

Product Disclosure Statement

Bennelong ex-20 Australian Equities Fund

ARSN 137 843 826

Issue date: 1 December 2020

Important Information

This Product Disclosure Statement ('PDS') is issued by Bennelong Funds Management Ltd ('BFML'), ABN 39 111 214 085, (Australian Financial Services Licence No. 296806), the Responsible Entity of the Bennelong ex-20 Australian Equities Fund ARSN 137 843 826 ('Fund'). The Fund is a registered managed investment scheme under the Corporations Act.

References in this PDS to 'we', 'us', 'our', 'the Responsible Entity' and 'BFML' are to Bennelong Funds Management Ltd, the Responsible Entity of the Fund. References to 'you' or 'your' are to investors (and, when the context requires, prospective investors) in the Fund.

This PDS is a summary of significant information about the Bennelong ex-20 Australian Equities Fund. The document contains a number of references to additional important information (Additional Information Booklet) which forms part of this PDS. Prior to making a final decision to invest in the Fund, you should consider the information within this PDS, and the additional information referred to in this PDS.

This PDS is only available to persons receiving the PDS in Australia or New Zealand. New Zealand investors must read the New Zealand Investors' Information Sheet before investing in the Fund.

You can obtain a copy of this PDS and the Additional Information Booklet free of charge from our website (bennelongfunds.com), or by contacting Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand) or email (client.experience@bennelongfunds.com).

The information in this PDS is general information only and does not take into account your personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

General information in this PDS is subject to change. Certain information that is not materially adverse information may be updated by us. Such updated information may be obtained from our website (bennelongfunds.com), or by contacting Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand), or email (client.experience@bennelongfunds.com). A paper copy of any updated information will be provided free of charge on request.

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1. About Bennelong Funds Management Ltd

Responsible Entity

Bennelong Funds Management Ltd ABN 39 111 214 085 ('BFML') is the Responsible Entity of the Fund. As the Responsible Entity, BFML is responsible for overseeing the operations of the Fund. BFML has appointed Bennelong Australian Equity Partners Pty Ltd as the Investment Manager of the Fund.



Investment Manager

Bennelong Australian Equity Partners Pty Ltd ABN 69 131 665 122 ('BAEP') is the Investment Manager for the Fund and is a Corporate Authorised Representative of BFML (AFS Representative No. 000328975). BAEP was established in 2008 and is led by Mark East (Chief Investment Officer). As the Investment Manager, BAEP is responsible for managing the investments of the Fund.



2. How the Bennelong ex-20 Australian Equities Fund works

How the Fund operates

The Fund is a registered managed investment scheme and is structured as a unit trust. Investors' funds are pooled and managed in accordance with a set objective and strategy. When you invest in the Fund, you acquire Units. Each Unit entitles the Unitholder (i.e. investor) to a proportionate beneficial interest in the Fund's portfolio of assets, but not to any specific assets of the Fund. The potential for financial gain is made through investors receiving distributions and any increase in capital value of their Units (i.e. if the Unit price is higher than the price at which the investor purchased them). Investors can increase or decrease their investment by acquiring or disposing of interests (Units).

Unit prices

Generally, Unit prices are calculated for each Business Day at close of business on that day and are equal to the Net Asset Value per Unit. The Unit price for the Fund will vary as the market value of assets in the Fund rises or falls. The value of your investment is calculated by multiplying the number of Units you hold in the Fund by the applicable Unit price at that time.

The number of Units you will receive when you invest in the Fund is dependent on the amount of money invested and the application price at the date of application. If you withdraw your funds, we will withdraw your Units based on the withdrawal price for the Business Day on which we receive your withdrawal request. Application and withdrawal requests must be received before 2.00 p.m. Melbourne time on that Business Day. Application and withdrawal requests for mFund investors are subject to different cut-off times. Please contact your broker.

Application and withdrawal prices for each Business Day are based on the Unit price for that Business Day adjusted for the buy/sell spread. Application prices are usually higher than withdrawal prices due to the buy/sell spread (refer to 'Buy/sell spread' in Section 6 of this Fund's Additional Information Booklet). The buy/sell spread is built into the Unit price and represents your contribution to the costs of buying and selling the underlying assets in the Fund. The current application and withdrawal price for the Fund may be obtained by visiting our website bennelongfunds.com or by contacting Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand) or email (client.experience@bennelongfunds.com).

A copy of the Responsible Entity's description of the formula and method it uses for determining Unit prices, the discretions exercised by the Responsible Entity and its nominees in respect of determining Unit prices, and the documented policy in respect of such discretions is available from the Responsible Entity free of charge.

Making an investment in the Fund

You can invest in the Fund by applying to the Responsible Entity directly for Units:

- by completing the Application Form accompanying the PDS; or
- through a broker using the mFund Settlement Service. Refer to Section 8 for further information.

You can also apply indirectly for Units through an IDPS. Refer to 'Investing through an IDPS' in Section 2 of this Fund's Additional Information Booklet.

Minimum initial investment

The minimum initial investment for a direct investment in the Fund is \$10,000.

Additional investment

Direct investors can apply to add to their investment at any time. Direct investors can increase their investment by:

- visiting bennelongfunds.com and downloading and completing the Additional Investment Form, or contacting Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand) or via email (client.experience@bennelongfunds.com); or

- contacting their broker to increase their investment through the mFund Settlement Service.

The minimum additional investment in the Fund is \$1,000.

How to make a withdrawal from the Fund

Direct investors may request to withdraw all or part of their investment at any time:

- by lodging a withdrawal request with the Administrator. A Withdrawal Request Form is available on our website (bennelongfunds.com); or
- through the mFund Settlement Service, investors can withdraw from the Fund by contacting their broker or other financial services provider.

Unless the Responsible Entity decides otherwise, withdrawal requests must be for a minimum of \$5,000. Withdrawal requests received by the Administrator no later than 2.00 p.m. Melbourne time ('Deadline') on a Business Day will be withdrawn at the withdrawal price applicable as at the close of that Business Day. Withdrawal requests received after the Deadline on a Business Day will be treated as received on the next Business Day. Withdrawal requests for mFund investors are subject to different cut-off times. Please contact your broker for further information. Your investment will normally be withdrawn and payment made into your nominated Australian bank account within 14 days of the receipt of the withdrawal request, however, the Constitution allows up to 30 Business Days for such withdrawals and payments to take place.

Restrictions on withdrawals

In certain circumstances, such as when there is a suspension on withdrawals or where the Fund becomes illiquid (as defined in the Corporations Act), you may not be able to withdraw your investment within the usual period and alternative withdrawal procedures will apply.

Income distributions

Income distributions are paid six monthly as at 31 December and 30 June. The amount of the income distribution may vary and will usually consist of interest, dividends and net realised capital gains. The amount of the income distribution for the Fund is generally calculated by accumulating all income earned by the Fund for the period, taking into account taxable gains and losses, and then deducting all expenses incurred and any provisions that are considered appropriate to the Responsible Entity. The income to be distributed is then divided by the total number of Units on issue at the end of the distribution period to determine the cents per Unit distribution rate. All income distributions are paid in Australian dollars.

Income distributions must be paid to a nominated Australian bank account or reinvested. If no preference is indicated on your Application Form or if we do not have valid Australian bank account details of an mFund investor on file, income distributions will be reinvested.

New Zealand investors can only have their distribution paid in cash if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested (refer to the New Zealand Investors' Information Sheet for further information).

Additional information

The Fund is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. In addition, investors have the right to obtain a copy of the following documents:

- the annual financial report most recently lodged with ASIC by the Responsible Entity;

2. How the Bennelong ex-20 Australian Equities Fund works (continued)

- any half-yearly financial report lodged with ASIC after the lodgement of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after lodgement of that annual financial report and before the date of this PDS.

You should read the important additional information about AML/CTF obligations, withdrawal restrictions, income distribution reports, income payments, investing through an IDPS, authorised agent and related party arrangements before making a decision. Go to Section 2 of the Fund's Additional Information Booklet (available at bennelongfunds.com). This material may change between the time you read this PDS and the day you acquire the product.

3. Benefits of investing in the Bennelong ex-20 Australian Equities Fund

Summary of significant features and benefits of the Bennelong ex-20 Australian Equities Fund

Significant features

Investment objective

The Fund's objective is to outperform the Benchmark (as defined below) by 4% per annum after fees, on a rolling three-year basis. Our investment team aims to achieve this goal by actively managing a portfolio of primarily Australian shares and generating a combination of capital growth and income.

Fund strategy

The portfolio comprises stocks purchased primarily from, but not limited to, the S&P/ASX 300 Index (but excluding those stocks in the S&P/ASX 20 Index). The Fund may invest in securities expected to be listed on the ASX except those expected to be included in the S&P/ASX 20 Index upon listing. The Fund may also invest in securities listed, or expected to be listed, on other exchanges where such securities relate to ASX-listed securities. Derivative instruments may be used to replicate underlying positions on a temporary basis and hedge market and company-specific risks. The Fund cannot purchase stocks that are in the S&P/ASX 20 Index. However, when a stock that is held within the Fund moves into the S&P/ASX 20 Index, that stock may continue to be held for so long as deemed appropriate. The investment team will use its discretion in selling down that stock, having regard to the best interests of unitholders. In this way, the Fund may hold stocks in the S&P/ASX 20 Index from time to time.

Benchmark

The return on the S&P/ASX 300 Accumulation Index excluding constituents that are also members of the S&P/ASX 20 Index.

Number of stocks

The Fund typically holds between 20-50 stocks.

Risk profile

The Fund is suited to growth investors (five years plus).

Currency

The Fund's currency is in Australian dollars.

Minimum suggested investment timeframe

Five years.

Fund performance

The Fund's performance is available on our website (bennelongfunds.com).

Maximum active position

The maximum active position (portfolio weight less index weight) of an individual stock is +/-10%. Up to an additional 2% is allowed due to market movements.

Significant benefits

The significant benefits of investing in the Fund are:

- access to a share portfolio that aims to consistently deliver above-benchmark returns over the medium to long term;
- investing with a quality team of highly experienced investment professionals who undertake comprehensive ongoing research to assess the earnings prospects and relative valuations of the stocks in their investment universe;
- regular reporting including monthly unitholder statements, half-yearly income distribution statements and annual tax statements; and
- easy access to your investment information.

You should read the important additional information about 'Benefits of investing in the Fund' before making a decision. Go to Section 3 of the Fund's Additional Information Booklet (available at bennelongfunds.com). The material relating to the features and benefits of the Fund, as well as the general benefits of investing in a managed investment scheme, may change between the time you read this PDS and the day you acquire the product.

4. Risks of managed investment schemes

All investments carry risks. Different investment strategies may carry different levels of risks depending on the assets that make up that strategy. Assets with the highest long-term returns may have the highest level of short-term risks.

The risks specific to the Fund are outlined below. The Fund invests predominantly in Australian shares, a growth asset class which is susceptible to short-term volatility. No guarantee is provided on the performance of the Fund, that distributions will be made or that the capital value of an investment in the Fund will increase or be maintained.

Market risk

Past performance is not a reliable indicator of future performance. The investments of the Fund largely comprise exchange traded shares and related securities, the ownership of which carries an inherent risk element. Unit prices reflect the market value of the assets of the Fund and consequently may rise and fall in line with market variations.

4. Risks of managed investment schemes (continued)

Macro-economic risks

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may influence the progress of financial markets and individual companies.

Company-specific risks

The progress of individual companies may be affected by changes in factors such as the competitive environment in which they operate, regulation, technology, personnel and consumer preferences.

Operational risks

The custody and investment administration of the Fund has been outsourced to Citigroup Pty Limited (Australian Financial Services Licence No.238098). The Responsible Entity is satisfied that Citigroup Pty Limited has in place adequate internal controls for its custody and investment administration operations. However, there still may be breakdowns in operations and procedures that cannot be prevented.

Liquidity risk

Some investments of the Fund, especially those of companies which have a smaller total market capitalisation, or where the Fund has a large holding in the company, may be thinly traded or less liquid and therefore may have to be sold at a discount from current market prices, or sold in small lots over an extended period of time.

Derivative risk

Any derivative investment undertaken by the Fund will be by way of exchange traded derivatives. The use of exchange traded derivatives may have a negative impact on the Fund where there is an adverse movement in the underlying asset on which a derivative is based or where a derivative position is difficult or costly to reverse or maintain. The Responsible Entity recognises there are significant risks associated with the investment in derivatives that may be undertaken by the Fund. Investment in derivatives is primarily undertaken for the purpose of managing market risk and company specific risk and to achieve the desired investment exposure to assets or securities on a temporary basis without buying or selling the underlying assets or securities. In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

Regulatory risks

All investments carry the risk that their value may be affected by changes in laws, especially taxation laws.

5. How we invest your money

Warning: Prior to making an investment in the Fund, you should consider the information detailed below on the likely investment return, the risk level of the Fund, and your required investment timeframe to ensure it is appropriate for your needs and circumstances.

Fund's investment objective

The Fund's investment objective is to grow the value of your investment over the long term via a combination of capital growth and income. We aim to achieve this by:

- investing in a diversified portfolio of primarily Australian shares; and
- providing a total return that exceeds the return of the Benchmark by 4% per annum after fees, measured on a rolling three-year basis.

Borrowings

The Constitution of the Fund provides that the Responsible Entity may undertake borrowings on behalf of the Fund. However, the Responsible Entity does not intend to borrow on behalf of the Fund.

Compensation fee structure risk

The Responsible Entity and Investment Manager may receive compensation based on the performance of the investments of the Fund. These arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than might otherwise be the case.

Concentration risk

The Fund's typical portfolio holdings of 20 to 50 stocks represents high investment concentration. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility.

Force majeure risks

Circumstances beyond our reasonable control may impact the operation, administration and performance of the Fund. Those include industrial disputes, failure of a securities exchange, fires, floods, hurricanes, earthquakes, wars, strikes and acts of terrorism, governmental pre-emption in connection with an emergency of state and pandemics.

General risks

The key risks of investing in managed investment schemes include:

- the value of investments will vary;
- the level of returns will vary and future returns will differ from past returns;
- returns are not guaranteed and investors may lose some of their money;
- laws affecting registered managed investment schemes may change in the future; and
- the relevant level of risk for each investor will vary depending on a range of factors including their age, investment timeframe, other investments and individual risk tolerance.

For further information about risks associated with investing in managed investment schemes, please go to ASIC's MoneySmart website (moneysmart.gov.au).

Time horizon

The Fund is managed with the intention of generating returns over the longer term. The minimum suggested timeframe for an investment in the Fund is five years.

Fund suitability

The Fund is suitable for investors who:

- are primarily seeking capital growth from a portfolio of Australian stocks;
- are seeking some income via dividends and franking credits; and

5. How we invest your money (continued)

- have a high tolerance for risk.

Asset classes and strategic asset allocation

The Fund can invest in the following asset classes:

- equities: 90 - 100%;
- cash: 0 - 10%; and
- derivatives: 0 - 10% – used to replicate underlying positions on a temporary basis and hedge market and company-specific risks.

Risk level

The Fund has a high risk level.

Changes to the Fund

Subject to the Constitution of the Fund and the Corporations Act, the Responsible Entity may, at its discretion, add to or close the Fund that is currently offered or change the rules that govern the Fund. The investment objectives and strategies may be altered by agreement between the Responsible Entity and the Investment Manager. You will be provided with notice of any such changes in accordance with the Corporations Act.

You should read the important additional information about investment guidelines and policy and labour standards, environmental, social and ethical considerations before making a decision. Go to Section 5 of the Fund's Additional Information Booklet (available at bennelongfunds.com). This material may change between the time you read this PDS and the day you acquire the product.

6. Fees and costs

DID YOU KNOW?

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

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

The table below shows fees and other costs that you may be charged. These fees and costs will be deducted from the Fund assets as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment. The information in the table below can be used to compare costs between different simple managed investment schemes.

ASIC Class Order [CO 14/1252] applies to this PDS.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	
<i>Establishment fee</i>	Nil
<i>Contribution fee</i>	Nil
<i>Withdrawal fee</i>	Nil
<i>Exit fee</i>	Nil
Management costs*	
Fees and costs for managing your investment	
<i>Management Fee</i>	0.95% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.
<i>Performance Fee¹</i>	Estimated to be 0.64% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.
<i>Expenses[#]</i>	Estimated to be 0.03% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.
<i>Indirect costs[^]</i>	Estimated to be 0% p.a. of the Net Asset Value of the Fund.

* Management costs can be negotiated with wholesale clients. Management costs do not include the Fund's transactional and operational costs recovered via the buy/sell spread. See 'buy/sell spread' on page 2 under 'Unit prices'.

6. Fees and costs (continued)

¹ The Performance Fee is 15% (including GST net of reduced input tax credits) of any amount by which the investment return of the Fund (before payment of the Management Fee) is greater than the return generated by the Benchmark. The Performance Fee in the fee table above is an estimate of typical ongoing Performance Fees payable in the current and future financial years. Please note the Performance Fee payable in future years may be higher than the estimate above in periods of strong performance by the Fund.

[#] Expenses of the Fund are capped at 0.05% (including GST net of reduced input tax credits) of the Net Asset Value of the Fund. The expenses cap also includes transactional and operational costs (excluding brokerage). For further information please refer to the explanation of fees and costs below and in the Additional Information Booklet. In the unlikely event that expenses exceed 0.05%p.a., any higher amount will be borne by the Responsible Entity without being charged to investors. However, the Responsible Entity reserves the right to defer the recovery of any expenses incurred in any year to a later year provided that the expense recovery in any later year does not exceed 0.05% p.a. of the Net Asset Value of the Fund. Please refer to the Additional Information Booklet for further information.

[^] The estimate of indirect costs is based on the indirect costs incurred for the 12 months to 30 June 2020, as a percentage of the average Net Asset Value of the Fund during that period.

Additional fees may be payable to your financial adviser, broker or other ASX approved participant. See the boxed content in bold on page 6 of this PDS.

Example of annual fees and costs for the Fund

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
<i>Contribution fees</i>	Nil	For every additional \$5,000 you put in, you will be charged nil.
PLUS <i>Management costs</i>	0.98% p.a. of Net Asset Value [^]	And , for every \$50,000 you have in the Fund you will be charged \$490 ^{**} each year.
EQUALS <i>Cost of Fund</i>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$490 [*] . What it costs you will also depend on the fees you negotiate with the Fund or financial adviser.

[^] 0.98% is the indirect cost ratio of the Fund, which is quoted inclusive of GST net of reduced input tax credits. It is an estimate based on the total management costs (which does not include transactional and operational costs recovered via the buy/sell spread) deducted from the Fund in the previous financial year and is represented as a percentage of the average Net Asset Value of the Fund. Please note that the indirect cost ratio is not a typical ongoing figure as it is an estimate based on the previous financial year and therefore there may be differences with the fees indicated in the previous table. The total management costs figure in the above fee example is less than the sum of the management costs in the fee table on the previous page due to the performance fee for the previous financial year, which was less than the estimated ongoing performance fee.

^{*} Assumes the additional \$5,000 was invested at the end of the year. If it is assumed the additional \$5,000 was invested at the beginning of the year, the management costs would be \$539 (\$55,000 x 0.98%). Please note this is an example only as the actual investment balance of your holding will vary on a daily basis.

[#] Additional fees and costs may apply. Please refer to the explanation of 'buy/sell spread' on page 2 under 'Unit prices'.

Note that Government fees, duties and bank charges may also apply to investments and withdrawals.

Warning: Additional fees may be paid to a financial adviser if an investor consulted a financial adviser. Where an investor receives financial advice, investors should refer to their Statement of Advice or their adviser's Financial Services Guide for full details of these fees. The Responsible Entity does not charge additional fees to investors that invest via the mFund Settlement Service. However, additional fees may be payable to an investor's broker or other ASX approved participants for facilitating an investment or withdrawal in the Fund using the mFund Settlement Service. Investors should consider their broker's Financial Services Guide for further information.

Fee changes

The Constitution of the Fund sets out the fees and expenses payable by the Fund. The Constitution of the Fund permits higher Management Fees and Performance Fees to be charged. The Responsible Entity can change the amount of fees without your consent, as long as it does not exceed the amount of fees permitted under the Constitution of the Fund. The actual Performance Fees, expenses and indirect costs may be different to those in the fee table. You will be given written notice of any variation of fees charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in Management Fees, Performance Fee, or charges, you will be notified 30 days before the increase takes effect). Fund expenses are recoverable from the Fund subject to a cap of 0.05% of the

Net Asset Value of the Fund per annum. Changes to expenses within the cap, indirect costs, transactional and operational costs and the buy/sell spread do not require prior notice to investors.

Fee calculators

ASIC provides a fee calculator on its MoneySmart website (moneysmart.gov.au) which can be used to calculate the effect of fees and costs on your investment in the Fund.

You should read the important additional information about 'Fees and costs' before making a decision. Go to Section 6 of the Fund's Additional Information Booklet (available at bennelongfunds.com). The material relating to fees and costs may change between the time you read this PDS and the day you acquire the product.

7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme is likely to have tax consequences and we strongly advise that you seek professional advice before investing in the Fund.

Registered managed investment schemes do not pay tax on behalf of investors, and investors are assessed for tax on any income and capital gains generated by the scheme.

You should read the important additional information about 'Taxation' before making a decision. Go to Section 7 of the Fund's Additional Information Booklet (available at bennelongfunds.com). The material relating to taxation may change between the time you read this PDS and the day you acquire the product.

8. How to apply

Application process

1. Read this PDS together with the Additional Information Booklet which is available on our website (bennelongfunds.com). If you are not investing through the mFund Settlement Service, proceed to steps 3 and 4. Otherwise proceed to step 2 only.
2. If you are investing through the mFund Settlement Service, contact and instruct your broker to purchase Units in the Fund on your behalf using the mFund Settlement Service. All money payable should be paid directly to your broker. Please contact your broker for details in relation to cut-off times for mFund applications. Items 3 and 4 below do not apply to you.
3. If you are not investing through the mFund Settlement Service, you can either:
 - a) apply online at bennelongfunds.com. Please refer to the Additional Information Booklet for further details on this process; or
 - b) complete the Fund's Application Form accompanying this PDS which is also available on our website (bennelongfunds.com). To request a copy of the Application Form free of charge, please contact Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand) or email (client.experience@bennelongfunds.com).

You can invest in the Fund via **Direct credit**. For payments by direct credit please make a transfer to the Custodian's bank account:

Bank: Citibank NA, Australia
BSB No.: 242 000
Account No.: 200562003
Account name: Bennelong Applications Account
Deposit reference: Please include the investor's name

4. Please send the completed Application Form to:

Bennelong Funds Management Ltd
C/- Citi Unit Registry Australia
GPO Box 764
Melbourne VIC 3001
Australia

The investment amount and the Application Form must be received no later than the Deadline (2.00 p.m. Melbourne time) on a Business Day and Units will be issued at the application price applicable as at the close of that Business Day.

Note: the following minimum investment amounts apply to your investment in the Fund:

- minimum initial investment amount: \$10,000;
- minimum additional investment amount: \$1,000; and
- minimum withdrawal amount: \$5,000.

Cooling-off period

A 14-day cooling-off period applies during which you may change your mind about your investment and request the return of your money in writing. Generally, the cooling-off period runs for 14 days from the earlier of the time you receive confirmation of your investment, or the end of the fifth day after your Units are issued.

Cooling-off rights will not apply in certain limited situations (e.g. if the issue is made under a distribution reinvestment plan) and cease to apply if you choose to exercise your rights and powers as an investor of the Fund. Cooling-off rights also do not apply to wholesale clients who invest in the Fund.

The amount refunded to you is the value of your investment at the application price on the day we receive your cooling-off notification (before the Deadline on that Business Day). This is adjusted for applicable taxes and reasonable administrative and transaction costs incurred between the date of the application and the date of withdrawal.

No cooling-off rights apply in respect of any investment acquired through an IDPS. However, indirect investors should contact their operator and read the operator's offer document for their cooling-off rights in relation to their investment in the IDPS.

Complaints resolution

BFML has an established complaints handling process and aims to properly consider and resolve all complaints within 30 days. If you have a complaint about your investment, please contact us in writing or by telephone using the details below:

Complaints Officer

Bennelong Funds Management Ltd
Bennelong House
Level 1, 9 Queen Street
Melbourne Vic 3000
Email: complaints.officer@bennelongfunds.com
Tel: 1800 895 388 (Australia) or
0800 442 304 (New Zealand)

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority ('AFCA'). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Web: afca.org.au

Email: info@afca.org.au

Tel: 1800 931 678

In writing to: **Australian Financial Complaints Authority**
GPO Box 3
Melbourne VIC 3001

You should read the important information about the Application process and the mFund Settlement Service before making a decision. Go to Section 8 of the Fund's Additional Information Booklet (available at bennelongfunds.com). The material relating to the Application process and the mFund Settlement Service may change between the time when you read the PDS and the day when you acquire the product.

9. Other information

Privacy statement

The Application Form attached to this PDS requires you to provide personal information to the Responsible Entity. The Responsible Entity collects this personal information so that it can process and administer any application for investment in the Fund you make. Additionally, the Responsible Entity collects this information in order to administer, manage and generally service your investment in the Fund. The Responsible Entity will normally collect personal information directly from you. However, in certain circumstances, the Responsible Entity may collect personal information about you from third parties, such as your financial adviser, the Administrator or third party service providers of the Responsible Entity.

If you do not provide the personal information requested by the Responsible Entity or provide incomplete or inaccurate information, the Responsible Entity may not be able to accept or process your application for an investment in the Fund or may be limited in the services or assistance the Responsible Entity can provide with respect to the administration of any investment you subsequently make in the Fund.

The Responsible Entity may disclose your personal information to organisations such as the Administrator, any third party service provider we may engage to provide custody, administration, technology, auditing, mailing, printing or other services and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement. The disclosure by the Responsible Entity of personal information to such third parties may involve the transfer of your personal information to recipients located outside of Australia. These countries may include the United States of America, the United Kingdom, Germany, Malaysia and Singapore and may include further countries. Where this is the case the Responsible Entity will take reasonable steps to satisfy itself that the third party it discloses the information to is compliant with the Australian Privacy Principles or a similar regime. In providing us with your personal information, you consent to the possibility that your personal information may be transferred outside of Australia for processing or the other purposes detailed above.

The Responsible Entity may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the Responsible Entity may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the AML/CTF Act. For certain investors, the Responsible Entity may also be required to collect and disclose certain personal information to the Australian Taxation Office in order to comply with the *Foreign Account Tax Compliance Act* and/or *Common Reporting Standard*.

If you notify the Responsible Entity that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the Responsible Entity disclosing to that financial adviser details of your investment in the Fund or other related personal information.

We take reasonable steps to ensure that the personal information about an investor or other relevant person that we collect, use or disclose is accurate, complete and up to date.

You or another relevant person can request access to your personal information or a copy of the Responsible Entity's Privacy Policy by telephone or writing to the Privacy Officer at:

Privacy Officer, Bennelong Funds Management Ltd

Bennelong House
Level 1, 9 Queen Street
Melbourne Vic 3000

Email: privacy.officer@bennelongfunds.com

Tel: 1800 895 388 (Australia) or
0800 442 304 (New Zealand)

The Responsible Entity's Privacy Policy is also available on BFML's website (bennelongfunds.com).

The Responsible Entity's Privacy Policy sets out details of how the Responsible Entity will collect, store, manage, use and disclose personal information it collects from you.

The Responsible Entity's Privacy Policy also contains information about how you can access and seek correction of the personal information held by the Responsible Entity, how you can complain to the Responsible Entity about a breach of the *Privacy Act 1988* (Cth) or any registered code under the Privacy Act that binds the Responsible Entity and how the Responsible Entity will respond to and deal with such a complaint.

Consents

Bennelong Australian Equity Partners Pty Ltd has given and, at the date of this PDS, has not withdrawn its written consent to be named in this PDS as the investment manager of the Fund.

Citigroup Pty Limited ('Citi') consents to having been named as custodian and administrator in this PDS and the Additional Information Booklet ('the Document'), in the form and context in which they appear to have been made on the basis that it has not independently verified the information contained in the Document, has not been involved in the preparation of the Document, nor has it caused or otherwise authorised the issue of the Document. Neither Citi nor its employees or officers accept any responsibility or liability arising in any way for errors or omissions in the Document. Citi does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

Further enquiries

If you require further information about the Fund, a copy of any important additional information incorporated into this PDS or have questions about this PDS, please contact your financial adviser or our Client Experience team on 1800 895 388 (Australia) or 0800 442 304 (New Zealand) or email (client.experience@bennelongfunds.com).



Additional Information Booklet

Bennelong ex-20 Australian Equities Fund

ARSN 137 843 826

Issue date: 1 December 2020

Important Information

The information in this document forms part of the Product Disclosure Statement ('PDS') for the Bennelong ex-20 Australian Equities Fund dated 1 December 2020. You should read this information together with the PDS before making a decision to invest into the Fund.

This additional information is general information only and does not take into account a person's personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

Responsible Entity: Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806)

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1. About Bennelong Funds Management Ltd

No additional information has been incorporated by reference.

2. How the Bennelong ex-20 Australian Equities Fund works

Glossary

Administrator means Citigroup Pty Limited (ABN 88 004 325 080).

Asset Value means the aggregate gross value of all assets in the Fund.

Business Day means any day except any weekend or Australian national public holiday.

Corporations Act means the Corporations Act 2001 (Commonwealth) and its amendments.

IDPS means an Investor Directed Portfolio Service.

Net Asset Value at any time means the Asset Value less the liabilities at that time.

Unit means a Unit in the Fund.

Unitholder means the holder of Units in the Fund.

Valuation Time means any time the Net Asset Value is determined.

AML/CTF obligations

As part of anti-money laundering and counter-terrorism financing responsibilities required by legislation, the Responsible Entity, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Responsible Entity may not be able to accept an application for Units, refuse to accept an application for Units or may suspend payment of withdrawal proceeds payable to a Unitholder. If an application for Units is not accepted for this reason, the Responsible Entity may hold application monies in an applications bank account until we receive the required information. Application monies are held for a maximum period of one month commencing on the day the Responsible Entity receives the application monies and will be returned (without payment of interest) to the source of payment after this period.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.

Withdrawal restrictions

The Responsible Entity may pro-rata withdrawal requests received on any Business Day to ensure that only 25% (or such percentage as the Responsible Entity may determine) of the value of Units in the Fund is withdrawn on any Business Day.

The Constitution of the Fund permits the Responsible Entity to suspend withdrawals (freeze withdrawals) for a reasonable period ('Suspension Period') in certain situations, including situations which impact on the effective and efficient operation of a market for an asset of the Fund. An investor's withdrawal request lodged during a Suspension Period is deemed to be received by the Responsible Entity immediately after the end of that Suspension Period.

If the Fund is illiquid (as defined in the Corporations Act), withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. Under the Corporations Act, a fund is illiquid if it has liquid assets (generally cash and marketable securities) that account for less than 80% of the value of the Fund. The Responsible Entity is not obliged to make withdrawal offers.

Income distributions reports

Details relating to any tax-free or tax-deferred components, imputation credits or capital gain components for all distribution payments made during the year will be forwarded to Unitholders shortly after the end of each financial year.

Income payments

Income distributions must be paid by either of the following methods:

- direct transfer to a nominated Australian bank account; or
- reinvestment to purchase additional Units.

Investors need to complete the appropriate section in the Application Form to elect their choice. If there is no notification of method of payment on the Application Form (or subsequent notification), income distributions will be reinvested.

There is no charge applied to income distributions which are reinvested. The issue price that will apply to Units from such reinvestment will be the application price before application of the buy/sell spread after distribution. Reinvestment will be effected on the first Business Day after the close of each distribution period.

For investors applying through the mFund Settlement Service, if we do not have valid Australian bank account details on file, or if a distribution payment preference is not indicated, the distribution will be re-invested.

Investing through an IDPS

Investors investing in the Fund indirectly via an IDPS do not themselves become investors in the Fund, and accordingly have no rights as a Unitholder. If you are an indirect investor, generally the relevant IDPS operator acquires the rights of a Unitholder. Unitholder rights include the right to attend Unitholder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds. The offer document for your IDPS should have further details.

Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund. Investors investing in the Fund indirectly via an IDPS are entitled to rely upon the complaint resolution procedures set out in section 8 of the PDS. Indirect investors complete application forms for the IDPS, not the Fund, and receive reports from their operator, not the Responsible Entity. Enquiries should be directed to that operator.

Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors. Indirect investors will also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this PDS does not specifically cater for indirect investors.

Authorised agent

You may appoint an agent to act on your behalf in relation to your investment in the Fund. Your agent will have the authority to act in exactly the same manner as you, except that your agent cannot:

- request a change in records held relating to your name, address or other particulars; or
- create and/or alter any other interest in your Units (for example, make a withdrawal).

Your agent's authority starts on the day the notice of the authority is received. It continues until the day we receive written advice from you terminating that authority. If you appoint a company as your agent, any director of that company or employee authorised by the agent, can act under your agent's authority. Likewise, if you

2. How the Bennelong ex-20 Australian Equities Fund works (continued)

appoint a partnership as your agent, any of the partners can act under that authority. The Responsible Entity may vary the powers of your agent or cancel their authority at any time.

Related party arrangements

BFML is a wholly owned subsidiary of Bennelong Funds Management Group Pty Ltd ('BFMG'). BFMG provides operational support to its fully owned subsidiary BFML.

BFMG owns Bennelong FM Pty Ltd. Bennelong FM Pty Ltd as trustee for the BFM Unit Trust is a minority shareholder in BAEP. BFML provides services such as distribution, marketing and administrative support to BAEP under an investment management and services agreement. BFML receives a fee from BAEP for providing these services. All transactions between BFMG, BFML and BAEP are on arm's length terms.

3. Benefits of investing in the Bennelong ex-20 Australian Equities Fund

Benefits of investing in a managed investment scheme

Investing in a managed investment scheme can offer a number of benefits including:

- increased purchasing power – the size of a managed investment scheme means it can generally buy and sell assets at a lower cost than an individual investing directly;
- investment opportunities – managed investment schemes give you the opportunity to access a range of assets that you may not normally access as an individual investor; and
- professional investment management – your money is managed by a team of professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

Additional benefits of investing in the Bennelong ex-20 Australian Equities Fund

Regular reporting

Unitholders will be provided with the following reports:

- application and withdrawal confirmation statements;
- Unitholder statements, monthly;
- audited annual reports (and, if applicable, half-yearly financial reports and continuous disclosure notices) via our website;
- income distribution statements, half-yearly; and
- tax statements, annually.

Investing in the Fund through mFund

Investors accessing the Fund through mFund will also have access to the following information on the ASX website at mFund.com.au, ASX's Market Announcement Platform or from bennelongfunds.com:

- applications and withdrawal prices – provided on a daily basis as 'buy' and 'sell' prices on mFund;

- distributions – information on any distributions declared or paid are provided on ASX's Market Announcement Platform; and
- statement of transactions – information on applications and redemptions (the amount and value of units applied for and redeemed from the Fund). ASX settlement will issue you a CHES holding statement at the end of each month in which a transaction has occurred, summarising any changes in your unitholding through mFund.

To obtain the most recent information about the Fund, including monthly performance data and latest portfolio composition, please visit bennelongfunds.com or contact Client Experience on 1800 895 388 (Australia) or 0800 442 304 (New Zealand).

Your rights

Your rights as a Unitholder in the Fund are governed by the Constitution of the Fund and by legislation. They include the right to:

- receive distributions (where applicable);
- receive copies of accounts and other information for the Fund;
- attend and vote at Unitholder meetings;
- receive your share of distributions if the Fund is terminated;
- transfer Units to any other person, subject to the Responsible Entity's right to refuse such a transfer; and
- pass Units to any surviving joint holder by will or otherwise to your estate.

You do not have the right to participate in the management or operation of the Fund.

4. Risks of managed investment schemes

No additional information has been incorporated by reference.

5. How we invest your money

Investment guidelines and policy

In order to achieve the risk/return objectives of the Fund, a variety of strategies are employed in a portfolio of primarily Australian listed companies. The main investment guidelines of the Fund are outlined below. Authorised investments of this Fund are:

- securities;
- cash and cash equivalents;
- exchange traded options to buy or sell authorised investments; and
- exchange traded derivative contracts.

Stock universe

The companies within the portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index excluding the S&P/ASX 20 Index. The Fund may invest in securities expected to be listed on the ASX except those expected to be included in the S&P/ASX 20 Index upon listing. The Fund may also invest in securities listed or expected to be listed on other exchanges where such securities relate to ASX-listed securities. Derivative instruments may be used to replicate underlying positions on a temporary basis and hedge market and company-specific risks.

5. How we invest your money (continued)

The Fund cannot purchase stocks that are in the S&P/ASX 20 Index. However, when a stock that is held within the Fund moves into the S&P/ASX 20 Index, that stock may continue to be held for as long as deemed appropriate. The investment team will use its discretion in selling down that stock, having regard to the best interests of unitholders. In this way, the Fund may from time to time hold stocks in the S&P/ASX 20 Index.

Stock holdings

The Portfolio typically holds between 20 to 50 stocks.

Cash limits

The Fund will not typically exceed 10% cash holdings.

Risk management and exposure limits

Tracking error will typically be above 5% on an ex-ante (expected returns) basis. Exposure limit/maximum active position (portfolio weight less index weight) of an individual stock is +/- 10%. The Investment Manager may from time to time temporarily exceed the exposure limits of the Fund, particularly during periods of market volatility, to allow for overweight holdings where the increase in the value of the underlying security is due to market movements.

Derivatives

The Fund may only invest in exchange traded derivatives.

6. Fees and costs

Management costs

The management costs of the Fund as set out in the PDS are composed of the Management Fee, the Performance Fee, expenses and indirect costs in relation to the Fund.

The management costs in the fee example represent the indirect cost ratio of the Fund. This figure is an estimate as it includes an estimation of the Performance Fee and indirect costs.

Management Fee

The Responsible Entity is entitled to a Management Fee of 0.95% p.a. of the Net Asset Value of the Fund. The Management Fee is calculated and accrued daily and payable within 21 days of the end of the month from the Fund's assets. Under the investment management agreement under which the Investment Manager is appointed as investment manager, the Investment Manager is entitled to receive a fee. The Responsible Entity intends to pay the Investment Manager's fee out of the Management Fee to which the Responsible Entity is entitled.

Performance Fee

In addition to the Management Fee, a Performance Fee may be payable to the Responsible Entity in respect of the Fund. This fee is only payable where the Fund's return (before payment of the Management Fee) outperforms the return generated by its benchmark – the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by stocks comprised in the S&P/ASX 20 Index ('outperformance'). The Performance Fee is set at 15% of that outperformance.

The fee is calculated at each Valuation Time (which will generally be at the close of each Business Day, but may be any other time the Responsible Entity determines) and is paid quarterly. The Unit price is reflective of accrued Performance Fees. If at any Valuation Time the Fund's return is less than the benchmark, the Responsible Entity will be entitled to the Performance Fee already accrued (and will not be required to repay Performance Fees already accrued and/or paid), but will not become entitled to accrue further Performance Fees until the Fund's overall return (before payment of the Management Fee), measured over the period since commencement of the Fund, is greater than the return generated by the S&P/ ASX 300 Accumulation Index excluding that part of the return generated by the stocks

Labour standards, environmental, social and ethical considerations

The Responsible Entity and the Investment Manager do not take into account labour standards or environmental, social and ethical considerations when selecting, retaining or realising the investments of the Fund. However, the Responsible Entity and the Investment Manager recognise that environmental, social and governance ('ESG') issues may affect the value of investments managed on behalf of investors.

The Responsible Entity and the Investment Manager assess and manage all foreseeable and potentially material risk factors and in this context, the Responsible Entity and the Investment Manager consider ESG as a risk factor in the overall risk/reward assessment of an investment. However, the Responsible Entity and the Investment Manager have no predetermined view as to what constitutes ESG standards, which ESG considerations will be taken into account and the extent to which they will be taken into account when making decisions to acquire, hold and dispose of investments.

comprised in the S&P/ASX 20 Index. The Responsible Entity will pass the full amount of the Performance Fee onto the Investment Manager.

Past performance is not a reliable indicator of future performance and future performance cannot be guaranteed.

The Responsible Entity believes that an estimate of the performance fee based on past performance over the investment horizon of the Fund (five years) is reasonable for the purpose of estimating future performance fees.

The Performance Fee is based on the performance of the Fund from time to time and as such the Performance Fee may vary from the estimate of the Performance Fee in the fee table. For example, it may be nil in one year or significantly more than the amount disclosed in the fee table.

Performance Fee Example

Assuming an investment of \$50,000, and that the Fund outperforms its benchmark by the percentages in the table below, the following Performance Fees would be payable for the outperformance:

Performance against benchmark of the Bennelong ex-20 Australian Equities Fund	\$ Performance Fee attributable to an investment of \$50,000
+1% p.a.	\$75
+2% p.a.	\$150
-1% p.a.	No Performance Fee payable

Note

The Management Fee and Performance Fees are based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses may never be realised.

6. Fees and costs (continued)

Indirect costs

In general, indirect costs are any amounts that directly or indirectly reduce the returns on the units that is paid from, or the amount or value of, the income or assets of the Fund (including an underlying investment of the Fund). Indirect costs are reflected in the unit price of your investment in the Fund.

The indirect costs in the fee table are based on the indirect costs incurred for the 12 months to 30 June 2020, as a percentage of the average Net Asset Value of the Fund during that period. These costs were nil.

The Responsible Entity has a policy in place that contains information on how indirect costs are estimated. If you require more information on this policy, please contact the Responsible Entity.

Differential fees

Subject to the Corporations Act and the Constitution of the Fund, the Responsible Entity may negotiate lower or different fees with, or pay rebates to, certain investors that are wholesale clients as defined in the Corporations Act.

Buy/sell spread

The buy/sell spread is an additional cost to you and is an adjustment to the Unit price. It represents a contribution to the estimated transactional and operational costs (such as brokerage) incurred when assets are bought and sold by the Fund. The current buy/sell spread is +/- 0.25% of the value of Units being bought and sold. This charge is levied to investors applying for Units or withdrawing Units and is retained in the Fund.

For example, an investment of \$50,000 would incur a buy spread of \$125 and a withdrawal of \$50,000 would incur a sell spread of \$125.

The application of a buy/sell spread means that transactional costs for investor-initiated transactions are allocated to the investor initiating the transaction, rather than being spread across the whole Fund.

The buy/sell spread is reviewed on an annual basis to ensure it reflects up-to date costs of acting on investor initiated transactions.

There is no buy/sell spread on distributions from the Fund that are re-invested.

We may vary the buy/sell spread from time to time and prior notice will not normally be provided to you. Updated information on the Unit prices will be posted on our website (bennelongfunds.com).

If buy and sell spreads are charged and represent only a portion of the Fund's transactional and operational costs incurred during a financial year, the balance of the Fund's transactional and operational costs will be borne by the Fund from the Fund's assets without any recovery from individual investors (subject to the expense cap discussed below). If buy and sell spreads charged exceed the Fund's transactional and operational costs during a financial year, the balance of the buy and sell spreads will be retained by the Fund.

Expenses

All expenses properly incurred by the Responsible Entity in connection with the Fund (including the establishment of the Fund) or in performing the Responsible Entity's obligations under the Constitution are payable or can be reimbursed out of the Fund. These expenses include administration, custodial, accounting, audit, legal, government charges, taxation, adviser, filing, postage, courier, faxing, photocopy, telephone and printing expenses.

There is no limit in the Fund's Constitution on the amount of expenses that may be reimbursed out of the Fund. However, the Responsible Entity currently chooses to cap the amount of expenses recoverable in each year (including transactional and

operational costs but excluding brokerage) at 0.05% p.a. of the Net Asset Value of the Fund. Expenses are currently estimated to be 0.03% p.a. Expenses are reimbursed out of the Fund as and when incurred.

The Responsible Entity reserves the right to recover expenses incurred in any income year above 0.05% p.a. in a later income year subject to the 0.05% p.a. of Net Asset Value expense recovery cap being met.

Transactional and operational costs

The Fund may incur transactional and operational costs such as brokerage, settlement and clearing costs.

Transactional and operational costs incurred as a result of Unitholders coming into and going out of the Fund may be recovered by way of the buy/sell spread charged to investors. Other transactional and operational costs are additional costs to Unitholders that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Unit price. However, all transactional and operational costs incurred in excess of the amount recovered by way of the buy/sell spread and excluding brokerage are only recovered to the extent that the Responsible Entity is able to do so within the expenses cap of 0.05% p.a. of the Net Asset Value of the Fund.

The transactional and operational costs incurred for the 12 months to 30 June 2020 (without taking into account the costs recovered by way of the buy/sell spread charged to investors) as a percentage of the Fund's average Net Asset Value for that period were 0.24% p.a.

Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs not covered in the buy/sell spread. Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

Goods and Services Tax ('GST')

All fees and expenses referred to in the PDS and this Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund (refer to Section 7 of this Booklet). The benefits of any tax deductions are not passed on to Unitholders.

Administration fees

The Responsible Entity may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by the Responsible Entity and not by the Fund. It is not charged out of the assets of the Fund and is not a separate additional charge to investors.

Alternative forms of remuneration

We may provide alternative forms of remuneration which include professional development and sponsorship to financial services licensees, authorised representatives, and master trust or IDPS operators. Where such benefits are provided, they are payable by the Responsible Entity and are not an additional cost to you. We will not pay any remuneration to advisers if it is prohibited by law.

Other fees and costs

These may include additional fees and costs that apply to investors accessing the Fund through a master trust or wrap account. We may make payments to master trusts or wrap account operators out of the fees we receive.

Additional fees may be payable by investors to their broker for facilitating an investment in or withdrawal from the Fund using the mFund Settlement Service. Investors should consider their broker's Financial Services Guide for further information.

7. How managed investment schemes are taxed

General

The following taxation information is of a general nature and should not be relied upon by investors. The information provided is based on applicable Australian tax laws as at the date of this Additional Information Booklet.

As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The taxation information below provides a guide for Australian resident investors only.

Tax position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine net income annually at 30 June.

Generally, no Australian income tax will be payable by the Fund, on the basis that:

- where the Fund is an Attribution Managed Investment Trust (AMIT), all taxable income is intended to be attributed to investors for each income year (see below); or
- where the Fund is not an AMIT, investors are presently entitled to all of the Fund's distributable income.

The Fund may derive franking credits from the receipt of franked dividends. The eligibility of the Fund to distribute franking credits is subject to certain conditions such as the holding period rule. An investor's individual circumstances will also be relevant in determining whether an entitlement to franking credits exists.

In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to Unitholders. It may be available for recoupment by the Fund against net income in future years subject to certain conditions.

The Fund has made a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election means gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the 'financial arrangement provisions') are subject to capital account treatment.

Tax position of Australian resident investors

Distributions

Taxable income earned by the Fund, whether attributed (for an AMIT), distributed, retained or reinvested, can form part of the assessable income for investors in the year of entitlement or attribution. After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to net income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement or attribution arises.

Foreign income

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, you may be entitled to receive a foreign income tax offset ('FITO'). You will usually include the foreign income and the FITO in your assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax report provided to you.

Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount. The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund. If the investor has no cost base the amounts may trigger a taxable capital gain.

AMIT regime

The Responsible Entity has elected to apply the AMIT rules to the Fund.

Under the AMIT rules, the Fund is deemed to be a 'fixed trust' for taxation law purposes that can rely on specific legislative provisions to make yearly adjustment to reflect under-or-over distributions of income. As a result, the Fund's income will be 'attributed' to investors.

Australian Resident Investors will be subject to tax on the income of the Fund which is attributed to them under the AMIT Rules. The tax payable (if any) depends on the investor's individual tax profile and applicable tax rate.

The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement').

The AMMA Statement will set out the amount which has been 'attributed' to an investor (and where relevant, its components) and other relevant tax information.

If an investor disagrees with the Responsible Entity's attribution of income, the investor can object to that attribution and substitute the Responsible Entity's determination with their own. If as an investor you decide to take this course, it is important that you obtain professional tax and legal advice. You must contact the Responsible Entity before notifying the Commissioner.

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

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise carried on by you, you may quote an ABN instead of a TFN.

If you fail to quote an ABN or TFN or claim an exemption, the Responsible Entity may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to you.

The Responsible Entity's reporting obligations

The Government has implemented the OECD Common Reporting Standard which requires the Responsible Entity to collect information from Unitholders and report information in relation to certain Unitholders with foreign residencies to the Australian Tax Office ('ATO'). That information may be provided by the ATO to foreign tax authorities in jurisdictions that have adopted the CRS. Similar obligations relating to the collection and reporting of Unitholder information are imposed on the Responsible Entity as a result of Australia enacting legislation that relates to the Foreign Account Tax Compliance Act ('FATCA'). The FATCA is US tax law which was enacted for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the United States Internal Revenue Service.

GST

The GST information provided in this section is of a general nature only.

GST will apply to the Management Fees and Performance Fees. Fees and costs included in Section 6 are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund. GST will also apply to most other Fund expenses.

7. How managed investment schemes are taxed (continued)

Generally, the Fund cannot claim full input tax credits for GST incurred on expenses, but the Fund may be entitled to reduced input tax credits for any GST paid in respect of these expenses.

8. How to apply

Online Applications and payments via BPAY®

If you apply for units online via the online application form (initial application), you can also make your application payment via BPAY using the following details:

- BPAY Biller Code: 266775
- BPAY Customer Reference Number (CRN): this will be provided via email shortly after the application has been submitted.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Note you are not able to make payments by BPAY if you are a New Zealand investor.

mFund Settlement Service

In addition to applying to the Responsible Entity directly by completing the Application Form accompanying the PDS, investors may apply to invest in the Fund using the mFund Settlement Service. The mFund Settlement Service enables investors to buy and sell Units in the Fund directly with the Responsible Entity via a stockbroker or advisory services provider used to transact shares or other ASX products.

The mFund Settlement Service is not a secondary market for Units in the Fund.

The mFund Settlement Service uses CHESS, ASX's electronic settlement system, to automate and track the process of buying (applying for) and selling (redeeming) Units in the Fund. Your holdings in the Fund ('mFund CHESS holdings') are held electronically and can be linked to the same Holder Identification Number ('HIN') used to hold other investments transacted through ASX for broker sponsored transactions.

For mFund investors, if we need to collect information not provided by your broker, we will send out relevant forms. Please complete and return these forms promptly. Please contact your financial adviser or your broker for more information on how to invest through the mFund Settlement Service.

Client Experience

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If you are investing or have invested in the Fund through the mFund Settlement Service, please contact your financial adviser or broker in the first instance.