Colonial First State

FirstChoice

Complex Funds

Reference Guide

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About this document

This document forms part of the Product Disclosure Statement (PDS) for the 'complex' product you wish to apply for and contains statements and information incorporated by reference and must be read in conjunction with the PDS. A reference to the 'PDS' in this document is a reference to the PDS, the Investment Options Menu (if applicable) and all statements and information incorporated by reference as described and listed in the PDS. You should read all parts of the PDS and assess whether the product is appropriate for you before making a decision to invest in the product.

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About the administrator, responsible entity and trustee

Investments in investment products are made available by Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (CFSIL, the responsible entity). Investments in superannuation products are made available by Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 (AIL), the trustee of the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 (FirstChoice Trust). Unless otherwise stated in the PDS, AIL and CFSIL are also referred to in the PDS as we, our or us.

The investment managers are acting as investment managers only for the relevant funds. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the funds. The investment managers of the funds available have given, and not withdrawn, their consent to be referenced in this PDS in the form and context in which they are included. CFSIL and AIL reserve the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.

General advice warning

The information provided in this document is general information only and does not take account of your individual objectives, financial or taxation situation or needs. You should assess whether the product is appropriate for you and consider obtaining financial advice relevant to your personal circumstances before investing.

The Target Market Determinations (TMD) for our financial products can be found at cfs.com.au/tmd and include a description of who the financial product is appropriate for.

No guarantee

The investment performance and the repayment of capital is not guaranteed. Investments in FirstChoice products are subject to investment risk, including loss of income and capital invested. Past performance is no indication of future performance. Investments in FirstChoice products are not deposits or other liabilities of CFS entities.

Introduction

ASIC Regulatory Guide 240 (RG240) Hedge Funds: Improving Disclosure has introduced several benchmarks and disclosure principles which aim to help investors make more informed decisions about investing in certain funds. These funds have been defined by ASIC as 'hedge' funds and may be considered more complex than other funds if they satisfy certain characteristics.

Hedge funds and funds with certain hedge fund characteristics can pose more complex risks for investors than traditional managed investment schemes. This can arise due to their diverse investment strategies, in many cases involving the use of leverage and complex and offshore structures.

ASIC has identified some characteristics that distinguish hedge funds from other managed investment schemes, such as the use of leverage, derivatives and short selling, charging performance fees or funds that have complex investment strategies or structures. Where a fund exhibits two or more of the characteristics defined, ASIC now requires responsible entities to provide additional reporting and disclosure.

Certain investment options on the FirstChoice menu meet this definition. We refer to these options as 'funds' (or 'complex funds') in this Reference Guide.

Benchmarks and disclosure principles for 'complex' funds

For those funds that have been identified as 'complex' funds there are certain benchmarks and disclosure principles which must be described in detail. These benchmarks and additional disclosure may assist you in making your investment decision.

The following table outlines the benchmarks and disclosure principles which must be explained for each fund that has been identified as a 'complex' fund.

Benchmarks

Benchmark	Description
Benchmark 1 – Valuation of assets	Colonial First State Investments Limited meets this benchmark as it has a policy which requires that fund assets, which are not exchange-traded, are valued by an independent administrator or an independent valuation service provider. The assets of a fund are valued at market value or a value provided by an independent source in consultation with Colonial First State Investments Limited and in accordance with standard market practice.

Benchmark 2 – Periodic reporting	Colonial First State Investments Limited has policies in place to make available on our website the following information for each fund as soon as practical after the relevant period:
	• Daily unit prices
	• Quarterly:
	  • quarter-end invested asset allocation/regional allocation
	  • quarterly top 10 holdings (if applicable)
	  • quarter-end net historical performance and net return on a fund's assets
	  • fund performance and activity, and outlook and strategy for each fund
	  • material changes in a fund's risk profile.
	• Annually:
	  • actual asset allocation for each fund
	  • annual investment returns over at least a five-year period
	  • audited financial statements for each fund
	  • audited financial statements for Colonial First State Investments Limited
	  • maturity profile of financial liabilities relative to the liquidity profile of the fund's assets.

The availability of the information above to unitholders will be subject to limitations around the nature of any commercially sensitive information that must be held confidential.

Disclosure principles

Disclosure principle	Description
Investment strategy	Details of the fund's investment strategy, including the type of strategy, how it works and how risks are managed.
Investment manager	Information about the people responsible for managing the fund's investments. Detailed information about the investment manager for each fund can be found in each Manager profile which is available on the 'Find a Fund' page on our website cfs.com.au
Fund structure	An explanation of the investment structures involved.
Valuation, location and custody of assets	Disclosure about the types of assets held, where they are located, how they are valued and the custodial arrangements.
Liquidity	The fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.
Leverage	Outlines the maximum level of leverage (where applicable) of the fund.
Derivatives	The purpose and types of derivatives used by the appointed investment manager and the associated risks.
Short selling	How short selling (where applicable) may be used as part of the investment strategy and the associated risks and costs of short selling.
Withdrawals	Circumstances in which the Responsible Entity allows withdrawals. A full explanation of how your withdrawal will be processed can be found in the relevant offer document for the product you are investing in, which is available at cfs.com.au

The disclosure principles for each fund identified as a 'complex' fund are detailed on pages 6 to 83.

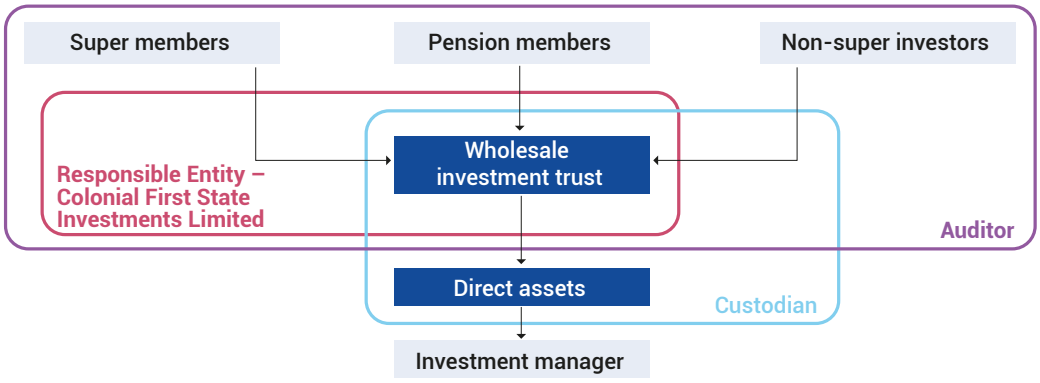
Glossary

Term	Definition
Absolute return	the return that an asset achieves over a certain period of time. Absolute return differs from relative return because it is concerned with the return of a particular asset and does not compare it to any other measure or benchmark.
Active risk	a type of risk that a fund or managed portfolio creates as it attempts to beat the returns of the benchmark against which it is compared.
Alpha	a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.
Arbitrage	the simultaneous purchase and sale of an asset in order to profit from a difference in the price.
Beta	a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.
Cap-weighted benchmark	an equity index that has a limit on the weight of any single security. Thus, a capped index sets a maximum percentage on the relative weighting of a component that is determined by its market capitalisation.
Collar strategy	a protective options strategy that is implemented after a long position in a stock has experienced substantial gains.
Delta	the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative.

Term	Definition
Derivative	a type of security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset.
Event driven	a strategy that attempts to take advantage of events such as mergers and restructurings that can result in the short-term mispricing of a company's stock.
Floating rate notes	long-term (one year or more) debt securities whose interest rates are adjusted periodically in line with a benchmark rate.
Franking credit	a type of tax credit that allows domestic companies to pass through taxes that have already been paid on corporate profits. The investor receiving stock dividends will also receive a quantity of franking credits in proportion to the overall tax rate of the company per dollar in profits.
Futures	a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a pre-determined future date and price.
ISDA	the International Swaps and Derivatives Association, which helps to improve the private negotiated derivatives market by identifying and reducing risks in the market.
ISDA master agreement	a basic, standardised swap contract created by ISDA in the late 1980s. The standard agreement identifies the two parties entering the transaction; describes the terms of the arrangement, such as payment, events of default and termination; and lays out all other legalities of the deal.
Leverage	using financial instruments or borrowing to increase the potential return of an investment.
Long position	the buying of a security such as a stock, commodity or currency, with the expectation that the asset will rise in value.
Mark to market	when the net asset value (NAV) of a fund is valued based on the most current market valuation.
Naked short selling	practice of short selling shares that are not owned by the seller.
Options	a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). Call options give the option to buy at a certain price, so the buyer would want the stock to go up. Put options give the option to sell at a certain price, so the buyer would want the stock to go down.
Paired trade	pair trades investing involves going long in one stock and short in a similar stock in the same industry, so hedging out the industry risk.
Short selling	the sale of a security that isn't owned by the seller or which the seller has borrowed.
SPI futures contract	the benchmark equity index futures contract in Australia, based on the S&P/ASX 200 Index.
Standard deviation	a measure of the dispersion of a set of data from its mean. In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility.
Value at Risk (VaR)	a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific timeframe. VaR is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome.

Antipodes Global

1 Investment strategy	
Investment strategy	The strategy typically invests in a select number of attractively valued companies listed on global share markets (usually a minimum of 30 long holdings) and will typically have net equity exposure of 50–100%. While the strategy invests primarily in international equities the strategy permits a wide range of investments including but not limited to: cash and deposits; fixed income and debt securities; company securities other than shares (including options, convertible notes, rights and debentures); derivatives – exchange traded and over-the-counter (including options, participatory notes, futures and swaps for equity, fixed income, currency, commodity and credit default exposures); currency contracts; interests in managed investment schemes and collective investment vehicles; unlisted securities and securities that are not traded on a recognised market; bullion, land and other physical commodities. Derivative and currency positions may be used where Antipodes sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk. Derivatives may also be used to amplify high conviction ideas.
Asset classes	Global shares (including derivatives), cash and fixed income.
Location and currency denomination of assets	The fund does not have limits with respect to geographical locations Currency denomination – The assets of the fund are normally valued in the local currency, however the reporting currency of the fund is Australian dollars.
Role of leverage, derivatives and short selling (if applicable)	**Leverage –** The fund's maximum allowable gross exposure (sum of long and short positions) is 150% of its net asset value (NAV). However, the anticipated gross exposure will generally be between 100–150% of NAV. The fund's maximum allowable net equity exposure (long minus short positions) is 100% of NAV. **Derivatives –** Derivatives are used predominantly to establish short positions in securities or market indices and thus reduce the fund's net equity exposure to markets, and to hedge currencies. Derivatives may also be used to amplify high conviction ideas. The underlying value of derivatives may not exceed 100% of the NAV of the fund. Antipodes may use exchange traded and over-the-counter (OTC) derivatives (including options, futures and swaps, currency, commodity and credit default exposures), currency forwards/contracts and related instruments. **Short selling –** Antipodes may use derivative and currency positions where it sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk.
Investment returns and assumptions	Antipodes' approach seeks to take advantage of the market's tendency for irrational extrapolation around change, identify great businesses that are not valued as such and build high conviction portfolios (usually a minimum of 30 long holdings) with a capital preservation focus. Antipodes aspires to grow client wealth over the long-term by generating absolute returns in excess of the benchmark at below market levels of risk. Equity investment returns are primarily driven by the: • economic performance of the business you own or business resilience • price paid or starting valuation. Business resilience is determined by the degree and sustainability of competitive advantage and is ultimately subject to ongoing tests as excess returns will attract change in the operating environment, including new competition, technological disruption, greater regulation and management missteps. Accordingly, in the long-term all businesses succumb to changes in the operating environment as described by the Antipodes Capital Lifecycle Model©.
Risk management strategy (key aspects)	The success of the fund depends upon the investment manager's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the fund. Matters such as the loss of key staff, the investment manager's replacement as investment manager of the fund, or the investment manager's failure to perform as expected may negatively impact on returns, risks and/or liquidity. Additionally, the fund may fail to perform as expected or be able to achieve its stated objectives thereby reducing the value of your investment leading to loss.

Diversification guidelines and limits	Antipodes' goal is to maximise risk-adjusted returns over the investment cycle (typically 3–5 years). Antipodes seeks to build portfolios from high conviction ideas (asymmetric risk-return payoff) that also represent non-correlated sources of alpha. In practice, portfolios are built based on the following principles: • for a given level of expected investment risk, position size is determined by expected return or margin of safety • optimised to minimise downside volatility with correlated sources of alpha typically limited to less than 15% of the portfolio • the top 10 positions will typically account for 25% to 35% of the portfolio and the top 30 positions 60% to 80% • where permitted, Antipodes will use equity shorts and currency positions to take advantage of asymmetric risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk • when Antipodes foresees a high risk of losing money on an underlying currency exposure, Antipodes may hedge into an appropriately undervalued currency • Derivatives may be used to amplify high conviction ideas • in the absence of finding individual securities that meet Antipodes' investment criteria, cash may be held.
Investment strategy changes	The fund is managed by Antipodes Partners Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. The Antipodes investment team is led by Jacob Mitchell, formerly Deputy Chief Investment Officer (CIO) of Platinum Asset Management. As CIO, Jacob is responsible for the implementation of the firm's and fund's investment strategy. Jacob and the Antipodes Investment team spend as much time as required to accomplish the investment objectives of the fund. Antipodes is majority owned by its seasoned investment team and its performance culture is underpinned by sensible incentives, a focused offering and the outsourcing of non-investment functions to maximise focus on investing.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.
3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 

Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Antipodes Partners Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian:** Citibank, N.A., Hong Kong branch is appointed as the custodian to hold the assets of the fund.
Monitoring service providers	**Investment Manager:** Antipodes Partners Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodian:** Citibank, N.A., Hong Kong branch Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Antipodes Partners Limited – Australia KPMG – Australia Citibank, N.A., Hong Kong branch – Hong Kong
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	

Asset class	Range
Global Equities[1]	50%–100%
Cash and fixed income	0–50%

1 The underlying portfolio's gross exposure is limited to 150% net asset value of the underlying portfolio. The maximum allowable net equity exposure is 100% of the net asset value.

Custodian arrangements	A professional custodian (Citibank, N.A., Hong Kong branch) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The assets of the fund are held by the custodian around the world.
5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days. The fund primarily invests in listed equities traded on regulated exchanges around the world. The fund may make investments in companies that may not be readily liquidated within 10 days at the desired price or at the value ascribed to that asset in calculating the fund's most recent NAV. The investment manager is required to maintain adequate cash levels in the fund for the settlement of trades and to meet withdrawals made during the normal course of business.
6 Leverage	
Use of leverage and restrictions on the use of leverage	While there is no restriction on borrowing in the fund's constitution, the fund does not borrow money to invest or create financial leverage. However, the fund may become leveraged through the use of derivatives.
Source of leverage including type	Derivatives are used predominantly to establish short positions in securities or market indices and thus reduce the fund's net exposure to markets, and to hedge currencies. Derivatives may also be used to amplify high conviction ideas. The underlying value of derivatives may not exceed 100% of the NAV of the fund.
Maximum allowed level of leverage	The maximum allowable leverage in the fund is 150% of the NAV of the fund, that is, for every $1 invested, the gross invested position of the fund taking into account all securities and derivatives held, is limited to $1.50. For the purposes of this calculation, the underlying effective face value of the derivatives is used. This limitation includes all positions and does not allow for netting of any offsetting positions, except in the case of currency derivatives (options, swaps and forwards) where the net position will be used.
Impact of leverage on investment returns and losses	The maximum allowable leverage with greatest impact on the fund's returns would likely be where the fund had a gross invested position of 150% long. In such a case, if the value of the fund's securities (or the underlying securities of derivatives) increased in value by 10% (or, in the case of shorts, decreased in value by 10%), the increase in the fund's value would be 15%. Conversely, a fall of 10% (rise of 10% in the case of shorts) in the value of the fund's securities (or the underlying securities of derivatives) would result in a fall of the fund's value of 15%.
Assets used as collateral	Derivative positions may be collateralised with cash or securities of the fund.
7 Derivatives	
Purpose and rationale for the use of derivatives	The fund will invest in derivatives: • for the purposes of risk management in order to either increase or decrease the fund's exposure to markets and establish currency positions • to amplify high conviction ideas and take opportunities that may increase the returns of the fund • with a view to reducing transaction and administrative costs (e.g. the use of an equity swap to establish a short position in a security) • to take up positions in securities that may otherwise not be readily accessible (e.g. access to a stock market where foreign investors face restrictions) • to assist in the management of the fund's cash flows (e.g. certain stock markets may require pre-funding of stock purchases that may be avoided through the use of derivatives).

Types of derivatives used	The fund may invest in exchange traded and OTC derivatives (including options, participatory notes, futures and swaps for equity, fixed income, currency, commodity and credit default exposures), currency forwards/ contracts and related instruments.
Criteria for engaging derivative counterparties	Derivatives counterparties are selected based on the following criteria: a an assessment of the background of the counterparty b where applicable, the counterparty's credit rating c whether an ISDA Master Agreement or other appropriate document is in place with that counterparty, and d any other criteria the Responsible Entity or the investment manager deems relevant in the context of the particular counterparty and market conditions.
Key risks associated with the collateral requirements	Risks include the security being forfeited in the event of a default event of an agreement, or the credit risk of the counterparty. In the event the counterparty or clearer becomes insolvent at a time it holds collateral posted by the fund, the fund will be an unsecured creditor and will rank behind preferred creditors.
8 Short selling	
Is short selling permitted?	Yes
Rationale	Antipodes may use derivative and currency positions where it sees attractive opportunities and also to offset specific unwanted portfolio risks and provide some protection from tail risk.
Risks	The short selling of a security, derivative or currency exposure may, but need not necessarily, involve a greater risk of investment than buying that same security, derivative or currency exposure. Short selling is designed to benefit portfolio value when markets are falling but may detract from portfolio value if markets rise. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, that is, via thorough research, daily reporting and ongoing monitoring of positions held.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Aspect Absolute Return (including Class A)

1 Investment strategy	
Investment strategy	Aspect takes a quantitative and systematic approach to investment management. Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. The Fund aims to maximise portfolio diversification by spreading risk allocations across the different investment themes in the portfolio, which can be categorised into two families of models: macro models seek to identify and profit from the underlying structural drivers of returns, whilst technical models capture persistent behavioural patterns based on historical price. The strategy employs a quantitative process to determine a view of the opportunities across these two families of models. It has exposure to over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby exploiting a wide range of opportunities and maximising expected long-term risk-adjusted returns.
Asset classes	Cash and derivatives. The fund operates with over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts such as cleared OTC interest rate and credit default swaps in more than 180 markets. These contracts are categorised into the following sectors: Agriculturals, bonds, credit, currencies, energies, metals, short-term interest rates and stock indices. The fund accesses its exposure to certain derivative markets such as futures, cleared OTC interest rate and credit default swaps through a separate Cayman-domiciled trading vehicle. The purpose of this vehicle is to pool the fund's investment with that of other funds and trading vehicles managed by Aspect, in order to minimise the impact of the fixed costs of trading these markets.
Location and currency denomination of assets	**Location –** Global. Investment positions and the margin required for those positions are held at the clearers used by the fund. **Currency denomination –** Global. Excess cash is managed by Aspect's dedicated Treasury team in accordance with the IMA and is split between an Australian dollar high interest at call account and an Australian dollar account with the fund custodian. The fund is exposed to foreign currency movements via its holdings in derivatives contracts.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The strategy does not use leverage in the traditional sense of using actual financing from a prime broker or other sources in order to hold positions with a larger value than the fund's net asset value. Instead, all positions are held in margin-funded derivatives (futures, currency forwards, cleared **OTC** interest rate and credit default swaps), and the fund gains 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. **Derivatives and short selling –** Derivatives (futures, forwards, interest rate and credit default swaps) are used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the fund's strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the fund's net asset value. Leverage is not explicitly controlled but rather it is a by-product of the strategy implementation. The fund can and does take short exposures however, short exposure is only obtained via derivative positions, so the fund does not rely on being able to borrow securities in order to sell them short.
Investment returns and assumptions	Aspect's investment philosophy centres on the conviction that sustainable and diversifying performance can be generated in a wide range of liquid markets through the application of systematic strategies which are designed to exploit the aggregate behaviour of market participants. The actual strategies used vary, but the general philosophy is that every strategy is based upon a clear and rational hypothesis about market behaviour or the persistent drivers of such market behaviour. The Fund's strategy is an enhanced, systematic absolute return programme. Its objective is to capture multiple investment themes to provide diversifying and consistent returns. The Programme aims to achieve a positive absolute return independent of overall movements in traditional stock and bond markets, with a risk profile that is less volatile than stock markets. The expected long term annualised volatility of the Programme is 6-10%.

	The Programme aims to perform as consistently as possible over time, regardless of the prevailing macro-economic environment. Aspect is committed to the continuing support and development of its alpha-generating models through a forward-looking and hypothesis-based research effort. This seeks to improve the quality of the models' returns and to ensure that the strategies adapt to the changing market and competitive environment.
Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. As required by Aspect's home regulator, risk management in its broadest sense is a key component of Aspect's systems and controls. Fund level risk management is carried out systematically within Aspect's investment processes. Portfolio level risk management is based around Aspect's Value at Risk (VaR) measure for the portfolio. A suite of risk limits and controls, including both VaR-based and exposure-based limits, are designed to ensure that the portfolio remains diversified at all times. The breakdown of risk between the individual sectors and contracts will vary depending on the opportunities identified by the risk premia models. Aspect seeks to ensure that the level of risk being taken by each component of the model is appropriate at all times, and to ensure that market risk management remains systematic under any conditions. More generally, Aspect seeks to ensure the rigorous monitoring and control of risk within the quantitative investment framework used by the strategy. Aspect's Investment Committee maintains continual oversight of this process (and the operation of the entire portfolio), and has a range of other risk tools and measures at its disposal including, but not limited to, scenario analysis.
Diversification guidelines and limits	The strategy applies a risk parity type of methodology to portfolio construction, which aims to maximise portfolio diversification by spreading risk allocations across the different investment themes in the portfolio. The goal is to account for the diversification between the models traded, in order to deliver the target contributions to overall risk from each of the investment themes. By maintaining a comparatively small exposure to any individual market, the Fund seeks to achieve true sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term, risk-adjusted returns.
Investment strategy changes	The fund is managed by Aspect Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. Aspect's Investment Committee (IC) is ultimately responsible for reviewing and approving all research leading to new or improved trading strategies, as well as for the ongoing monitoring of the Programme. The IC members are listed below. When it meets to review the performance of new proposed research enhancements to the Programme, the relevant Portfolio Manager for the Programme will also attend. Anthony Todd – Chief Executive Officer Mr. Todd co-founded Aspect in September 1997 and is the Chief Executive Officer of Aspect. Mr. Todd chairs Aspect's Executive Board, which determines Aspect's overall corporate and strategic direction, chairs Aspect's Investment Committee and takes Board level responsibility for Risk Management. Before establishing Aspect, Mr. Todd worked for five years (from March 1992 to October 1997) at Adam, Harding and Lueck Limited (AHL) initially as Director of Financial Engineering and Product Development, before moving to Switzerland as Director of Marketing and Institutional Sales. Prior to this role, Mr. Todd was a strategy consultant at Mars & Co., a Paris based consultancy, from September 1990 to March 1992. From July 1989 to July 1990, Mr. Todd studied at INSEAD in France, and from September 1982 to June 1989 he was with UBS, an international investment bank, in London as Assistant Director in the International Government Bond Group. Education: Mr. Todd holds a B.A. in Physics from Oxford University and an M.B.A from INSEAD in France.

Martin Lueck – Research Director and President of Aspect Capital Inc.
Mr. Lueck co-founded Aspect in September 1997. As Research Director, Mr. Lueck oversees the Research team responsible for generating and analysing fundamental research hypotheses for development of all Aspect's investment programmes. Mr Lueck is also a member of Aspect's Investment Committee. Prior to founding Aspect, Mr. Lueck was with Adam, Harding and Lueck Limited (AHL), which he co-founded in February 1987 with Michael Adam and David Harding. Man Group plc (a leading global provider of alternative investment products and solutions) completed the purchase of AHL in 1994 and Mr. Lueck left in 1996. At AHL, Mr. Lueck was instrumental in developing AHL's trading systems and approach to research as well as the proprietary software language that provided the platform for all of AHL's product engineering and implementation. From May 1996 through August 1997, Mr. Lueck was on gardening leave from AHL during which time he helped establish his wife's publishing business Barefoot Books. Mr. Lueck was a Director of Research at Brockham Securities Limited, a London based commodity trading advisor, from October 1984 to February 1987 and an executive in the Japanese Equity Sales department of Nomura International, a provider of financial services for individual, institutional, corporate, and government clients, from January to October 1984. Mr. Lueck serves on the Board of the National Futures Association.

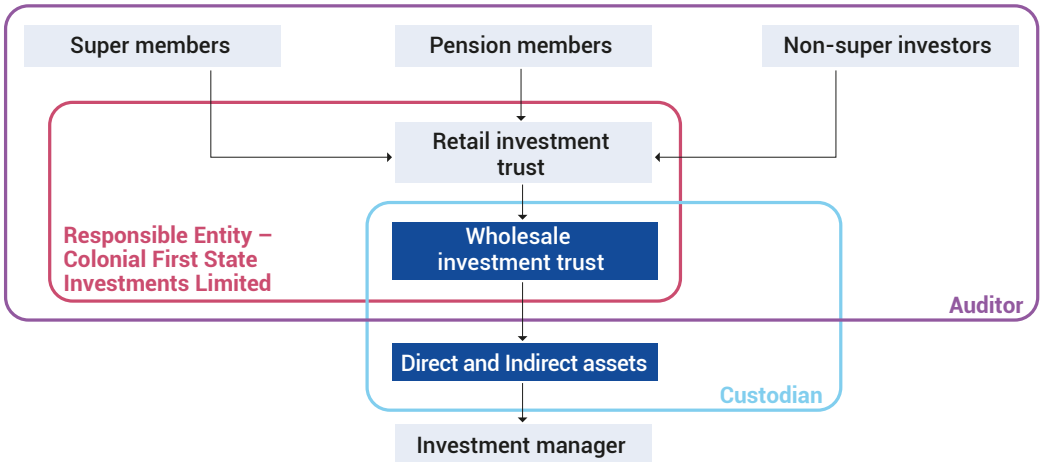
Education: MA in Physics from Oxford University and currently serves as Chair of the Oxford Physics Development Board.

Christopher Reeve, Director of Risk
Mr. Reeve joined Aspect in January 2005 and was appointed to the firm's Executive Board as Chief Risk Officer in November 2024. In this role, he is responsible for all investment and model-related risks associated with Aspect's portfolios, including the review of all new research and strategies and post-trade risk monitoring. He is a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Mr. Reeve began his career at Aspect as a member of the Research Team, focusing on risk reviews of new investment strategy research. He then became a member of what is now the Investment Solutions Team in 2006, Head of Investment Solutions in February 2014 and Director of Investment Solutions in May 2015, before being appointed as Director of Risk in September 2018. Mr. Reeve holds a first-class master's degree in chemistry from the University of Oxford. Mr. Reeve previously served in the British Army as a second lieutenant in the Welsh Guards, commanding an infantry platoon on training and ceremonial duties.

Max Xu, Portfolio Manager
Max Xu is Portfolio Manager for the Aspect Diversified, Core Diversified, Absolute Return and China Diversified Programmes. In this role, she is responsible for leading the ongoing research effort as it relates to these strategies, agreeing the research agenda with and reporting to the Investment Committee, and managing programme releases. Max is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Since joining Aspect in 2008 she has accumulated over 15 years' experience in portfolio construction and the development of quantitative investment strategies. Prior to joining Aspect, Max worked at BNP Paribas Asset Management from 2005 to 2008 where she developed quantitative FX trading strategies for their diversified currency program. Max holds an MSc in Financial Mathematics (Distinction) from Cass Business School and a BSc in Biological Science from Peking University in China. She is also a CFA Charterholder.

Jack Haberfield, Principal Researcher
Jack Haberfield is a Principal Researcher leading Aspect's CTA & Macro research. In this role, he is involved in all elements of research, from idea generation through to implementation. Jack is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. He joined Aspect as member of the Risk Methodology Team in 2005, before moving across to the Research Team in 2010, where he was promoted to Senior Research Specialist in 2011, and then to Principal Researcher in 2015. Jack holds a 1st class BA in Physics from Oxford University.

Razvan Remsing, Director of Investment Solutions
Razvan Remsing joined Aspect Capital in July 2010 and is Director of Investment Solutions. Razvan and his team are an integral part of the product development and research functions at Aspect and they provide quantitative expertise to Aspect's clients on the investment process and the development of new product ideas. His primary responsibility is client engagement on matters relating to strategies, products, performance and research. Razvan is also a member of the Investment Committee, which is responsible for reviewing and approving all research

	leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Prior to joining Aspect, Razvan worked at Skybound Capital, Clear Horizon Capital, and PeregrineQuant (now Vunani Fund Managers) in various quantitative research roles. He graduated with distinctions in Mathematics, Applied Mathematics and Physics from Rhodes University. He holds a BSc (Hons) in Theoretical Physics from Wits University and was awarded an MSc in Financial Mathematics from the University of Cape Town and is a CFA Charter holder.
	Alexis Blair, Director of Trading Alexis Blair joined Aspect in January 2001 and is Director of Trading. He is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Since joining Aspect, Alexis has covered several positions within the Execution team, initially starting on the Commodities desk and then later specialising in FX as a Senior Trader. From January 2011, Alexis oversaw the management of the Financials execution desk and was heavily involved in the research process to develop Aspect's execution systems. In April 2013, Alexis was appointed Co-Head of Aspect's Execution team before later being appointed sole head of the team in July 2014. Alexis graduated from Sheffield Hallam University in 1998.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.
3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Aspect Capital Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian:** Citibank, N.A., Hong Kong branch is appointed as the custodian to hold the assets of the fund.

Monitoring service providers	**Investment manager:** Aspect Capital Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodian:** Citibank, N.A., Hong Kong branch Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Aspect Capital Limited – United Kingdom KPMG – Australia Citibank, N.A., Hong Kong branch – Hong Kong
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	**Asset class** — **Range** Exchange-traded derivatives — 0–100% Over-the-counter derivatives — 0–100% Cash — 0–100%
Custodian arrangements	A professional custodian (Citibank, N.A., Hong Kong branch) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The assets of the fund are held by the custodian around the world.

5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.
6 Leverage	
Use of leverage and restrictions on the use of leverage	See Section 1 Investment strategy – Role of leverage, derivatives and short selling.
Source of leverage including type	The fund is leveraged using derivatives (exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps). See Section 7 below.
Maximum allowed level of leverage	The fund does not target a fixed level of leverage. However, it is anticipated that the fund will be managed at a gross leverage typically in the range of $1 to a maximum of $10.5 per $1 of net asset value or 100% to 1050% of net asset value and has averaged between $5 and $6 or 500% to 600% of the net asset value over the history of the fund's strategy.
Impact of leverage on investment returns and losses	Derivatives are used to establish the market exposure of the fund. The face value of the fund's combined long and short positions will frequently be greater than 100% of the fund's net asset value and as a result, the option will be leveraged. The fund's maximum anticipated leverage is 10.5 times (10.5×) the fund's net asset value. If in a year an unleveraged (1× leverage) investment were to return 1%, a 10.5× leveraged investment would return 10.5%. If in a year an unleveraged (1× leverage) investment were to return –1%, a 10.5× leveraged investment would return –10.5%.
Assets used as collateral	Cash is posted as margin at the clearers.
7 Derivatives	
Purpose and rationale for the use of derivatives	The fund uses derivatives to implement the investment strategy. See Section 1 Investment strategy.
Types of derivatives used	Exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps.
Criteria for engaging derivative counterparties	Aspect performs varied and in-depth due diligence on all executing brokers prior to their appointment. This process includes business and operational due diligence, financial and reputational due diligence and business continuity due diligence. This analysis may include but is not limited to requesting due diligence questionnaires to be completed, conducting interviews and site visits and financial investigations. Counterparties are ultimately selected on the basis of their capabilities and the quality of service which they provide. Additionally, Aspect's specific considerations in appointing executing brokers include coverage, flow of information, efficiency and accuracy of execution and specialist knowledge of the instruments traded by the strategy. Specifically for the fund, the clearing brokers, custodian and auditor are evaluated and selected by Colonial First State. Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above. Executed ISDA documentation must be in place between the investment manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.
Key risks associated with the collateral requirements	Counterparty risk is the key risk associated with the collateral requirements of the fund. Aspect, on behalf of Colonial First State, executes transactions exclusively via highly creditworthy counterparties, clearing agents and exchanges in the execution and management of the fund's positions. Counterparty risk is monitored on a regular basis by a committee which reports to Aspect's Executive Board, while other safeguards are in place which involves having multiple clearers for the fund and having the flexibility to react appropriately if needed. Please refer to the relevant offer document for additional information on fund risks.

8 Short selling	
Is short selling permitted?	No.
Rationale	Not applicable as the fund does not short sell.
Risks	Not applicable as the fund does not short sell.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Aspect Diversified Futures (including Class A)

1 Investment strategy	
Investment strategy	Aspect takes a quantitative and systematic approach to investment management. Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. Aspect's trend-following systems have exposure to over 230 of the most liquid global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative contracts. These trend-following systems employ a quantitative process to collect, process and analyse market data in order for the model to determine a view of the trend-following opportunities in each market in the portfolio. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term risk-adjusted returns. The fund aims to minimise unintentional currency exposure.
Asset classes	Cash, futures and forwards. The fund operates with over 230 of the most liquid global financial and commodity futures, currency forwards and other derivative contracts such as cleared OTC interest rate and credit default swaps in more than 180 markets. These contracts are categorised into the following sectors: Agriculturals, bonds, credit, currencies, energies, metals, short-term interest rates and stock indices. The fund accesses its exposure to certain derivative markets such as futures, cleared OTC interest rate and credit default swaps through a separate Cayman-domiciled trading vehicle. The purpose of this vehicle is to pool the fund's investment with that of other funds and trading vehicles managed by Aspect, in order to minimise the impact of the fixed costs of trading these markets.
Location and currency denomination of assets	**Location –** Global. Investment positions and the margin required for those positions are held at the clearers used by the fund. **Currency denomination –** Global. Excess cash is managed by Aspect's dedicated Treasury team in accordance with the IMA and is split between an Australian dollar high interest at call account and an Australian dollar account with the fund custodian. The fund is exposed to foreign currency movements via its holdings in futures contracts.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The strategy does not use leverage in the traditional sense of using actual financing from a prime broker or other sources in order to hold positions with a larger value than the fund's net asset value. Instead, all positions are held in margin-funded derivatives (futures, currency forwards, cleared **OTC** interest rate and credit default swaps), and the fund gains 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. **Derivatives and short selling –** Derivatives (futures, currency forwards and cleared interest rate and credit default swaps) are used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the fund strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the fund's net asset value. Leverage is not explicitly controlled but rather it is a by-product of the strategy implementation. The fund can and does take short exposures however, short exposure is only obtained derivative positions, so the fund does not rely on being able to borrow securities in order to sell them short.
Investment returns and assumptions	Aspect's investment philosophy centers on the conviction that sustainable and diversifying performance can be generated in a wide range of liquid markets through the application of systematic strategies which are designed to exploit the aggregate behaviour of market participants. The actual strategies used vary, but the general philosophy is that every strategy is based upon a clear and rational hypothesis about market behaviour or the persistent drivers of such market behaviour. The fund's strategy has historically performed well in a wide variety of market environments, in part due to its ability to equally exploit upward and downward trends across a wide range of different asset classes. The predominant driver of the investment strategy is momentum, enhanced by a range of other more fundamental modulations. The strategy does not attempt to forecast when trends will occur or in which asset classes, and so can perform well in any market environment where there

	are identifiable price trends, whether upwards or downwards. The strategy has a variable but near-zero correlation to traditional asset classes over the long term and so its ability to generate performance is not constantly related to the broad moves in these asset classes. Furthermore, the strategy is designed to take small and diversified positions across all of the markets in the portfolio rather than large positions in a few assets. This means that it will perform best where broad trends can be identified in multiple markets and where these trends are persistent in nature. The market environments in which the fund strategy and managed futures strategies generally tend to struggle include prolonged periods of directionless markets, which imply limited opportunities for the strategy (most specifically to the extent that these occur across multiple markets simultaneously). The strategy is able to maintain relatively stable positioning so that it does not suffer from over-trading during such conditions. Sharp and correlated reversals in trends across many markets are also a difficult scenario for the strategy but are often the precursors of new trends and are often transient in nature. Aspect's many years of research have led to the development of a number of techniques that can mitigate some of these effects.
Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. As required by Aspect's home regulator, risk management in its broadest sense is a key component of Aspect's systems and controls. Fund level risk management is carried out systematically within the investment process by Aspect's dynamic risk allocation system. This process primarily uses Aspect's Value at Risk (VaR) measure as its main input to control and at times constrain risk at a number of levels within the portfolio, including the individual strategy, market, sector and overall portfolio levels. The process is designed to take a holistic approach to risk management: each individual component of the strategy has its risk levels managed in the manner that is most appropriate for it and will get the most out of that component. While VaR is the main measure used by the risk management systems, it is supplemented by a range of non-VaR-based limits that seek to ensure the portfolio remains diversified, liquid and is using its allocated risk effectively. Aspect's Investment Committee maintains continual oversight of this process (and the operation of the entire portfolio), and has a range of other risk tools and measures at its disposal including, but not limited to, scenario analysis.
Diversification guidelines and limits	The fund's diversification is a core principle that permeates throughout the investment process. The fund is constructed with no sector or contract 'bias'. A long-term risk budget is established for each of the eight sectors with a view to ensuring long-term diversification in the fund. The emphasis is on the structuring of a genuinely diversified set of sector risk allocations that is designed to maximise the probability of consistent returns wherever profit opportunities appear. Allocations of 'risk budget' to individual contracts within each sector are also established with the aim of maximising long-term diversification, taking into account correlations and the liquidity of contracts. Nevertheless, the strategy's actual commitment to different sectors and contracts will usually deviate from the allocated long-term risk budgets. Although constrained by risk allocations and portfolio constraints, actual positions will vary depending on the extent of opportunities in each sector and contract, as identified by the model.
Investment strategy changes	The fund is managed by Aspect Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.

2 Investment manager

Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. Aspect's Investment Committee (IC) is ultimately responsible for reviewing and approving all research leading to new or improved trading strategies, as well as for the ongoing monitoring of the Programme. The IC members are listed below. When it meets to review the performance of new proposed research enhancements to the Programme, the relevant Portfolio Manager for the Programme will also attend. Anthony Todd – Chief Executive Officer Mr. Todd co-founded Aspect in September 1997 and is the Chief Executive Officer of Aspect. Mr. Todd chairs Aspect's Executive Board, which determines Aspect's overall corporate and strategic direction, chairs Aspect's Investment Committee and takes Board level responsibility for Risk Management. Before establishing Aspect, Mr. Todd worked for five years (from March 1992 to October 1997) at Adam, Harding and Lueck Limited (AHL) initially as Director of Financial Engineering and Product Development, before moving to Switzerland as Director of Marketing and Institutional Sales. Prior to this role, Mr. Todd was a strategy consultant at Mars & Co., a Paris based consultancy, from September 1990 to March 1992. From July 1989 to July 1990, Mr. Todd studied at INSEAD in France, and from September 1982 to June 1989 he was with UBS, an international investment bank, in London as Assistant Director in the International Government Bond Group. Education: Mr. Todd holds a B.A. in Physics from Oxford University and an M.B.A from INSEAD in France.
	Martin Lueck – Research Director and President of Aspect Capital Inc. Mr. Lueck co-founded Aspect in September 1997. As Research Director, Mr. Lueck oversees the Research team responsible for generating and analysing fundamental research hypotheses for development of all Aspect's investment programmes. Mr Lueck is also a member of Aspect's Investment Committee. Prior to founding Aspect, Mr. Lueck was with Adam, Harding and Lueck Limited (AHL), which he co-founded in February 1987 with Michael Adam and David Harding. Man Group plc (a leading global provider of alternative investment products and solutions) completed the purchase of AHL in 1994 and Mr. Lueck left in 1996. At AHL, Mr. Lueck was instrumental in developing AHL's trading systems and approach to research as well as the proprietary software language that provided the platform for all of AHL's product engineering and implementation. From May 1996 through August 1997, Mr. Lueck was on gardening leave from AHL during which time he helped establish his wife's publishing business Barefoot Books. Mr. Lueck was a Director of Research at Brockham Securities Limited, a London based commodity trading advisor, from October 1984 to February 1987 and an executive in the Japanese Equity Sales department of Nomura International, a provider of financial services for individual, institutional, corporate, and government clients, from January to October 1984. Mr. Lueck serves on the Board of the National Futures Association. Education: MA in Physics from Oxford University and currently serves as Chair of the Oxford Physics Development Board.
	Christopher Reeve, Director of Risk Mr. Reeve joined Aspect in January 2005 and was appointed to the firm's Executive Board as Chief Risk Officer in November 2024. In this role, he is responsible for all investment and model-related risks associated with Aspect's portfolios, including the review of all new research and strategies and post-trade risk monitoring. He is a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Mr. Reeve began his career at Aspect as a member of the Research Team, focusing on risk reviews of new investment strategy research. He then became a member of what is now the Investment Solutions Team in 2006, Head of Investment Solutions in February 2014 and Director of Investment Solutions in May 2015, before being appointed as Director of Risk in September 2018. Mr. Reeve holds a first-class master's degree in chemistry from the University of Oxford. Mr. Reeve previously served in the British Army as a second lieutenant in the Welsh Guards, commanding an infantry platoon on training and ceremonial duties.

	Max Xu, Portfolio Manager Max Xu is Portfolio Manager for the Aspect Diversified, Core Diversified, Absolute Return and China Diversified Programmes. In this role, she is responsible for leading the ongoing research effort as it relates to these strategies, agreeing the research agenda with and reporting to the Investment Committee, and managing programme releases. Max is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Since joining Aspect in 2008 she has accumulated over 15 years' experience in portfolio construction and the development of quantitative investment strategies. Prior to joining Aspect, Max worked at BNP Paribas Asset Management from 2005 to 2008 where she developed quantitative FX trading strategies for their diversified currency program. Max holds an MSc in Financial Mathematics (Distinction) from Cass Business School and a BSc in Biological Science from Peking University in China. She is also a CFA Charterholder.
	Jack Haberfield, Principal Researcher Jack Haberfield is a Principal Researcher leading Aspect's CTA & Macro research. In this role, he is involved in all elements of research, from idea generation through to implementation. Jack is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. He joined Aspect as member of the Risk Methodology Team in 2005, before moving across to the Research Team in 2010, where he was promoted to Senior Research Specialist in 2011, and then to Principal Researcher in 2015. Jack holds a 1st class BA in Physics from Oxford University.
	Razvan Remsing, Director of Investment Solutions Razvan Remsing joined Aspect Capital in July 2010 and is Director of Investment Solutions. Razvan and his team are an integral part of the product development and research functions at Aspect and they provide quantitative expertise to Aspect's clients on the investment process and the development of new product ideas. His primary responsibility is client engagement on matters relating to strategies, products, performance and research. Razvan is also a member of the Investment Committee, which is responsible for reviewing and approving all research leading to new or improved trading strategies and for the ongoing monitoring of existing strategies and client portfolios. Prior to joining Aspect, Razvan worked at Skybound Capital, Clear Horizon Capital, and PeregrineQuant (now Vunani Fund Managers) in various quantitative research roles. He graduated with distinctions in Mathematics, Applied Mathematics and Physics from Rhodes University. He holds a BSc (Hons) in Theoretical Physics from Wits University and was awarded an MSc in Financial Mathematics from the University of Cape Town and is a CFA Charter holder.
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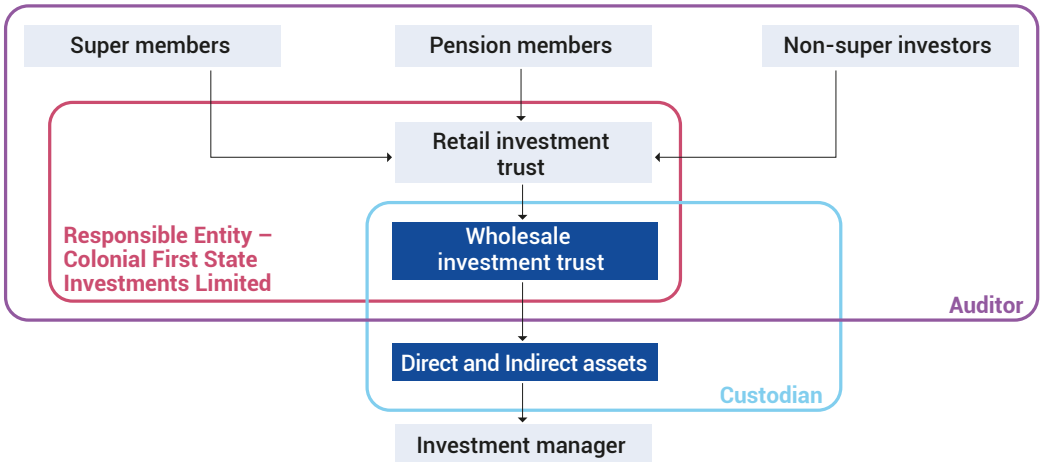
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure

Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Aspect Capital Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian:** Citibank, N.A., Hong Kong branch is appointed as the custodian to hold the assets of the fund.
Monitoring service providers	**Investment manager:** Aspect Capital Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodian:** Citibank, N.A., Hong Kong branch Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Aspect Capital Limited – United Kingdom KPMG – Australia Citibank, N.A., Hong Kong branch – Hong Kong
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Valuation policy

The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).

The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.

Please refer to the relevant offer document for further details.

Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)

Asset class	Range
Exchange-traded derivatives	0–100%
Over-the-counter derivatives	0–100%
Cash	0–100%

Custodian arrangements

A professional custodian (Citibank, N.A., Hong Kong branch) holds the assets of the fund.

The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.

Geographic location of assets or material assets

The assets of the fund are held by the custodian around the world.

5 Liquidity

Liquidity

The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.

6 Leverage

Use of leverage and restrictions on the use of leverage

See Section 1 Investment strategy – Role of leverage, derivatives and short selling.

Source of leverage including type

The fund is leveraged using derivatives (exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps). See Section 7 below.

Maximum allowed level of leverage

The fund does not target a fixed level of leverage. However, it is anticipated that the fund will be managed at a gross leverage typically in the range of $1 to a maximum of $13 per $1 of net asset value or 100% to 1300% of net asset value and has averaged between $5 and $6 or 500% to 600% of the net asset value over the history of the fund's strategy.

Impact of leverage on investment returns and losses

Derivatives are used to establish the market exposure of the fund. The face value of the fund's combined long and short positions will frequently be greater than 100% of the fund's net asset value and as a result, the fund will be leveraged.

The fund's maximum anticipated leverage is 13 times (13×) the fund's net asset value. If in a year an unleveraged (1× leverage) investment were to return 1%, a 13× leveraged investment would return 13%.

If in a year an unleveraged (1× leverage) investment were to return –1%, a 13× leveraged investment would return –13%.

Assets used as collateral

Cash is posted as margin at the futures clearers.

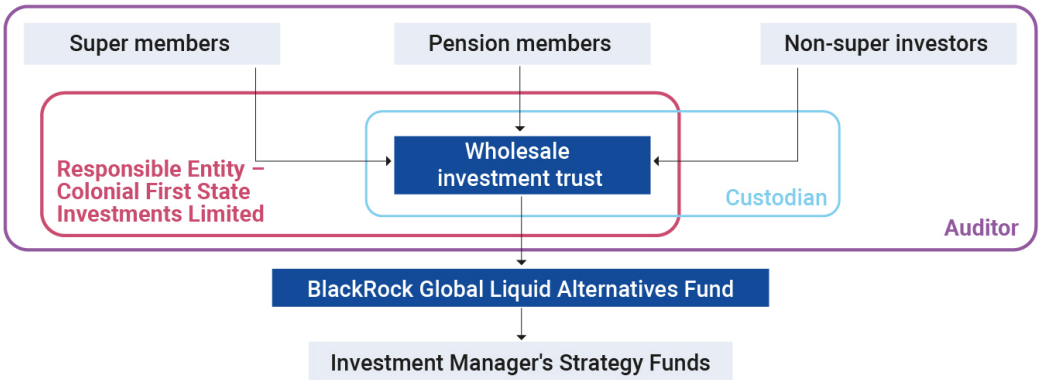
7 Derivatives	
Purpose and rationale for the use of derivatives	The fund uses derivatives to implement the investment strategy. See Section 1 Investment strategy.
Types of derivatives used	Exchange-traded futures, over-the-counter forward foreign currency contracts, cleared interest rate and credit default swaps.
Criteria for engaging derivative counterparties	Aspect performs varied and in-depth due diligence on all executing brokers prior to their appointment. This process includes business and operational due diligence, financial and reputational due diligence and business continuity due diligence. This analysis may include but is not limited to requesting due diligence questionnaires to be completed, conducting interviews and site visits and financial investigations. Counterparties are ultimately selected on the basis of their capabilities and the quality of service which they provide. Additionally, Aspect's specific considerations in appointing executing brokers include coverage, flow of information, efficiency and accuracy of execution and specialist knowledge of the instruments traded by the strategy. Specifically for the fund, the clearing brokers, custodian and auditor are evaluated and selected by Colonial First State. Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above. Executed ISDA documentation must be in place between the investment manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.
Key risks associated with the collateral requirements	Counterparty risk is the key risk associated with the collateral requirements of the fund. Aspect, on behalf of Colonial First State, executes transactions exclusively via highly creditworthy counterparties, clearing agents and exchanges in the execution and management of the fund's positions. Counterparty risk is monitored on a regular basis by a committee which reports to Aspect's Executive Board, while other safeguards are in place which involves having multiple clearers for the fund and having the flexibility to react appropriately if needed. Please refer to the relevant offer document for additional information on fund risks.
8 Short selling	
Is short selling permitted?	No.
Rationale	Not applicable as the fund does not short sell.
Risks	Not applicable as the fund does not short sell.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

BlackRock Global Liquid Alternatives

1 Investment strategy	
Investment strategy	The fund aims to outperform its benchmark by providing investors with a source of risk controlled absolute returns that are, over time, expected to have low correlations with the returns of major asset classes. The fund gains exposure to its investment strategy by investing in pooled investment vehicles issued by BlackRock Group entities. These vehicles provide access to absolute return investment strategies ("Strategy Funds"), each of which offers daily dealing and daily liquidity. The range of strategies may include, but are not limited to any one or more of the following, allocation to which may vary over time: • Systematic Equity Market Neutral strategies: Quantitively-driven hedge fund strategies that aim to exploit inefficiencies in individual stock prices by gaining exposure to long and short positions in local and global equity markets. The market-neutral construct targets a zero net-market exposure (i.e., a market beta of zero). Most of the risk comes from idiosyncratic, stock specifics. • Fundamental Equity Long/Short strategies: These are high conviction, concentrated equity portfolios that are built using a fundamental, bottom-up approach. The hedge fund teams take long and short positions in global equity markets with the aim of exploiting security mispricings. • Event Driven strategies seeks to capture the structural and persistent risk premia in merger arbitrage through a robust and repeatable investment process focused on companies that are involved in publicly announced definitive mergers, takeovers, tender offers, leveraged buyouts, and other corporate combinations. • Fixed Income Absolute Return strategies seek to exploit opportunities across global fixed income markets by taking long and short positions in a broad range of fixed income securities including, but not limited to: sovereign bonds; corporate credit; mortgages; and other securities. • Global Macro/Managed Futures strategies seek to exploit inefficiencies across global markets by gaining exposure to long and short positions across a broad array of global assets including, but not limited to: equities; bonds; currencies; commodities; derivatives; and other assets. These strategies may utilise fundamental, systematic and/or trend following insights to construct portfolios. • Market Neutral Style Premia strategies seek to capture positive returns from a range of style factor strategies across global asset classes while maintaining low correlation to broad market factors. We aim to continuously explore the addition of new investment strategies where they align with the Fund's investment strategy.
Asset classes	The Strategy Funds implement a diversified range of investment strategies that form part of the Fund's own investment strategy, which provides exposure to long and short positions across a broad range of global markets including, but not limited to Equities, Fixed income, Credit, Currencies, Commodities, and Money markets in both Developed and Emerging markets.
Location and currency denomination of assets	The fund is an Australian registered managed investment scheme and is denominated in Australian dollars. The Fund primarily gains its exposure through investing in the Strategy Funds, which are generally domiciled in Luxembourg, Ireland or Australia. The Fund generally invests into Australian dollar denominated share classes of the Strategy Funds and the currency exposure between the base currency of the Strategy Funds and the Australian dollar is generally hedged. It should be noted however that the Strategy Fund may have active currency positions and this exposure is not hedged. The Strategy Funds implement a diversified range of investment strategies that form part of the Fund's own investment strategy and provide exposure to long and short positions across a broad range of global markets including, but not limited to equities, fixed income, currency, commodity, credit and money markets in both developed and emerging markets.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – The fund does not enter into borrowing arrangements for investment purposes, other than temporary overdrafts which may be used as a means of managing certain cash flows. The Fund may, however, gain leveraged exposure through use of derivatives for passive currency hedging and its exposure to the Strategy Funds, which may utilise leverage in their investment program. There is no explicit maximum level of gross leverage that the Fund may be indirectly

	exposed to through its investment into the Strategy Funds. While the Fund may be exposed to leverage through its investment in the Strategy Funds, any potential losses are generally limited to the capital allocated to each Strategy Fund. Derivatives – Derivatives are financial instruments whose value is derived from another security, commodity, currency, or index. The use of these instruments can reduce the costs of managing exposure to investment markets and makes possible a wider universe of investment opportunities. The Fund does not typically hold derivatives directly, however may engage in passive currency hedging should shares in Strategy Funds not be available in Australian dollars. The Strategy Funds may use derivatives. Short selling – While the Fund does not engage in short selling a number of the Strategy Funds may do so. Unlike "long only" investments, which have just one source of return; that is buying securities that are expected to rise in value, long/short strategies have two sources of potential return. A fund that employs a long/short investment strategy can generate returns by owning securities that the manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to decrease in value. This latter process is known as 'short selling'.
Investment returns and assumptions	The Fund aims to achieve a return of 3 – 5% p.a. (net of fees) above the RBA Cash Rate Target (Benchmark) over rolling 3-year periods. The success of the Fund and Strategy Funds is dependent upon a number of factors which may include, but is not limited to: Ability to identify and exploit perceived pricing inefficiencies. The identification and exploitation of pricing inefficiencies in the pricing of securities, financial products, or markets involves uncertainty. There can be no assurance that the investment manager of a Strategy Fund will be able to locate investment opportunities or be able to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which an investment manager seeks to invest will reduce the scope for a Strategy Fund's investment strategies. In the event that the perceived mispricings underlying a Strategy Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by the Strategy Fund's investment manager, the Strategy Fund may incur losses. Regulatory environment. Legislators and regulators have implemented and continue to consider regulatory reforms and other measures to stabilise markets and encourage growth in global financial markets. Adverse or volatile market conditions, or further regulatory reforms and other measures which limit investment activities and investment opportunities or change the functioning of capital markets, could have a material adverse effect on performance. Limits of risk mitigation. While each fund in the investment structure benefits from the BlackRock Group's global expertise and risk management practices, it is not always possible to eliminate all applicable risks. An exposure to certain risks could cause underperformance.
Risk management strategy (key aspects)	Please refer to the relevant offer document for important information on Fund risks. Due diligence and selection of Strategy Funds The Fund holds substantially all of its assets in the Strategy Funds. BlackRock undertakes continuous monitoring and periodic reviews as part of its management of the Fund. We continuously explore the BlackRock Group for the latest and most innovative research and investment ideas, utilising the BlackRock Group's extensive pool of investment specialists. A rigorous due diligence process is conducted on short-listed strategies to assess the potential for inclusion in the Fund. This process involves a detailed assessment of both qualitative and quantitative factors relevant to each strategy. Once a strategy is chosen for inclusion, regular due diligence is conducted on each Strategy Fund to ensure these strategies continue to meet the Fund's strict investment criteria. Where a Strategy Fund invests in another fund, a formal due diligence process is generally undertaken in advance of any investment being made. This may not apply where the Strategy Fund is part of a master feeder investment structure. Under a master feeder investment structure, the Strategy Fund substantially or wholly invests in another fund with the same investment strategy as the Strategy Fund. Continuous monitoring and periodic reviews of any fund investment is a material part of the BlackRock Group's general investment management process. Capital allocation Once a Strategy Fund is chosen, capital is allocated to construct a diversified portfolio taking into account each Strategy Fund's expected risk and return parameters, the expected correlations between the Strategy Funds and the expected trading costs with the aim of achieving the Fund's

	overall investment objective. In managing the Fund's investment objective, BlackRock may increase or reduce the number of Strategy Funds to which the Fund is exposed. Capital allocations are made solely at the discretion of BlackRock. Core security/market selection Security/market selection typically occurs at the Strategy Fund level. The portfolio construction process aims to forecast market returns based on inefficiencies identified by research. The process aims to ensure that both investment risk and implementation costs are adequately compensated. The process begins with investment insights, which are used to create forecasts of future market returns. These insights are carefully evaluated and aim to be complementary to existing portfolio insights. A number of Strategy Funds may be significantly leveraged and/or engage in short selling as a means of tailoring risk and return characteristics in pursuing their investment objective. This is done in a risk controlled manner in line with the BlackRock Group's robust risk framework. Risk for each Strategy Fund is measured and monitored by the BlackRock Group's Risk and Quantitative Analysis Team.
Diversification guidelines and limits	While the Fund does not have formal diversification guidelines or specific asset allocation ranges or limits, and can invest in the Strategy Funds in any proportion as BlackRock deems appropriate, continuous monitoring and oversight of asset allocations is undertaken as part of BlackRock's management of the Fund's investment strategy.
Investment strategy changes	In contrast to many single strategy funds, the Fund aims to deliver a successful investment outcome by gaining exposure to a diversified range of investment strategies. We aim to continuously explore the addition of new investment strategies where they are in keeping with the Fund's investment strategy. The BlackRock Group undertakes continuous research and development of the investment strategies of the Fund and Strategy Funds, which may result in changes to the way the funds are run.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The BlackRock Multi-Asset Strategies and Solutions team is responsible for the management of the Fund. The local team currently comprises 21 investment professionals, with average industry and firm tenure for the team is over 15 and 9 years respectively. The team has further support from dedicated resources overseas. Mike McCorry, PhD, Managing Director is BlackRock Australia's Chief Investment Officer (CIO) and a member of BlackRock Australia's Board. Mike's prior roles involve leading portfolio management and research teams across Equities, Fixed Income, and Global Macro. He joined the firm in 1997 as Head of Research for Australia with responsibility for the ongoing development of Australia's Active Investment Strategies. Prior to joining the firm, Mike was with the Securities Industry Research Centre of Asia-Pacific and taught at the University of Sydney. He earned PhD degree in Finance from the University of Memphis. Karsten Kumpf, CFA, PhD, Managing Director, is Head of Portfolio Management for BlackRock's MASS Australia Group. Dr. Kumpf is responsible for daily portfolio management and client strategy support for a range of products in the Multi-Asset Strategies & Solutions (MASS) Group, including the Multi Opportunity Fund, international equity portfolios, balanced funds and a listed infrastructure fund. Dr. Kumpf's service with the firm dates to 2006, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. Prior to working at BGI, Dr. Kumpf was Director at TIBCO Software and managed pre-sales and consulting business services groups in the Australia and New Zealand region, and he worked as Chief Technology Officer at the Australian telecommunications software and consulting services provider Soprano Design. Dr. Kumpf holds an undergraduate degree in Information Technology and Electrical Engineering from the Dresden University of Technology (1994), a PhD in automated speech processing technology from the University of Sydney (1998), an Executive MBA from AGSM (2002) and is member of the CFA Institute.
Termination of investment management agreement (IMA)	Not Applicable - CFSIL as the issuer of the fund, intends to gain investment exposure by investing in a managed investment scheme issued by BlackRock Investment Management (Australia) Limited. CFSIL has rights to redeem as a unitholder in the BlackRock issued scheme.

3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC.  Investments in FirstChoice Wholesale Investments are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 ('the Responsible Entity').
Key service providers	**Responsible Entity and Fund Administrator:** Colonial First State Investments Limited (CFSIL) is the Responsible Entity of the Fund. The Fund may invest in other managed investment schemes which may have a different Responsible Entity (RE). **Investment manager:** CFSIL invest the assets of the fund in cash and a managed investment scheme issued and managed by BlackRock Investment Management (Australia) Limited. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodians:** Citicorp Nominees Pty Ltd. **Underlying fund custodian, administrator and auditor:** The Investment Manager utilises the services of JP Morgan Chase Bank NA who provides custody and administration services including valuation and unit pricing, registrar and transfer agent, fund accounting, distribution preparation and preparation of financial statements. The Auditor of the underlying fund is Deloitte Touche Tohmatsu.
Monitoring service providers	**Investment manager:** Colonial First State Investments Limited (CFSIL) is the Responsible Entity of the Fund. The Fund may invest in other managed investment schemes which may have a different Responsible Entity (RE). CFSIL undertakes regular review and monitoring of the Investment Manager to verify the Investment Manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodians:** Citicorp Nominees Pty Ltd Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Citicorp Nominees Pty Ltd – Australia BlackRock Investment Management (Australia) – Australia KPMG – Australia JP Morgan Chase Bank NA – Australia Deloitte Touche Tohmatsu – Australia
Outline the risks of the structure with the entities involved (e.g.	The Fund will typically invest into other managed investment schemes to gain investment exposure. All investments are clearly identified as belonging to the appropriate Trust where Colonial First State Investments Limited is the Responsible Entity.

risks associated with holding overseas assets)	Additional information on risks associated with the Fund's structure can be found in the relevant offer document.

4 Valuation, location and custody of assets

Valuation policy

The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).

The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.

Please refer to the relevant offer document for further details.

Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)

Asset class	Range
Australian listed equities	0–100%
International listed equities	0–100%
Australian government bonds	0–100%
Australian corporate bonds	0–100%
International government bonds	0–100%
International corporate bonds	0–100%
Structured products	0–100%
Exchange traded derivatives	0–100%
Over the counter (OTC) derivatives	0–100%
Cash equivalent investments	0–100%

Custodian arrangements

A professional custodian, Citicorp Nominees, will typically hold units in other managed investment schemes.

The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.

Geographic location of assets or material assets

The Fund can invest in a wide range of global assets and markets.

5 Liquidity

Liquidity

As at the date of the PDS, under normal market conditions BlackRock reasonably expects, should the need arise, to be able to realise at least 80% of the Fund's assets (at the value ascribed to those assets in calculating the Fund's NAV) within 10 days. To be eligible for investment by the Fund each Strategy Fund must offer daily dealing and daily liquidity.

6 Leverage

Use of leverage and restrictions on the use of leverage

The Fund does not enter into borrowing arrangements for investment purposes, other than temporary overdrafts which may be used as a means of managing certain cash flows. The Fund may, however, gain leveraged exposure through its exposure to some Strategy Funds, which may utilise leverage in their investment program. Leverage may be used by some Strategy Funds to increase buying power or to take advantage of market opportunities, where consistent with the investment strategy of the fund.

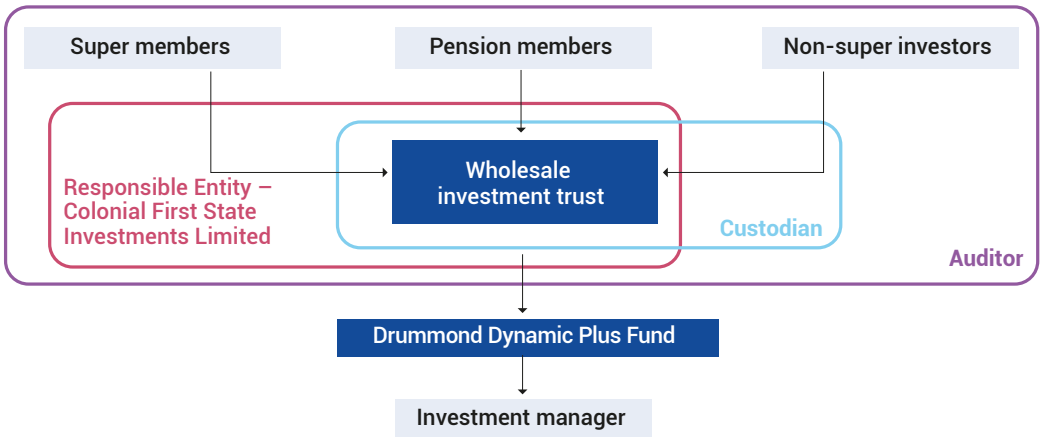
Source of leverage including type	Leverage may be achieved through, among other methods, borrowing, purchasing financial instruments on margin and investing in derivative instruments that are inherently leveraged.
Maximum allowed level of leverage	There is no explicit maximum level of gross leverage that the Fund may be exposed to indirectly through its investment in the Strategy Funds.
Impact of leverage on investment returns and losses	Leverage may magnify or otherwise increase investment losses to the Fund.
Assets used as collateral	Derivative positions are collateralised with cash and/or securities.
7 Derivatives	
Purpose and rationale for the use of derivatives	Derivatives are financial instruments whose value is derived from another security, commodity, currency, or index. The use of these instruments can reduce the costs of managing exposure to investment markets and makes possible a wider universe of investment opportunities. While the Fund intends to invest substantially all of its assets in the Strategy Funds, the Strategy Funds may use derivatives for a range of purposes.
Types of derivatives used	The Fund and Strategy Funds do not specify any particular approved types of derivatives to be used by underlying fund(s) into which they invest or set any limits on derivative exposure. Derivative exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy.
Criteria for engaging derivative counterparties	All counterparties of the BlackRock Group are formally approved by the BlackRock's Counterparty Risk team, prior to a fund engaging in any transaction with a particular counterparty. No transaction may be entered into with a counterparty that has not previously been approved. The BlackRock Group prefers to have multiple counterparties, including principal protection providers, for liquidity, risk management and best execution purposes. The BlackRock Group also has several reporting tools that allow it to manage counterparty exposure, balancing net exposures to its different counterparties. Where necessary, credit risk exposure to counterparties can be adjusted, both at the individual portfolio level and at the aggregate firm-wide level.
Key risks associated with the collateral requirements	Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell. The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.
8 Short selling	
Is short selling permitted?	Yes, via the underlying Strategy Funds.
Rationale	A Strategy Fund that employs a long/short investment strategy can generate returns by owning securities that the manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to decrease in value. This latter process is known as 'short selling'. A number of the Strategy Funds may engage in short selling. The Fund does not seek to restrict the investment strategies of the Strategy fund(s) into which they invest with regard to their use of short selling, including the level of short selling that may be undertaken. Short selling exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy.
Risks	In taking a short position, the Investment Manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested. The risks associated with short selling are managed in the same way

	as the risks associated with holding a long security, i.e. thorough research, daily reporting and ongoing monitoring of positions held. For further information on short selling risk, please refer to the relevant offer document. The BlackRock Group seeks to manage the risks associated with short selling through its portfolio construction processes. Short positions are periodically rebalanced, so as to reduce the risk of substantial changes in the price of the short security and exposure limits may be imposed with regards to single stock positions, in order to mitigate potential losses. When a short position is established through a derivative contract, the position may give rise to the risks detailed under 'Derivative risk'.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Drummond Dynamic Plus

1 Investment strategy	
Investment strategy	The fund is a dynamically managed, global multi-asset strategy and seeks to provide investors with an attractive return in a low return world by capturing equity beta combined with Drummond's proven tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives. Typically, the fund will be diversified across asset classes, seeking diversified sources of return and reducing drawdown risk. The Manager expects most of the fund's return to be generated from long term exposure to traditional market betas. The fund may hedge a portion of its currency exposure and may use derivatives to achieve its investment objective and to gain exposure to assets and markets. Derivatives may also be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets. The fund may use leverage in order to contribute meeting the investment objective. The fund gains exposure by investing in the underlying Drummond Dynamic Plus Fund via buying and selling units.
Asset classes	Australian shares, global shares, property & infrastructure securities, alternatives, global fixed income, corporate bonds, and cash & derivatives.
Location and currency denomination of assets	**Location** – Australia and global. **Currency denomination** – Range of foreign currencies. Some foreign currency exposure may be hedged back to Australian dollars.
Role of leverage, derivatives and short selling (if applicable)	The fund uses leverage where the investment manager believes it may enable the fund to meet its return objective. Accordingly, the fund may pledge securities in order to borrow additional funds for investment purposes. The amount of borrowings 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 fund units. **Leverage** – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. **Derivatives and short selling** – Derivatives (futures, forwards, interest rate and credit default swaps) can be used to create a 'synthetic' leverage from the fact that these markets require only a portion of their face value as the initial margin payment. In the context of the fund's strategy, leverage is defined as the gross exposure of all positions held, expressed as a percentage of the fund's net asset value. The fund can also hold individual short positions, although this is not a core part of the investment strategy.
Investment returns and assumptions	The investment objective of the fund is to achieve an 8% p.a. return on a rolling 5 yr basis while exhibiting equity market like volatility. Returns are not guaranteed as this is a target return and may not be achieved. The fund seeks to provide investors with an attractive return by capturing equity beta combined with Drummond's tactical asset allocation process across liquid markets such as equities, bonds, credit and alternatives. Drummond develop capital market assumptions for all major asset classes across most major regions. Drummond use a macroeconomic based framework for asset class returns. Each asset class return is generally split into expectations for growth, valuation change and income. Drummond's assumptions for risk and correlations are based on a combination of historical averages and future expectations. These assumptions are reviewed on an annual basis or earlier as required by the Investment team and Drummond's Investment Committee. Drummond also cross check their assumptions against historical averages and the expectations of external research providers. There are two primary inputs into Drummond's tactical process, both of which consider Equities, Bonds, Credit and FX positioning. 1 A tactical scorecard, which combines quantitative signals which have historically improved investment outcomes and our investment outlook, these include: a **Expected Returns:** Using our capital market framework b **Momentum:** Long and short term trend indicators c **Growth:** Global economic activity indicators

	d **Policy:** Fiscal and Central bank policy e **Sentiment:** Investor surveys and volatility indices 2 A judgement overlay, where Drummond consider factors which may not be accounted for in the tactical scorecard. It is important to reiterate the investment manager's tactical process is not purely systematic. These two elements are then used to construct the tactical overlay, with position sizing a function of conviction and risks around the investment outlook. Sitting over the top of this structure is a robust governance framework, which involves frequent Investment Committee oversight and internal portfolio risk management tools.
Risk management strategy (key aspects)	Please refer to the relevant offer document for important information on fund risks. Risk management is an integral aspect of the management of the portfolio. There are a number of key elements to the fund's risk management strategy: • **Volatility management/targeting** – The portfolio is generally managed to have ex-ante volatility not greater than the investment manager's long term assumption for global equity market volatility. Should ex-ante volatility be higher, than this, the Investment Committee will review, and approve portfolio exposures. This is reviewed continuously by the Investment team and formally monthly by the Investment Committee. • **Stress testing** – The portfolio is stress tested monthly against severe market dislocation events to ensure the predicted drawdown is within acceptable limits. Ex-ante stress test measures are also produced, such as CVAR and 1st to 5th percentile simulated drawdowns and lowest expected returns. • **Tactical process** – The Investment team will also adjust the exposures of the portfolio through time to manage risk as well as enhance return. This includes the use of options to shape the distribution of portfolio returns. Over time the portfolio will be well diversified across asset classes, limiting concentration risk.
Diversification guidelines and limits	The strategy is well diversified across asset classes. Typically, in a benign market environment, the fund will have close to 90–100% gross exposure in growth assets (listed equity, property, infrastructure) and 50–100% exposure within defensive assets (cash, government bonds, credit) depending on the term structure of the yield curve (which impacts borrowing costs). The fund will typically have 7 to 15 positions. Within growth exposure, the fund will be diversified by equity region and style. Within defensive exposure, the Fund will be diversified by region, duration and credit quality. The fund may be levered on a gross basis to be exposed between 0–150% on growth assets and 0–300% on defence assets. The fund's maximum gross exposure is 300%.
Investment strategy changes	The fund is managed by Drummond Capital Partners (investment manager). Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	Drummond Capital Partners was founded in 2017 by Nick Reddaway and Tom Schubert to deliver active, institutional grade investment management to wealth management clients. The team have a long, combined history of investing across some of the world's leading institutional funds management businesses and domestic pension funds. Drummond are asset allocation specialists and focus on delivering high quality, risk aware, global multi-asset portfolio solutions, driven by proprietary research. Nick Reddaway Nick co-founded Drummond and has 21 years' investment management experience across multiple markets and investment styles. As Chief Investment Officer, Nick oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction. Nick was previously a co-founder and portfolio manager of Paragon Funds Management, an Australian long short equity fund. Prior to this Nick was a portfolio manager for the long short international fund at K2 Asset Management and also sat on the firms asset allocation committee. Nick spent the first 8 years of his career in London, commencing at Schroders in the quantitative strategy group, then at Lazard in cross asset research and then as a global industrials analyst at BlueCrest Capital, one of the largest hedge funds in Europe. Nick has a Bachelor of Business from Monash University, GradDip Applied Finance and is CFA Level 1.

	Tom Schubert Tom co-founded Drummond and has 19 years' investment management experience. As portfolio manager Tom contributes to our strategic and tactical asset allocation processes, manager selection and portfolio construction. Tom was previously a partner and portfolio manager at a leading private wealth firm for 12 years where he managed global multi-asset portfolios for high net worth and family office clients. He was a member of the investment committee leading the investment strategy, manager research and multi-asset model portfolio process. Tom has a Master of Applied Finance from Macquarie University, ASX Accredited Derivatives Adviser, Diploma of Financial Services.
	Alex Cathcart Alex joined Drummond in 2019 and has 18 years' experience as a portfolio manager and economist. As portfolio manager Alex oversees our strategic and tactical asset allocation processes, manager selection and portfolio construction. Alex previously spent 3 years at Cbus Super as a senior member of the asset allocation group responsible for strategic and dynamic asset allocation across the multi-asset portfolios. Prior to Cbus, Alex spent 5 years in the investment strategy team at QSuper. Alex was responsible for developing econometric structural models of major global economies, alongside the dynamic asset allocation and risk positioning frameworks. Prior to QSuper Alex spent almost 6 years as a senior economist at Queensland Treasury. Alex is a CFA Charterholder, B.Bus – Economics (1st Class Honours) and B.Arts/B.Bus at the University of Southern Queensland
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the investment manager without cause. The Responsible Entity has other termination rights such as certain breaches of the agreed terms or insolvency events.
3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Drummond Capital Partners – Drummond are asset allocation specialists and focus on delivering high quality, risk aware, global multi-asset portfolio solutions, driven by proprietary research. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Prime broker:** The investment manager utilises the services of Interactive Brokers for various trading and execution services.

Monitoring service providers	**Investment manager:** Drummond Capital Partners Colonial First State Investments Limited (CFSIL) is the Responsible Entity of the fund. The fund may invest in other managed investment schemes which may have a different Responsible Entity (RE). The investment managers are responsible for reporting breaches of the agreed terms. CFSIL undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Prime broker:** Interactive Brokers Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Drummond Capital Partners – Australia KPMG – Australia Evolution Trustees – Australia Apex Group – Australia Citibank, N.A., Hong Kong branch – Hong Kong
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	The fund will typically invest into other managed investment schemes to gain investment exposure. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	

Asset class	Range
Australian shares	0–100%
Global shares	0–100%
Property & infrastructure securities	0–50%
Alternatives	0–50%
Global fixed income	0–100%
Corporate bonds	0–100%
Cash & derivatives	0–100%

Custodian arrangements	A professional custodian (Citibank, N.A., Hong Kong branch) will typically hold units in other managed investment schemes. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The fund can invest in a wide range of global assets and markets.
5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.
6 Leverage	
Use of leverage and restrictions on the use of leverage	Leverage can be used to assist in implementing asset class views, the fund may be levered on a gross basis to be exposed between 0–150% on growth assets and 0–300% on defence assets. The fund's maximum gross exposure is 300%.
Source of leverage including type	Derivatives, futures, borrowings and/or short selling.
Maximum allowed level of leverage	0–300% at the fund level.
Impact of leverage on investment returns and losses	Some derivatives are leveraged and therefore may magnify or otherwise increase investment losses to the fund.
Assets used as collateral	Derivative positions are collateralised with cash, however securities may be used in some instances.
7 Derivatives	
Purpose and rationale for the use of derivatives	A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. The fund typically uses futures, options, and forward foreign exchange contracts to help implement investment decision-making. Derivatives may be used in the management of the fund for a range of investment activities including, but not limited to, the following purposes: • managing investment risk and volatility of a stock, security or market • managing currency risk and adjusting currency exposure • achieving asset exposures without buying or selling the underlying securities • creating short exposure to a stock, security or market where permitted • taking advantage of price differences (known as arbitrage). The use of derivatives is consistent with the fund's investment guidelines and objectives.
Types of derivatives used	Typically, futures and forward foreign exchange contracts
Criteria for engaging derivative counterparties	Drummond Capital Partners typically uses exchange-traded derivatives. These are executed via the investment manager's prime-broker relationship (Interactive Brokers). As at the date of this PDS the fund's only derivative counterparty will be the prime broker. Any new counterparties must be formally approved by CFSIL. No transaction may be entered into with a counterparty that has not previously been approved by CFSIL.
Key risks associated with the collateral requirements	Exchange-traded and over-the-counter derivatives may be collateralised through the standard margining process with futures clearing merchants and the relevant exchanges and counterparties. Trading in derivatives can require the lodgement of initial and variation margins with the clearing member and exchange. This gives rise to counterparty risk, i.e. the risk that the other party to financial transaction may default on monies owing (under the financial contract) to the other.

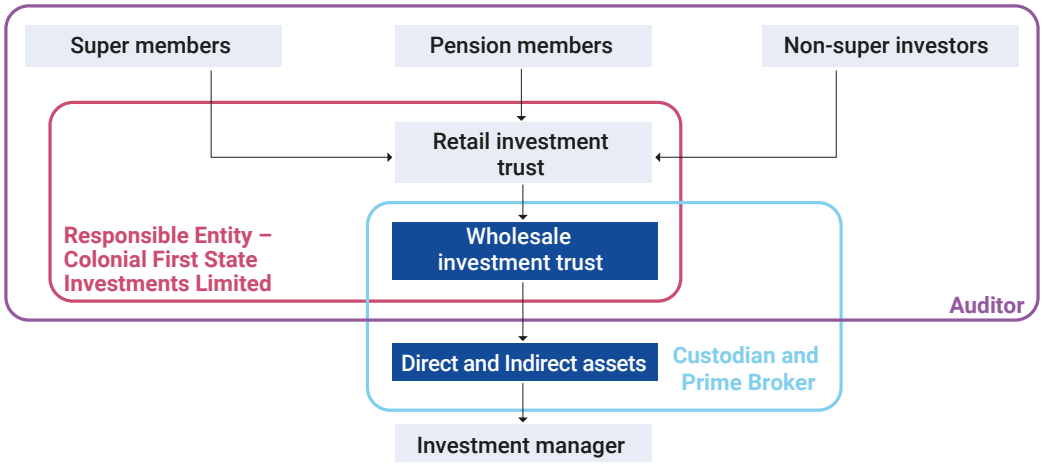
8 Short selling	
Is short selling permitted?	Yes
Rationale	The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange-traded fund). From time to time, the investment manager applies an active short selling strategy for the fund. Drummond Capital Partners may use short selling to reduce the fund's net invested position and to take opportunities to increase returns. The investment manager may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position. The investment manager may short sell shares that it considers to be overvalued.
Risks	In taking a short position, the investment manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, i.e. thorough research, daily reporting and ongoing monitoring of positions held. For further information on short selling risk, please refer to the relevant offer document.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Fortlake Real-Income

1 Investment strategy	Description
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 focus of the Fund is predominantly gaining investment exposure to 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.
Asset classes	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. In addition, the Fund may also use derivatives to gain additional exposure to non- Australian interest rates.
Location and currency denomination of assets	**Location** – Australia North America, UK/EMEA, Asia Pacific. **Currency denomination** – The Fund will have underlying positions in US dollars and other currencies that will generally be hedged back to AUD.
Role of leverage, derivatives and short selling (if applicable)	The Fund may use derivatives to gain additional exposure to non-Australian interest rates. The Fund may also use short-selling.
Investment returns and assumptions	Investors seeking to target returns above the RBA cash rate where the investor has a medium investment timeframe, defensive level of risk and could need daily access to capital.
Risk management strategy (key aspects)	The Investment Manager continually monitors risk across four key dimensions: (i) Portfolio Exposures; (ii) Structure; (iii) Operations; and (iv) Commercial. (i) 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. (ii) 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. (iii) 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. (iv) 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.
Diversification guidelines and limits	The portfolio will typically contain 20 to 70 securities but may contain up to 1,000 securities. The portfolio will generally contain derivative positions as well, particularly where use of the derivative enhances the theme or strategy of the portfolio. 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. Refer to disclosure principles 6 (leverage) and 7 (derivatives).
Investment strategy changes	The fund is managed by Fortlake Asset Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	**Description**
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets. There are several key investment personnel who have day to day responsibility for the running of the Fund. The key persons, including their relevant qualifications and commercial experience, are: 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 assets under management (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 Environmental, Social and Governance (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. Christian will spend approximately 90% of the time executing the investment strategy. Tiffany Heath, Chief Strategy Officer Tiffany is responsible for the overall strategic direction of the business, including functional synergies across the various trade-related offices of Fortlake, investment and implementation solutions, managing Fortlake's domestic and international footprint, domestic and international stakeholder and distribution engagement, counterparty risk and relationships. Tiffany is on the Executive Board for Fortlake and a member of the Audit Risk and Compliance Committee (ARCC). A highly regarded financial markets professional, Tiffany is recognised for her expertise in technical trading solutions across large global

	pools of capital and commercial strategy. With over 18 years of extensive experience in top-tier global financial institutions, Tiffany has held senior leadership positions at Goldman Sachs and UBS, overseeing diverse global markets businesses. During her 13-year tenure at Goldman Sachs, Tiffany served as Head of Cleared Derivatives for Australia and New Zealand, led the Australian-based Global Financing Sales & Distribution effort, and excelled as a lead project manager within the Global Portfolio Solutions, Pension Services, and Transition Management business. Her contributions were marked by strategic insights leading to business expansion, effective risk management, and a steadfast commitment to delivering client-centric solutions. Tiffany holds a Bachelor of Agricultural Economics from the University of Sydney, graduating with First-Class Honors and awarded the G.W. Walker Memorial Prize for Agricultural Economics. Her academic achievements were complemented by the University of Sydney Senate Sports Scholarship, recognizing her excellence in both academics and sporting achievements. Catherine Drysdale, Portfolio Manager Catherine serves as a Portfolio Manager at Fortlake. She is a current PhD (Engineering) candidate and scholarship recipient at the University of Sydney (USYD), where she is leveraging artificial intelligence for fixed income portfolio optimisation. Catherine has been conducting research alongside Dr Christian Baylis since September 2023. She holds a Master of Data Science from USYD, where her thesis examined the role of Quantitative Easing and price bifurcations in the Australian Commonwealth Government Bond market. Having worked previously at ANZ and Dimensional Fund Advisors (DFA), Catherine has experience in domestic and global fixed income markets. DFA is a global investment firm with over $1 trillion AUM, with a board that has featured numerous Nobel laureates and esteemed academics including Eugene Fama, Ken French, Merton Miller, Myron Scholes and Robert Merton. At DFA she worked in a trading and portfolio management capacity where she applied quantitative problem-solving and analytic skills to design fixed income strategies. Catherine was also responsible for overseeing the incorporation of sustainability principles into the investment process. In her time at ANZ, she produced market communications and facilitated trades in fixed income and derivative products. Catherine's experience in finance is preceded by a career in economics and business studies education, where she served as a teacher for several years. Outside her time at Fortlake, she continues her work as an educator for postgraduate students in the Faculty of Computer Science at USYD. Aaron Van Der Werff, Investment Implementation Specialist Aaron is responsible for monitoring investment implementation and middle office flows, risk management and performance monitoring and reporting. Aaron has over 12 years' experience within the finance and banking industry in Australia. Prior to working at Fortlake, Aaron worked for Tactical Global Management Ltd (TGM) for 8 years. During his time at TGM, Aaron was a Senior Trading Analyst responsible for the implementation of client portfolios including daily execution of rebalancing currency and derivative overlays. Prior to this Aaron also oversaw critical execution and implementation services provided to Fortlake Asset Management Ltd (FAM) via the TGM/FAM joint venture. Aaron has a Bachelor of Commerce/Arts from University of Queensland majoring in Finance and Information Technology, as well as a Masters in Applied Finance.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure	Description
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Fortlake Asset Management Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor**: KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian and Prime broker:** J.P. Morgan Securities LLC acts as a prime broker for the fund.
Monitoring service providers	**Investment manager:** Fortlake Asset Management Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor**: KPMG **Custodian :** J.P. Morgan Securities LLC Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits. **Prime broker:** J.P. Morgan Securities LLC Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Fortlake Asset Management Limited - Australia KPMG - Australia J.P. Morgan Securities LLC - United States
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets	
Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	**Asset class** — **Range** Global government and corporate bonds — 0–15% Australian corporate bonds — 70–100% Australian government bonds — 0–10%
Custodian arrangements	A professional custodian (J.P. Morgan Securities LLC) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The assets of the fund are held by the prime broker/custodian in Australia and around the world.
5 Liquidity	**Description**
Liquidity	The Fund generally permits redemptions daily on each Business Day. The Responsible Entity reasonably expects to be able to meet redemptions in normal market conditions.
6 Leverage	**Description**
Use of leverage and restrictions on the use of leverage	Fortlake may leverage the Fund's capital because it believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Responsible Entity may pledge the Fund's securities to borrow additional funds for investment purposes. The Fund may also leverage its investment return with derivatives and short sales. The amount of borrowings that 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. Leverage may be employed via the prime broking relationship with J.P. Morgan Securities LLC or other trading counterparties, who impose a strict set of leverage limits, asset class criteria restrictions as well as concentration risk calculations on Fortlake. The Prime Broker or other counterparties may enter into leveraged transactions with the Fund (e.g. short selling or derivatives) and may hold some assets of the Fund as collateral for those transactions.
Source of leverage including type	The Fund may use derivatives to add to the gearing level of the portfolio.
Maximum allowed level of leverage	The Fund does not target a fixed amount of leverage. The "Impact of leverage on investment returns and losses" section below includes an illustrative example.

Impact of leverage on investment returns and losses	The following table provides examples of two different scenarios of the Fund's performance and their theoretical outcome if the Fund was at its maximum gross market exposure (2.5x) with no protection through short selling. At the Fund's maximum gross market exposure, this means that for every $1 of the Fund's Net Asset Value, the Fund is leveraged $2.50. Note that this example does not take into account borrowing or trading costs. The examples use an investment of $50,000 and the maximum anticipated and allowed leverage of 2.5x:

Return on investments	Total gross portfolio exposure	Total portfolio gain/(loss)	Total portfolio value
Portfolio return +10%	$125,000	$12,500	$62,500
Portfolio return -10%	$125,000	($12,500)	$37,500

Assets used as collateral	The Prime Broker or other counterparties may enter into leveraged transactions with the Fund (e.g. short selling or derivatives) and may hold some assets of the Fund as collateral for those transactions.
7 Derivatives	**Description**
Purpose and rationale for the use of derivatives	While the Fund primarily invests in fixed interest bonds, Fortlake may, in its discretion, invest in derivatives and/or exchange traded funds to gain an intended exposure or manage a particular risk. Derivatives (both exchange traded and over the counter) may be used in the management of the Fund for purposes including the following: • managing investment risk and volatility of a security or market • managing actual and anticipated interest rate risk and credit exposure • managing currency risk and adjusting currency exposure • achieving asset exposures without buying or selling the underlying securities • creating short exposure to a security or market where permitted • generating additional income • adding to the gearing levels of the Fund's portfolio • managing strategic and tactical asset allocation strategies, or • taking advantage of price differences (known as arbitrage).
Types of derivatives used	The Investment Manager may use derivatives, such as options, futures, and swaps, for hedging and non-hedging purposes.
Criteria for engaging derivative counterparties	The primary over the counter derivative counterparty used is J.P. Morgan Securities LLC, who is the Fund's Prime Broker. The Investment Manager prefers to have multiple counterparties available for derivative transactions to ensure its liquidity, risk management and execution processes are optimised. The Investment Manager only trades with institutional counterparties with a broad market coverage.
Key risks associated with the collateral requirements	The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the fund. Please refer to the relevant offer document for additional information on fund risks.

8 Short selling	Description
Is short selling permitted?	Yes.
Rationale	The Fund may undertake short selling as part of the investment strategy. The Fund may engage in short selling by borrowing bonds through the Prime Broker and providing the required collateral. Fortlake will engage in short selling in accordance with the rules of the particular market on which it is trading (for example, it will comply with relevant reporting requirements and, where 'naked' short selling is prohibited, Fortlake will not engage in such practice).
Risks	In taking short positions, the fund bears the risk of an increase in the price of an investment over which the short position is taken. Such an increase could lead to a substantial loss.

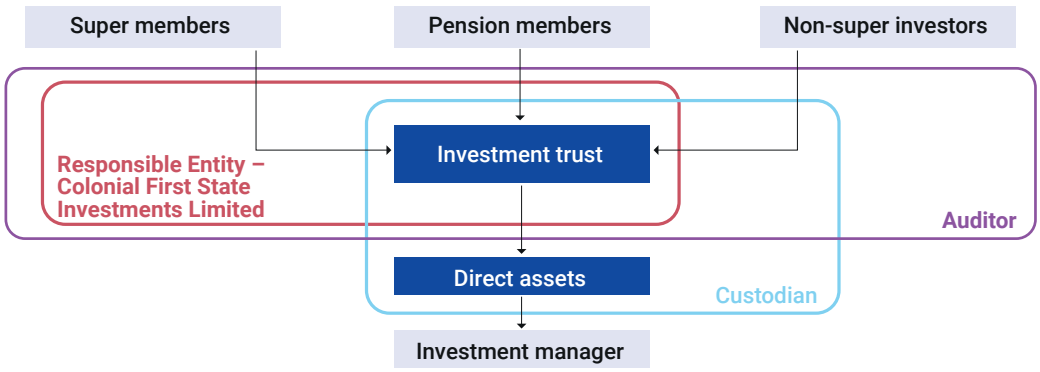
9 Withdrawals	Description
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Fortlake Real-Higher Income

1 Investment strategy	Description
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 focus of the Fund is predominantly gaining investment exposure to 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.
Asset classes	The investment universe is comprised mainly of investment-grade corporate bonds, asset backed securities inflation derivatives, interest rate derivatives, bank bills and Negotiable Certificates of Deposit (NCDs) issued by larger Australian banks. In addition, the Fund may also use derivatives to gain additional exposure to Australian and non-Australian interest rates.
Location and currency denomination of assets	**Location** – Australia North America, UK/EMEA, Asia Pacific. **Currency denomination** – The Fund will have underlying positions in US dollars and other currencies that will generally be hedged back to AUD.
Role of leverage, derivatives and short selling (if applicable)	The Fund may use derivatives to gain additional exposure to Australian and non-Australian interest rates. The Fund may also use short-selling.
Investment returns and assumptions	Investors seeking to target returns above the RBA cash rate where the investor has a medium investment timeframe, high risk/return profile and could need daily access to capital.
Risk management strategy (key aspects)	The Investment Manager continually monitors risk across four key dimensions: (i) Portfolio Exposures; (ii) Structure; (iii) Operations; and (iv) Commercial. (i) 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. (ii) 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. (iii) 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. (iv) 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.
Diversification guidelines and limits	The portfolio will typically contain 20 to 70 securities but may contain up to 1,000 securities. The portfolio will generally contain derivative positions as well, particularly where use of the derivative enhances the theme or strategy of the portfolio. 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- • Government and corporate bonds exposure of 0-100% of the 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. Refer to disclosure principles 6 (leverage) and 7 (derivatives).
Investment strategy changes	The fund is managed by Fortlake Asset Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	**Description**
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets. There are several key investment personnel who have day to day responsibility for the running of the Fund. The key persons, including their relevant qualifications and commercial experience, are: 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 assets under management (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 Environmental, Social and Governance (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. Christian will spend approximately 90% of the time executing the investment strategy. Tiffany Heath, Chief Strategy Officer Tiffany is responsible for the overall strategic direction of the business, including functional synergies across the various trade-related offices of Fortlake, investment and implementation solutions, managing Fortlake's domestic and international footprint, domestic and international stakeholder and distribution engagement, counterparty risk and relationships. Tiffany is on the Executive Board for Fortlake and a member of the Audit Risk and Compliance Committee (ARCC). A highly regarded financial markets professional, Tiffany is recognised for her expertise in technical trading solutions across large global

	pools of capital and commercial strategy. With over 18 years of extensive experience in top-tier global financial institutions, Tiffany has held senior leadership positions at Goldman Sachs and UBS, overseeing diverse global markets businesses. During her 13-year tenure at Goldman Sachs, Tiffany served as Head of Cleared Derivatives for Australia and New Zealand, led the Australian-based Global Financing Sales & Distribution effort, and excelled as a lead project manager within the Global Portfolio Solutions, Pension Services, and Transition Management business. Her contributions were marked by strategic insights leading to business expansion, effective risk management, and a steadfast commitment to delivering client-centric solutions. Tiffany holds a Bachelor of Agricultural Economics from the University of Sydney, graduating with First-Class Honors and awarded the G.W. Walker Memorial Prize for Agricultural Economics. Her academic achievements were complemented by the University of Sydney Senate Sports Scholarship, recognizing her excellence in both academics and sporting achievements. Catherine Drysdale, Portfolio Manager Catherine serves as a Portfolio Manager at Fortlake. She is a current PhD (Engineering) candidate and scholarship recipient at the University of Sydney (USYD), where she is leveraging artificial intelligence for fixed income portfolio optimisation. Catherine has been conducting research alongside Dr Christian Baylis since September 2023. She holds a Master of Data Science from USYD, where her thesis examined the role of Quantitative Easing and price bifurcations in the Australian Commonwealth Government Bond market. Having worked previously at ANZ and Dimensional Fund Advisors (DFA), Catherine has experience in domestic and global fixed income markets. DFA is a global investment firm with over $1 trillion AUM, with a board that has featured numerous Nobel laureates and esteemed academics including Eugene Fama, Ken French, Merton Miller, Myron Scholes and Robert Merton. At DFA she worked in a trading and portfolio management capacity where she applied quantitative problem-solving and analytic skills to design fixed income strategies. Catherine was also responsible for overseeing the incorporation of sustainability principles into the investment process. In her time at ANZ, she produced market communications and facilitated trades in fixed income and derivative products. Catherine's experience in finance is preceded by a career in economics and business studies education, where she served as a teacher for several years. Outside her time at Fortlake, she continues her work as an educator for postgraduate students in the Faculty of Computer Science at USYD. Aaron Van Der Werff, Investment Implementation Specialist Aaron is responsible for monitoring investment implementation and middle office flows, risk management and performance monitoring and reporting. Aaron has over 12 years' experience within the finance and banking industry in Australia. Prior to working at Fortlake, Aaron worked for Tactical Global Management Ltd (TGM) for 8 years. During his time at TGM, Aaron was a Senior Trading Analyst responsible for the implementation of client portfolios including daily execution of rebalancing currency and derivative overlays. Prior to this Aaron also oversaw critical execution and implementation services provided to Fortlake Asset Management Ltd (FAM) via the TGM/FAM joint venture. Aaron has a Bachelor of Commerce/Arts from University of Queensland majoring in Finance and Information Technology, as well as a Masters in Applied Finance.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure	Description
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Fortlake Asset Management Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor**: KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian and Prime broker:** J.P. Morgan Securities LLC acts as a prime broker for the fund.
Monitoring service providers	**Investment manager:** Fortlake Asset Management Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor**: KPMG **Custodian** : J.P. Morgan Securities LLC Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits. **Prime broker:** J.P. Morgan Securities LLC Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Fortlake Asset Management Limited - Australia KPMG - Australia J.P. Morgan Securities LLC - United States
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets	
Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	**Asset class** — **Range** Government and corporate bonds — 0–100%
Custodian arrangements	A professional custodian (J.P. Morgan Securities LLC) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The assets of the fund are held by the prime broker/custodian in Australia and around the world.

5 Liquidity	Description
Liquidity	The Fund generally permits redemptions daily on each Business Day. The Responsible Entity reasonably expects to be able to meet redemptions in normal market conditions.

6 Leverage	Description
Use of leverage and restrictions on the use of leverage	Fortlake may leverage the Fund's capital because it believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Responsible Entity may pledge the Fund's securities to borrow additional funds for investment purposes. The Fund may also leverage its investment return with derivatives and short sales. The amount of borrowings that 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. Leverage may be employed via the prime broking relationship with J.P. Morgan Securities LLC or other trading counterparties, who impose a strict set of leverage limits, asset class criteria restrictions as well as concentration risk calculations on Fortlake. The Prime Broker or other counterparties may enter into leveraged transactions with the Fund (e.g. short selling or derivatives) and may hold some assets of the Fund as collateral for those transactions.
Source of leverage including type	The Fund may use derivatives to add to the gearing level of the portfolio.
Maximum allowed level of leverage	The Fund does not target a fixed amount of leverage. The "Impact of leverage on investment returns and losses" section below includes an illustrative example.

Impact of leverage on investment returns and losses	The following table provides examples of two different scenarios of the Fund's performance and their theoretical outcome if the Fund was at its maximum gross market exposure (2.5x) with no protection through short selling. At the Fund's maximum gross market exposure, this means that for every $1 of the Fund's Net Asset Value, the Fund is leveraged $2.50. Note that this example does not take into account borrowing or trading costs. The examples use an investment of $50,000 and the maximum anticipated and allowed leverage of 2.5x:

Return on investments	Total gross portfolio exposure	Total portfolio gain/(loss)	Total portfolio value
Portfolio return +10%	$125,000	$12,500	$62,500
Portfolio return -10%	$125,000	($12,500)	$37,500

Assets used as collateral	The Prime Broker or other counterparties may enter into leveraged transactions with the Fund (e.g. short selling or derivatives) and may hold some assets of the Fund as collateral for those transactions.

7 Derivatives	Description
Purpose and rationale for the use of derivatives	While the Fund primarily invests in fixed interest bonds, Fortlake may, in its discretion, invest in derivatives and/or exchange traded funds to gain an intended exposure or manage a particular risk. Derivatives (both exchange traded and over the counter) may be used in the management of the Fund for purposes including the following: • managing investment risk and volatility of a security or market • managing actual and anticipated interest rate risk and credit exposure • managing currency risk and adjusting currency exposure • achieving asset exposures without buying or selling the underlying securities • creating short exposure to a security or market where permitted • generating additional income • adding to the gearing levels of the Fund's portfolio • managing strategic and tactical asset allocation strategies, or • taking advantage of price differences (known as arbitrage).
Types of derivatives used	The Investment Manager may use derivatives, such as options, futures, and swaps, for hedging and non-hedging purposes.
Criteria for engaging derivative counterparties	The primary over the counter derivative counterparty used is J.P. Morgan Securities LLC, who is the Fund's Prime Broker. The Investment Manager prefers to have multiple counterparties available for derivative transactions to ensure its liquidity, risk management and execution processes are optimised. The Investment Manager only trades with institutional counterparties with a broad market coverage.
Key risks associated with the collateral requirements	The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the fund. Please refer to the relevant offer document for additional information on fund risks.

8 Short selling	Description
Is short selling permitted?	Yes.
Rationale	The Fund may undertake short selling as part of the investment strategy. The Fund may engage in short selling by borrowing bonds through the Prime Broker and providing the required collateral. Fortlake will engage in short selling in accordance with the rules of the particular market on which it is trading (for example, it will comply with relevant reporting requirements and, where 'naked' short selling is prohibited, Fortlake will not engage in such practice).

Risks	In taking short positions, the fund bears the risk of an increase in the price of an investment over which the short position is taken. Such an increase could lead to a substantial loss.

9 Withdrawals	Description
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Perpetual Share-Plus Long-Short

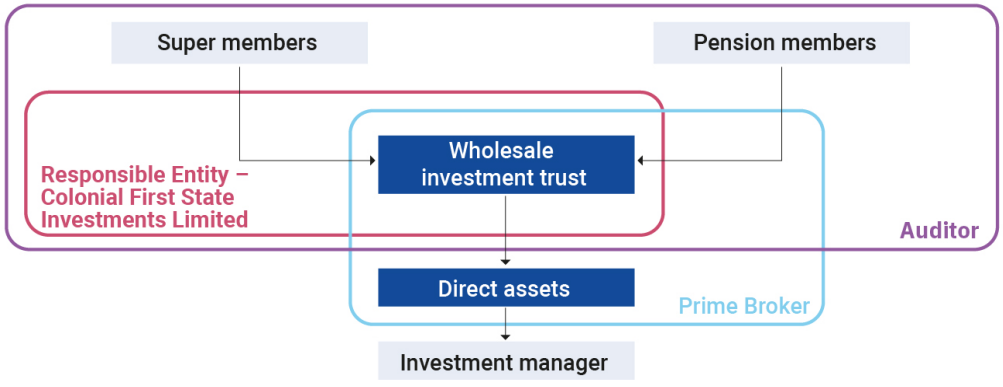
1 Investment strategy	
Investment strategy	Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: • conservative debt levels • sound management • quality business • recurring earnings. In addition, Perpetual aims to take short positions predominantly in Australian shares that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions). The fund may have up to 20% exposure to investments in international shares where the investment manager believes there are opportunities that may enhance returns. The fund may have up to 10% exposure to short positions in international shares. Derivatives may be used in managing the fund.
Asset classes	Australian shares and cash. The fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The fund may also invest in Australian or international shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the fund's net asset value. Currency hedges may be used from time to time.
Location and currency denomination of assets	**Location:** Australia **Currency denomination:** Australian Dollars (AUD)
Role of leverage, derivatives and short selling (if applicable)	**Leverage:** Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed stock) to amplify the exposure of capital to an investment. The fund may be leveraged for risk management purposes (to either increase or decrease a fund's exposure to markets), to take opportunities to increase returns, or to gain access to particular stock markets where investors face restrictions. **Derivatives:** Derivatives are not considered in isolation, but as part of the investment strategy being implemented. In relation to any offshore holdings held currency exposure against the Australian dollar will be generally unhedged. While derivative transactions may include a wide assortment of instruments, such as, futures, options, warrants and other composites, the list of authorised derivatives for use in the fund is limited to: • exchange traded equity options (including index options) on listed & approved equities • exchange traded equity futures (including index futures) • forward foreign exchange contracts. The portfolio may also use warrants as an effective alternative to direct share ownership, however these cannot be used for gearing purposes. In addition, derivatives may be used for the following purposes: • adjust currency exposure • hedge selected shares or securities against adverse movements in market prices • gain short-term exposure to the market • build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up. **Short selling:** The process on the short side of the portfolio involves opportunistically targeting stocks that the investment manager expect will underperform. These opportunities can be identified through ongoing fundamental stock analysis, the use of shorter-term drivers of stock prices such as news flow and events, and market sentiment.

	The shorting process leverages the investment manager's stock picking skills and thorough fundamental stock research to identify stocks that will underperform the market. The philosophy that underpins the fund's short positions is: • short positions are to make money in an absolute sense not in a relative sense • the investment manager will rarely short the index, we short companies • the investment manager will short for alpha generation, not beta timing • the investment manager does not short with hedging or pairing in mind.
Investment returns and assumptions	The fund aims to provide long-term capital growth and income through investment in quality shares and taking short positions predominately in selected Australian Shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.
Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. While the fund does not have a targeted tracking error, the investment manager's approach explicitly manages risk, relative to the benchmark. Risk is controlled through rigid stock selection criteria (detailed fundamental analysis, documented quality filters), including: • rules to ensure diversified portfolio construction • dedicated dealing team • dedicated investment administration team • performance and risk measurement process • oversight of the Investment Review Forum • broader resources of Perpetual (risk, legal, etc). Risk control and portfolio construction guidelines are as follows: • maximum absolute single stock position for long positions & short positions • maximum holding of company's issued capital • minimum stock price of a short position and daily trading volume • stop loss limit • maximum allocation to companies listed on overseas exchanges • maximum hedging to any single currency number of long positions and number of short positions. Risk management for the short positions as the absolute single stock position is limited to 2.5% of net asset value (NAV) (due to market movements this limit can be increased to 2.75%).
Diversification guidelines and limits	The fund's exposure to any single security shall be within +/– 5% of the benchmark weight (long only positions). Where price change occurs, the upper limit can be extended to +7.5%. A maximum holding in any one company within the fund cannot represent more than 15% of the issued shares of that company. No formal sector limits are in place. Gross exposure of 0% to 25% short positions and 90% to 125% long positions.
Investment strategy changes	The fund is managed by Perpetual Investment Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.

2 Investment manager

Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. Anthony Aboud is the portfolio manager, with Sean Roger as the Deputy Portfolio Manager for the fund. The ultimate investment responsibility rests with them. The team members listed below spend the majority of their time implementing this and other Australian Equity strategies: **Anthony Aboud, Deputy Head of Equities, Portfolio Manager, Analyst, BEc, CFA** Years of experience: 26 Years at Perpetual: 13 Anthony is the Deputy Head of Equities and Portfolio Manager – Industrial Shares, SHARE-PLUS Long-Short and Perpetual Pure Equity Alpha. Anthony has been with Perpetual for 13 years. Prior to joining Perpetual, he worked at Ellerston Capital for six years, where he was the portfolio manager for the Ellerston Capital Global Equity Management Fund for two years. Before that, he spent 4 years as an analyst working on a long/short strategy. Prior to joining Ellerston Capital, Anthony worked as an analyst at UBS Investment Bank for 8 years. Anthony has a Bachelor of Economics from the University of Sydney and has earned the right to use the Chartered Financial Analyst designation. **Sean Roger, Deputy Portfolio Manager, BAcc** Years of experience: 13 Years at Perpetual: 12 Sean Roger is the Deputy Portfolio Manager for the Perpetual Share Plus Long-Short Fund and the Perpetual Pure Equity Alpha Fund. Sean joined Perpetual in February 2013 as a Graduate Accountant. He joined the Investments team in August 2014 as an Equities Dealer and was appointed an Equities Analyst in January 2016 where he was responsible for covering a number of stocks in the gaming and agricultural sectors. Sean has a Bachelor of Accounting from the University of Technology, Sydney and has completed the Chartered Accountants program.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure

Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Perpetual Investment Management Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Prime broker:** Citigroup Global Markets Limited acts as a prime broker for the fund.

Monitoring service providers	**Investment manager:** Perpetual Investment Management Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Prime broker:** Citigroup Global Markets Limited Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Perpetual Investment Management Limited – Australia KPMG – Australia Citigroup Global Markets Limited – Australia
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian/prime broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	

Asset class	Range
Australian Shares (long positions)	90% to 125%[1]
Australian Shares (short positions)	0% to 25%[2]
Australian securities (net)	65% to 100%
Cash	0% to 35%

1 Inclusive of securities listed outside of Australia up to a maximum of 20% of the Portfolio's NAV.
2 Inclusive of securities listed outside of Australia up to a maximum of 10% of the Portfolio's NAV.

Custodian arrangements	A professional custodian (Citigroup Global Markets Limited) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.

Geographic location of assets or material assets	The assets of the fund are held by the prime broker/custodian in Australia and around the world.
5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.
6 Leverage	
Use of leverage and restrictions on the use of leverage	The fund cannot use gearing to leverage the portfolio. However, the fund's gross position can exceed 100% of net asset value where proceeds from short selling are used to fund additional long exposure. The fund can have a gross long exposure of 125% and a gross short exposure of –25% (125/25).
Source of leverage including type	Borrowed stock and cash via prime broker and derivatives (including exchange traded equity options and equity futures).
Maximum allowed level of leverage	The fund's maximum allowed level of leverage is 125% and a gross short exposure of –25% (125/25). The maximum amount of leverage is $1.50 (gross) per $1 of net asset value invested in equities.
Impact of leverage on investment returns and losses	The fund has $125 in long positions and $25 in short positions for every $100 of fund's net asset value. The gross market exposure is $125 (longs) + $25 (shorts) = $150 So the leverage is $150 ÷ $100 = 1.5 If long and short positions each return 10%, the return in dollar terms is: (125) × 0.1 + (25) × 0.1= $15, which represents a 15% return calculated against fund's net asset value (or 1.5 times the unleveraged return of 10%).
Assets used as collateral	The assets of the fund are custodied by the prime broker appointed by the Responsible Entity. The custodied assets allow the prime broker to collateralise the short positions taken by the fund.
7 Derivatives	
Purpose and rationale for the use of derivatives	A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, and forward foreign exchange contracts. Derivatives may be used in the management of the fund for a range of investment activities including, but not limited to, the following purposes: • managing investment risk and volatility of a stock, security or market • managing currency risk and adjusting currency exposure • achieving asset exposures without buying or selling the underlying securities • creating short exposure to a stock, security or market where permitted • generating additional income • taking advantage of price differences (known as arbitrage). The use of derivatives is consistent with the fund's investment guidelines and objectives. Uncovered derivative positions are not permitted. For any OTC derivatives, counterparties must have minimum long and short-term credit ratings from a recognised ratings agency that are acceptable to Perpetual.
Types of derivatives used	Derivatives may be used in the management of the fund. The derivatives used by the fund are mostly exchange-traded derivatives including Futures and Options. FX Forwards may be used for hedging purposes.

Criteria for engaging derivative counterparties	Perpetual Investment Management Limited strives to ensure that any business dealings with brokers and counterparties are carried out only with external parties of good character, reputation and standing. A due diligence process is carried out prior to their engagement. For all counterparties, there must not be concern of counterparty default, and they must meet the minimum credit rating of Long-Term Credit Rating (or counterparty Credit Rating) of BBB or above as rated by Standard & Poor's (S&P), Moody's or Fitch (using the lowest split between S&P, Moody's and Fitch). If the counterparty or clearing member's credit rating is below BBB (or is not rated), then it must be guaranteed by a party who meets the minimum BBB requirement and the guarantee is irrevocable and legally enforceable.
Key risks associated with the collateral requirements	The derivatives used by the fund are mostly exchange-traded derivatives. Accordingly, the risks associated with collateral requirements are minimal. This is due to exchange-traded futures being centrally cleared and margined daily. Counterparty risk is the key risk associated with the collateral requirements of the fund. The health of Perpetual's derivative counterparties, as well as the fund level exposures within limits are monitored by Perpetual's independent Investment Risk team, and reported monthly to the Perpetual Investment Review Forum (oversight committee). Refer to the relevant offer document for further details.

8 Short selling

Is short selling permitted?	Yes
Rationale	The fund uses short selling as a key part of its investment strategy. Through its shorting capability, the fund provides diversification away from the traditional 'long only' portfolio and has been designed for investors looking for growth exposure in their investment portfolio, with the additional opportunities that shorting can provide. Short positions are actively monitored and may be closed if there are concerns over the market price or market liquidity. A stock will be purchased, closing out the short position, if: • its stop loss limit is reached • its valuation is no longer attractive • market sentiment on the stock has changed.
Risks	The primary risks of short selling are 'Short-position risk' and 'Prime broker risk': **Short-position risk** A short position can be created when the fund sells a borrowed security before buying it back from the open market to return to the securities lender. As the following example shows, if the market price of the security: • falls in value, the fund makes a profit because it buys it back for less than it was sold • rises in value, the fund will incur a loss when buying it back for more than it was sold.

Example

Number of securities borrowed	1,000	1,000
Market price when borrowed securities are sold	$10	$10
Proceeds from sale of borrowed securities	$10,000	$10,000
Market price when securities are repurchased to return to lender	$8	$12
Cost to repurchase securities	$8,000	$12,000
Profit/(loss) from short position (before any borrowing costs)	$2,000	($2,000)

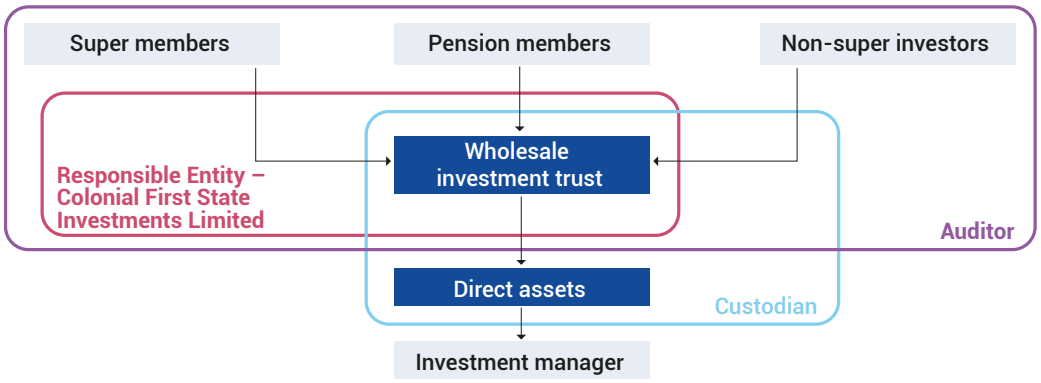
Establishing a short position in a security involves a higher level of risk than investing in a security. This is because when you invest in a security, the maximum loss is generally limited to the amount invested. With short positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises.

	A further risk is that the securities lender may recall a borrowed security, so the fund will have to find another securities lender willing to lend the security, or may have to buy the security quickly at an unfavourable price. Prime broker risk The Responsible Entity engages a prime broker to provide stock for the borrowing and lending of securities in fund, as well as settlement services for these fund and any other services agreed between the parties. When the fund borrows securities or cash, the prime broker is entitled to take collateral from the assets of the fund. Any assets taken by the prime broker may be used by the prime broker for its own purposes (including lending those assets to third parties) for the period that the fund retains the relevant liability. Therefore, there is a risk that if the prime broker becomes insolvent while the fund remains indebted to the prime broker, the assets of the fund may not be returned in full. For further information on short selling risk, please refer to the relevant offer document.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Platinum Asia

1 Investment strategy	
Investment strategy	The fund primarily invests in the listed securities of Asian companies. Asian companies may be listed on exchanges other than those in Asia, and the fund may invest in those securities. The fund may invest in companies not listed in Asia but where their predominant business is conducted in Asia. The fund may invest in companies that benefit from exposure to the Asian economic region. The fund will ideally consist of 30 to 80 securities that the investment manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The investment manager may short sell securities that it considers overvalued and may also use derivatives. The fund will typically have 50% or more net equity exposure. The investment manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the fund. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the fund's net asset value. The investment manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions.
Asset classes	Global shares, fixed interest securities, derivatives and cash.
Location and currency denomination of assets	**Location** – Asian region excluding Japan. The fund primarily invests in markets included in the MSCI All Country Asia (ex Japan) Index. **Currency denomination** – Various. The currency of the assets are typically denominated in the local markets included in the MSCI All Country Asia (ex Japan) Index, however the reporting currency of the fund is in Australian dollars.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) amplify the exposure of capital to an investment. The fund may gain leveraged market exposure through the use of derivatives. **Derivatives** – The investment manager may use derivatives: • for risk management purposes • to take opportunities to increase returns • to create a short position in a security • to manage currency exposures • to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions) • to aid in the management of the fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives). **Short selling** – The fund may short sell securities and derivatives over securities that it considers to be overvalued up to a maximum of 50% of the fund's net asset value.
Investment returns and assumptions	In Platinum's opinion, investing in a broad range of companies whose businesses and growth prospects are being inappropriately valued by the market provides a foundation for long-term investment returns. Investing in the shares of a company is a claim on the underlying profits of a company's business. In simple terms, investment returns are determined by among other things: initial valuation, subsequent performance of the business, and valuation of the company at the end of the period. The assessment of a company's future prospects is a very significant and challenging part of the day-to-day process of investing. Not only do general economic conditions play a part, but issues such as the behavior of competitors, technological change, government regulation and management decisions all have a bearing on the future outcomes for a company. Also understanding the future valuation that a company will attract is no simple task as often this can change quite dramatically with changes in growth rates of earnings.

Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. Risk management is an integral part of good management and corporate governance practice and in relation to investment strategy, an element of risk is inevitable. Platinum has a documented Risk Management Policy based on the relevant Australian/New Zealand Risk Management Standards, ASIC and Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations incorporating a structured approach to managing and reviewing risk. Platinum manages risk associated with currency exposure through the use of hedging devices (e.g. foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.
Diversification guidelines and limits	The fund will typically have a net equity exposure of between 50–100%. The fund may hold shares, options for shares and convertible notes of a company traded on and outside of a recognised market. Investments in unlisted companies will be limited in aggregate to 20% of the fund's net asset value. The fund will ideally hold between 30 and 80 securities at any one time with limitations on holding any one individual stock. In general, the fund will seldom invest more than 5% of the fund's NAV in the securities of a single issuer.
Investment strategy changes	The fund is managed by Platinum Investment Management Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. The portfolio managers for the fund are: Cameron Robertson, CFA, BSc Hons, MAppFin – Portfolio Manager Cameron joined Platinum in 2010, initially focusing on resources and industrial companies, and later on the technology and communications sectors. In early 2017, Cameron was appointed as co-manager of the Platinum International Technology Fund and was later the sector lead of the technology and communications team. In April 2021, Cameron was appointed a co-manager of Platinum's Asia ex Japan strategy and sole manager in March 2024. Prior to Platinum he worked as an equity analyst at CP2 (formerly Capital Partners) for several years.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Platinum Investment Management Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian:** Citibank, N.A., Hong Kong branch is appointed as the custodian to hold the assets of the fund.
Monitoring service providers	**Investment manager:** Platinum Investment Management Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodian:** Citibank, N.A., Hong Kong branch Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia Platinum Investment Management Limited – Australia KPMG – Australia Citibank, N.A., Hong Kong branch – Hong Kong
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy

The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).

The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.

Please refer to the relevant offer document for further details.

Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)

Asset class	Range
Global shares (listed) Global shares (unlisted)	0–100% 0–20%
Australian government bonds International government bonds Australian corporate bonds International corporate bonds Cash equivalent investments Cash	0–100%
Exchange-traded derivatives Over-the-counter derivatives	0–100%

Custodian arrangements

A professional custodian (Citibank, N.A., Hong Kong branch) holds the assets of the fund.

The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.

Geographic location of assets or material assets

The assets of the fund are held by the custodian around the world.

5 Liquidity

Liquidity

The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.

6 Leverage

Use of leverage and restrictions on the use of leverage

Leverage is defined as the use of financial products (such as derivatives) or borrowing (such as a margin facility) to amplify the exposure of capital to an investment. The fund is restricted to leverage up to 150% of its net asset value. Investment restrictions in relation to the use of derivatives are detailed below under Section 7 Derivatives.

Source of leverage including type

The investment manager may use derivatives including futures, options, swaps (currency and equity), credit default swaps and related instruments, to leverage the fund.

Maximum allowed level of leverage	The maximum allowed leverage in the fund is limited to 150% of the net asset value of the fund, i.e. for every $1 invested, the gross invested position of the fund, taking into account all securities and derivatives (excluding currency derivatives), is limited to $1.50. For the purposes of this calculation, the underlying effective face value of the derivatives is used. Further, this limitation includes all positions and does not allow for netting of any offsetting positions. For every $1.00 invested:

	Maximum allowed	Five year range[1]	Five year average[1]
Long and Short	$1.50	$0.69–$1.12	$0.87
Long[2]	$1.50	$0.63–$0.95	$0.84
Short	$0.50	$0.00–$0.19	$0.03
Net[3]	**$1.50**	**$0.56–$0.94**	**$0.82**

1 Based on the Platinum Wholesale Asia, 1 November 2017 to 31 October 2021.
2 Represents the exposure of physical holdings and long stock derivatives.
3 Represents the exposure of physical holdings and both long and short derivatives.

Impact of leverage on investment returns and losses	The maximum allowable leverage with greatest impact on the fund's returns would likely be where the fund was 150% long. In such a case, if the value of the fund's securities (or the underlying securities of derivatives) increased in value by 10%, the increase in the fund's unit price would be 15%. Conversely, a fall of 10% in the value of the fund's securities (or the underlying securities of derivatives) would result in a fall of the fund's unit price of 15%. It should be noted that as per the table above that the fund has not in the past held positions of this magnitude.
Assets used as collateral	Derivative positions are collaterised with cash.
7 Derivatives	
Purpose and rationale for the use of derivatives	Platinum may use derivatives: • for risk management purposes • to take opportunities to increase returns • to create a short position in a security • to manage currency exposures • to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions) • to aid in the management of the fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).
Types of derivatives used	Platinum currently uses the following derivatives: futures, options, swaps (currency and equity), credit default swaps and related instruments.
Criteria for engaging derivative counterparties	Over-the-counter derivative transactions may only be entered into with counterparties that have been approved by the investment manager's board of directors. Consideration is given to the financial position and credit rating of the counterparty. Counterparties are engaged through standard market contracts such as International Swaps and Derivative Association Master Agreement. Prior to dealing over-the-counter derivatives excluding credit default swaps, all counterparties must have a long-term credit rating of BBB– or above. The aggregate exposure of the fund to all over-the-counter (OTC) derivative counterparties will be no more than 5% of the net asset value of the fund, and in any event will not exceed 10% of the net asset value of the fund.
Key risks associated with the collateral requirements	Trading in over-the-counter derivatives generally requires the lodgement of collateral (also known as 'credit support', such as a margin or guarantee) with the counterparty. This gives rise to counterparty risk. Financial transactions that are conducted over-the-counter generally carry greater counterparty risk than securities traded on a recognised exchange (where the other party to the transaction is the exchange's clearing house). Refer to the relevant offer document for additional information on fund risks.

8 Short selling	
Is short selling permitted?	Yes.
Rationale	The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange-traded fund). From time to time, the investment manager applies an active short selling strategy for the fund. Platinum may use short selling to reduce the fund's net invested position and to take opportunities to increase returns. The investment manager generally utilises equity swaps to short sell. A swap is a derivative contract, in which two parties (counterparties) agree to exchange payments of value (or cash flows) for another. Normally they are cash settled non-deliverable contracts (i.e. settled for profit or loss). The investment manager may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position. The investment manager may short sell shares that it considers to be overvalued up to a maximum of 50% of the fund's net asset value.
Risks	In taking a short position, the investment manager expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, i.e. thorough research, daily reporting and ongoing monitoring of positions held. For further information on short selling risk, please refer to the relevant offer document.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

PM Capital Enhanced Yield

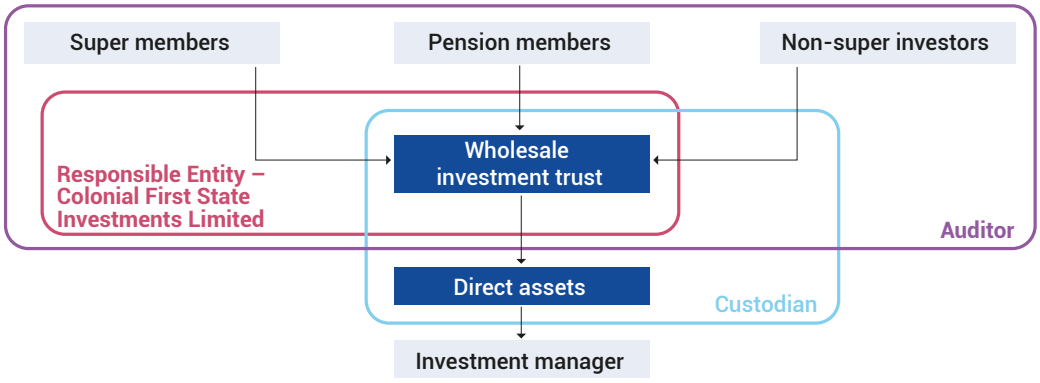
1 Investment strategy	
Investment strategy	The fund aims to invest the majority of its assets in cash and interest bearing securities. The fund will aim to hold a minimum cash weighting of 20% of the fund's net asset value. If the fund cannot find suitable low risk investments, it will let the cash build up. The fund will aim to be invested in cash and income securities including but not limited to hybrid securities, corporate bonds and asset-backed securities (both fixed and floating rate). The fund has the ability to minimise or hedge against interest rate and credit spread risk. Therefore, derivatives may be used to synthetically create or replicate with underlying positions; however, derivatives may not be used to leverage the portfolio. Such derivatives may include options, futures, swaps, credit derivatives and warrants. PM Capital attempts to hedge all foreign currency exposure back to the Australian dollar to substantially reduce the exposure of the fund to the risks associated with movements in foreign exchange rates.
Asset classes	Yield securities and cash.
Location and currency denomination of assets	**Location** – Australia and global. **Currency denomination** – Predominantly hedged to AUD.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – The fund does not leverage. **Derivatives** – Derivatives are primarily used to hedge the foreign currency exposure of the fund back to the Australian dollar. Derivatives may also be used to hedge out interest rate risk, credit spread and equity risk or to create or replicate an underlying interest rate, credit spread and equity position. **Short selling** – The fund does not short sell.
Investment returns and assumptions	The investment strategy is to deliver returns in excess of the RBA Cash Rate by investing in a combination of cash and higher yielding securities. The fund aims to outperform the RBA Cash Rate with a low degree of volatility and minimal risk of capital loss. PM Capital's default investment position is cash. The investment manager would then look to identify genuine pricing anomalies within a company's capital structure, with its main investments typically in securities such as corporate bonds and hybrid securities. PM Capital's initial investment time horizon is generally the maturity (or term) of the yield security however they may sell earlier if the investment's valuation exceeds what the investment manager considers is appropriate. As long as a yield security continues to generate a satisfactory return, it will continue to hold the investment, unless of course the market in its opinion places an excessive valuation on the company's future cash flows, in which case the investment manager would sell. The fund is managed from an Australian investor's perspective with consideration for tax and currency outcomes.
Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. All of the fund's positions are subject to intensive research and peer group review. Securities are selected on a risk reward basis where the objective is to focus on the risk of losing money before focusing on the potential return. PM Capital's default investment position is cash. The investment manager would then look to identify genuine pricing anomalies within a company's capital structure, with its main investments typically in securities such as corporate bonds and hybrid securities. The fund will hold a minimum cash weighting of 20% of the fund's net asset value. If the fund cannot find suitable low risk investments, it will let the cash levels build up. If appropriate, the fund may be 100% invested in cash. • Derivatives may be used for hedging purposes or to replicate underlying positions. Derivatives are actively used to manage currency risk, credit risk, equity risk and interest rate risk. • Any offshore currency will be predominately hedged back to Australian dollars. • A net limit of 5% exposure at acquisition to any single yield security issuer (excluding cash and cash equivalents or government issuers). • Maximum exposure to BBB flat and below rated securities is 50%. • Maximum exposure to Unrated Securities is 30%. The key risks associated with the fund include:

	• the investment manager may stop managing the fund or the Chief Investment Officer may leave the investment manager (manager risk) meaning the company may have to find a new investment manager • the value of the assets selected by the manager may decline in value over time (asset risk) • adverse changes in exchange rates (currency risk) may cause the value of the portfolio to fluctuate • potential volatility associated with a lack of diversity within the portfolio (concentration risk) • the use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain (derivatives risk). Investors should bear the above risks in mind when considering whether to invest in the fund. In addition, investors are strongly advised to regard any investment in the fund as a two-year proposition and be aware that substantial fluctuations in the value of their investment may occur during that period and beyond.
Diversification guidelines and limits	Typically the fund will be comprised of a combination of cash, yield securities and to a lesser extent equity strategies. Exposure limit guidelines Cash: Minimum 20%, Maximum 100% Yield Securities: Minimum 0%, Maximum 80%
Investment strategy changes	The fund is managed by PM Capital Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.

2 Investment manager

Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. The team members listed below spend the majority of their time implementing the strategy: **Paul Moore – Chairman and Chief Investment Officer** Paul Moore is the founder and Chief Investment Officer of PM Capital. Paul started the firm in August 1998 and has oversight of all of the PM Capital funds. Prior to PM Capital Paul worked at Bankers Trust Australia (1985–1998) as Head of the Retail International Equity Group, which was acknowledged at the time to be Australia's leading mutual fund performer. Education: Bachelor of Commerce (Honours) degree, majoring in Finance from the University of New South Wales. **Jarod Dawson – Director, Portfolio Manager** Jarod has overall responsibility for managing the PM Capital Fixed Income business. He is responsible for construction of the income portfolios and has been the portfolio manager of the Enhanced Yield Fund, PM Capital's income securities portfolio, since September 2004. Prior to joining PM Capital, Jarod spent six years with UBS Global Asset Management, the last four of which he held the title of Fixed Income Portfolio Manager and was responsible for managing and growing UBS's Credit Enhanced product suite. Before his time at UBS, Jarod spent two years at ING Funds Management, where he was responsible for managing relationships with key national firms & financial advisory groups. Education: Bachelor of Commerce from Macquarie University and a Graduate Diploma in Applied Finance & Investment from the Financial Services Institute of Australasia (FINSIA). Jarod is also a Graduate of the Australian Institute of Company Directors. **David Murray – Senior Credit Analyst** David is a senior credit analyst for PM Capital, primarily focusing on the Fixed Income business. Prior to joining PM Capital in 2019, David worked as an investment manager for the Aberdeen Standard Investments Australian Fixed Income team where he covered a range of sectors, gaining extensive experience in financial modelling, company analysis and portfolio management. David is a CFA® charterholder and holds a Bachelor of Applied Finance from Macquarie University. **Jeff Brown – Credit Analyst** Jeff is a credit analyst for PM Capital, primarily focusing on the Fixed Income business. Prior to joining PM Capital in July 2022, Jeff spent two and a half years at UBS Asset Management within the credit team. Prior to this Jeff worked within the global markets division of UBS's investment bank for three years while undertaking his undergraduate degree. Jeff holds a Bachelor of Commerce (University Medal, Dean's List and 1st Class Honours in Finance) / Bachelor of Advanced Studies (Economics) (Dalyell Scholar) from the University of Sydney.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure

Investment structure	Each fund is a managed investment scheme registered with ASIC. 

Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** PM Capital Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Custodian:** Citibank, N.A., Hong Kong branch is appointed as the custodian to hold the assets of the fund.
Monitoring service providers	**Investment manager:** PM Capital Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Custodian:** Citibank, N.A., Hong Kong branch Monthly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic on-site due diligence visits.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia PM Capital Limited – Australia KPMG – Australia Citibank, N.A., Hong Kong branch – Hong Kong
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.
4 Valuation, location and custody of assets	
Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.

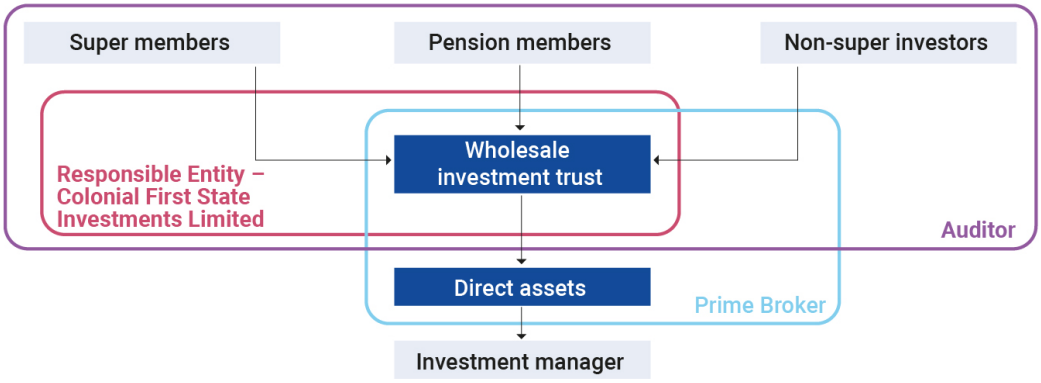
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	<table><tr><th>Asset class</th><th>Range</th></tr><tr><td>Australian government bonds International government bonds Australian corporate bonds International corporate bonds Structured products</td><td>0–80%</td></tr><tr><td>Exchange-traded derivatives Over-the-counter derivatives</td><td>0–100%</td></tr><tr><td>Cash equivalent investments Cash</td><td>20–100%</td></tr></table>
Custodian arrangements	A professional custodian (Citibank, N.A., Hong Kong branch) holds the assets of the fund. The custodian is appointed and contracted by the Responsible Entity. The Responsible Entity may change the custodian arrangements from time to time; however, any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in custodian.
Geographic location of assets or material assets	The assets of the fund are held by the custodian around the world.
5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.
6 Leverage	
Use of leverage and restrictions on the use of leverage	Not applicable as the fund does not leverage.
Source of leverage including type	Not applicable as the fund does not leverage.
Maximum allowed level of leverage	Not applicable as the fund does not leverage.
Impact of leverage on investment returns and losses	Not applicable as the fund does not leverage.
Assets used as collateral	Not applicable as the fund does not leverage.
7 Derivatives	
Purpose and rationale for the use of derivatives	The fund may use derivatives for hedging purposes or to create or replicate an underlying position. Derivatives may also be used to hedge the foreign currency exposure of the fund back to the Australian dollar.
Types of derivatives used	Exchange-traded futures and options and over-the-counter swaps, options and foreign currency forward contracts.
Criteria for engaging derivative counterparties	PM Capital adheres to a strict due diligence process which is in line with the investment manager's Outsourcing Policy that is reviewed by its board. To minimise the company's counterparty risk associated with derivative transactions, the investment manager will enter into derivative transactions with multiple counterparties on behalf of the company. Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above; executed ISDA documentation must be in place between the investment manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.

Key risks associated with the collateral requirements	The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the fund. Please refer to the relevant offer document for additional information on fund risks.
Assets used as collateral	PM Capital will lodge equities or cash at a registered exchange for exchange-traded derivative positions. This cash or stock is held at the exchange and not otherwise encumbered by derivative counterparties.
8 Short selling	
Is short selling permitted?	No.
Rationale	Not applicable as the fund does not short sell.
Risks	Not applicable as the fund does not short sell.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

PM Capital Global Companies

1 Investment strategy	
Investment strategy	The fund invests in a focused portfolio with approximately 25 to 45 stock-specific ideas diversified across global stock markets. The portfolio may also own interest bearing debt securities (which includes government or corporate bonds, asset-back, inflation-linked, structured, hybrid securities and tradeable loans). All the portfolio positions are subject to intensive research and peer group review. If PM Capital cannot find appropriate opportunities, the fund will hold up to 100% cash and cash equivalents. PM Capital can use derivatives and sell stocks short to create new exposures, or as a risk management tool. Derivatives (including futures, options, swaps, credit derivatives, forwards and warrants) may also be used to synthetically create or replicate an underlying position. The level of direct shorts (where securities are borrowed and sold in the market) generally will not be in excess of 30% of the portfolio. Leverage is used on a prudent basis; for example, where gross dividend yields exceed borrowing costs. Leverage generally shall not exceed 30% of the net asset value of the fund. The fund is managed from an Australian investor's perspective. Tax and currency exposures are important considerations in the daily management of the fund. PM Capital may elect to hedge up to 100% of the foreign currency exposure or remain fully exposed to any currencies in which the fund may invest.
Asset classes	Equities, yield securities and cash.
Location and currency denomination of assets	**Location** – Global. The goal of the fund is not to replicate the standard industry benchmarks such as the MSCI but to invest in stock-specific ideas diversified across global stock markets. **Currency denomination** – Various.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – Leverage is defined as the use of financial products (such as derivatives, loans, or borrowed securities) to amplify the exposure of capital to an investment. The fund may be leveraged for risk management purposes (to either increase or decrease a fund's exposure to markets), to take opportunities to increase returns, or to gain access to particular stock markets where investors face restrictions. **Derivatives and short selling** – PM Capital can use derivatives and short sell stocks to gain exposure, or as a risk management (hedging) tool. Individual short positions will be reduced if the position exceeds 3%. The fund may have a maximum of 30% in direct shorts, where 'direct shorts' are defined as shorts that are not paired with a long position, such as a spread trade. Options strategies may be employed to reduce market risk or to enhance returns.
Investment returns and assumptions	PM Capital's investment philosophy is based on the simple principle that the best way to preserve and enhance wealth over the longer term is to buy a good business at a good price. It is a common-sense businessperson's approach to investing, with four key ingredients: • understand how the business works • understand management's philosophy in managing the business • understand the characteristics of the business that determine its intrinsic value • given the above, what is the reasonable price a rational businessperson would pay for the business? Why a rational businessperson? Because in the end it is the businessperson, the real owner of a business, that will arbitrage any differential that persists between a stock market valuation and inherent business valuation. The past performance of the investment manager is not a guide to future performance. There are risks inherent in the investment strategy that the investment manager will employ including, but not limited to: • restrictions on the ability of foreign-domiciled companies to pay principal, dividends or interest to investors located outside the country • the performance fee creating an incentive for the investment manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the company • the portfolio being less diversified than other similar investment funds. The performance of the fund's investment strategy is also dependent on the market conditions and may be influenced by specific risk factors as detailed for this fund.

Risk management strategy (key aspects)	Refer to the relevant offer document for important information on fund risks. All of the fund's positions are subject to intensive research and peer group review. Stocks are selected on a risk reward basis where the objective is to focus on the risk of losing money before focusing on the potential return. Option strategies may be employed to reduce market risk or to enhance yield. However, equity derivatives (equity swaps, exchange-traded futures, options and warrants) may not be used to leverage the portfolio. Derivatives may be used for hedging purposes or to replicate underlying positions. If the fund cannot find attractive equity investments, the fund may be invested in cash and cash equivalents, when appropriate. From a risk control perspective the investment manager will monitor the securities positions and industry concentrations on a daily basis. The investment manager will also monitor the fund's overall market exposure and, if deemed excessive, it would either rebalance or employ various strategies to reduce risk. In the long run, the best way to control risk is by owning a number of good businesses purchased at good prices, i.e. true diversification. The key risks associated with the fund include: • the investment manager may stop managing the fund or the Chief Investment Officer may leave the investment manager (investment manager risk) meaning the company may have to find a new investment manager • the value of the assets selected by the investment manager may decline in value over time (asset risk) • adverse changes in exchange rates (currency risk) may cause the value of the portfolio to fluctuate • loss of capital and income through the use of borrowing if there are adverse market movements (leverage risk) • potential volatility associated with a lack of diversity within the portfolio (concentration risk) • potential losses on short positions where the market price of the asset sold rises (short selling risk), and • the use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain (derivatives risk). Investors should bear the above risks in mind when considering whether to invest in the fund. In addition, investors are strongly advised to regard any investment in the fund as a long-term proposition (at least seven years) and be aware that substantial fluctuations in the value of their investment may occur during that period and beyond.
Diversification guidelines and limits	The fund will hold a concentrated portfolio of global equities, typically 25 to 45 stock-specific ideas. Individual equity positions may be purchased up to a limit of 10% of the fund's market value. The net equity exposure maximum is 110%, defined as long equity minus short equity, and is calculated on a net effective, option adjusted basis. The maximum gross exposure is 170%, defined as long equity plus short equity plus bonds. The maximum allocation to interest bearing debt is 30% (includes interest bearing debt securities and hybrid securities). If PM Capital cannot find attractive equity investments it will let cash levels build up. When appropriate, the fund may be 100% invested in cash and cash equivalents (short dated securities with maturities 1 year or less).
Investment strategy changes	The fund is managed by PM Capital Funds Management Pty Limited on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.

2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. The team members listed below spend the majority of their time implementing the strategy: **Paul Moore – Chairman and Chief Investment Officer** Paul Moore is the founder and Chief Investment Officer of PM Capital. Paul started the firm in August 1998 and has oversight of all of the PM Capital funds. Prior to PM Capital Paul worked at Bankers Trust Australia (1985–1998) as Head of the Retail International Equity Group, which was acknowledged at the time to be Australia's leading mutual fund performer. Education: Bachelor of Commerce (Honours) degree, majoring in Finance from the University of New South Wales.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.
3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** PM Capital Funds Management Pty Limited is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Prime broker:** Goldman Sachs International acts as a global prime broker for the fund.
Monitoring service providers	**Investment manager:** PM Capital Funds Management Pty Limited The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Prime broker:** Goldman Sachs International Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.

Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Colonial First State Investments Limited – Australia PM Capital Funds Management Pty Limited – Australia KPMG – Australia Goldman Sachs International – United Kingdom
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian/prime broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy	The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads). The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored. Please refer to the relevant offer document for further details.
Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)	**Asset class** / **Range** Australian shares (listed) Australian shares (unlisted) Global shares (listed) Global shares (unlisted) — 0–110% Australian government bonds International government bonds Australian corporate bonds International corporate bonds Structured products Hybrids — 0–30% Exchange-traded derivatives Over-the-counter derivatives — 0–100% Cash Cash equivalent investments — 0–100%
Custodian arrangements	A professional prime broker (Goldman Sachs International) may hold the assets of the fund in trading accounts and/or in a segregated custody account. The prime broker is appointed and contracted by the Responsible Entity. Broker arrangements may change from time to time however any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in prime broker.
Geographic location of assets or material assets	The assets of the fund are held by the prime broker around the world.

5 Liquidity	
Liquidity	The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.
6 Leverage	
Use of leverage and restrictions on the use of leverage	Leverage may be used on what is judged by PM Capital as a prudent basis (for example, taking advantage of gross dividend and income yields that may exceed borrowing costs). PM Capital has determined that the net invested position of the fund shall generally not exceed the net asset value of the fund by greater than 30%.
Source of leverage including type	Borrowed stock and cash via prime broker.
Maximum allowed level of leverage	The maximum anticipated total gross invested position of the fund is 170%. The maximum anticipated amount of leverage is $0.70 (gross) per $1 of net asset value. The fund's net effective exposure would typically run between 100% and 110% with a maximum of 130%.
Impact of leverage on investment returns and losses	An investor who buys an investment at the fund's maximum allowable net invested position of 130% will lose 65% of their money if the investment falls 50%. Conversely, the investor will realise a 65% gain on their money if the investment rises 50%. This worked example shows the impact of leverage, which multiplies gains and losses on investment returns.
Assets used as collateral	Cash and stock may be posted as collateral with the prime broker from time to time.
7 Derivatives	
Purpose and rationale for the use of derivatives	Derivative strategies may be employed to reduce market risk or to enhance returns. However, equity derivatives (equity swaps, exchange-traded futures, options and warrants) may not be used to leverage the portfolio. Derivatives may be used for hedging purposes or to replicate underlying positions. Currency derivatives may be used to hedge an existing exposure or create a new synthetic currency exposure (within the maximum individual currency exposure limit of +/− 100% of the fund's net asset value).
Types of derivatives used	Exchange-traded futures and options and over-the-counter swaps, options and foreign currency forward contracts.
Criteria for engaging derivative counterparties	PM Capital adheres to a strict due diligence process which is in line with the investment manager's Outsourcing Policy that is reviewed by its board. To minimise the company's counterparty risk associated with derivative transactions, the investment manager will enter into derivative transactions with multiple counterparties (including the prime broker) on behalf of the company. All derivatives are backed by collateral, like cash or other assets of the fund. The collateral for exchange traded derivatives is held by a third-party central clearing facility. Prior to dealing over-the-counter derivatives, all counterparties must have a long-term credit rating of BBB or above; executed ISDA documentation must be in place between the investment manager and the counterparty prior to dealing and there is a maximum limit to any one counterparty.
Key risks associated with the collateral requirements	The risk of loss associated with the use of derivative contracts can be substantial, due to the leverage associated with low margin deposits. The fund may contain futures contracts, options and other derivative contracts, which may have a significant effect on the performance of the fund. Please refer to the relevant offer document for additional information on fund risks.

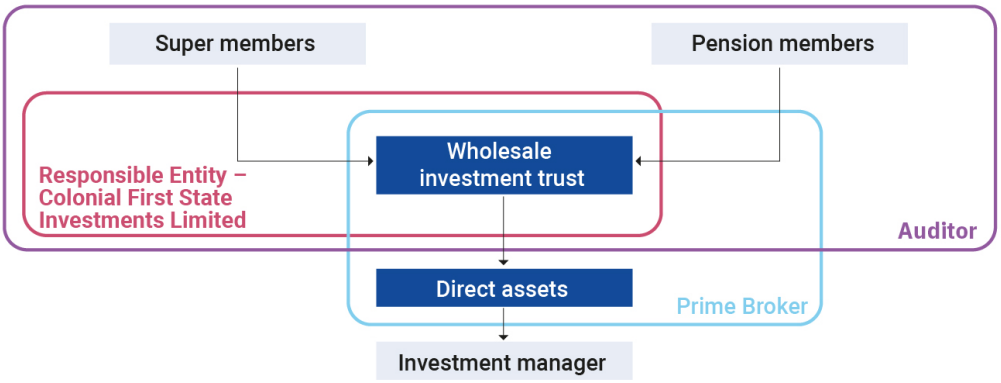
8 Short selling	
Is short selling permitted?	Yes.
Rationale	Short selling is used in two ways: opportunistically, to take short positions in equities that the investment manager believes will have material downside, and as a risk management tool via pairs trading or via index shorts.
Risks	The main risk of short selling is unlimited downside risk (losses can be infinite), hence PM Capital employs limits to manage such risks. Individual short positions may be sold up to a limit of 3.0% at market value. The fund may have a maximum of 30% in direct shorts, where 'direct shorts' are defined as short positions that are not paired with a long position, such as a spread trade. All positions are monitored on a daily basis. For further information on short selling risk, refer to the relevant offer document.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Sage Capital Equity Plus

1 Investment strategy	
Investment strategy	This is an Australian equity long/short strategy with the main asset class held by the fund being Australian listed shares, as well as cash and cash equivalent instruments, other equity like securities and exchange traded derivatives. The fund may have between 90% and 150% of its net asset value (NAV) invested in long positions with any additional exposure funded by 0% to 50% of its NAV invested in short positions. On balance, the fund maintains an exposure to the Australian equity market of between 90% and 100%. Sage Capital seeks to deliver returns in excess of the fund benchmark (S&P/ASX200 Accumulation Index) by profiting from market inefficiencies through the application of an investment process driven by experience, insight and scalable systems. Investment markets are a highly complex set of interactions across the global economy, focused down into asset prices. Successful investing requires the ability to navigate the flow of financial information. A rigorous investment process to analyse incremental data and identify key decision points is essential, and therefore is the foundation of the fund's investment philosophy.
Asset classes	Australian listed shares, cash, cash equivalent instruments, other equity like securities and exchange traded derivatives.
Location and currency denomination of assets	**Location** – Australia **Currency denomination** – AUD.
Role of leverage, derivatives and short selling (if applicable)	**Leverage** – Although the fund will borrow stock from the prime broker to enable short positions as part of the investment strategy, the fund does not leverage by borrowing cash or using derivatives to increase exposure of capital. **Derivatives** – Exchange traded derivatives are used by the fund to manage the cash and market and/or company exposure in the portfolio. Derivatives used will be covered by cash (delta adjusted), physical securities or a combination of both. The most common derivatives used by the fund are futures over Australian shares. In the fund, derivatives will only be used for hedging purposes rather than to leverage the fund. **Short selling** – Short selling will be undertaken by the fund and is an integral part of the investment strategy. Although the fund will always be aggregate net long assets, the fund may have between 0% and 50% of its net assets invested in short positions. To create a short position, the fund will borrow a security from the prime broker and sell it with the intention of repurchasing the security when the price of the security falls.
Investment returns and assumptions	The Sage Capital stock selection process utilises two complementary sources of return. It employs both a quantitative and a fundamental process. The objective of both processes is to identify companies that will deliver superior earnings outcomes on an attractive risk/reward basis. The quantitative process does this by exploiting behavioural biases that exist within the market. These biases mean that investors often misjudge the implications of available information and a consistent application of specific factors, including momentum, value and quality, can drive excess portfolio returns. The fundamental approach identifies companies that operate within stable and attractive industry dynamics with strong reinvestment opportunities, are well managed with strong balance sheets and maintain good governance practices. They will generally be attractively valued for their growth and risk characteristics and offer strong opportunities for capital growth through earnings uplift and enhanced valuations. The strength of the quantitative process is the objectivity and breadth that it brings to stock selection while the fundamental approach gives more detailed high conviction views. The two approaches are weighted to give a roughly equal contribution to stock selection. This investment process is symmetric, meaning that it highlights poorly performing companies just as often as good ones, which provides shorting opportunities under the long/short structure. Diversification is a key attribute of the Sage Capital portfolio construction process and a suite of sophisticated risk management tools are employed to ensure that the impact of unexpected risks is minimised.

Risk management strategy (key aspects)	Portfolio risk is managed across several dimensions. The portfolio risk relative to market movements is constrained so that the portfolio 'beta' is close to one. That is, the portfolio will on average be highly correlated with the market. Exposure to significant style factors is constrained by splitting the portfolio into eight broad 'Sage Groups'' Dollar and beta exposures to these groups is constrained so that the portfolio is not unduly influenced by large macroeconomic shifts or shocks. Diversification is also an important risk management strategy to limit the impact of any one particular stock selection decision. This is achieved by maintaining a broad range of long and short positions. Lastly, liquidity risk is controlled by limiting individual stock position size by average daily volume. This enables the portfolio to rebalance quickly to sudden shifts in investment fundamentals.
Diversification guidelines and limits	The fund will invest in a portfolio of securities that are listed on the ASX, or expected to be listed within a 90 day period: • Long position exposure: Between 90% and 150% of the NAV. • Short position exposure: Between 0% and 50% of the NAV. • Effective equities exposure (Net): Between 90% and 100% of the NAV. • Cash and cash equivalents exposure: Between 0% and 10% of the NAV. • Relative (to fund benchmark) weight exposure: 5% at the time of initial transaction and up to 6% after allowing for market price movements after the initial transaction. • Benchmark weight exposure: At least 90% of the fund's NAV will be invested in securities that are constituents of the fund benchmark (or are expected to be within 90 days of purchase). • The fund will not borrow, except by using overdraft facilities as and when required for the efficient settlement of transactions. • The fund is permitted to use derivatives: Between 0% and 10% of the NAV. Derivatives are used for hedging purposes only rather than to leverage the fund. All derivatives used will be exchange traded and covered by cash, physical securities or a combination of both. Futures may be used to maintain market exposure when cash is held in the fund. The investment guidelines as set out above may not be met or exceeded from time to time due to investor cashflows, market movements or other similar events. If this occurs, Sage Capital will promptly seek to bring the portfolio into line with the specified guidelines.
Investment strategy changes	The fund is managed by Sage Capital Pty Ltd on behalf of the Responsible Entity under a mandate arrangement. A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. Any change to the investment strategy would require the consent of the Responsible Entity. Where a change is material, the Responsible Entity will notify investors and relevant parties in writing within the timeframes disclosed in the relevant offer document.
2 Investment manager	
Key personnel (relevant experience and proportion of time devoted to implementation of strategy)	The Responsible Entity has appointed the investment manager to manage the fund's assets in line with a similar pooled strategy that is also managed by the investment manager. Sage Capital is led by Sean Fenton, Managing Director and Portfolio Manager for the fund who is supported by three senior, highly credentialed and experienced portfolio managers. The Sage Capital investment team has a combined investment experience of more than 60 years gained from diverse and complimentary careers in equities, including research, analysis and portfolio management. The Investment team also brings together experience and knowledge in quantitative and fundamental research as well as global equities, macro, asset allocation, small caps and micro caps. They have worked together in previous roles with generally a four to six-year overlap. Sean is the Managing Director and founder of Sage Capital. Sean is a highly experienced fundamental and quantitative investor, with more than 20 years industry experience managing Australian equity investment mandates.

	Sean is a career portfolio manager and equities investor. Sean has managed Australian equity funds since 1997 and has been managing long/ short equity portfolios since 2000 on behalf of institutional, family office and retail investors. Prior to founding Sage Capital in June 2019, Sean was portfolio manager at Tribeca Investment Partners for 14 years where he managed the long/ short strategy since its inception in 2006. Prior to Tribeca, Sean spent seven years at AMP Capital as a senior portfolio manager co-managing the quantitative equities fund. Sean commenced his investment career at Credit Suisse where he spent four years evaluating companies (sell side) and providing equity strategy research. Sean holds a Bachelor of Commerce (Finance) with First Class Honours from the University of New South Wales and is a Graduate of the Australian Institute of Company Directors. Sean is supported by three highly credentialed and experienced equities investors, James Delaney, Kelli Meagher and Peter Moore. James is a Portfolio Manager and responsible for specific sector company analysis. James has over eight years investment experience and joined Sage Capital at its inception in June 2019. Prior to this, James spent over five years as an Investment Analyst with Tribeca Investment Partners covering financials, telecommunications, technology and real estate sectors. Prior to Tribeca, James worked as an Investment Analyst at Metisq Capital, a Fidante subsidiary of Challenger Group, covering the Australian market as part of the Asia Pacific Equities team. He began his career as a Junior analyst at Frontier Advisors in 2007. James is a CFA Charterholder and has a Bachelor of Commerce (Finance) with First Class Honours from Monash University. Kelli is a portfolio manager and responsible for specific sector company analysis. Kelli has over 20 years' experience as an analyst and portfolio manager in the Australian and US equity markets across small, mid and large caps. Kelli joined Sage Capital at its inception in June 2019. Kelli has previously held senior roles at AMP Capital where she was analyst/portfolio manager for Australian large and small cap funds, Janus Henderson where she managed a US Small cap fund, and Northcape Capital where she was portfolio manager and analyst for the small and mid-cap funds. Most recently Kelli was a senior equities analyst at Platypus Asset Management. Kelli holds a Bachelor of Commerce degree, is a CFA Charterholder and is a graduate of the Australian Institute of Company Directors. Peter is a portfolio manager and responsible for quantitative systems, trading and portfolio execution. Peter is an experienced quantitative analyst with over eight years of financial industry experience. Peter joined Sage Capital at its inception in June 2019. Prior to this he spent over three years at Tribeca Investment Partners where he was responsible for developing quantitative strategies for a long/short Australian equity strategy and previously developing and jointly running a global macro fund. He previously worked at Boronia Capital as a quantitative researcher developing systematic trading strategies in global futures and foreign exchange markets. Peter holds a PhD in Mechanical Engineering from Delft University of Technology and Honours in Applied Mathematics from the University of Sydney where he was awarded a University Medal. At least 90% of the time of each of Sean, James, Kelli and Peter is spent on investment activities across Sage Capital's investment strategies. No significant adverse regulatory findings have been attributed to Sage Capital or each of Sean, James, Kelli and Peter.
Termination of investment management agreement (IMA)	The Responsible Entity has the right to terminate the IMA without cause. The Responsible Entity has other termination rights typical in investment management agreements such as (for example) on certain breaches of the agreement or insolvency events.

3 Fund structure	
Investment structure	Each fund is a managed investment scheme registered with ASIC. 
Key service providers	**Responsible Entity and Administrator:** Colonial First State Investments Limited. **Investment manager:** Sage Capital is the appointed investment manager to manage the fund's assets. **Fund Auditor:** KPMG is the registered company auditor for the fund. The auditor's role is to audit the fund's annual financial report (which includes the financial statements), perform a half-yearly review (if required), and to provide an opinion on the financial statements. **Prime broker:** UBS AG, Australia Branch acts as a prime broker for the fund.
Monitoring service providers	**Investment manager:** Sage Capital Pty Ltd The Responsible Entity has in place an Investment Management Agreement (IMA) with the investment manager that sets out the operational, investment and compliance requirements of the investment manager. The investment manager is responsible for reporting breaches of the IMA and the Responsible Entity undertakes regular review and monitoring of the investment manager to verify the investment manager's compliance with its obligations. **Fund Auditor:** KPMG CFSIL's management has regular meetings with the fund's auditor on the progress of the functions performed by the fund's auditor in accordance with the service agreement. **Prime broker:** UBS AG, Australia Branch Quarterly Service Review meetings, discussion registers maintained, daily reconciliations of accounts, periodic due diligence.
Fees and costs payable to the Responsible Entity and Investment manager	The management costs payable by the investor include investment management costs. These management costs are outlined in the relevant offer document for the product that you wish to invest in.
Jurisdiction of entities involved in the fund structure	Channel Investment Management Limited – Australia Colonial First State Investments Limited – Australia Sage Capital Pty Ltd – Australia KPMG – Australia Morgan Stanley – Australia UBS AG – Australia
Outline the risks of the structure with the entities involved (e.g. risks associated with holding overseas assets)	Fund assets are held with each fund's respective custodian/prime broker. Cash, derivative contracts and the respective cash margin held as collateral on such derivatives are held by the counterparty and are subject to counterparty risk. Additional information on risks associated with the fund's structure can be found in the relevant offer document. All investments are clearly identified as belonging to the appropriate fund where Colonial First State Investments Limited is the Responsible Entity.

4 Valuation, location and custody of assets

Valuation policy

The Responsible Entity manages all applications and redemptions, the share registry as well as the fund's valuations. The Responsible Entity is responsible for calculating the official net asset value and unit prices used to process applications and redemptions.

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs (buy/sell spreads).

The key aspects of the Responsible Entity's valuation policy require asset pricing procedures and processes to be accurate and reviewed regularly, applied consistently, unbiased and equitable and documented and transparent. Asset prices are typically sourced from external pricing vendors or sources, compared against multiple sources before implementing and price movement tolerance limits are set and monitored.

Please refer to the relevant offer document for further details.

Asset types and allocation ranges (expressed as a percentage of the fund's net asset value)

Asset Class	Range
Australian Equities (long)	90–150%
Australian Equities (short)	0–50%
Australian Equities (net)	90–150%
Cash and cash equivalents	0–10%
Derivatives	0–10%

Custodian arrangements

A professional prime broker (UBS AG) may hold the assets of the fund in trading accounts and/or in a segregated custody account.

The prime broker is appointed and contracted by the Responsible Entity. Broker arrangements may change from time to time however any new arrangements must meet all regulatory requirements. Investors will not be notified of a change in prime broker.

Geographic location of assets or material assets

The assets of the fund are held by the prime broker in Australia.

5 Liquidity

Liquidity

The Responsible Entity reasonably expects to be able to realise at least 80% of the fund's assets, at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.

6 Leverage

Use of leverage and restrictions on the use of leverage

Although the fund will borrow stock from the prime broker to enable short positions as part of the investment strategy, the fund does not leverage by borrowing cash or using derivatives to increase exposure of capital.

Source of leverage including type

Borrowed equity shares.

Maximum allowed level of leverage

The aggregate maximum anticipated level of gross exposure is 200% (long position of 150% plus short position of 50%) the NAV of the fund, that is, for every $1 of NAV the combined value of the fund's gross exposure may be up to $2.

Impact of leverage on investment returns and losses	The short positions and long positions offset each other to the extent that net exposure to Australian equities cannot exceed 100%. The performance of the fund relative to the fund benchmark will be magnified compared to a comparable long only fund. That is, the additional gross exposure enables the fund to run at a higher tracking error and magnifies Sage Capital's stock selection ability relative to the fund benchmark. Provided below is an example of how this leverage (increased gross exposure) affects the performance of the fund and in particular, how the use of this magnified exposure increases the size of any potential gains or losses of the fund. **Example: Maximum leverage (200% gross, 100% net), value of all investments appreciate 10%**

Initial investment	$100,000
Gross invested position ($150,000 long, $50,000 short)	$200,000
Gross reliable value after market change	$220,000
Net reliable value after market change	$120,000
Gain/loss	**$20,000**

Assets used as collateral	The fund may use the assets of the fund as security for any monies and securities borrowed or collateral for derivatives or short selling. The fund's obligations to the prime broker will be secured by way of a first fixed charge over the assets the prime broker has in its custody. In addition, the fund's obligations to the prime broker in respect of any financing lines and short selling facilities will be secured by transferring to the prime broker all rights, title and interest in and to certain of the assets identified for such purposes by the prime broker as collateral. With respect to exchange traded derivatives, the exchange does not take similar security, however, the fund is subject to initial and subsequent margin calls which are required to be paid by the fund.
7 Derivatives	
Purpose and rationale for the use of derivatives	Exchange traded derivatives are used by the fund to manage the cash and market and/or company exposure in the portfolio. Derivatives used will be covered by cash (delta adjusted), physical securities or a combination of both.
Types of derivatives used	The most common derivatives used by the fund are futures over Australian shares.
Criteria for engaging derivative counterparties	Although Sage Capital may choose to enter into derivative transactions with other counterparties, as at the date of this PDS the fund's only derivative counterparty will be the prime broker. Any new counterparties must be formally approved by CFSIL. No transaction may be entered into with a counterparty that has not previously been approved by CFSIL.
Key risks associated with the collateral requirements	Derivatives can expose the fund to risks such as market risk (the risk that the value of the derivative will fluctuate due to movement in the price of the underlying security), basis risk (the risk that the value of the derivative moves independently from the value of the underlying security or securities) and liquidity risk. In the fund, derivatives will only be used for hedging purposes rather than to leverage the fund.
8 Short selling	
Is short selling permitted?	Yes.
Rationale	Short selling will be undertaken by the fund and is an integral part of the investment strategy. Although the fund will always be aggregate net long assets, the fund may have between 0% and 50% of its net assets invested in short positions.

Risks	An inherent risk in short selling is that when a security is borrowed and sold short, a loss is incurred if the price of the security rises. This loss is magnified (and can be greater than the initial purchase price) if the price of the security continues to rise. This type of risk is primarily managed through portfolio diversification. A broad exposure to a range of securities on both the long and short side will prevent single stock risk from having an undue impact. The fact that short sales are reinvested into long positions means that the portfolio's exposure to rising or falling markets is unchanged. Portfolio management oversight also ensures that stock exposures are maintained at the desired level on a day-to-day basis. A further risk to short selling is that the prime broker may recall a security that the fund has borrowed on short notice. This will mean that the fund may have to repurchase the security and may incur a loss as a result of having to buy the security to meet its obligations to the prime broker. The prime broker will generally hold a buffer of stock in reserve to minimise the risk of recalls and will communicate when the stock borrow pool is tightening. Tightness is also visible through higher stock borrowing fees. A stock recall is a rare occurrence and risk is mitigated by maintaining a high level of portfolio diversification to minimise single stock risk and by maintaining a strong focus on liquidity to minimise market impact cost when trading.
9 Withdrawals	
Significant risk factors/limitations	Where a fund is suspended, restricted or unavailable, CFSIL may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made. Please note that unless a fund is suspended, restricted or unavailable, investors may withdraw from a fund in accordance with normal processes. Additional information on withdrawals can be found in the relevant offer document for the product you are investing in.
Changes to withdrawal rights	For up-to-date information on your account, visit our website cfs.com.au or call Investor Services on 13 13 36. Where a change is material, the Responsible Entity will notify you in writing within the timeframes provided for in the relevant legislation.

Responsible Entity

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