outperform conventional fixed-income investments without taking significant interest rate duration risk,
- offer investors diversification opportunities away from the volatility of the share market, and
- supply retirees with regular quarterly income.

Under the IMA between the Investment Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager's appointment where the Investment 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 following one of these events, the Investment Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.

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 eight full-time portfolio managers 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, as they have consistently done since 2012. This team is augmented by an experienced independent chair and an independent compliance committee specialist, as well as distribution, performance and compliance oversight by the Investment Manager and ultimately Equity Trustees as the Responsible Entity.

Key professionals

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

Christopher Joye, Chief Investment Officer & Portfolio Manager
Christopher co-founded Coolabah Capital in 2011 with Darren Harvey, for which he serves as an Executive Director, Chief Investment Officer and Portfolio Manager of the Fund. He is responsible for investment decisioning, portfolio management, all research and asset pricing, and general business management. He 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. Christopher previously worked for Goldman Sachs in London and Sydney, the RBA, and was the founder of an awardwinning research and investment group, Rismark International. 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.

Darren Harvey, Chair of Investment Committee & Portfolio Manager

Darren co-founded Coolabah Capital Investments in 2011 with Christopher Joye, for which he serves as the Chair of the Investment Committee and Portfolio Manager of the Fund. Darren contributes to investment decisioning, portfolio management and risk management. He started his career at McIntosh Hamson Hoare and Fay Richwhite. In 1992 Deutsche Bank recruited Darren as an Associate Director and Head of Exchange Traded Options to replicate the market making business he had established inside Fay Richwhite. In 1994 Deutsche Bank promoted Darren to Director and Head of Exchange Traded and OTC Options, which included a team of six market makers reporting to the Head of Trading. In 1998 Darren moved to London with Deutsche Bank as a Director of Deutsche Bank Global Proprietary Trading in London where he traded interest rate derivatives, currencies and stock index securities, and reported to the Head of Deutsche Bank Global Proprietary Trading, Steve Kennedy. Darren resigned from Deutsche Bank in 2001 and established his family office, Bower Capital.

Ashley Kabel, Portfolio Manager

Ashley Kabel joined Coolabah Capital in 2017 in a full-time role as a quantitative analyst and junior portfolio manager. Ashley was 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.

Dr. Stephen Parker, Portfolio Manager

Dr. Stephen Parker joined Coolabah Capital in September 2016 in a full-time role as a quantitative risk analyst and junior portfolio manager. Dr Parker was previously a futures trader at Star Beta focusing on Australian and US government bonds and the formulation of quantitative trading strategies and risk management models for these markets. In 2013 Dr. Parker completed a PhD in Astrophysics from the University of New South Wales that involved developing automated reduction, analysis and simulation routines relating to the mass distribution of very cold brown dwarf stars' host clusters.

Dr Nick Campregher, Portfolio Manager

Based in London, Dr Nick Campregher joined Coolabah Capital in 2020 in a full-time role as a portfolio manager and quant analyst, and helps lead Coolabah's offshore trading, investments, execution and research processes. Nick previously worked as a Senior Trader in the Credit Exotics and Complex Structured Products group at UBS in London between 2013 and 2019 where he was responsible for the trading and risk management of a large portfolio of credit exotic derivatives and corporate and structured credit securities, in both developed and emerging markets. Prior to this Nick was a Trader in 2012 on the Structured Credit and ABS Trading desk at UBS, focusing on credit hybrid SPVs and CLNs, and from 2009 to 2012 worked as an Associate in the Structured Product Market Risk team at UBS managing portfolio risk, capital and stress scenario analysis covering all aspects of structured credit trading, with a heavy focus on credit tranches and bespoke SPV transactions. Before joining UBS in 2009, Nick worked as a Risk Management Consultant at d-fine Ltd (2006 to 2008) and as a Derivatives and Fixed Income Analyst at Standard Bank (2008 to 2009). Nick graduated with a PhD in Electronics from Imperial College, London, where he also completed a BEng in Information Systems Engineering with honours. Originally born in Italy, he is fluent in both English and Italian. Nick represented Italy at junior rowing world and European championships and co-founded the London Brewing Company Ltd.

Matt Johnson, Portfolio Manager

Matt joined Coolabah in 2021 as a Portfolio Manager & Quant Analyst focussing on interest rate and sovereign bond strategies, amongst other things, based in Sydney. Most of his

prior career was spent at UBS where he was a Managing Director and the Global Head of Rates Strategy. Other roles at UBS included the Head of AUD/NZD Rates Strategy in Sydney and the head of the Asia Pacific Knowledge Network in Singapore. Outside of UBS, Matt has worked for MLP (a hedge fund), ICAP (an inter-dealer broker), 4CAST (now Continuum Economics), the Australian Productivity Commission (Microeconomic Policy), and founded an economics consultancy, Signal Macro.

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.

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

Mainstream Fund Services Pty Limited

The Responsible Entity has appointed Mainstream Fund Services Pty Limited (Mainstream) 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 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 Mainstream 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 Ltd 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

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.

5. How the Fund invests

5.1 Investment Objective

The Fund targets returns in excess of the Reserve Bank of Australia's (RBA's) overnight cash rate by 8.0% per annum after fees and expenses, over rolling 3-year periods.

The Fund targets a volatility of less than the ASX All Ordinaries Index over rolling 3-year periods.

Volatility is a measure of how the return of an investment fluctuates around its average level over time. If an investment is more volatile than, say, cash, this means its returns tend to move up and down around their average level more sharply and/or regularly than a cash investment does.

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 3-year period. The Fund may not achieve its investment objective. Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money.

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 and exposure to the full capital structure of Australian and overseas banking groups. The Fund also offers relatively low interest rate duration risk with a target of less than 12 months by investing in cash and floating-rate notes, which generally track the returns of the RBA cash rate plus a spread or margin, and limiting the maximum term of any fixed-rate securities to 24 months unless the interest rate has been hedged to floating.

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, asset-backed securities, including residential-mortgage-backed securities, and hybrid 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, listed common equity, exchange traded fund (ETFs) that invest into permitted underlying assets, loans to or notes issued by warehouse securitisation providers, repurchase agreements, and both exchange traded 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 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 the Fund being geared; and
- the Fund has a Medium risk rating under the "standard risk measure".

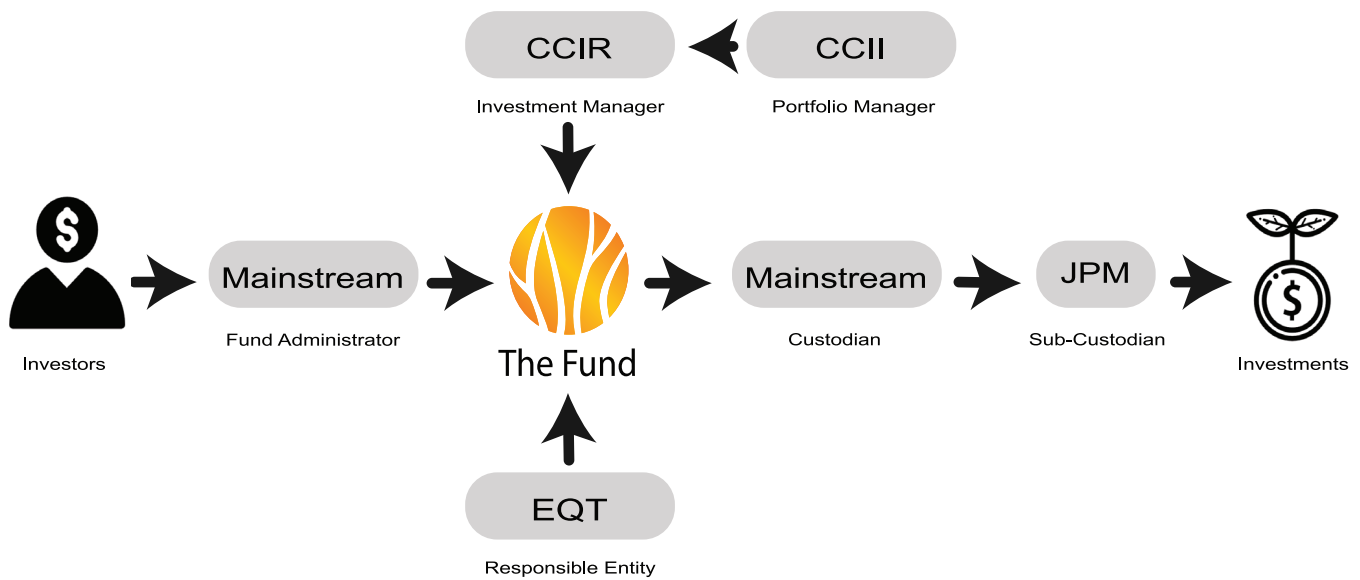
The Fund also has access to liquidity facilities that allow assets that are classified as "eligible securities" for repurchase by the RBA to be swapped with major Australian and international trading banks in exchange for cash, subject to these banks accepting these assets as part of their own repurchase 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 Investment 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 an unlisted registered managed investment scheme. 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. Foreign denominated bonds, which will be settled via Euroclear, will be held by an offshore custodian under a sub-custody agreement with the Custodian.

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,
- senior and subordinated bonds,
- hybrid securities, and
- asset-backed securities.

The Fund may also invest in listed common equity, repurchase agreements and loans to or notes issued by warehouse securitisation providers.

In addition to these physical assets, the Fund may also invest in a range of Derivatives to express its strategy, including:

- interest rate Derivatives,
- credit Derivatives,
- foreign exchange Derivatives,
- equity Derivatives, and
- other related swaps.

The majority of the Fund's portfolio will be invested 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 expect to assume significant interest rate duration risk, which is limited to 24 months. This means the Fund expects to be mainly invested in floating-rate securities and/or fixed-rate securities that have had their interest rate risk hedged.

The Fund does not have a maximum or minimum exposure to cash, debt/hybrid securities or equities. It may be fully invested in either depending on the magnitude of the potential mispricings the Portfolio Manager has identified.

5.5. Liquidity

This Fund offers daily liquidity in normal circumstances. The constitution for the Fund as well as the law sometimes restricts withdrawals.

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

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 3.0x to 4x, and may have gearing of up to 7x 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 Portfolio Manager believes the values of these bonds will decline.

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

	Geared	Ungeared
Initial investment	\$4,000	\$4,000
Fund gearing level	85.71%	0.00%
Amount borrowed by Fund	\$24,000	\$0
Amount invested in market	\$28,000	\$4,000
If the value of the Fund's assets rises by:	2.0%	2.0%
Rise in value of Fund's assets	\$560	\$80
Value of Fund assets	\$28,560	\$4,080
Outstanding loan	\$24,000	\$0
Value of investment	\$4,560	\$4,080
Gain on investment	\$560	\$80
Return %	14.0%	2.0%
If the value of the Fund's assets falls by:	-2.0%	-2.0%
Fall in value of Fund's assets	-\$560	-\$80
Value of Fund assets	\$27,440	\$3,920
Outstanding loan	\$24,000	\$0
Value of investment	\$3,440	\$3,920
Gain on investment	-\$560	-\$80
Return %	-14.0%	-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 6 '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') risk. 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 of the following types:

- interest rate Derivatives,
- credit Derivatives,
- foreign exchange Derivatives,
- equity Derivatives, and
- other related swaps.

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 standards and environmental, social and ethical considerations

The Portfolio Manager considers that environment, social and governance (ESG) factors are crucial inputs into its investment process and have potentially profound consequences for the performance of our investments, including, most notably, downside risks but also upside mispricing potential in terms of the value of those assets. Nuanced ESG factors are often overlooked by the market and credit rating agencies when assessing the creditworthiness and valuations of fixed-income securities. Given its activist investment style, the

Portfolio Manager is deeply engaged with its target companies and relevant regulators and government stakeholders, dynamically evaluating the status of different ESG factors and seeking to understand their future path. ESG is therefore a core part of the Portfolio Manager's quantitative and qualitative due diligence and wider investment process.

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

- Environmental: weather related risks, dependency on prices of assets that may be impacted by environmental considerations, pollution and environmental disruption, environment sustainability, and associated reputational and brand risks.
- Social: political stability in countries of operation, human rights record of company and countries of operation, diversity, commitment to maintaining internal and customer privacy, including cyber-security, impact on local communities, health and safety, and associated reputational and brand risks.
- Governance: board composition, risk management track-record, legal and compliance track-record, history of prosecutions, management remuneration, distribution of equity, and associated reputational and brand risks.

The Portfolio Manager's ESG Policy (available here: www.coolabahcapital.com/esg-policy) details the relevance of ESG considerations to its investment process and describes how active analysis of ESG factors is integrated into decision-making. The Portfolio Manager's ESG Policy is reviewed at least once a year by the Portfolio Manager's Audit, Risk & Compliance Committee.

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. Significant benefits of investing in the Fund

Significant benefits	
Exposure to the wholesale bond market	The Fund invests in wholesale bonds issued by governments, banks and companies that are not always easy for individual investors to access.
Exposure to the full capital structure of Australian and overseas banking groups	The Fund has the ability to invest in the full capital structure, including listed common equity issued by Australian and overseas banking groups.
Ability to go long and short assets or Derivatives, and thereby profit from price rises and falls	The Fund employs an "active" fixed-income investment strategy, seeking to take 'long' and/or 'short' positions in relation to debt and hybrid securities which are considered mispriced, so seeking to profit from price rises and falls.
Ability to enhance returns with leverage	The Fund has the ability to enhance returns through leverage.
Alpha focus	The Fund's investment strategy targets delivering risk-adjusted excess returns through identifying mispricings in liquid debt and hybrid securities that when exploited successfully will provide superior alpha.
Regular income	The Fund aims to reliably distribute strong quarterly income.
Convenient access	Withdrawals generally available in your bank account after 3 Business Days during ordinary circumstances.
No capped return	The Fund has no capped or fixed return.
No fixed term	The Fund has no fixed minimum term.

6. 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 and the 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

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's 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.

Currency risk

The Fund seeks to offer investors exposure to assets denominated in multiple currencies, predominantly in Australian dollars. 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.

Market risk

This is the risk that an entire market or economy changes in value or becomes more volatile, including the risk that country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of the currency changes (either through inflation or deflation), and/or

other market-wide factors, like economic growth or the unemployment rate, deteriorate, which can cause a reduction in the value of the Fund and increase its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment.

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 RBA policies. Because the Fund can speculate on interest rate changes, it may suffer capital losses when it gets these changes wrong, which could be amplified by the use of leverage.

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 Portfolio Manager seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

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.

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". Short selling is not intended to form a significant part of the investment strategy, and risks of short selling are also maintained by only engaging in short sales on a limited basis.

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.

The Responsible Entity 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.

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.

The Portfolio Manager's goal is that over rolling 3-year periods, the Fund's volatility averages less than the ASX All Ordinaries Index.

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.

International risk

The Fund invests primarily in debt securities, hybrids and Derivatives issued by Australian entities domestically and overseas, although it also invests in these types of securities also when issued by overseas entities (into the Australian market or offshore). 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.

Liquidity risk

This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw investments of the Fund may need to be sold to

pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.

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

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

Structure risk

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

Risks associated with investing in the Fund include 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.

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 does 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.

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.

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.

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,
- avoiding significant interest rate duration exposure – being more than 24 months,
- 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.

Operating history

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.

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 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 medium risk rating, which means that the estimated number of negative annual returns over any 20-year period is 2 to less than 3. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 4.

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

7. Investing and withdrawing

Applying for units

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:

Mainstream 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 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 price at which units are acquired is determined in accordance with the Constitution ("Application Price"). 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"). 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 in the Fund rises or falls.

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 by electronic funds transfer (EFT). The minimum additional investment into the Fund is \$1,000.

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.

Cooling off period

If you are a retail client (as defined in the Corporations Act) who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

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

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

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as an investor in the Fund during the 14 day period, this could include selling part of your investment or switching it to another product.

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

Making a withdrawal

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

Mainstream 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@mainstreamgroup.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).

Equity Trustees will generally allow an investor to access their investment within 3 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, the Constitution allows Equity Trustees to reject withdrawal requests and may also delay payment in certain circumstances but the Investment Manager considers this unlikely given the Fund's investments.

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). 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 0.05%. The Withdrawal Price will vary as the market value of assets in 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

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 deny 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). In addition, we can also delay unit redemption withdrawals for up to 180 days or such longer or shorter period as we consider is appropriate in all the circumstances in limited circumstances including if there is a circumstance outside our reasonable control which we consider impacts on our ability to properly or fairly calculate the unit price, or withdrawal requests would result in 20% or more of NAV being withdrawn (we can stagger payment over such period that we determine).

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.

Withdrawal cut-off times

If we receive a withdrawal request:

- before 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
- on 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.

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

Terms and conditions for withdrawals

The minimum withdrawal amount in the Fund is \$1,000. Where a withdrawal request takes the balance below the minimum level of \$1,000, the Responsible Entity may require you to redeem the remaining balance of your investment. Equity Trustees has the right to change the minimum holding amount.

The Responsible Entity can deny a withdrawal request in whole or in part. Equity Trustees will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawal payments will not be made to third parties (including authorised nominees), and will only be paid directly to the investor's bank account held in the name of the investor at a branch of an Australian domiciled bank. By lodging a facsimile or email withdrawal request the investor releases, discharges and agrees to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile or email withdrawal request.

You also agree that any payment made in accordance with the fax or email instructions shall be in complete satisfaction of the obligations of Equity Trustees, notwithstanding any fact or circumstance including that the payment was made without your knowledge or authority.

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.

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.

Distributions

Rights to income and capital in the Fund are distinct from other classes of units on issue. An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the investments held by this class and the number of units held by the investor at the end of the distribution period.

The Fund usually distributes income quarterly at the end of March, June, September and December. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

The Attribution Managed Investment Trust (AMIT) tax system allows the Fund to carry forward under- and over-estimates of tax amounts into the following income year. Through this system, the Fund will attribute income to investor, but it will not make the associated cash payment. You can be read more about the AMIT tax election under Section 10. 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.

Valuation of the Fund

The value of the investments of the Fund is generally determined daily. The value of a unit is determined by the NAV referable to the Fund. 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 Equity Trustees if appropriate or if otherwise required by law or applicable accounting standards. The Application Price of a unit in the Fund is based on the NAV divided by the number of units on issue in the Fund. The Responsible Entity can also make an allowance for transaction costs required for buying investments when an investor acquires units; this is known as the Buy Spread.

The Withdrawal Price of a unit in the Fund is based on the NAV of the Fund divided by the number of units on issue in the Fund. The Responsible Entity can also make an allowance for transaction costs required for selling investments when an investor makes a withdrawal; this is known as the Sell Spread.

Refer to Section 9 for additional information.

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 e.g. 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.

8. 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 (including capital protection providers); and
 - 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 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.coolabahacapital.com.

The following information is available on CCIR's website and/or is disclosed monthly:

- 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;
- the monthly or annual investment returns over at least a five-year period (or, if the Fund has not been operating for five years, the returns since its inception);
- any change to key service providers if they have changed since last report given to investors;
- for each of the following matters since the last report on those matters:
 - 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.

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.

9. 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 Long-Short Opportunities Fund - Assisted Investor Class		
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	1.25% of the NAV of the Fund ²	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	1.47% of the NAV of the Fund ³	Performance fees are calculated daily and paid semi-annually in arrears from the Fund and reflected in the unit price.
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.04% of the NAV of the Fund ²	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 Long-Short Opportunities Fund - Assisted Investor Class

<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	nil upon entry and 0.05% upon exit	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><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 the relevant fees and costs are calculated.

² The indirect costs component of management fees and costs and transaction costs is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period. Please see "Additional Explanation of Fees and Costs" below.

³ This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager. The performance fee is calculated by reference to a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12-month period. See "Performance fees" below for more information.

Additional Explanation of Fees and Costs

Management fees and costs

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 1.25% 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.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at www.eqt.com.au/insto where they are not otherwise required to be disclosed to investors under law.

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance

fees for the Fund are 1.47% of the NAV of the Fund. As the Fund was first offered in the current financial year, the performance fee figure that is disclosed in the Fees and Costs Summary is calculated by reference to a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12-month period.

In relation to the performance fees that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

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 performance of the RBA cash rate plus management fees 1.25% p.a. (Benchmark), provided that the high water mark is also exceeded. The performance fees are 20.5% of this excess, calculated daily and paid semi-annually in arrears from the Fund and calculated based on a gross return basis using the beginning NAV over the relevant period. No performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a high-water mark). The high water mark calculation is the cumulative return of the Fund, including distributions but before performance fees, since inception.

Please note that the performance fees 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 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.

Performance fee example

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this example in determining whether to invest in the Fund.

The below is an example of the Performance fee expense using annualised percentage calculations over the Performance fee period. The actual Performance fee will be payable semi-annually.

Assumptions:

- The return of the RBA Cash Rate from the start of the performance fee period to the end of the performance fee period is 1.00%;
- the Fund's performance hurdle for the performance fee period is 2.25% (1.00% plus 1.25%);
- the Fund's 'investment return' for the performance fee period is 5.00%;
- the Fund's 'investment return' for the performance fee period is assumed to accrue evenly over the course of the performance fee period; and
- there are no accrued Fund losses from the previous performance fee period to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$50,000 at the beginning of the performance fee period and no withdrawals were effected during the performance fee period, your investment would bear a performance fee expense of

approximately \$281.88 (Based on outperformance of 2.75% (5.00% - 2.25%) above 'performance hurdle' x performance fee 20.5% x \$50,000 investment = \$281.88) for the performance fee period.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand the effect of the performance fee expense on the investment return of the Fund; and
- is not a forecast of the expected investment return for the Fund.

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. 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 0.05% upon exit. The dollar value of these costs based on an application or a withdrawal of \$1,000 is \$0 (application) and \$0.50 (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 0.09% p.a. of the NAV of the Fund, which is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period.

In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

However, actual transaction costs for future years may differ.

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 4.00% 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 Wholesale Clients. Please contact the Investment Manager on 1300 901 711 for further information.

Taxation

Please refer to Section 10 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 Long-Short Opportunities Fund - Assisted Investor Class		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	1.25% p.a.	And , for every \$50,000 you have in the Coolabah Long-Short Opportunities Fund - Assisted Investor Class you will be charged or have deducted from your investment \$625 each year
Plus Performance fees	1.47% p.a.	And , you will be charged or have deducted from your investment \$735 in performance fees each year
Plus Transaction costs	0.04% p.a.	And , you will be charged or have deducted from your investment \$20 in transaction costs
Equals Cost of Coolabah Long-Short Opportunities Fund - Assisted Investor Class		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: \$1,380* What it costs you will depend on the investment option you choose and the fees you negotiate.

* 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 a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period. 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.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

10. Taxation

Tax implications

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

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

Distributions

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

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

Attribution Managed Investment Trusts (AMITs)

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

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

AMIT multi-class election

Under the AMIT rules, a choice is available to elect to treat separate classes of units with different rights to income and capital as separate AMITs.

The AMIT unit classes identified for income tax purposes will share in the income, gains and losses from the pooled investments of the Fund. The Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets will be allocated between the AMIT unit classes on this basis. The amounts allocated to each AMIT unit class will be attributed to

members of each class of units according to their proportionate unit holdings in each class. In applying these principles, EQT as Responsible Entity of the Fund will have regard to the AMIT rules, including the AMIT specific multi-class rules, the Constitution of the Fund and this PDS, and the ATO guidance (including Law Companion Ruling LCR 2015/5).

In a year of income, if one AMIT unit class has a tax loss, that tax loss may not be offset against the taxable income of the other class. Instead, it would be quarantined within that AMIT unit class and carried forward to be offset against future income of that class.

Non – Attribution Managed Investment Trusts (non-AMIT)

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

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

If the Fund ceased to be an AMIT for a particular year of income, the AMIT multi-class election would also not apply for that year of income. In this event, investors in the Fund (in both AMIT unit classes) would be taxed on the total taxable income of the Fund (including the FX hedging gains or losses), in proportion to their share of the Fund's distributable income for that year of income. Also, unders and overs from a prior year in which the Fund was an AMIT will continue to be carried forward and applied in calculating the taxable income of the Fund, generally for a period of up to 4 years.

Taxation of Australian resident investors

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

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

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

Withdrawals

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

Offshore tax rules

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

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

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

Foreign investors

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

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

The Australian tax implications on disposal of units in the Fund by a non-resident will depend on their specific circumstances. Generally, non-resident investors holding their units on capital account should be subject to Australian capital gains tax on the disposal of units in the Fund where the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may also 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 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.

TFNs and ABNs

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

What else should you know?

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

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

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

Indirect investors

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

Tax reform

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

11. Other important information

Consents

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

- their written consent to be named in this PDS as the Investment Manager and the Portfolio Manager of the Fund; and
- their written consent to the inclusion of the statements made about them and CCI, in the form and context in which they appear.

The Investment Manager, Custodian and the Portfolio Manager 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 nor the Portfolio Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their 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 a 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;
- 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 relying in good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act with gross 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.

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

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, unless law allows is 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 significant breach of the Corporations Act in relation to the Fund.

Copies of the Constitution are available, free of charge, on request from Equity Trustees.

Non-listing of units

The units in the Fund are not listed on any stock exchange and no application will be made to list the units in the Fund on any stock exchange.

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 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.

Meetings and changes of the responsible entity

Investor meetings are uncommon. Direct investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 investors present in person or by proxy together holding at least 10% of all units in the relevant class.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Direct investors can requisition a meeting. The quorum for a meeting where there is any proposal to remove the responsible entity is at least 2 investors present in person or by proxy together holding at least 50% of all units in the Fund.

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. 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 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 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 an AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs.

The Responsible Entity and the Portfolio Manager shall not be liable for any loss you may suffer because of compliance with the AML/CTF laws.

Common Reporting Standard ("CRS")

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that 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. However, penalties may apply for failing to comply with the CRS obligations.

Your privacy

The Privacy Act 1988 (Cth) ("Privacy Act") and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. 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). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The 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;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

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" by contacting Equity Trustees or Coolabah Capital Investments (Retail) Pty Limited.

Equity Trustees' Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint. Full details of Equity Trustees' Privacy Policy is available at www.eqt.com.au. You can contact Equity Trustees' Privacy Officer on +61 3 8623 5000, or email to privacy@eqt.com.au to request a copy.

Information on underlying investments

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

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010. Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

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

12. Glossary of important terms

Administrator

Mainstream Fund Services Pty Ltd

AFSL

Australian Financial Services Licence.

Application Form

The Application Form that accompanies the PDS.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

ARSN

656 965 481

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Business Day

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

Buy/Sell Spread

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

Constitution

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

Corporations Act

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

Custodian

Mainstream Fund Services Pty Ltd

Derivative

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

Equity Trustees

Equity Trustees Limited (ABN 46 004 031 298) which possesses AFSL No. 240975.

Fund

Coolabah Long-Short Opportunities Fund - Assisted Investor Class.

Fund Benchmark

RBA overnight cash rate plus management fees p.a.

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).

GST

Goods and Services Tax.

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.

IDPS Operator

The entity responsible for operating an IDPS.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Investment Manager

Coolabah Capital Investments (Retail) Pty Limited.

Net Asset Value (NAV)

Value of the investments of the Fund less the value of the liabilities of that Fund.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

Portfolio Manager

Coolabah Capital Institutional Investments Pty Ltd (in respect of both the Fund and the Underlying Pool)

Responsible Entity

Equity Trustees Limited

Retail Client

Persons or entities defined as such under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits where applicable to reduce the cost of GST.

US Person

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

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

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

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

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

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

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

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

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

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

Wholesale Client

Persons or entities defined as such under section 761G of the Corporations Act.