

Apostle Dundas Global Equity Fund – Class C units

1 July 2021

Product Disclosure Statement ARSN 093 116 771 APIR ETL0438AU

About this PDS

This Product Disclosure Statement (“PDS”) has been prepared and issued by K2 Asset Management Ltd (“K2”, “we” “us” or “Responsible Entity”) and is a summary of general information relating to an investment in the Apostle Dundas Global Equity Fund - Class C units (the “units” or “Class C units”). This PDS is also available to investors who invest through an IDPS (such as a master trust or wrap account).

Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. By becoming an investor in the Fund, you agree to be bound by this PDS. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of the Fund in view of your financial position, investment objectives and needs before making an investment decision.

No guarantee of the repayment of capital or a rate of return

None of the Responsible Entity, the Investment Manager, Sub-Investment Manager and Custodian nor any of their respective employees, agents and officers guarantee the success, repayment of capital, rate of return on income or capital or investment performance of the Fund. It is your obligation to seek any advice on, and observe any legal restriction on investment in the Fund which may apply to you.

Access to information

This PDS provides a summary of significant information. The Fund’s Reference Guide dated 24 December 2020 (‘Reference Guide’) contains a number of references to important information (each of which forms part of the PDS). You should consider the information before making a decision about the Fund. The Reference Guide can be obtained at www.k2am.com.au, free of charge. You should consider all of this information before making a decision to invest in this product.

This PDS is not an offer or invitation for the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. It is your obligation to seek any advice on, and observe any legal restrictions on investment in the Fund which may apply to you.

Update of Information

Information in this PDS is subject to change of a type that is not materially adverse from time to time. Such updates will be published at www.k2am.com.au. A paper copy of any updated information will be provided free of charge on request by emailing apostle@k2am.com.au.

As a disclosing entity, the Fund has regular reporting and disclosure obligations under the Corporations Act. In accordance with ASIC guidance, all material information will be available to investors at www.k2am.com.au. A copy of any document lodged with ASIC to comply with disclosure requirements may be obtained from or inspected at an ASIC office. On request, the Responsible Entity will provide investors with copies of the most recent annual financial report for the Fund, the half-yearly financial report and any continuous disclosure notices.

Updated information about performance, unit prices, Fund size and other general information about the Fund will be published at www.k2am.com.au.

New Zealand investors

The offer to which this PDS relates is only available to persons receiving this PDS in Australia and New Zealand (electronically or otherwise). New Zealand investors must read the Information for New Zealand Investors in the Fund’s Reference Guide before investing in the Fund.

References in this PDS

All amounts in this PDS are in Australian dollars. All fees are inclusive of goods and services tax (GST) and take into account Reduced Input Tax Credits (RITC) if applicable. All fees in this PDS are rounded to two decimal places. All references to time and to Business Days are to Sydney time and Business Days.

For a glossary of terms used in this PDS see page 8.

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Investment Manager

Apostle Funds Management Pty Limited
ABN 16 129 922 612
AFSL No 458375

Sub-Investment Manager

Dundas Partners, LLP
UK Company Number: SO304023

Responsible Entity

K2 Asset Management Ltd
ABN 95 085 445 094, AFSL No 244393
Level 32, 101 Collins Street
Melbourne VIC 3000
Ph. +613 9691 6111
apostle@k2am.com.au
www.k2am.com.au

Custodian/Administrator

State Street Australia Limited
ABN 21 002 965 200
Level 14, 420 George Street
Sydney NSW 2000
Web: www.statestreet.com

1. About K2 Asset Management Ltd

Entities

K2 Asset Management Ltd

K2 Asset Management Ltd (ABN 95 045 885 094) (AFSL 244393), a subsidiary of K2 Asset Management Holdings Ltd (ABN 59 124 636 782), which is a public company listed on the Australian Securities Exchange (ASX: KAM), is the Fund's Responsible Entity and issuer of this PDS. K2 was established in Melbourne in 1999 and specialises in managed funds for retail, wholesale and institutional investors.

The responsibilities and obligations as the Fund's Responsible Entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law.

As Responsible Entity, K2 oversees the operation and management of the Fund and is required to act in the best interests of investors.

Apostle Funds Management Pty Limited

The Responsible Entity has appointed Apostle Funds Management Pty Limited ("Apostle") as the Investment Manager of the Fund. Apostle provides investment related services to Australian and New Zealand investors.

Apostle entered the Australian market in 2008, providing integrated portfolio solutions for institutional clients.

Apostle is an Australian incorporated company and holds an Australian Financial Services Licence (AFSL).

Apostle has appointed Dundas Partners, LLP ("Dundas") as the Sub-Investment Manager of the Fund, to make the day-to-day investment management decisions.

Dundas Partners, LLP

Dundas is an independent global equity investment manager based in Edinburgh. They manage a single investment strategy - global equities - in pursuit of capital and dividend growth to keep their clients' funds intact from the corrosive effect of inflation. They aim to invest in the best public companies from around the world, relying upon their own research to identify them.

Portfolios comprise up to 100 stocks with no distinction between developed and emerging markets.

By investing in equity shares, the Fund aims to gain a direct interest in companies' wealth generation experienced in two distinct ways, capital growth and dividends. Dundas' investment strategy pays equal attention to both elements.

As an independent firm and employee owned, Dundas manages client's portfolios free from conflicts of interest.

Indemnity

The above entities are indemnified out of the Fund against all liabilities and expenses incurred by them in properly performing any of their duties, exercising any of its powers, or omitting to act in relation to the Fund, or attempting to do so. Subject to the Corporations Act, provided they act in good faith and without negligence, the above entities are not liable to investors for losses in relation to the Fund (except in certain circumstances, where it can be indemnified from the Fund).

K2, Apostle and Dundas and the other service providers for the Fund do not guarantee the performance of the Fund.

The Fund's past performance is no indication of its future performance. The Fund's returns are not guaranteed.

2. How the Apostle Dundas Global Equity Fund - Class C units works

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. In a unit trust structure, when you invest your money, it is pooled with other investors funds. Each unit represents an equal share in the net asset of the Fund, or where there are classes of units, of the net assets referable to that class. The rights of unitholders are set out in the Fund's Constitution.

The Fund at a glance:

Fund category	Long only global listed equities
ARSN	093 116 771
Minimum suggested timeframe	The minimum suggested timeframe for investing in the Fund is 5 years
Typical number of stocks held	60 – 100 equity positions
Investment management fee	0.90% p.a. (incl. GST & RITC)
Investment objective	Long-Term dividend growth and capital appreciation. The target is to exceed the MSCI All Country World ex Australia Index by 2.5% p.a. after all fees and expenses on a rolling 5 year basis.
Investment style	The investment style is active with the aim of building Long-Term wealth with low turnover.
Applications	By 2pm on the Business Day you wish to apply
Minimum initial investment	\$5,000
Additional investment	You can add to your investment at any time by purchasing additional units at a value of \$5,000 minimum.
Valuation	Each Business Day
Redemptions	You can redeem your investment at any time by contacting the Administrator
Minimum withdrawals	The minimum withdrawal amount is \$5,000
Access to your investment	Each Business Day
Reporting	Monthly performance updates will be available at K2's website at www.k2am.com.au
Distributions	The Fund may pay distributions shortly after 31 December and 30 June each year.
Responsible Entity	K2 Asset Management Ltd Level 32, 101 Collins Street, Melbourne VIC 3000
Investment Manager	Apostle Funds Management Pty Limited
Sub-Investment Manager	Dundas Partners, LLP
Administrator and Custodian	State Street Australia Limited

Access to your money

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

State Street Australia Limited
Unit Registry
Level 14, 420 George Street
Sydney NSW 2000 Australia

or sending it by fax to +61 2 9323 6411

Valuation

The Net Asset Value (NAV) per unit is calculated daily by deducting all liabilities (including fees) referable to the Class C units and dividing this by the number of units on issue in the class.

Distributions

An investor's share of any distributable income is generally based on the number of units held by the investor at the end of the distribution period. The Fund usually distributes income semi-annually at the end of June and December via reinvestments in the Fund, unless the Investor indicates to have the distributions directly credited to their bank account. There is no Buy Spread on distributions that are reinvested.

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

New Zealand investors can only have their distribution paid in cash if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested.

Reporting

Monthly performance and other updates will be provided at www.k2am.com.au.

IDPS investors

If investing through an IDPS, other conditions may apply to investing, and access to your money, in the Fund and to distributions. You should consult the IDPS terms and conditions.

Further information

You should read the important information in 'Investing in the Apostle Dundas Global Equity Fund - Class C Units' and 'Withdrawing your investment' and 'IDPS Indirect Investors' in the Reference Guide which includes information about application and withdrawal cut off times and processing, and when there may be restrictions on withdrawals, before making a decision. Go to www.k2am.com.au for a copy of the Reference Guide. Note the information may change between the time when you read this PDS and when you acquire or dispose of the product.

3. Benefits of investing in the Apostle Dundas Global Equity Fund - Class C units

Investing in the Fund offers a range of benefits, including:

Expertise

You benefit from the skill and experience of the Sub-Investment Manager, Dundas.

Flexibility

The Fund invests in a diverse range of global listed equities rather than reflecting an index or benchmark.

Risk Management

The Responsible Entity, Investment Manager and Sub-Investment Manager all employ various risk management strategies, and stringent compliance procedures.

4. Risks of managed investment schemes

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. The level of risk for each person will vary depending on a range of factors, including: age, investment time frames, where other parts of your wealth are invested and your risk tolerance.

Active management risk

Dundas does not invest in a predetermined basket of securities, such as a basket of securities that reflects an index, but instead selects securities that meet its investment criteria. There is the risk that the Fund may underperform the markets return.

Concentration risk

Concentration of investments in the Fund (between individual investments and types of investments) will reduce the potential benefit of diversification. Diversification has the potential benefit of reducing volatility of investment.

Company specific risk

The value of investments can vary because of changes to a company's management, internal operations, product distribution or the company's business environment. Returns are affected by the underlying strength of the cash flows, balance sheets and management of the companies in which the Fund invests. An investment in shares carries the risk of a decline in value or a decrease in, or failure of payment in, distributions because of a number of factors, including a fall in investor confidence, poor management or changes in a company's competitive environment or internal operations.

Currency risk

Currency risk is the sensitivity of the portfolio value to movement in foreign exchange rates. Dundas quantifies the risk of each individual security but does not actively manage currencies in aggregate for the Fund. Therefore, there is a risk that they may be adversely affected by currency movements.

Derivative risk

The Fund does not invest in Derivatives.

Emerging markets risk

Emerging markets are more likely to experience greater volatility than markets in developed countries. Securities traded in emerging markets also have more limited liquidity when compared to securities traded in developed countries. This means that those securities may fall more sharply and rapidly than securities traded in developed countries. Further risks include differences in auditing and financial accounting standards, less regulated markets, less developed corporate laws and political risk.

Fund risk

As with all managed funds, there are risks particular to the Fund including: that the Fund or the Class C units could be terminated, the fees and expenses could change, or service providers are changed.

Interest rate risk

Changes in official interest rates can directly or indirectly impact (negatively or positively) on investment returns. For instance, rising interest rates can have a negative impact on the Fund's or a company's value as increased borrowing costs may cause earnings to decline. As a result, the unit value and the share price of shares in the portfolio may fall.

Legal risk

The Fund may be affected by the actions of governments and regulatory bodies. Legislation could be imposed retrospectively or may be issued in the form of internal regulations of which the public may not be aware. Legislation (including legislation relating to tax) or regulation may be introduced which inhibits the Fund from pursuing its strategy or which renders an existing strategy less profitable than anticipated. These actions may take any form and may be imposed without prior warning by any regulator. This risk is generally higher in developing countries.

Liquidity risk

There may be times when securities may not be readily sold. If the Fund becomes illiquid, withdrawals from the Fund may be suspended.

Market risk

The value of investments may fluctuate significantly over short periods of time. These fluctuations can be caused by changes in interest rates, economic cycles, investor sentiment, pandemic outbreaks, environmental issues and political, social, technological and legal events. These changes can directly or indirectly create an environment that influences (negatively or positively) the value of investments in the Fund. In addition, a downward move in the general level of the equities market can have a negative impact on the performance of the Fund. As such returns are not guaranteed, and you may lose some money.

Operational risk

Operational risk addresses the risk of trading and back office or administration issues that may result in a loss to the Fund's portfolio. This could be the result of oversight, ineffective security processing procedures, computer system problems or human error. Apostle, Dundas and K2 have instituted certain practices and processes within their respective operations and business administrations designed to wherever possible mitigate the operational risk consequences that arise.

Political risk

There may be high political risk in certain countries due to the fragile political environment of those countries. Political instability and/or political disturbances are more common in emerging markets than in developed nations. There may be higher economic risk from policy mistakes, as governments are less accountable than in developed nations. Examples of severe currency depreciation have also occurred in some nations.

Stock selection risk

Dundas may make poor investment decisions resulting in sub-standard returns (for example where Dundas invests in a company, fund or issuer that significantly underperforms the share market). Assets with the highest Long-Term returns may also carry the highest level of short term risk.

5. How we invest your money

Before choosing to invest in the Fund you should consider the likely investment returns, the risks of investing and your investment time frame. The Fund should be considered a Long-Term investment.

Investment objective

The Fund's investment objective is to deliver Long-Term dividend growth and capital appreciation. The target is to exceed the MSCI All Country World ex Australia Index by 2.5% p.a. after all fees and expenses on a rolling 5 year basis.

Benchmark

MSCI All Country World ex Australia Index.

Risk level of the Fund

High – There is a risk that investors may lose some or all of their investment.

Investor suitability

The Fund would suit clients looking for exposure to an equity portfolio comprised of growing companies with above average dividend growth or income seeking investors.

Investment style and approach

The investment style is active with the aim of building Long-Term wealth with low turnover.

The Fund is permitted to invest in ordinary shares (fully or partly paid), preference shares, instalment receipts, convertible notes, company issued rights, exchange traded funds of a relevant index, stapled securities, private placement securities, investments in listed pooled vehicles and cash/cash equivalents (including cash held in foreign currencies).

The investment approach involves conducting a positive screen to refine the opportunity set. Dundas looks to screen out stocks which lack the wealth and cash generation characteristics they seek resulting in a list of approximately 300 stocks. Stocks which are assessed to have inadequate margins, poor balance sheets, low cash generation and deteriorating business trends are eliminated.

Dundas then conducts a positive screen to build the final portfolio based on valuations, operating margins, balance sheet strength and cash flows. The goal is to build a diversified portfolio that delivers stable dividends and capital growth.

Asset allocation

The Fund will be invested in at least 60 and no more than 100 securities and will adhere to the following asset allocation ranges:

Global equities: 90-100%.

Cash and cash equivalents: 0-10%.

Leverage

Dundas does not use leverage to increase the net invested position of the Fund.

Labour, environmental, social and ethical considerations

Dundas is a signatory to the United Nations' *Principles for Responsible Investment initiative (PRI)*. The principal benefit of doing so is engagement with other leaders in their industry to press for good corporate conduct and reporting.

As a signatory to the PRI, Dundas will uphold the following principles when considering good businesses for investment. Dundas will:

- Incorporate ESG issues into investment analysis and decision-making processes;
- Be active owners and will incorporate ESG issues into their ownership policies and practices;
- Seek appropriate disclosure on ESG issues by the entities in which they invest;
- Promote acceptance and implementation of the Principles within the investment industry;
- Work together to enhance their effectiveness in implementing the Principles; and
- Report on their activities and progress towards implementing the Principles.

Valuation, location and custody of assets

The Fund's assets are held in accordance with normal business practice with State Street Australia Limited. The role performed by the Custodian is set out on page 7.

Changing the investment strategy

The investment strategy and asset allocation parameters may be changed. If a change is to be made, investors in the Fund will be notified in accordance with the Corporations Act.

Fund performance

Up to date information on the performance of the Fund can be obtained from www.k2am.com.au.

6. Fees and costs

Consumer advisory warning

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable.

Ask the Fund or your financial adviser.

To find out more

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

Fees and costs summary

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.

Apostle Dundas Global Equity Fund- Class C Units		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs^{1 2}		
Management Fees and Costs^{3 4} The fees and costs for managing your investment	0.90% p.a.	The management fee is calculated and accrued daily based on the NAV. It is paid monthly in arrears out of the Class Assets.
Performance Fees Amounts deducted from your investment in relation to the performance of the product	Nil	
Transaction Costs The costs incurred by the Fund when buying or selling assets	0.03% p.a.	This estimated transaction fee is incurred and accrued daily on the buying or selling of Fund assets (as applies). It is paid monthly in arrears out of the Fund assets
Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
Establishment Fee The fee to open your investment	Nil	
Contribution Fee The fee on each amount contributed to your investment	Nil	
Buy/Sell Spread An amount deducted from your investment representing costs incurred in transactions by the Fund	+/-0.15%	A Buy/Sell spread of +/-0.15% is incurred on the application, or redemption, of units.
Withdrawal Fee The fee on each amount you take out of your investment	Nil	
Exit Fee The fee to close your investment	Nil	
Switching Fees The fee for charging investment options	Nil	

¹ All fees quoted above are inclusive of GST and net of any RITC. See below for more details as to how management costs are calculated.

² Your financial adviser may receive payment for providing advice services to you. Additional costs may be charged by your IDPS. Refer to the information below in Additional Explanation of Fees and Costs.

³ The Management Fee can be negotiated. See "Differential fees" below.

⁴ Includes Custodian, Administration and Unit Registry fees and other expenses relating to the compliance, investment management, management and administration of the Fund excluding abnormal expenses (such as investor meeting costs).

Example of annual fees and costs for the Fund

This table provides an example of how the fees and costs for the Apostle Dundas Global Equity Fund - Class C Units can affect your investment over a 1-year period. You should use this table to compare this product to other managed investment products.

EXAMPLE: Apostle Dundas Global Equity Fund - Class C units	Balance of \$50,000, with a contribution of \$5,000 during the year	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs*	0.90% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$450 each year
PLUS Transaction costs	0.03% p.a.	And, you will be charged or have deducted from your investment \$15 in transaction costs.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$465*

* Management costs are charged on your investment amount and any contribution made during the year. This example assumes the \$5,000 contribution occurs at the end of the first year, so that management costs are calculated using the \$50,000 balance only. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

Additional Explanation of fees and costs

What do the management costs pay for?

Management costs comprise the additional fees or costs that an investor incurs by investing in the Fund rather than by investing directly in the underlying assets of the Fund.

Management Fees

The management fees of 0.90% p.a. of the Net Asset Value of the Class are payable to the Responsible Entity and include the management fees of the Investment and Sub-Investment Manager as well as custody, administration, registry and compliance expenses. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price.

Abnormal expenses

Abnormal expenses other than those referred to in the management fees section above may be reimbursed from the Fund. These are costs which are not expected to be incurred on a regular basis, such as the costs of holding an investor meeting.

Transaction Costs

Because the Fund is actively managed, the Fund may incur transaction costs such as brokerage, settlement costs, clearing costs and government charges when assets are bought and sold. This generally happens 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.

Transaction costs that are incurred because investors buy or sell units in the Fund are offset by the allowances that are included in the on-market entry and exit prices set by the Responsible Entity when carrying out its market making activities. This is to ensure the costs associated with these transactions (including the market making cost referred to above) are not borne by other investors.

A Buy/Sell Spread of +/-0.15% is an additional cost you will incur to enter or exit the Fund. The money is retained in the Fund. The spread is based on the Fund's average transaction costs and may be varied by the Responsible Entity from time to time.

Transaction costs which are incurred other than in connection with

applications and withdrawals arise through the day-to-day trading of the Fund's assets are reflected in the Fund's unit price. As these costs are factored into the NAV of the Fund and reflected in the unit price, they are an additional implicit cost to the investor and are not a fee paid to the Responsible Entity.

The transactional and operational costs for the financial year ended 30 June 2021 were approximately 0.030% of the Fund's average NAV, of which 0.006% resulted from facilitating unitholder transactions and was recovered via the Buy/Sell Spread. The difference of 0.024% was reflected in the net investment return of the Fund. These costs may vary in the future.

Advice fees

Your financial adviser may receive payment for providing advice services to you. You may separately negotiate an advice fee for the advice services provided to you. Additional costs may be charged by your IDPS. Refer to the Statement of Advice prepared of Financial Services Guide by your financial adviser in which details of these fees are set out.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. At least 30 days' notice will be given if there is any proposed change to the management fees. The Fund's Constitution defines the maximum that can be charged for fees described in this PDS.

Differential Fees

The Responsible Entity or Investment Manager may from time to time negotiate a different fee arrangement with certain Wholesale Investors.

7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. This registered managed investment scheme does not pay tax on behalf of investors. As such you will be personally assessed for tax on any net income and capital gains generated by the scheme. In normal circumstances, you should expect that some income and/or capital gains will be generated each year. The taxation of managed investment schemes is complicated and you are strongly advised to seek professional tax advice relevant to your own circumstances before investing in the Fund.

Foreign Tax Resident Reporting

Laws have been introduced in Australia to implement global standards relating to the automatic exchange of financial account information between tax authorities to ensure that everyone pays the right amount of tax. As a financial institution, K2 must identify accounts held by investors who are foreign tax residents or entities connected to foreign tax residents and report this account information to the Australian Tax Office. This information is then shared with tax authorities in:

- the United States (U.S.) under a system known as the Foreign Account Tax Compliance Act (FATCA). This is for U.S. citizens and tax residents only and applied from 1 July 2014; and
- other countries under the Common Reporting Standard (CRS). The CRS applies to all foreign tax residents from 1 July 2017.

It is important that you provide us with information about your tax residency, the nature of your business and any beneficial owners. This will enable us to comply with our obligations under the FATCA and CRS laws. If you do not respond, we may be required to treat you as if you are a foreign tax resident, even if you are not. Penalties may apply if you deliberately or recklessly provide false or misleading information.

Further Information

You should read the additional important information about how managed investment schemes are taxed before making a decision. Go to www.k2am.com.au for a copy of the Reference Guide. Note the information may change between the time when you read this PDS and when you acquire or dispose of the product.

8. How to apply

Investing in the Fund

To invest, please complete the Application Form accompanying this PDS, send funds (see details in the Application Form) and your completed Application Form to:

State Street Australia Limited
Unit Registry
Level 14, 420 George Street
Sydney NSW 2000 Australia

Please note that cash cannot be accepted and all applications must be made in Australian dollars. If investing indirectly through an IDPS, you should complete the forms provided by the IDPS operator.

Withdrawing from the Fund

An investor wishing to make a withdrawal must complete a redemption form and submit the completed form to the Unit Registry by 2pm Australian Eastern Standard Time on a Valuation Day.

Withdrawal proceeds will be remitted by electronic transfer to the investor's designated account, normally within five Business Days after the relevant Valuation Day. The minimum withdrawal is \$5,000 (unless otherwise permitted by K2), provided a minimum balance of \$20,000 remains in the relevant Fund, otherwise only a complete withdrawal is permitted.

Short delays may occur if you redeem shortly after 30 June and 31 December, while distributions are being finalised. Further, there may be some circumstances where the Responsible Entity decides to put a freeze on withdrawals.

Unit pricing

The calculation of unit prices is performed by the Fund's Administrator each Business Day. Broadly, the NAV per unit is calculated by:

1. calculating the Gross Asset Value of the Class as at the relevant Business Day;
2. deducting any liabilities and fees for the Class (including the investment management fee);
3. dividing the resulting NAV by the number of units in the Class on issue, this amount being rounded to the nearest cent (0.5 of a cent will be rounded up).

Responsible Entity's legal relationship with unitholders

The Responsible Entity's responsibilities and obligations are governed by the Fund Constitution as well as indirectly by general trust law.

The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Responsible Entity and unitholders.

The Constitution for the Fund provides that unless there is a separate agreement with a unitholder, no unitholder can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. As a result, it is expected that unitholders will not be under any obligation if a deficiency in the assets of the Fund was to occur.

Complaints resolution

The Responsible Entity has an established complaint handling process and is committed to properly considering and resolving all complaints.

If you have a complaint about your investment, please contact K2 Asset Management:

by telephone: 03 9691 6111;
by post: K2 Asset Management
Level 32, 101 Collins Street
Melbourne VIC 3000; or
by email: compliance@k2am.com.au.

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 45 days after receiving the complaint.

If you are not satisfied with our response, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA"): online at www.afca.org.au:

by telephone: 1800 931 678;
by email: info@afca.org.au; or
by post: GPO Box 3, Melbourne VIC 3001.

Please quote our AFCA membership number: 12481

If investing through an IDPS, you should contact the IDPS operator for their complaint processes.

Cooling off period

If you have 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.

You may exercise this right by notifying us in writing. Your investment will be returned and 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 to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unitholder in the Fund during the 14 day period. This could include selling part of your investment or switching it to another product. For IDPS investors, you should consult your IDPS operator about any cooling off rights you may have.

9. The Fund's service providers

The following service providers to the Fund are not responsible for the preparation of this PDS or for the activities of the Fund and as a result accept no responsibility for any information contained in this PDS.

The Responsible Entity of the Fund monitors the compliance of all of the following service providers with their contractual obligations through receipt of compliance certifications, performance reviews and audit activity performed by the Fund's external auditor.

The Custodian

State Street Australia Limited

State Street Australia Limited (SSAL or Custodian) has been appointed to act as the Custodian of the Fund on terms consistent with typical Australian market practice under a custody agreement. SSAL is the Australian subsidiary of a global business and is based in Sydney. It holds an Australian Financial Services Licence and is subject to ASIC regulation. As is standard practice for global investment dealings, SSAL engages third party sub-custodians around the world to transact and hold assets for the Fund.

The Administrator

State Street Australia Limited

SSAL has been appointed to act as Administrator of the Fund. K2 and SSAL have entered into an agreement for administrative services for the Fund that sets out SSAL's role as Administrator, including its rights and obligations and the limits on its liability.

Responsibilities of SSAL include:

- provide unit registry services to the Fund;
- calculating the NAV and unit price for the Fund on each Business Day;
- preparing unaudited financial statements for the Fund in accordance with international financial reporting standards; and
- providing certain other administrative services.

SSAL's obligations for the Fund are limited to the provision of services to K2, and SSAL has not undertaken any obligations to unitholders.

Appointment of new service providers

The Responsible Entity may remove the Fund's Custodian, Administrator or Unit Registry and appoint a replacement at any time without notice to investors. Changes to a key service provider will be disclosed to investors in the Fund's periodic disclosures.

10. Additional information

Change of details

From time to time, you may need to advise us of changes relating to your investment. You may advise us by email, fax or mail of changes relating to:

- your mailing address;
- your licensed financial adviser, if you have nominated one; or
- your election to receive distributions as cash or to reinvest them.

Privacy

You should also read the important information about how our privacy policy works, before making a decision. Please read the Responsible Entity's Privacy Policy, which can be downloaded at www.k2am.com.au.

Consents

Apostle, Dundas and SSAL have each given and, as at the date of this PDS, have not withdrawn their written consent to be named in this PDS for their respective roles for the Fund; and their written consent to the inclusion of the statements made about them.

11. Terms used in this PDS

AFSL means Australian Financial Services Licence.

Business Day means a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney, NSW.

Buy/Sell Spread means the amount deducted from an investor's investment representing costs incurred in transactions.

Class C units, Class or units means Class C units in the Fund as offered under this PDS.

Constitution means the constitution, or trust deed under which the Fund was established.

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means State Street Australia Limited.

ESG means environmental, social and governance.

Gross Asset Value means the value of all the assets and liabilities of the Class, prior to fees.

IDPS means an Investor Directed Portfolio Service. An IDPS service is generally a vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, with the IDPS operator providing the investor with consolidated and streamlined transaction statements and other reporting.

IDPS Operator means an entity that operates and offers an IDPS.

Long-Term means five (5) or more years.

Net Asset Value or NAV means the Gross Asset Value of the Class, less all fees and expenses of the Class.

Privacy Policy means the policy of the Responsible Entity which governs how it manages investor privacy.

SSAL means State Street Australia Limited.

Valuation Day means the Business Day on which a request is received (provided it is before 2pm on that day), or the following Business Day.

Wholesale Investor means persons or entities defined as such under the Corporations Act.

Further information

You should read the important information in the Reference Guide about:

- Your privacy
- The Constitution
- Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")
- IDPS Indirect Investors
- Information on underlying investments
- Foreign Account Tax Compliance Act ("FATCA")
- Common Reporting Standard ("CRS")

under the "Other important information" section and for New Zealand investors, 'Information for New Zealand investors', before making an investment decision. Go to the Reference Guide which is available at www.k2am.com.au. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.