

Fortlake Asset Management Pty Ltd ABN 30 643 640 939

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

ARSN 645 064 991

Product Disclosure Statement (PDS)

Dated: 26 September 2022

Issued by: Trustees Australia Limited
ABN 63 010 579 058, AFSL 260038

Trustees Australia Limited ABN 63 010 579 058 AFS Licence No. 260 038 (**Trustees Australia, Responsible Entity, RE, we or us**) is the Responsible Entity of Fortlake Real-Income Fund (Managed Fund) (**the Fund**) and issuer of this PDS. At the time of lodgement of this PDS with ASIC, the Responsible Entity has made an application to Cboe Australia Pty Ltd (**Cboe**) for the quotation of the Units on the Securities Exchange with the exchange Ticker: FLRI . If the application is successful, Units will be able to be traded on the Securities Exchange. ASIC or Cboe takes no responsibility for the content of the PDS. Where applicable, any changes to the Fund are also subject to the Securities Exchange Rules, as amended from time to time. No representation is made as to the Unit's quotation on the Securities Exchange.

The latest current copy of this PDS is available to be downloaded from www.fortlake.com.au. If you make this PDS available to another person, you must give them the entire PDS, including the Application Form.

This PDS is also available to investors who invest through an IDPS (such as a master trust or wrap account). Different conditions may apply to such investors so please refer to the section "Investing through a master trust or wrap account".

This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. New Zealand investors should refer to the section "Information for New Zealand investors". All references to \$ or amounts are to Australian dollars.

Trustees Australia has authorised Fortlake Asset Management Pty Ltd ABN 30 643 640 939 (**Fortlake** or the **Investment Manager**) to provide investment and other services to the Fund, pursuant to an investment management agreement entered into between Trustees Australia and Fortlake.

This PDS is current as at 26 September 2022. Information in this PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by a notice of the change on the Fund's website at www.fortlake.com.au. If the change is materially adverse to investors, Trustees Australia will notify affected investors and supplement or replace this PDS. A paper copy of any updated information will be provided free of charge on request. Any amendment to the PDS will be made in compliance with the Securities Exchange Rules.

Neither Trustees Australia nor Fortlake promise that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Trustees Australia and Fortlake makes any statement or representation in this PDS.

This PDS has been prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of the Fund having regard to your own objectives, financial situation and needs and the Fund's Target Market Determination (**TMD**). The TMD is available to be downloaded from www.fortlake.com.au. You should read the entire PDS, and speak to a financial adviser, before proceeding to acquire or dispose of units in the Fund.

Defined terms in this PDS are contained in the "Key Terms" section of this PDS.

SERVICE PROVIDERS

Responsible Entity

Trustees Australia Limited ABN 63 010 579 058 (AFSL 260 038)
Level 1, 262 Adelaide Street
Brisbane QLD 4000

Investment Manager

Fortlake Asset Management Pty Ltd ABN 30 643 640 939
Level 27, 25 Bligh Street
Sydney NSW 2000

Administrator and Unit Registry

Link Fund Solutions Pty Limited ABN 44 114 914 215
Level 12, 680 George Street
Sydney NSW 2000

Link Market Services Limited ABN 54 083 214 537
Level 12, 680 George Street
Sydney NSW 2000

Market Making Agent

J.P. Morgan Securities Australia Limited ABN 61 003 245 234
Level 18, 85 Castlereagh Street
Sydney NSW 2000

Prime Broker & Custodian

J.P. Morgan Securities LLC ABN 37 109 293 610
277 Park Avenue, New York, NY 10172
United States

Legal Advisers

Ernst & Young ABN 75 288 172 749
200 George Street
Sydney NSW 2000

iNAV Calculation Agent

Markit Group Limited ABN 61 003 245 234
25 Ropemaker Street, Ropemaker Place, 4th Floor
London EC2Y 9LY United Kingdom

Auditor

Ernst & Young ABN 75 288 172 749
200 George Street
Sydney NSW 2000

What's in this PDS?

We hope you find this PDS easy to use. We encourage you to read it all before you make any investment decision.

Section	CONTENT	Page
1.	1. FUND SNAPSHOT	6
2.	2. WHAT ARE THE BENEFITS OF INVESTING IN THE FUND?	9
2.1	2.1 INVESTMENT <i>MANAGER</i>	9
2.2	2.2 INVESTMENT <i>STRATEGY</i>	10
2.3	2.3 THE FUND'S INVESTMENT <i>PROCESS</i>	12
3.	3. INVESTING IN THE FUND	14
4.	4. WHAT ARE THE SIGNIFICANT RISKS?	19
5	5. FEES AND OTHER COSTS	24
5.1	5.1 ADDITIONAL EXPLANATION OF FEES AND COSTS	26
6	6. HOW TO INVEST WITH THE RESPONSIBLE ENTITY	29
7.	7. HOW TO INVEST THROUGH THE SECURITIES EXCHANGE	29
8.	8. INVESTING THROUGH A MASTER TRUST OR WRAP ACCOUNT	29
9.	9. WITHDRAWING YOUR INVESTMENT WITH THE RESPONSIBLE ENTITY	30
10.	10. WITHDRAWING THROUGH THE SECURITIES EXCHANGE	32
11.	11. DISTRIBUTIONS	33
12.	12. ABOUT THE SECURITIES EXCHANGE AND CHES	34
13.	13. KEEPING YOU INFORMED	36
14.	14. WHAT ABOUT TAX?	38

15.	15. TRUSTEES AUSTRALIA'S RESPONSIBILITIES TO YOU	40
16.	16. ADDITIONAL INFORMATION	41
16.1	16.1 ENQUIRIES AND <i>COMPLAINTS</i>	41
16.2	16.2 COOLING <i>OFF</i>	42
16.3	16.3 <i>PRIVACY</i>	42
16.4	16.4 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING	42
16.5	16.5 FATCA	43
16.6	16.6 COMMON REPORTING STANDARD	43
17.	17. INFORMATION FOR NEW ZEALAND INVESTORS	45
18.	18. KEY SERVICE PROVIDERS	48
18.1	<i>18.1 CONSENTS</i>	50
19.	19. KEY TERMS	50

1. FUND SNAPSHOT

FEATURE	SUMMARY
FUND NAME	Fortlake Real-Income Fund (Managed Fund)
INVESTMENT MANAGER OF THE FUND	Fortlake Asset Management Pty Ltd ABN 30 643 640 939 CAR #001284204 CAR #001283388
RESPONSIBLE ENTITY OF THE FUND	Trustees Australia Limited ABN 63 010 579 058 (AFSL 260038)
INVESTMENT OBJECTIVE ¹	The Fund's investment objective is to target returns above the RBA cash rate after allowing for inflation, commensurate with a defensive level of risk.
BENCHMARK	RBA cash rate
APIR CODE	TAL0590AU
ARSN	645 064 991
TICKER	FLRI
SUGGESTED INVESTMENT PERIOD ²	2-5 year period
FUND INCEPTION	18 September 2020
ENTRY FEES	Nil
EXIT FEES	Nil
INVESTMENT MANAGEMENT FEE	0.44% p.a. (incl. GST)
ENTERING AND EXITING THE FUND	<p>The Fund is structured as a registered managed investment scheme and a unit trust.</p> <p>An application has been made to Cboe for the quotation of the Units on the Securities Exchange. If the application is approved by Cboe, Units will be able to be traded on the Securities Exchange in the same way as shares in listed companies are traded.</p>

¹ There is no guarantee that the Fund's investment objective will be achieved. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

² This suggested investment period may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.

After quotation of the Units on the Securities Exchange, investors can enter the Fund through acquiring Units on Securities Exchange, through an IDPS provider or directly with the Responsible Entity. Investors can exit the Fund through selling Units on the Securities Exchange, redeeming Units through an IDPS or directly with the Responsible Entity. All Units are fungible and the method you enter the Fund does not determine how you can exit the Fund. An investor who acquires Units directly with the Responsible Entity can exit the Fund or sell Units through the Securities Exchange by contacting their stockbroker. Similarly, an investor who acquired Units on the Securities Exchange can redeem Units through by submitting a redemption request to the Responsible Entity. Refer to sections 6 - 8 for more information on applications and sections 9 - 10 for more information on withdrawals.

There are differences between entering and exiting the Fund via the Securities Exchange or by applying for and withdrawing directly with the Responsible Entity. These differences include the applicable application price and redemption price you will receive, and whether minimum investment amounts apply to your investment. An investor that applies for units directly with the Responsible Entity may pay a different price for Units to an investor who buys Units on the Securities Exchange at the same time. Similarly, an investor who redeems Units directly with the Responsible Entity is likely to receive a different price for Units to an investor who sells Units on the Securities Exchange at the same time.

APPLICATION PROCESSING

Applications submitted directly to the Responsible Entity are required to be received daily by 2pm Sydney time to receive the Application Price applicable for that day.

While the Units are quoted on the Securities Exchange, Units can be acquired on the Securities Exchange during trading hours on each Trading Day.

Refer to sections 3, 6, 7 and 8 for more information.

REDEMPTION PROCESSING

Withdrawal requests made directly to the Responsible Entity are required to be received by 2pm Sydney time on the day of redemption to receive the Withdrawal Price applicable for that day.

While the Units are quoted on the Securities Exchange, Units can be sold on the Securities Exchange during trading hours on each Trading Day.

Refer to section 3, 9 and 10 for more information

NET ASSET VALUE

The Net Asset Value of the Fund (**NAV**) is calculated by deducting the liabilities (including any accrued fees) of the Fund from the aggregate value of assets. The NAV per Unit is calculated by dividing the NAV by the number of Units on issue in the Fund.

The NAV published on a particular Business Day reflects the value of the Fund on the previous day at the close of trading in each market in which the Fund invests.

Throughout each Trading Day, an indicative NAV per Unit (**iNAV**) will be published by the Fund. The iNAV will reflect real time movements in the markets and currencies during the Trading Day. The iNAV will also be updated with respect to investments that have live market prices during the Trading Day and a combination of proxies and last available prices will be used for investments that do not have live market prices during the Trading Day (e.g. foreign bonds).

The Fund's NAV and iNAV will be published at www.fortlake.com.au.

INCOME DISTRIBUTION FREQUENCY

Income distributions (if any) are generally paid quarterly. Investors can elect for distributions to be paid in cash or to be automatically reinvested into the Fund

Refer to section 11 for more information.

KEY RISKS

Some of the key risks in relation to an investment in the Fund are summarised below. Please refer to section 4 for a more comprehensive summary of potential risks.

Key risks specific to an investment in the Fund include:

- **Manager Skill** - The Fund relies heavily on the methodology designed by the Investment Manager.
- **Market Risk** - Generally, the investment return on a particular asset is correlated to the return on other assets from the same market, region or asset class. However, certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such

events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility, which could impair the Fund's profitability or result in losses.

- **Market Making Risk** - The Responsible Entity has appointed the Market Making Agent to act as market maker in the Units on behalf of the Fund. There is a risk that the Fund may incur a cost as a result of these market making activities which may adversely affect the NAV or iNAV of the Fund. Such a cost could be a result of an error in execution of market making activities or in how Units are priced when traded on the Securities Exchange. The Responsible Entity has the discretion to increase the spread at which it requires the Market Making Agent to make a market and to cease making a market, subject to its obligations under the Securities Exchange Rules. In addition, there is the risk that the Market Making Agent does not fulfil its obligations in a correct and timely manner.

2. WHAT ARE THE BENEFITS OF INVESTING IN THE FUND?

Benefits of investing in the Fund

The Fortlake Real-Income Fund's key benefits include the following:

- The Investment Manager is highly specialised, with deep knowledge and experience in fixed interest investments;
- Investors have access to Fortlake's investment methodology which is designed to produce returns and protect investors against inflation risk;
- Investors have access to a diversified portfolio of Investment Grade fixed interest investments.
- Investors have the ability to request to buy or sell their investments daily (Business Days), through the Responsible Entity and also on the Securities Exchange. This is subject to the Securities Exchange liquidity risk and withdrawal risk explained in section 4.
- Income distributions (if any) are generally paid to investors quarterly.

2.1 INVESTMENT MANAGER

Fortlake Asset Management Pty Ltd ABN 30 643 640 939 is the investment manager for the Fund. Fortlake blends its talented and experienced team of individuals with a combination of global business insights and investment philosophy.

There are several investment personnel who have day to day responsibility for the running of the Fund. The most senior amongst this team are listed below, including their relevant qualifications and commercial experience:

Dr Christian Baylis, Founder, Chief Investment Officer

Christian is a highly regarded Australian-based manager with broad experience across global fixed income and derivatives strategies, having worked previously at UBS Asset Management and the Reserve Bank of Australia (RBA).

Christian managed in excess of \$8 billion AUM and was the lead Portfolio Manager in the UBS Australian Fixed Income team for the UBS Cash Plus Fund, the Insurance and Asset Liability Management book of business and ran a complex suite of overlay strategies for large cross-border liability clients. Christian was also a member of the Global Multi Strategy Committee and was appointed as the Australian representative for the Global Dynamic Fund, the core global unconstrained Fixed Income offering for UBS Asset Management.

Christian was also the Head of Derivative Strategy, Inflation Linked Assets and Credit Trading across the Australian Fixed Income business, managing in excess of \$26 billion. This role incorporated oversight of Sector Strategy - incorporating Semi-government and Sovereign Supra National Agencies (SSAs) and the development of the associated ESG framework for these assets. As a member of the Global Multi Strategy Committee Christian was actively involved in the macro analysis and research of fixed income markets for the global Fixed Income business.

Christian joined UBS Asset Management in March 2011. Whilst managing the UBS Cash-Plus Fund from March 2011 to May 2020, Christian obtained the only 'Highly Recommended' rating from Zenith for consecutive years 2017 – 2020 for the Short-Term Credit category.

Prior to this, he was a Senior Analyst at the Reserve Bank of Australia (RBA), managing the Bank's investment portfolio, liquidity and liability profile. Prior to his role at the RBA, Christian worked for Standard and Poor's, as a Rating Specialist conducting rating assessments and research.

Christian has a PhD in Econometrics from Monash University and was a recipient of the distinguished Exceed First Class Honours award, receiving a perfect GPA. Christian won the Australian Postgraduate Scholar Award at both University of New South Wales (UNSW) and the University of Sydney (USYD) for his work in the Econometrics field and was a visiting scholar at Monash University in the Econometrics faculty. Christian was also the recipient of the prestigious Capital Markets CRC PhD Scholarship where his work focused on alternative methods of inflation modelling, probability density functions and option implied distributions.

Dr Kylie-Anne Richards, Executive Director

Kylie-Anne joined UTS in January 2019 after completing her PhD (Mathematics) on Limit Order Book Dynamics at the University of NSW. She was awarded the QRSLab Boronia Managed Funds PhD Scholarship in 2011. Kylie-Anne also holds a Master's degree in Finance from the University of Hong Kong. Her research and teaching interests are in financial markets, sustainable finance, green finance, ESG, high frequency finance, market microstructure, statistics and econometrics.

Kylie-Anne has had extensive industry experience both domestically and overseas. She began her career as a Quantitative Analyst at Investment Technology Group. Kylie-Anne was Head of Financial Engineering for Asia Pacific at Macquarie Group in Hong Kong and subsequently, Head of Indexation and Quantitative Trading Research at CLSA in Sydney. Most recently she held the position of Director, Portfolio Manager at QTR Capital, a proprietary trading business.

2.2 INVESTMENT STRATEGY

The investment strategy

The strategy is quantitative led and seeks to generate real returns in the more liquid parts of the fixed income market using specialised techniques only available to institutional grade fixed income managers. The Investment Manager seeks to target areas of the fixed income market that have a lower probability of default (**POD**). The Investment Manager only invests in areas where it deems it has a competitive advantage to other fixed income managers.

The investment strategy explained

The focus of the Fund is fixed interest investments. The Fund's investment strategy utilises a variety of institutional techniques, including a combination of inflation hedges, overlays, arbitrage strategies and short-to-medium term investment-grade bond opportunities to generate real returns above the RBA cash rate. The focus and style of the Investment Manager is to seek out lower POD opportunities in fixed income markets and then use specialised techniques to deliver returns to investors using a variety of return sources that have market-based correlations.

The Fund's investment strategy may change from time to time. The Investment Manager will notify investors of any changes to investment strategy in accordance with the requirements in the Corporations Act.

Investment universe

The investment universe is comprised mainly of investment-grade corporate bonds, inflation derivatives, credit derivatives, interest rate derivatives, bank bills and Negotiable Certificates of Deposit (NCDs) and other various deposit products issued by Authorised Deposit taking Institutions (ADIs). In addition, the Fund may also use derivatives to gain additional exposure to non-Australian interest rates. Fortlake aims to hedge any foreign currency exposure back to the Australian dollar.

Key dependencies or assumptions

The Fund relies heavily on the effectiveness of the methodology described in the "Fortlake's investment process" section to deliver positive returns. If the methodology does not work as anticipated, the Fund could underperform or incur losses.

For further information regarding the risks associated with the Fund's investment strategy, refer to section 4.

Diversification and position limits

The portfolio will typically contain 20 to 70 positions. The portfolio will generally contain derivative positions as well, particularly where use of the derivative provides a more efficient exposure to the theme or strategy of the portfolio. Any use of derivatives will be consistent with the Securities Exchange Rules.

Interests in the Fund will be issued in Australian dollars, however, the Fund will have underlying positions in US dollars and other currencies which will generally be hedged back to AUD.

The Fund will generally have the following asset allocations at all times:

- Weighted average credit weighting of the bond portfolio within the Fund no lower than BBB+.
- Global government and corporate bond exposure of 0% - 15% of net asset value of the Fund.
- Australian corporate bonds of 70% - 100% of net asset value of the Fund.
- Australian government bonds of 0% - 10% of net asset value of the Fund.
- The Fund may use derivatives to gain access to the above investment exposures and these derivatives may reference sub-investment grade issuers.
- Any use of OTC derivatives will generally not exceed 5% of the Fund's NAV.

Use of Derivatives in a fund quoted on the Securities Exchange

Under the Securities Exchange Rules, if the Fund's exposure to 'over-the-counter' (**OTC**) derivatives exceeds 5% of the Fund's NAV, within five Business Days of the end of each month the Responsible Entity must publish:

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

In accordance with the Securities Exchange, the Responsible Entity monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC derivatives counterparties is reduced to 10% or less of NAV. Only cash may be held by the Fund as collateral under an OTC derivative. OTC derivative counterparties only have recourse to the assets of the Fund under the relevant legal agreements, and does not have rights to have direct recourse to investors.

Risk management strategy

The Investment Manager continually monitors risk across four key dimensions: (i) Portfolio Exposures; (ii) Structure; (iii) Operations; and (iv) Commercial.

Portfolio Exposures relates to the individual and aggregate investment and currency exposures contained in the Fund's long portfolio, short portfolio and the resulting net exposures.

Structure relates to the Fund's counterparties for foreign exchange forward transactions and prime broking services; as well as the oversight of the legal entities relating to the Fund and the Investment Manager.

Operations relates to the Investment Manager's research, trading and accounting systems, the oversight of the Fund's service providers and other matters of regulation and compliance.

Commercial relates to the internal workings of the Investment Manager, including research, finance, human resources and communications functions.

The Investment Manager conducts a formal risk review of these dimensions on a quarterly basis.

2.3 THE FUND'S INVESTMENT PROCESS

Fortlake's investment process

Investors in the Fund have the benefit of accessing Fortlake's specialised investment process. The Investment Manager utilises a Trade Meritocracy Framework (**TMF**) to build its portfolio, which includes the following stages:

- Stage 1 – Universe and Opportunity Set

The Investment Manager identifies a shortlist of potential investments (the investment universe) which fit the Fund's investment parameters. This process involves analysing a range of investment instruments and forming a view as to their relative merits (including any discount to their intrinsic value), based on their risks and potential return, commensurate with the Fund's target return. Once the Investment Manager has completed this analysis, it uses this data to optimise capital allocation and weight the portfolio.

- Stage 2 – Factor Audit

Once the investment universe is defined, each of the potential investments is subject to further analysis and modelling through repeated simulation. This stage involves scrutinising the performance of the potential investments across a range of factors. Such factors may include macroeconomic factors or investment specific factors like volatility or momentum. Potential investments are ranked across each factor with a view of identifying opportunities and areas for further optimisation. The factors used in this stage may change over time and themselves are evaluated regularly by the Investment Manager to ensure effectiveness.

- Stage 3 – Implementation Review

Once the investments and allocations have been confirmed, the Investment Manager considers the most effective means of implementing the investment. For example, in some circumstances, the Investment Manager may elect to trade in a bond directly, and in others, it may elect to instead trade via a derivative. In determining this, the Investment Manager will have regard to the potential merits and risks associated with each approach.

- Stage 4 – Execution Review

Once the most appropriate means of implementation has been identified, the Investment Manager determines the optimal means of executing the trade. This includes an evaluation of the potential trading counterparties, informed by the Investment Manager's previous knowledge and experience with the counterparties.

- Stage 5 – Post Execution Review

When the Investment Manager executes a trade (and thereafter), it analyses how the market responds to its trade. The Investment Manager uses this data to develop a profile on counterparty firms and the market, which it uses to better inform trading strategy and counterparty selection in the future.

- Stage 6 – Live Monitor

The portfolio is then subject to ongoing monitoring and evaluation. The data collected at this stage is used to evaluate the sufficiency of the model and identify further areas of optimisation.

Labour and environmental, social or ethical considerations

In buying, selling or retaining underlying investments, Fortlake does not generally take into account labour standards or environmental, social or ethical (**ESG**) considerations.

However, to the extent that Fortlake believes those matters may affect the value or performance of an underlying investment they may be considered. Fortlake does not apply a predetermined view as to what constitutes labour standards or environmental, social or governance considerations. These will be determined on a case-by-case basis for the Fund.

The Fund's Geographic exposure

The Fund may invest in corporate bonds or other debt instruments issued by foreign corporations.

The Fund will typically have geographical exposures of:

GEOGRAPHIC LOCATION	GROSS EXPOSURE RANGE
North America	7.5%
UK/EMEA	7.5%
Asia Pacific (predominantly Australia)	85%

We note that these geographical allocations are guidelines only and may be varied at the discretion of Fortlake having regard to the best interests of investors and the investment strategy of the Fund.

What corporate governance processes are in place to manage my investment?

Under the Corporations Act and the Fund documents, investors are provided with several layers of oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated by a responsible entity who holds an appropriate Australian Financial Services Licence (**AFSL**). The Responsible Entity of the Fund is Trustees Australia. Trustees Australia has appointed Fortlake as Investment Manager, Link Fund Solutions Pty Limited as Administrator and J.P. Morgan Securities LLC as the Prime Broker and Custodian, to hold the assets of the Fund.

Like most Australian managed investment schemes, the Fund is a unit trust. In exchange for your invested money you are issued units. Certain rights (such as a right to any income and a right to vote) attach to your units. You may also have obligations in respect of your units. The rights and obligations attached to units are set out in the Fund's Constitution.

3. INVESTING IN THE FUND

Transacting on a Securities Exchange or with the Responsible Entity

The Fund is structured as a registered managed investment scheme. An application has been made to Cboe for the quotation of the Units on the Securities Exchange. If the Units are quoted on the Securities Exchange, Units will be able to be traded on the Securities Exchange in the same way as any other quoted security.

Investors can enter the Fund through acquiring Units on Securities Exchange, through an IDPS provider or directly with the Responsible Entity using an Application Form. Investors can exit the Fund through selling Units on the Securities Exchange, redeeming Units through an IDPS or directly with the Responsible Entity by making a withdrawal request.

All Units are fungible and the method you enter the Fund does not determine how you can exit the Fund. An investor who acquires Units directly with the Responsible Entity can exit the Fund, or sell Units through the Securities Exchange by contacting their stockbroker. Similarly, an investor who acquired Units on the Securities Exchange can redeem Units by submitting a withdrawal request to the Responsible Entity. You need to hold your Units on the issuer-sponsored sub-register to make a withdrawal request directly to the Responsible Entity. Your stockbroker can assist you with this process if you hold your Units on a Holder Identification Number (HIN). Similarly, if you hold your Units with the Responsible Entity (holding on the issuer sponsor sub-register) your stockbroker will need to convert Units to the CHESS sub-register (HIN) in order to settle the trade on a Securities Exchange. Refer to the heading 'Transfer and Conversion of Units' below in for further details.

Refer to section 9 and 10 for more information on withdrawals.

The following table sets out the key differences between entering and exiting the Fund via the Securities Exchange or by applying for and withdrawing Units directly from the Fund. This is a summary only. This PDS should be read in full before making any decision to invest in the Fund. For more information see sections 6 to 8.

	Buying Units on the Securities Exchange	Applying for Units directly with the Responsible Entity
How do I make an investment in the Fund?	If the Units are quoted on the Securities Exchange, investors can invest in the Fund by purchasing Units via their trading platform or stockbroker. Investors do not need to complete an Application Form. Investors' purchase of Units will be settled via the CHESS settlement service, generally 2 Business Days following their purchase.	You can acquire Units by completing the Application Form. If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money before or at 2pm (Sydney time) on a Business Day and your application for Units is accepted, you will generally receive the Application Price calculated for that Business Day. If we receive a correctly completed Application Form, identification documents and application money after 2pm (Sydney time), and your application for Units is accepted, we will issue Units to you using the Application Price calculated for the next Business Day.
When I make an investment in the	An investor's entry price into the Fund will be the price at which they have purchased Units on the Securities	The Application Price at which Units are acquired is determined in accordance with the Constitution. The

Fund what is the entry price?	Exchange. The Responsible Entity does not guarantee the price on the Securities Exchange will align with NAV or iNAV. Investors buying or selling Units on the Securities Exchange will receive transaction confirmations from their stockbroker. Investors may incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange charged by their respective stockbrokers. Investors should consult their stockbroker for more information in relation to their fees and charges.	Application Price on a Business Day reflects the NAV per unit and adjusted for transaction costs (Buy Spread). As at the date of this PDS, the expected Buy Spread is nil.
Is there a minimum amount or number of Units I need to invest in?	There is no minimum number of Units investors must buy on the Securities Exchange.	The minimum initial investment amount to invest in for the Fund directly through the Responsible Entity is \$1,000. The minimum additional investment amount is \$1,000.
How do I withdraw my investment?	Investors can withdraw from the Fund by selling Units on the Securities Exchange via their stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units after their sale of Units is settled via the CHESS settlement service, generally 2 Business Days following the sale. To sell Units on the Securities Exchange, the investor will need to have their Units held in an account with a stockbroker (HIN holding on the CHESS sub-register).	Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund. To withdraw, you must hold your Units on the Fund's issuer sponsored sub-register and provide your Security Reference Number (SRN). If we receive a withdrawal request before or at 2pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day. Redemption proceeds will generally be paid within 3 business days of the request (although the Constitution allows us 21 days).

At what price can I sell my Units in the Fund?	An investor's exit price will be the price at which they have sold Units on the Securities Exchange. The Responsible Entity does not guarantee the price on the Securities Exchange will be the same as NAV or iNAV. Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.	The Withdrawal Price at which Units are withdrawn is determined in accordance with the Constitution. The Withdrawal Price on a Business Day reflects the NAV per unit and adjusted for transaction costs (Sell Spread). At the date of this PDS, the Sell Spread is expected to be 0.02%. The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.
Is there a minimum amount or number of Units I must withdraw?	There is no minimum number of Units investors can sell on the Securities Exchange.	The minimum withdrawal amount is \$1,000. A minimum balance amount of \$1,000 is required.

Units and NAV per Unit

The NAV estimates the value of the Fund's assets at the close of trading on the previous day in each market in which the Fund invests. The NAV per unit will be published daily on the Investment Manager's website www.fortlake.com.au prior to the commencement of each Trading Day. The NAV per unit may fluctuate each day as the market value of the Fund's assets rises or falls. For further information on how the NAV per Unit is calculated refer to the Responsible Entity's Unit Pricing Policy.

The Responsible Entity has engaged Markit Group Limited ("IHS Markit") to calculate and disseminate an indicative NAV per unit (**iNAV**) which will be published on the Investment Manager's website www.fortlake.com.au throughout each Trading Day. The iNAV is generally updated every 1 second throughout the Trading day. The iNAV reflects the real time movements in markets and currencies during the Trading Day. The iNAV will also be updated with respect to investments that have live market prices during the Trading Day and a combination of proxies and last available prices will be used for investments that do not have live market prices during the Trading Day (e.g. foreign bonds).

To the extent permitted by law, neither the Responsible Entity nor the iNAV Provider shall be liable to any person who relies on the iNAV. The price at which Units trade on the Securities Exchange may not reflect with the NAV per Unit or the iNAV. No assurance can be given that the iNAV will be up to date at all times or free from error.

The Responsible Entity is not required to disclose every underlying asset of the Fund on a daily basis and will not do so to protect the work the Investment Manager does on behalf of the Fund. Instead, the Fund will disclose daily the iNAV (throughout the Trading Day) and NAV, and will disclose full portfolio holdings to Cboe at least quarterly with a delay of no more than 2 months.

The Market Making Agent buys and sells Units at prices that are determined by reference to the published iNAV and NAV of the Fund. At the end of each Trading Day, the Market Making Agent will determine and inform the Responsible Entity of the net number of Units it has bought or sold for the Responsible Entity to either issue (if the Market Making Agent has

sold more Units than it has bought) or redeem (if the Market Making Agent has bought more Units than it has sold) Units in the Fund. This means the Responsible Entity has a strong incentive to ensure there is minimal or no difference between the price at which the Market Making Agent buys and sells Units and the price at which the Responsible Entity will issue or redeem Units.

Liquidity on the Securities Exchange

If the Fund has been quoted for trading on the Securities Exchange, the Units of the Fund will be traded on the Securities Exchange like any quoted security. Under the Securities Exchange Rules, the Responsible Entity has certain obligations in respect of the Fund to facilitate a liquid and orderly market.

The Responsible Entity has appointed the Market Making Agent to maintain liquidity by acting as a buyer and seller on the Securities Exchange. The Market Making Agent uses information such as the NAV and iNAV (see below) to determine the appropriate bid-ask spreads and sends these prices to the Securities Exchange as bid and ask orders. These orders are updated continuously throughout the day to reflect price changes in the underlying securities (if any). The price that the Market Making Agent may buy or sell Units on the Securities Exchange may vary due to market conditions. Please refer to the Market Making Risks in section 4.

Transfer and conversion of Units

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

- **Investor acquired Units from the Responsible Entity but wish to sell Units on the Securities Exchange:** If the investor acquired Units from the Responsible Entity directly (Units held on the issuer sponsored sub-register), the investor will need to convert or transfer Units to an account with a stockbroker (HIN holding on the CHESS sub-register) to transact on a Securities Exchange. To do this, you will need to provide your stockbroker with your SRN. You are only able to convert or transfer whole Units and any residual fractions of Units will be cancelled and become the assets of the Fund.
- **Investor acquired Units on the Securities Exchange but wish to redeem Units directly with the Responsible Entity:** If the investor acquired Units on a Securities Exchange (HIN holding on the CHESS sub-register), the investor will need to convert or transfer their Units to an account directly with the Responsible Entity (issuer sponsored sub-register (SRN)) to redeem Units with the Responsible Entity directly. Your stockbroker can initiate the transfer or conversion of your Units held in an account with your stockbroker's CHESS sub-register (HIN) to an account directly with the Responsible Entity (SRN on the issuer sponsored sub-register).
- It is also open to investors holding Units on an account with a stockbroker to transfer or convert those Units to another HIN. The Stockbroker will process such transfer of Units for investors via CHESS, on receipt of a completed original standard transfer form.

Need help?

If you need advice about investing generally, then speak to a financial adviser. ASIC can help you check if they're licensed.

ASIC's website can be found at <http://www.asic.gov.au>.

If you have questions about the Fund, speak to your financial adviser or contact us by email at enquiries@fortlake.com.au.

4. WHAT ARE THE SIGNIFICANT RISKS?

Investing in the Funds carries various risks. Investors may lose capital, or the Fund may underperform other investments. Investors should expect that the Funds' unit prices, and total returns, may materially fluctuate over time.

About risk and return

Investors should be aware that there is no guarantee that the implementation of the investment objective or process will not result in losses to investors. The return of capital and the performance of the Fund are not guaranteed by any person or organisation, including the Investment Manager, the Responsible Entity, the Prime Broker, Custodian, Market Making Agent, or the iNAV Provider. Therefore, each investor should carefully consider the risks of investing and, where necessary, seek professional advice as to the suitability of investing in the Fund. Some risks of investing in the Fund include, but are not limited to:

Manager Skill

The Fund relies heavily on the methodology designed by the Investment Manager to outperform other investment options. If the Investment Manager makes the wrong decisions, the Fund can have negative returns.

Investment managers can be wound up or liquidated, they can cease to manage the relevant fund and be replaced, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly.

If any of these events occurred in respect of Fortlake, Trustees Australia would do all things reasonably practicable to seek a new investment manager, with a similar investment profile if thought appropriate or look to wind up the Fund.

Key Person Risk

Only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change. From time to time, there may be changes to the personnel of the Investment Manager. Such changes may include key personnel and may have an impact on investment returns of the Fund.

Conflicts of Interest Risk

The Responsible Entity and Investment Manager may invest in, directly or indirectly, or manage or advise other funds which have similar objectives to those of the Fund. Therefore, it is possible for conflicts of interests to potentially arise, such as with respect to trade allocation.

The Responsible Entity has appointed a Market Making Agent to act as market maker of the Fund however this may still give rise to a potential conflict between the Fund and investors buying or selling units on the Securities Exchange, as the Fund may benefit from such

trading activities. A conflict may also arise due to the fact that the Responsible Entity could use such trading activities to influence the perception of the performance of the Fund.

The Responsible Entity maintains a conflicts of interest policy to ensure any conflicts of interests (if any) are identified and resolved fairly.

Market Risk

Generally, the investment return on a particular asset is correlated to the return on other assets from the same market, region or asset class. However, certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility, which could impair the Fund's profitability or result in losses.

Interest Rate Risk

Interest rates and bond prices have an inverse relationship. Changes in interest rates can have a direct impact on bond prices and the returns available on the investments of the Fund. They can also have an indirect positive or negative impact on the relative attractiveness of fixed income instruments to other asset classes, or on the capacity to service any borrowings by the Fund.

Credit risk

The Fund will invest in bonds and other debt instruments. The creditworthiness of the issuers of the bonds or debt instruments is not guaranteed. There may be instances where issuers of bonds are unable to meet their debt obligations under the bonds. Such failure to meet debt obligations may impair the Fund's profitability or result in losses.

Currency Risk

At the date of this PDS, it is intended that the functional currency of the Fund's principal trading account will be Australian dollars, although the Responsible Entity retains the discretion to change this. The Fund will have exposure to investments which are denominated in currencies other than the functional currency. If the value of foreign currencies changes relative to the functional currency, the value of the investments of the Fund may change. There is a risk that the value of investments of the Fund will change due to movements in the exchange rate between the local currency and the Australian dollar. The Investment Manager intends to manage this by hedging back to Australian dollar.

Derivatives Risk

Derivatives, such as options, futures and swaps, may be used by the Investment Manager for hedging and non-hedging purposes, such as:

- To manage particular risks (e.g. currency risks);
- When it is more efficient to execute a particular thematic via the derivative; or

- To reduce risk or gain exposure to other types of investments when appropriate.

The risks of using derivatives might include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected, and counterparty risk.

The use of derivatives may result in the Fund being leveraged as the amount of liabilities which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their investments. The Fund may not use derivatives for the purpose of financial leverage.

Counterparty Risk

Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. A party defaulting on its obligations could subject the Fund to substantial losses because the Fund will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.

Liquidity of investments risk

The Investment Manager invests in government or government related bonds and may invest opportunistically in short-term investment-grade bonds. Whilst bonds are generally considered to be liquid investments, investments in bonds may suffer from a lack of liquidity during the term of the bond, or under extreme market conditions. If market events reduce the liquidity of the Fund's investments, such that investments cannot be readily converted into cash or at an appropriate price, the Fund may be unable to liquidate sufficient assets to make payment of withdrawals within required timeframes, or it may be required to sell assets at a substantial loss in order to do so. In addition, if an investor or a group of investors seek to make large withdrawals, then selling assets under poor market conditions to meet those withdrawals may result in a detrimental impact on the price received by the Fund for those assets.

Diversification

The Investment Manager intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. If the Fund's investment portfolio is concentrated in a small number of investments, the portfolio will be subject to a greater level of volatility.

Service Provider Risk

The Fund relies on external service providers in connection with its operations. Services include prime brokerage/custody, fund administration and middle office. There is a risk that these service providers may not meet their contractual obligations, or seek to terminate their services to the Fund. In this situation, the Fund may be required to replace a service provider and this may lead to a disruption to the activities of the Fund.

iNAV risk

The iNAV published by the Fund is indicative only and might not accurately reflect the underlying value of the Fund.

Market making risk

The Responsible Entity has appointed the Market Making Agent to act as market maker in the units on behalf of the Fund. There is a risk that the Fund may incur a cost as a result of these market making activities which may adversely affect the NAV or iNAV of the Fund. Such a cost could be a result of an error in execution of market making activities or in how units are priced when traded on the Securities Exchange. The Responsible Entity has the discretion to increase the spread at which it requires the Market Making Agent to make a market and to cease making a market, subject to its obligations under the Securities Exchange Rules. In addition, there is the risk that the Market Making Agent does not fulfil its obligations in a correct and timely manner.

Removal from quotation

The Securities Exchange Rules impose certain requirements for the continued quotation of Units on the Securities Exchange. The Responsible Entity will use best endeavours to ensure the Fund continues to meet these requirements, however there can be no assurances that the Fund will continue to meet the requirements necessary to maintain quotation on the Securities Exchange. Cboe may also change the quotation requirements from time to time.

Securities Exchange liquidity risk

The liquidity of trading in the Units on the Securities Exchange may be limited. This may affect an investor's ability to buy or sell Units on the Securities Exchange. Investors will not be able to buy or sell Units on the Securities Exchange during any period where the Securities Exchange is experiencing a trading outage, where the Responsible Entity seeks a trading halt in accordance with the Securities Exchange Rules or where Cboe suspends trading of Units in the Fund. Further, where trading in the Units on the Securities Exchange has been suspended, the Responsible Entity may suspend processing of any withdrawal requests.

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

It is possible that the trading price of Units on the Securities Exchange may differ from the NAV or iNAV per Unit. The trading price is dependent on a number of factors including pricing basket, investor confidence, the availability of the market maker services during the course of the Trading Day, and the bid-offer spread charged by the Market Making Agent. The application and redemption process between Responsible Entity and Market Making Agent is designed to reduce the likelihood of Units trading at a significant discount or premium to the NAV per Unit. However, if there is a suspension of the application or redemption process on a particular Trading Day, the trading price might diverge further from the NAV per Unit. Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from the Fund's NAV per Unit. The risk may be higher in the period shortly after the Securities Exchange opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to NAV per Unit or sells at a time when the market price is at a discount to the NAV per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

Fund Risk

Common risks associated with most managed funds include the risk that the Responsible Entity may be terminated; the fees and expenses could change; or the Responsible Entity or the Investment Manager could change. The Responsible Entity has the discretion to compulsorily redeem Units. In addition, the results of investing in the Fund may lead to different results compared with investing directly in securities because of income or capital gains accrued in the Fund and the consequences of other investors investing in, or withdrawing from, the Fund.

Foreign Taxation

The Fund may invest in markets located in many jurisdictions around the world with different tax regimes, some of which may subject the Fund to withholding or other taxation, which may impact the Fund's returns.

Legal, Regulatory & Tax Risk

Legal, regulatory and tax changes could occur during the term of the Fund, which may adversely affect the Fund and its underlying investments. The value or tax treatment of an investment, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods.

Cyber Risk

There is a risk of fraud, data loss, business disruption or damage to information of the Fund or to an investor's personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity, the Investment Manager or any other service providers.

5. FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your financial 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) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs, because it is important to understand their impact on your investment.

Fees and costs summary

Fortlake Real-Income Fund (Managed Fund)		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
<i>Management fees and costs</i> The fees and costs for managing your investment ¹	0.74% p.a. (incl.GST) of the net asset value of the Fund	The management fees accrue daily and deducted from the Fund monthly. Indirect costs are deducted from the Fund when incurred.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<i>Transaction Costs</i> ¹ The costs incurred by the scheme when buying or selling assets	0.02% (incl.GST) of the net asset value of the Fund	Transaction costs for the Fund are paid out of the assets of the Fund.
Member activity related fees and costs (fees for services or when your money moves in or out of the product)		
<i>Establishment Fee</i>	Nil	Not applicable

The fee to open your investment		
<i>Contribution Fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Buy-sell spread¹</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	0%/-0.02%	For investors submitting requests directly to the Responsible Entity to withdraw, a sell spread may be charged by the Responsible Entity when redeeming units.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
<i>Switching fee</i> The fee for changing investment options	Not applicable	Not applicable

¹ This is Trustees Australia's reasonable estimate of the costs for the financial year ending 30 June 2022. The buy-sell spread may change due to market conditions and the applicable buy-sell spread for the Fund will be updated from time to time and published at www.fortlake.com.au.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs in the balanced 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 – Fortlake Real-Income Fund (Managed Fund)		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs	0.74% p.a.	And , for every \$50,000 you have in the Fortlake Real Higher Income Fund, you will be charged or have deducted from your investment \$370.
PLUS Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fee each year

PLUS Transaction costs	0.02% p.a.	And , you will be charged or have deducted from your investment \$10 in transaction costs
EQUALS Cost of Fortlake Real-Income Fund	0.76% p.a.	<p>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 in the range of:</p> <p style="text-align: center;">\$380[^]</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

[^]This example assumes the additional \$5,000 was invested at the end of the year and therefore does not impact the fees charged for the year.

Investors should note that the Corporations Act requires that when calculating management costs in this table we must assume that the value of your investment remains at \$50,000 and the Fund's unit price does not fluctuate. Management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions) during any 12-month period. The example assumes no abnormal expenses are incurred, no additional service fees are incurred by you and that fees are not individually negotiated with us. Totals may vary from the expected number due to rounding.

5.1 ADDITIONAL EXPLANATION OF FEES AND COSTS

All fees are expressed as a percentage of net asset value of the Fund excluding accrued fees. All fees are inclusive of GST and net of any Reduced Input Tax Credits (**RITC**).

About Management fees and costs

Management fees and costs comprise the additional fees or costs that investors incur by investing in the Fund, rather than investing directly in the underlying assets. These include:

- Fortlake's management fees of 0.44% per annum of the net asset value of the Fund (inclusive of GST) calculated daily, and payable monthly in arrears. The management fee is charged by Fortlake for acting as Investment Manager of the Fund including managing its investments.
- certain expenses incurred by the Responsible Entity including administrator fees, indirect costs, audit costs, legal costs, distribution costs and administration and custody fees. Trustees Australia is entitled under the Constitution to be reimbursed out of the Fund's assets for the expenses incurred in the proper performance of its duties as the responsible entity of the Fund include the fee charged by the Administrator. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

Management costs do not include contribution fees, transactional costs, operational costs, additional service fees, establishment fees, switching fees, exit fees, withdrawal fees, performance fees or incidental fees.

Performance Fee

The Fund does not charge a performance fee.

About Transactional costs

Transaction costs include brokerage, buy-sell spread, settlement costs, clearing and stamp duty costs, and the costs of derivatives used for hedging purposes. When you invest in the Fund, Fortlake may incur expenses in buying and selling investments (for example, brokerage and custody costs). Fortlake may also incur costs resulting from trading certain derivative products for hedging purposes. Fortlake will also incur costs in selling investments to meet withdrawal requests. This adjustment ensures that the existing investors do not pay costs associated with other investors acquiring/withdrawing units from the Fund. The buy-sell spread is reflected in the issue/withdrawal price.

The transaction costs shown in the Fees and costs summary above are net of any amount recovered by the buy/sell spread. Fortlake's estimates of the total gross transaction costs for the Fund is 0.07% for the year ending 30 June 2022.

The costs have been based on a reasonable estimate of the costs for the financial year ending 30 June 2022. In practice, your investment balance, the Fund's volume of trading and the number and value of applications and withdrawals processed will vary from year to year.

Transaction costs such as brokerage and settlement costs are incurred when the Fund acquires or disposes of assets. The amount of these costs for the Fund will vary from year to year depending on the volume and value of trades undertaken for the Fund.

Transaction costs for the Fund are paid out of the assets of the Fund and are not fees paid to Fortlake or the Responsible Entity.

Recovery through the Buy-sell spread

A buy-sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the issue/withdrawal of units. The buy-sell spread aims to ensure that non-transacting investors do not pay the transaction costs associated with an investor entering or exiting the Fund. The buy and sell costs are not fees paid to Fortlake – they are retained in the Fund to cover transaction costs as they are incurred. The buy costs are built into the Fund's entry unit price and the sell costs are built into the exit unit price. The buy-sell spread will impact the return on your investment and is an additional cost to transacting investors.

As at the date of this PDS, for investors applying for Units or withdrawing Units directly with the Responsible Entity, our buy-sell spread is estimated to be 0.02% of the unit price (that is +0.00% on the entry price and -0.02% on the exit price). So, if the net asset value of each unit is \$1.00, on entry we do not adjust the issue price, but on exit, we adjust the withdrawal price down approximately 0.02% down (down 0.02 cents). The buy-sell spread is not paid to Trustees Australia or Fortlake. The current buy/sell spread is available on www.fortlake.com.au.

* Our discretion in determining the buy-sell spread is carried out in accordance with documented policies – copies of which are available from us at no charge.

For investors who buy or sell Units on the Securities Exchange, the price at which they transact may vary from the prevailing NAV. The prices on the Securities Exchange are determined in the secondary market by market participants who set their own prices at which they wish to buy or sell Units. The difference, or spread, between the prevailing NAV and the price at which the Units are actually bought or sold may represent a cost or possible benefit to the investor with respect to their investment into the Fund. The buy-sell spread estimate does not apply to investors who buy or sell Units on the Securities Exchange. Instead, investors may also incur customary brokerage fees and commissions charged by their respective brokers.

Can the fees change or be updated?

Yes, all fees can change. Reasons might include changing economic conditions, indexation arrangements and changes in regulation. However, we will give you 30 days' written notice of any increase to fees where practicable. The Constitution for the Fund sets the maximum amount we can charge for all fees. If we wished to raise fees above the amounts allowed for in the Fund's Constitution, we would need the approval of investors in accordance with the terms of the Constitution.

Please refer to our website for any updates on our estimates of any fees and costs (including indirect costs and transaction costs). Past performance is not an indicator of future performance and fees or costs may change in future years.

Adviser remuneration

No commissions will be paid by us to financial advisers. Additional fees may be paid by you to your financial adviser if one is consulted. You should refer to the Statement of Advice they give you in which details of the fees are set out.

Can fees be different for different investors?

The law allows us to negotiate fees with "wholesale" investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. We generally don't negotiate fees. However, we may negotiate fees with very large wholesale clients only. The terms of these arrangements are at our discretion.

Fortlake may also rebate some of its management fees to investors who are Fortlake employees.

Government charges and taxation

Government taxes such as GST are applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. Please refer to the 'What about Tax?' section of the PDS.

6. HOW TO INVEST WITH THE RESPONSIBLE ENTITY

Application requests will generally be processed daily using the unit price effective for the day. If your application request is received before 2pm Sydney time on the relevant business day, it will be processed using the unit price effective for the end of the day. If an application request is received after this time, it is treated as having been received the following business day.

You need to invest a minimum of \$1,000 using the Application Form accompanying this PDS and post it to:

LINK Market Services
Locked Bag 5038
Parramatta NSW 2150
Australia

If applications are rejected, investors' application money will be refunded in full without interest.

Trustees Australia may reduce or waive the minimum investment amount. Trustees Australia maintains discretion to reject an Application request.

Trustees Australia does not earn interest on application monies held prior to the time we issue units to you.

Additional investments can be made at any time in writing using the additional investment form accompanying this PDS. The minimum amount for additional investments is \$1,000.

If we receive a payment from an investor for less than \$1,000, Trustees Australia maintains discretion to reject the payment and return the amount to the investor.

See the section, "Investing through a master trust or wrap account" for more information and for arrangements that apply to investors using a master trust or wrap account service to invest.

7. HOW TO INVEST THROUGH THE SECURITIES EXCHANGE

If the Units are quoted on the Securities Exchange, investors can invest in the Fund by buying Units through their stockbroker who will settle on the purchase of their Units in the same way they would settle purchases of listed securities via the CHESS settlement service. Application Forms are not required to be completed and there is no minimum investment amount. The price applied to the purchase will be the market price at the time of purchase as reflected by the price at which they have bought Units on the Securities Exchange.

Investors do not have cooling-off rights in respect of Units if they purchase via the Securities Exchange.

8. INVESTING THROUGH A MASTER TRUST OR WRAP ACCOUNT

If you invest through a master trust or a wrap account, generally the operator of that service is considered the investor in the Fund. It follows that the operator has the rights of an investor and can exercise them in accordance with their agreements with you. This means, for example, that you generally cannot vote on units held in the Fund. We are not responsible for the operation of any master trust or wrap account through which you invest.

Indirect investors complete the application forms for the master trust or wrap account and receive reports from that operator, not from us.

The minimum investment, balance and withdrawal amounts may be different. You should also take into account the fees and charges of the master trust or wrap account operator as these will be in addition to the fees paid in connection with an investment in the Fund.

You can however still rely on the information in this PDS. In addition to reading this PDS, you should read the document that explains the master trust or wrap account.

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via a master trust or wrap account) are able to access Trustees Australia's complaints procedures outlined in the "Enquiries and Complaints" section below.

9. WITHDRAWING YOUR INVESTMENT WITH THE RESPONSIBLE ENTITY

When you wish to withdraw

There is generally a minimum withdrawal amount of \$1,000 and a minimum balance of \$1,000 applies to the Fund.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw, specify your investor number and ensure your instructions are signed. This is called a redemption request. Redemption requests can be sent to:

LINK Market Services
PO Box 3721
Rhodes NSW 2138
Australia

Alternatively, you can send a redemption request by email to fortlake@linkmarketservices.com.au.

If you would like to send a redemption request by post or email please be aware of the following requirements:

- all instructions must be legible;
- instructions must bear your investor number and signature; and
- redemption proceeds will only be transferred to the financial institution account previously notified to us in writing.

To use this service, you will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liability arising from us acting on scanned instructions (including future instructions), even if those instructions are not genuine. Also, you agree that neither you nor any other person has any claim against us in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The Fund accepts redemption requests on a daily basis. Daily redemption requests are required to be received by 2pm Sydney time on the day of redemption, for processing using the unit price effective for the day of redemption. Any withdrawal requests received after that time or on a day that is not a business day will be processed on the price effective on the following business day.

Normally once we decide you can withdraw your money, we process the request within 3 business days of the request (although the Constitution for the Fund allows us 21 days) and pay funds to your account.

You will be notified of any material changes to your withdrawal rights through the Fund website where there is a material change to your withdrawal rights.

Some detail about withdrawals and how much we pay

How much money you receive for each unit depends on the withdrawal price.

We calculate unit prices in three steps:

Firstly, we calculate the value of the investments of the Fund and take away the value of the liabilities as defined in the Fund's Constitution. Secondly, we divide the result of this by the number of units we have on issue to obtain a unit mid-price. Thirdly, we make an adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments) called the buy-sell spread. The buy-sell spread does not represent a fee to Trustees Australia or Fortlake and is discussed in more detail in the section "Additional explanation of fees and costs".

These steps produce a per unit price.

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

We can withhold from amounts we pay you, any amount you owe us or we owe someone else relating to you (for example, the tax office).

We generally pay all withdrawal proceeds in cash, directly to your bank account but we are permitted under the Constitution for the Fund to pay proceeds in kind (i.e. in specie share transfer).

Where we have made a payment to your bank account, we maintain no responsibility for the time your bank takes to receive the funds.

Payments can be delayed

In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act), you may have to wait a longer period of time before you can redeem your investment.

If the Fund is not sufficiently liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund's Constitution and Corporations Act.

We can delay withdrawal of your money for 21 days or such period as considered appropriate in our view in all the circumstances if:

- there are not enough investments which we can easily turn into cash (the law dictates this). We don't anticipate the Fund would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit; or
- we receive a quantity of withdrawal requests representing more than 10 per cent of the value of the investments of the Fund. In this case we can stagger withdrawal payments.

In certain circumstances we can also delay withdrawal of your money for so long as the relevant event continues. The Constitution sets out the full range of circumstances in which we can delay withdrawal of your money and these include (among others) if:

- something outside our control affects our ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash); or
- an emergency or similar state of affairs occurs which, in our reasonable opinion, makes it impractical to redeem units or which might be prejudicial to the remaining investors; or
- there is a closure or material restriction on trading on the major global stock exchanges or realisation of the assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market; or
- we otherwise consider it is in the best interests of the investors to delay withdrawal of units.

We can give you back your invested money

In certain circumstances we can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- if you breach your obligations to us (for example, you provide misleading information in your Application Form);
- where we suspect that law prohibits you from legally being an investor; or
- such other circumstance as set out in the Constitution as we determine in our absolute discretion (but we must always act in the best interests of investors as a whole when deciding to do this).

10. WITHDRAWING THROUGH THE SECURITIES EXCHANGE

If Units are quoted on the Securities Exchange, investors can withdraw from the Fund by selling Units through their stockbroker who will settle the sell order and receive proceeds in the same way they would receive proceeds from the sale of listed securities via the CHES settlement service. Withdrawal requests are not required to be provided to the Responsible Entity and there is no minimum withdrawal amount. The exit price applied to the investors

sell order will be the market price as reflected by the price at which they have sold Units on the Securities Exchange. You are only able to sell whole Units and any residual Units will be cancelled and become the assets of the Fund.

Investors should note that as mentioned under 'Securities Exchange liquidity risk' in section 4, there may be circumstances when investors will not be able to sell Units on the Security Exchange.

11. DISTRIBUTIONS

Distributions will usually be determined and paid quarterly at the end of each quarter. The amount will vary and sometimes there might not be any distribution. The Responsible Entity may change the distribution frequency without notice. Distributions (if any) will generally be paid within 30 days after the distribution date. Investors are eligible to receive a distribution in respect of the Units they hold, as reflected in the sub-registers kept by the Unit Registry, on the last day of the distribution period. The Responsible Entity has a Distribution Reinvestment Policy (**DRP**) which will be made available to investors and be publicly available on www.fortlake.com.au. The **DRP** sets out how investors may elect to have their income distribution to be reinvested into the Fund. Investors can elect whether they wish to be paid distributions in cash or have distributions automatically reinvested into the Fund.

If you apply for Units directly with the Responsible Entity, you will be able to elect to participate in the **DRP** on the Application Form. If you invest in the Fund through the Securities Exchange via your stockbroker, you will receive instructions from the Administrator, either electronically or by mail, on how to elect to participate in the **DRP**. The issue price of Units issued under the **DRP** will be the NAV at the end of the Trading Day which represents the end of the distribution period divided by the number of Units on issue at that day as reflected in the register kept by the Unit Registry. No additional fees or transaction costs will be payable in respect of Units issued under the **DRP**.

An investor can change their distribution option by notifying the Administrator in writing at least twenty 20 Business Days prior to the relevant distribution date. Investors will still have to pay tax on a distribution, even if it is reinvested. All additional Units issued in relation to reinvestments will be rounded to the nearest whole number.

In certain circumstances, such as where investments are sold to meet a significant redemption, Trustees Australia may choose to allocate undistributed income and any net realised capital gains to withdrawing investors based on a pro-rata allocation with reference to the number of units being withdrawn. This would only be utilised to ensure a fair and reasonable allocation of any undistributed income and net realised capital gains amongst all investors.

Trustees Australia has absolute discretion, in performing its obligation as Responsible Entity, and may accept or reject a written direction from an investor. Trustees Australia may also in its discretion waive the minimum initial investment and minimum holding amount requirements.

Trustees Australia reserves the right to cancel distribution reinvestments. Investors will be notified if this occurs.

Distribution statements are forwarded to all investors when distributions are processed and at least on a quarterly basis.

12. ABOUT THE SECURITIES EXCHANGE AND CHESS

Cboe Rules Framework

An application has been made to Cboe for the Units to be admitted to quotation on the Securities Exchange under the Securities Exchange Rules. Securities Exchange Rules are accessible at www.Cboe.com.au.

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

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

Requirement	ASX listing Rules	Securities Exchange Rules
Control	An issuer controls the value of its own securities and the business it runs. The value of those securities is directly influenced by the equity issuer's performance and conduct. e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.	An issuer of a product quoted on the Cboe platform does not control the value of the assets underlying its product. It offers a product that gives investors exposure to underlying assets – such as shares, bonds, indices, currencies or commodities. The value (price) of products quoted under the Securities Exchange Rules is dependent on the performance of the underlying assets rather than the financial performance of the issuer itself e.g. a managed fund issuer does not control the value of the bonds it invests in.
Continuous disclosure	Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>Issuers of products quoted under the Securities Exchange Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act. However, the Responsible Entity must comply with section 675 of the Corporations Act as if the Fund were an unlisted disclosing entity and will provide such information to Cboe and to the Investment Manager's website at www.fortlake.com.au, as soon as practicable after it becomes aware of the relevant information.</p> <p>Under Securities Exchange Rule 14.29, the Responsible Entity must also disclose:</p> <ul style="list-style-type: none">• information about the NAV of the Fund's underlying investments daily;• the Fund's NAV whenever the issuer's management activities cause the Fund's NAV to move

		<p>by more than 10% since the last reported NAV;</p> <ul style="list-style-type: none"> • information about withdrawals from the Fund; • information about distributions paid in relation to the Fund; • any other information that is required to be disclosed to ASIC under s323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules; • any information the non-disclosure of which may establish a false market in the Units or otherwise impact on the price for the Units.
Periodic disclosure	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	<p>Under the Securities Exchange Rules, issuers are not required to disclose their half yearly and annual financial information or annual reports. Responsible Entities of products quoted on Cboethat are registered managed investment schemes are, however, still required to lodge financial reports for those managed investment schemes with Cboe at the same time as they are provided to ASIC under Chapter 2M of the Corporations Act. Under the Securities Exchange Rules, Trustees Australia Limited as an issuer of the Fund, if quoted on the Securities Exchange, is required to disclose:</p> <ul style="list-style-type: none"> • within 5 Business Days of the end of each month, the total number of individual Units on issue on the last Business Day of that month; and • in the case where the Fund's aggregate notional exposure to all OTC derivatives is greater than 5% of the Fund's NAV, within 5 Business Days of the end of each month, the exposure of the Fund to all OTC derivative counterparties as a percentage of the NAV of the Fund and the value of the assets (excluding the value of OTC derivatives, but inclusive of collateral) held by the Fund as a percentage of the NAV of the Fund.

Corporate Control	Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	Certain requirements in the Corporations Act and the ASX Listing Rules that apply to companies and listed schemes do not apply to products quoted under the Securities Exchange Rules. Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity by extraordinary resolution by the members entitled to vote.
Related Party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to products quoted under the Securities Exchange Rules. The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the Securities Exchange Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Fund under section 601HG of the Corporations Act.

About CHESS

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

13. KEEPING YOU INFORMED

We will:

- confirm every transaction you make;
- send you Annual Tax Statements (generally 1 month after the end of the financial year);

- each year (prior to the end of September) make the accounts of the Fund available to you on our website;
- send you Annual Periodic Statements;
- send you a final Exiting Period Statement; and
- notify you (which notification may be by way of disclosure on Fortlake's website www.fortlake.com.au) of any material changes to this PDS and any other significant event as required by law.

If the Fund is quoted on the Securities Exchange, the Fund will be considered a “disclosing entity” for the purposes of the Corporations Act. This means the Fund will become subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors will have a right to obtain a copy, free of charge, in respect of the Fund, of:

- the most recent annual financial report; and
- any half yearly financial report lodged with ASIC after that most recent annual financial report but before the date of this PDS.

ASIC relief

The Responsible Entity relies on ASIC Class Order CO 13/721, which exempts it from the requirements in section 1017B of the Corporations Act to disclose material changes and significant events on an ongoing basis, on the basis that the Responsible Entity will comply with section 675 of the Corporations Act and the continuous disclosure requirements as if the Fund were an unlisted disclosing entity.

Any continuous disclosure obligations we may have will be met by following ASIC's good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly, should Trustees Australia, as Responsible Entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of any continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable on our website www.fortlake.com.au.

Securities Exchange conditions of admission

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

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

14. WHAT ABOUT TAX?

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So, it's important that you seek professional advice before you invest or deal with your investment.

The discussion below assumes that the Fund will be an Attribution Managed Investment trust (**AMIT**) and that the investor is an Australian resident for tax purposes who holds their units in the Fund directly on capital account. Non-resident investors should seek their own independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant double taxation agreement and/or multilateral instrument/exchange of information agreement between Australia and their country of residence for taxation purposes.

You may need to pay tax in relation to your investment in the Fund. Whilst you may pay income tax you might be able to claim some tax credits or have the benefit of some concessions.

The Fund is an Australian resident trust for Australian tax purposes. It is required to determine its tax components for each year of income. These tax components may include assessable income, exempt income, non-assessable non-exempt income, tax offsets and credits of different characters. The trustee will attribute the tax components to investors on an annual basis such that investors should be treated as having derived their share of the tax components of the Fund directly on a flow through basis. In the case where a Fund makes a loss for tax purposes, that Fund cannot distribute (or attribute) the loss to investors. However, subject to the relevant Fund meeting certain conditions the Fund may be able to take into account the losses in subsequent years.

The Fund will generally attribute any income and realised gains (the timing of recognition of income may be impacted by the Taxation of Financial Arrangements (**TOFA**) provisions as noted below), if any, shortly after 30 June each year. Investors will be required to include in their assessable income the taxable components attributed to them by the Fund. The Fund may attribute a number of different types of income which reflect the income derived by the Fund. These components could comprise of:

- interest;
- foreign income and foreign income tax offsets;
- Australian sourced income;
- franked dividends/franking credits; and
- non-assessable amounts.

If the Fund's assets are \$100 million or more it will be subject to TOFA provisions of the tax legislation which provides rules in relation to the method for calculating gains and losses from financial arrangements and the time at which these gains and losses are brought to account for tax purposes (the default recognition of gains and losses would be accruals or realisation method but there are certain elections that the Trustee might make for alternative timing recognition).

An investor's share of the assessable tax components of the Fund for a year of income forms part of the investor's assessable income of that year.

Tax components of the Fund which are allocated to investors may include franked distributions. Subject to the application of anti-avoidance provisions at the Fund level (such as the dividend imputation holding period and related payment rules), such franked distributions generally entitle Australian resident investors to obtain a tax offset (the franking credit) that is available to offset against their income tax liability. Franked distributions and franking credits are included in a person's assessable income. If the franking credits exceed the tax payable on an investor's taxable income, the excess credits may be refundable to the investor if the investor is a resident individual or complying superannuation fund. Excess franking credits may generate tax losses if the investor is a corporate entity.

Tax components of the Fund which are attributed to investors may also include non-cash amounts, such as foreign income tax offsets (**FITOs**). Depending on the investor's circumstances, they may be able to claim a tax offset for these amounts against Australian income tax payable on foreign income. An investor's entitlement to FITOs may be limited to the extent that the FITO does not relate to an amount included in assessable income, or to the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income. The excess FITOs cannot be carried forward to a future income year.

We will send you the information you need each year in the form of an AMIT Member Annual Tax (**AMMA**) Statement to help you to complete your tax return. This information will advise the investor of the share of the tax components of the Fund (if any) including any foreign income/foreign income tax offsets as well as any adjustments required to be made to the investor's cost base.

The amount of the tax components of the Fund which the investor is required to include in their assessable income may be different to the cash distributions received by an investor in respect of their units. This is because the distributions received on the units is determined by reference to the returns received in respect of the Fund, whereas the tax components of the Fund are determined by reference to the overall tax position of the Fund. An investor may be required to make, in certain circumstances, both upward and downward adjustments to the cost or cost base of their unit holdings. This occurs where during an income year there is a difference between:

- (a) the total of the amounts (money or property) that an investor is entitled to from the Fund and the tax offsets that are attributed to an investor in relation to the year; and
- (b) the tax components (grossed up for any capital gains tax (**CGT**) discount) attributed in that investor's assessable income and any non-assessable non-exempt income.

If the amount in (a) exceeds the amount in (b), the cost base of the investor's units in the Fund should be reduced by the excess amount. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. Should the cost base be reduced to below zero, the amount in excess of the cost base should be a capital gain that is to be included the investor's taxable income.

Conversely, where the amounts in (a) falls short of the amounts in (b) during an income year, the cost base of the investor's units in the Fund should be increased by the shortfall amount.

Additionally, Australian residents will generally realise a capital gain or capital loss when they redeem or dispose of units in the Fund.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a CGT discount which can reduce the capital gain by up to one half.

Where you acquire units part way through a distribution period, all or part of accumulated income which is reflected in the unit price for the units acquired may be attributed to you as taxable income. If you redeem units with the Responsible Entity part way through a distribution period, the value of accumulated income may be included in your redemption price and attributed to you as taxable income.

If you choose not to provide us with your tax file number (TFN) or Australian business number (ABN) and don't have an exemption, we must withhold tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details. If this withholding tax applies it is noted that it is merely a collection mechanism and an investor may claim a credit in their annual income tax return in respect of the tax withheld.

Investors should seek their own tax advice to ensure the Fund is appropriate for them.

Neither Trustees Australia nor Fortlake provide any tax advice.

15. TRUSTEES AUSTRALIA'S RESPONSIBILITIES TO YOU

The Constitution establishes the Fund and sets out the rules. Together with this PDS and the law from time to time, it governs your relationship with Trustees Australia. It gives Trustees Australia rights to be paid fees and expenses and be indemnified from the Fund for any expenses it incurs in the proper performance of its duties.

It governs (amongst other things) Trustees Australia's powers (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The Constitution limits Trustees Australia's need to compensate you if things go wrong. Generally, Trustees Australia is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

Trustees Australia must have investor approval to make changes to the Constitution which are adverse to the rights of investors.

You can obtain a copy of the Fund's Constitution by calling our Client Services Team on 1300 110 344 during business hours or by sending an email to enquiries@fortlake.com.au.

16. ADDITIONAL INFORMATION

16.1 ENQUIRIES AND COMPLAINTS

Trustees Australia has established Internal Dispute Resolution (**IDR**) procedures for dealing with complaints which complies with the standards and requirements made and approved by ASIC. Trustees Australia is a member of Australian Financial Complaints Authority (**AFCA**) (member number 12410) which is an external dispute complaints resolution scheme approved by ASIC. If an investor has a complaint, they can contact the Fund's Client Services team during business hours using the following details:

Mail: Trustees Australia Limited
Level 1, 262 Adelaide Street
(GPO Box 6)
Brisbane QLD 4000

Phone: 1300 784 132 / 1300 110 344

Email: enquiries@fortlake.com.au

Trustees Australia will use reasonable endeavours to deal with and resolve the complaint within a reasonable time. Trustees Australia will acknowledge the complaint within or one business day of receiving it, or as soon as practicable and this will be done through a verbal or written acknowledgement to the complainant. Trustees Australia will also provide a response to the complainant no later than 30 calendar days after receiving the complaint.

However, where Trustees Australia cannot meet the timeframe of delivering a response within 30 calendar days, due to the complaint being particularly complex or there are circumstances beyond their control causing complaint management delays, Trustees Australia will notify the complainant. The notification will include the reasons for the delay, the complainant's right to complain to AFCA if they are dissatisfied and associated contact details for AFCA.

If you are an investor and have notified Trustees Australia of a complaint in writing and you are not satisfied with how the complaint has been handled, you can refer your complaint to AFCA.

Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne
VIC 3001

Phone: 1300 56 55 62

Email: info@afca.org.au

Website: www.afca.org.au

AFCA's services are generally only available to 'retail clients' (as defined in the Corporations Act).

Indirect investors may contact their IDPS operator if they wish to make a complaint or if they are unsatisfied with how a complaint has been handled. However, Trustees Australia's complaints process is also available to indirect investors.

16.2 COOLING OFF

Pursuant to paragraph 7.9.64 of the *Corporations Regulations 2001* (Cth), cooling-off rights do not apply to Units (regardless of whether they were applied for directly with the Responsible Entity or bought on the Securities Exchange).

16.3 PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information;
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint;
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Our privacy policy is publicly available at www.incomeam.com and www.fortlake.com.au or you can obtain a copy free of charge by contacting us.

16.4 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Trustees Australia (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, Trustees Australia is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Trustees Australia and Link Fund Solutions Pty Limited as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the

source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements; and
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund.

The Entities may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

16.5 FATCA

US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act. The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report details of all US persons and suspected US persons in the Fund to the US tax authorities, to prevent a 30% FATCA withholding tax on certain income and proceeds of the Fund. The Australian Government has entered into an agreement with the United States of America to implement the FATCA regime in Australia (**Intergovernmental Agreement**). We may therefore request that you provide certain information in order to comply with FATCA requirements.

16.6 COMMON REPORTING STANDARD

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is a 'Financial Institution' under the CRS and complies with its CRS obligations by obtaining and reporting information on relevant accounts (which may include the Units in the Funds) to the Australian Tax Office (ATO).

In order for the Fund to comply with its obligations under CRS and FATCA, Trustees Australia requests the investors to provide certain information and certifications to Trustees

Australia for the Fund's compliance with FATCA and the CRS. Where investors do not provide the required information, Trustees Australia may be required under relevant law to require redemption of the Units of that investor.

Trustees Australia will determine whether the Fund is required to report the investors' details to the ATO based on Trustees Australia's assessment of the relevant information received. The ATO may provide this information the IRS (in the case of the FATCA regime) where applicable and to other jurisdictions' tax regulators (in the case of the CRS regime) that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS and to implement FATCA (in accordance with the Intergovernmental Agreement).

17. INFORMATION FOR NEW ZEALAND INVESTORS

Units in the Fund offered under this PDS are offered to New Zealand as well as Australian investors.

New Zealand investors' warning statement

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

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

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

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

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

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

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

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

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

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

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

The above statements are required pursuant to New Zealand's financial markets legislation. For the avoidance of any doubt, Trustees Australia will only remit distributions and redemptions in Australian dollars and to an Australian bank account in the name of the unit holder. If you credit New Zealand dollars to Trustees Australia's application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You can avoid these fees by only crediting Australian dollars.

New Zealand disclosures relating to distribution reinvestment

Investors into the Fund must elect whether they wish distributions to be paid in cash or reinvested into the Fund. Where an investor elects for distributions to be paid in cash, distributions will be paid to the investor's nominated Australian bank account in the investor's name. Where an investor elects for distributions to be reinvested into the Fund, additional units in the Fund will be issued to the investor.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in the Constitution of the Fund and this PDS.

The allotment of units as part of a distribution described in this PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted as part of a distribution reinvestment is set, we will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require us to issue, units as part of a distribution reinvestment will be offered to all investors in the Fund, other than those who are resident outside New Zealand and who are excluded by us so as to avoid breaching overseas laws.
- Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued or transferred on the terms disclosed to you in this PDS and will be subject to the same rights as units issued or transferred to all investors who agree to receive the units.

You have the right to receive from us, on request and free of charge, a copy of:

- the most recent annual report of the Fund (if any)
- the most recent financial statements of the Fund (if any) and, if those statements are not audited or reviewed by an auditor, a statement to that effect
- a copy of the auditor's report on those statements (if any)
- the current PDS

- the Constitution of the Fund and any amendments to it.

Copies may be obtained electronically by emailing enquiries@fortlake.com.au.

Where distributions are reinvested, within 30 days of the day on which the resulting additional units in the Fund are allotted to you, you will be sent a statement of the amount of the distribution and the number of units that have been allotted to you.

18. KEY SERVICE PROVIDERS

The Responsible Entity

The Responsible Entity is a wholly owned subsidiary of Income Asset Management Group Limited (**Income Asset Management**). The Income Asset Management group of companies, including IAM Capital Markets Pty Ltd AFSL 283119, IAM Cash Markets Limited (corporate authorised representative no. 001295506 of AFSL 283119), Trustees Australia Limited AFSL 260038 and IAM Funds Pty Ltd (corporate authorised representative no. 001296921 of AFSL 260038), deliver an innovative online cash management marketplace in term deposit and at call accounts, whilst providing funding to a large number of ADIs and thousands of financial advisers and direct investors. Income Asset Management is listed on the Australian Securities Exchange (ASX: INY) and the group is headquartered in Australia.

The Administrator and Unit Registry

The Responsible Entity has entered into an administration agreement (**Administration Agreement**) with Link Fund Solutions Pty Ltd and Link Market Services Limited. Under the Administration Agreement, the Administrator agrees to perform certain administrative, accounting and registry services for the Fund.

The Responsible Entity has also engaged Link Fund Solutions Pty Ltd and Link Market Services Limited to provide unit registry services. The role of the Unit Registry is to keep a record of investors in the Fund. This includes information such as the quantity of Units held, TFN (if provided), bank account details and details of distribution preferences of investors.

The Administrator and Unit Registry has not been involved in the preparation of any part of this PDS. It has not authorised or caused the issue of, and expressly disclaims and take no responsibility for any part of this PDS.

The Prime Broker and Custodian

J.P. Morgan Securities LLC (**JPMS**) and certain of its affiliates (each such affiliate, a **JP Morgan Entity**, and collectively, **JP Morgan**) may provide certain clearing (including prime brokerage), margin financing and stock lending services with respect to the Fund's securities and cash carried on the books of a JP Morgan Entity. Such services and facilities will be provided pursuant to a series of agreements (the **Customer Documents**) and may include an Institutional Account Agreement with JP Morgan in compliance with the laws, rules and regulations of the United States Securities and Exchange Commission and other exchanges and dealer associations by which certain of the JP Morgan Entities are regulated (collectively, the **US Rules**). The Fund may also enter into principal transactions with one or more JP Morgan Entities.

Fund assets that are held by JPMS as prime broker will be carried in the name of the Fund and shall be subject to a lien to secure the Fund's obligations to JP Morgan. To the extent permitted under US Rules, with respect to JPMS or any other JP Morgan Entity subject to the US Rules, the Fund's assets that are not required by US Rules to be segregated may be borrowed, lent, pledged, repledged, sold, hypothecated, rehypothecated, transferred or otherwise used by such JP Morgan Entities as may hold such assets for their own purposes. Cash held with a JP Morgan Entity subject to the US Rules may be used by such JP Morgan Entity in the course of its business to the extent permitted by the US Rules.

Neither JPMS nor any other JP Morgan Entity will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Customer Documents unless such loss results directly from the gross negligence, bad faith or wilful misfeasance of JPMS or any other JP Morgan Entity, nor shall JPMS or any other JP Morgan Entity be liable for consequential or other types of special damages, or losses to the Fund caused by the insolvency or acts or omissions of any sub-custodian or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Fund has agreed to indemnify JPMS and the other JP Morgan Entities against any loss suffered by, and any claims made against, them to the extent set forth in the Customer Documents.

Neither JPMS nor any other JP Morgan Entity will have any involvement in the management of the Fund or any decision-making discretion relating to the Fund's investments. Neither JPMS nor any other JP Morgan Entity has any responsibility for monitoring whether investments by any investment manager or advisor are in compliance with any internal policies, investment goals or limitations of the Fund, and neither JPMS nor any other JP Morgan Entity will be responsible for any losses suffered by the Fund.

JPMS and each other JP Morgan Entity reserve the right not to clear transactions and not to provide any of the services. JP Morgan and each other JP Morgan Entity reserve the right to terminate the arrangements in accordance with the provisions of the Customer Documents.

JPMS and the other JP Morgan Entities are service providers and are not responsible for the preparation of this document or the activities of the Fund and therefore accept no responsibility for the accuracy of any information contained in this document.

Market Making Agent

Under the Securities Exchange Rules, the Responsible Entity is under certain obligations in respect of the Fund to facilitate an orderly and liquid market for the Fund. The Responsible Entity has appointed the Market Making Agent to maintain continuous liquidity, pursuant to a Market Making Agency Agreement. Given the importance of the role of the market maker, we seek to ensure any market making agent we appoint:

- has experience in making markets in exchange quoted products and other types of listed securities in both Australia and overseas;
- is a participant of the Securities Exchange and has the requisite agreement with Cboe to act as a market maker; and
- has the necessary skill and expertise to perform a market making function.

For the avoidance of doubt, the Market Making Agent acts as buyer and seller on the "secondary market" for Units in the Fund (i.e. transact on the Securities Exchange trading platform) and is not involved with applications to and withdrawals from the Responsible Entity directly.

Under the market making arrangements, the Fund will generally retain any trading profit or bear any loss generated by the Market Making Agent's market making activities.

iNAV Calculation Agent

The Responsible Entity has entered into an iNAV agreement with Markit Group Limited (**iNAV Agreement**). Under the iNAV Agreement, the iNAV Calculation Agent agrees to provide certain iNAV calculation services.

The INAV Calculation Agent has not been involved in the preparation of any part of this PDS. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

18.1 CONSENTS

Fortlake consents and, as at the date of this PDS, has not withdrawn its consent to the statements (in the form and context in which they are included) about it. Fortlake has not otherwise issued or caused the issue of this PDS.

Link Fund Solutions Pty Limited and Link Market Services Limited consent to being named in the PDS and, as at the date of this PDS, has not withdrawn its consent to the statements (in the form and context in which they are included) about it. Link Fund Solutions Pty Limited and Link Market Services Limited have not otherwise issued or caused the issue of this PDS.

Ernst & Young consents to being named in the PDS and, as at the date of this PDS, has not withdrawn its consent to the statements (in the form and context in which they are included) about it. Ernst & Young has not otherwise issued or caused the issue of this PDS.

Markit Group Limited consents to being named in the PDS and, as at the date of this PDS, has not withdrawn its consent to the statements (in the form and context in which they are included) about it. Markit Group Limited has not otherwise issued or caused the issue of this PDS.

19. KEY TERMS

Term	Definition
Administration Agreement	Agreement entered in to between Responsible Entity and the Administrator for certain administrative, accounting and registry services for the Fund.
Administrator	Link Fund Solutions Pty Limited
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services License
Application Form	The application form for the Fund that accompanies this PDS/ available on Fortlake's website/available from the Administrator.
ASIC	Australia Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the ASX
Business Day	A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney
CHESS	'Clearing House Electronic Sub-Register System' operated by ASX Settlement Pty Limited
Cboe	Cboe Australia Pty Ltd
Constitution	The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time
Corporations Act	Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth)

Custodian	J.P. Morgan Securities LLC (JPMS) and certain of its affiliates (each such affiliate, a JP Morgan Entity, and collectively, JP Morgan)
Fortlake	Fortlake Asset Management Pty Ltd ABN 30 643 640 939
Fund	Fortlake Real-Income Fund ARSN 645 064 991
GST	Goods and Services Tax
HIN	Holder Identification Number
IDPS	Investor Directed Portfolios Service or IDPS-like scheme
iNAV	Indicative Net Asset Value meaning the estimated NAV per Unit that will be published on the Website during a Trading Day to consider movements in prices during that Trading Day
Investment Manager	Fortlake Asset Management Pty Ltd ABN 30 643 640 939
Market Making Agent	The agent appointed by the Responsible Entity to provide liquidity on its behalf in the Fund's units
NAV	Net Asset Value meaning the net asset value of the Fund, being the total value of the assets of the Fund, less the value of the liabilities of the Fund
Securities Exchange	The Securities Exchange operated by Cboe for quoted funds
Securities Exchange Rules	The operating rules of Cboe that apply from time to time to the quotation of managed funds and products such as the Units, including any operating procedures or requirement of Cboe in their operation of the Securities Exchange.
SRN	Security Holder Reference Number
Trading Day	The day and time during which Unit are traded on the Securities Exchange
Trustees Australia	Trustees Australia Limited ABN 63 010 579 058 AFSL No. 260 038, Responsible Entity of the Fund
Units	The securities on offer under this PDS for the Fund
Wholesale Client	As defined under section 761G and 761GA of the Corporations Act