

# Product Disclosure Statement

## Auscap Ex-20 Australian Equities Fund

30 September 2024

ARSN: 671 901 821 APIR Code: ASX6179AU

Issued by Auscap Asset Management Limited ABN 11 158 929 143 AFSL 428 014

### Contents

1. About Auscap Asset Management Limited	2
2. How the Auscap Ex-20 Australian Equities Fund works	2
3. Benefits of investing in the Auscap Ex-20 Australian Equities Fund	3
4. Risks of managed investment schemes	3
5. How we invest your money	4
6. Fees and costs	5
7. How managed investment schemes are taxed	8
8. How to apply	8
9. Other information	8

### Important Information

This Product Disclosure Statement (**PDS**) provides a summary of significant information about the Auscap Ex-20 Australian Equities Fund ARSN 671 901 821 (**Fund**) and contains references to important information which is contained in the Additional Information Guide for the Fund. The Additional Information Guide forms part of this PDS and should be read together with this document before making a decision about the Fund.

This PDS is issued by Auscap Asset Management Limited (ABN 11 158 929 143, AFSL 428014) (**Auscap**) as responsible entity of the Fund.

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

The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) within Australia or New Zealand.

Auscap and its employees, associates, agents and officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is not a reliable indicator of future performance. An investment in the Fund does not represent a deposit with Auscap or any of its associates.

Investors who invest indirectly in the Fund (**Indirect Investors**) through an Investor Directed Portfolio Service or an IDPS-like facility including a platform, master fund or wrap service (collectively **IDPS**) should be aware that they do not acquire the rights of a unitholder in the Fund. The rights of Indirect Investors are set out in the relevant IDPS guide or other similar type of document. Indirect Investors should direct all questions relating to the Fund to their relevant IDPS operator.

Information in this PDS that is not materially adverse to investors may be subject to change from time to time and Auscap may update this PDS with any such changes, details of which may be found on its website at [www.auscapam.com](http://www.auscapam.com). A paper copy of the PDS and any updated information will be provided free of charge upon request, by contacting either Auscap or the Administrator of the Fund, Apex Fund Services Pty Ltd (**Apex** or **Administrator**) using the contact details below. Alternatively, you can download the latest version of this PDS (including forms) and any updated information from Auscap's website at [www.auscapam.com](http://www.auscapam.com).

#### Contact Details

If you have any questions or would like more information about Auscap or the Fund, or if you need a copy of any material, you can contact us in the following ways:

##### Responsible Entity

Auscap Asset Management Limited  
Level 30, 9 Castlereagh Street  
Sydney NSW 2000

**Website:** [www.auscapam.com](http://www.auscapam.com)

**Telephone:** +61 2 8378 0800

**Email:** [info@auscapam.com](mailto:info@auscapam.com)

##### Administrator – Unitholder Services

Apex Fund Services Pty Ltd  
Attention: Auscap Ex-20 Australian Equities Fund Unit  
Registry  
GPO Box 4968  
Sydney NSW 2000

**Telephone:** 1300 133 451

**Email:** [registry@apexgroup.com](mailto:registry@apexgroup.com)

## 1. About Auscap Asset Management Limited

Auscap Asset Management Limited ABN 11 158 929 143 AFSL 428014 (**Auscap**) is the responsible entity and the investment manager of the Fund. Auscap is referred to throughout this PDS as the 'Responsible Entity', 'we', 'us' or 'our'.

Auscap is an active Australian equities manager which was founded in 2012. As the Responsible Entity of the Fund, Auscap is responsible for operating the Fund in accordance with the Fund's Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**). As the investment manager of the Fund, Auscap is responsible for making investment decisions in relation to the Fund and implementing the Fund's investment strategy.

## 2. How the Auscap Ex-20 Australian Equities Fund works

The Fund is an Australian unit trust, registered as a managed investment scheme under the Corporations Act.

When you invest, your money buys units in a class of the Fund, which represents your holding in the Fund, and your name is entered on the Fund's register as a holder of units. Each unit in a class of the Fund confers an equal and proportionate beneficial interest in the net assets of that class of the Fund. The number of units you receive depends on the amount you invest and the current unit price of the class. You can increase your units in the Fund by reinvesting distributions or making additional investments. You can decrease your units by making a withdrawal.

Investors may be admitted to the Fund upon such terms and conditions as permitted by Auscap.

### Applications into the Fund

The minimum initial investment amount for direct investors is \$10,000. Applications will be processed once the Administrator receives both a valid Application Form for the Fund (**Application Form**) and your application money. Please see Section 8 'How to apply' for more information. Once you have made an initial investment in the Fund, you can make additional investments by submitting an Additional Application Form and making the relevant payment. There is no minimum additional investment amount. Any additional investments must be made in accordance with the PDS current at the time of the addition.

Valid applications for units, together with cleared funds, received by the Administrator before 2.00pm on any business day, meaning a day (other than a Saturday, Sunday, public holiday or bank holiday) on which banks are open for general banking business in Sydney (**Business Day**), will normally be issued at the application price for that Business Day. Valid applications for units received by the Administrator after 2.00pm on any Business Day or on a non-Business Day will normally be issued at the application price calculated for the next Business Day. The Responsible Entity has the absolute discretion to allow applications at other times and with longer or shorter notice periods.

Auscap has the absolute discretion to accept or reject an application, in whole or in part, and to change the minimum investment amount, including the right to waive or increase the minimum initial investment amount. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest earned on rejected application monies is retained by the Fund and is not payable to the applicant.

You can also apply for units in the Fund indirectly through an IDPS. Please refer to 'Indirect Investors' in Section 1 of the Additional Information Guide.

### How to withdraw

There is no minimum withdrawal amount, however there is a minimum holding amount of \$10,000. For direct investors, you can request the withdrawal of all or part of your investment in the Fund by sending a completed Redemption Form by mail or email to the Administrator.

The Responsible Entity has the absolute discretion to vary or waive the minimum withdrawal amount or holding at any time.

The Responsible Entity will generally pay redemptions within 10 Business Days after processing your request, although the Fund's Constitution permits 21 days from the time of redemption for the payment to be made, and 45 days when a distribution is being paid. In certain circumstances, such as after a distribution date or when there is a suspension on withdrawals including when the Fund is illiquid or being wound up, you may not be able to redeem your units within the usual period upon request.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by the Administrator before 2.00pm on any Business Day will be processed using the withdrawal price calculated for that Business Day. Valid withdrawal requests received by the Administrator after 2.00pm on any Business Day or on a non-Business Day will be processed at the withdrawal price calculated for the next Business Day. The Responsible Entity has the absolute discretion to allow redemptions at other times or with longer or shorter notice periods.

The Redemption Form is available at [www.auscapam.com](http://www.auscapam.com) or on request from the Administrator. If you have applied through an IDPS, please refer to 'Indirect Investors' in Section 1 of the Additional Information Guide

### Unit prices

The unit price is generally calculated each Business Day based on the net asset value (**NAV**) of the relevant class of units divided by the number of units on issue in that class. The NAV includes the assets less any liabilities (including expenses) at the close of the relevant Business Day. Application and withdrawal unit prices are then calculated by applying a "buy/sell spread" to the NAV unit price. The "buy/sell spread" is an estimate of the costs of buying and selling the underlying assets of the Fund. For additional information on the "buy/sell spread", please refer to Section 6 'Fees and costs'.

The unit price will change as the market value of assets in the Fund rises or falls. Application and withdrawal unit prices are available at [www.auscapam.com](http://www.auscapam.com), generally for the preceding Business Day.

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the Responsible Entity receives the correct documentation and will be processed using the unit price on the Business Day the Responsible Entity receives the correct documentation.

### Distributions

The Fund generally pays distributions annually following the end of the financial year at 30 June. Distribution amounts will vary from year to year and there may be times when there is no distribution paid, or the Responsible Entity makes interim distributions. The

Responsible Entity does not guarantee any particular level of distribution. Distributions are usually paid within 30 days after the end of the distribution period.

The distributions you receive are generally assessable income and can be made up of both income and realised capital gains. Distributions are generally calculated based on the Fund's net taxable income at the end of the distribution period. Distributions will be calculated and allocated in accordance with Auscap's Distribution Policy. An investor who invests prior to a distribution period may get back some of their capital as income.

Unless you instruct otherwise on your Application Form, your distribution entitlement will be reinvested into the Fund. Distributions are reinvested on the distribution date at a price calculated by dividing the NAV of the Fund (which excludes the distribution amount) by the number of units on issue referable to the class. Units issued for reinvestment of the distribution will not incur the buy spread. You can elect to have your distributions paid to you as cash, or change your existing distribution options by notifying the Administrator, in writing, at least 10 Business Days before 30 June. Auscap reserves the right to cancel distribution reinvestments and you will be notified if this occurs.

If you redeem all of your units held in the Fund, and that redemption request is processed on 1 July, your distribution (if any) will be paid to you as cash irrespective of your elected distribution option.

#### **IMPORTANT**

You should also read the important information in the **Additional Information Guide** about 'How the Auscap Ex-20 Australian Equities Fund works' before making an investment decision. Go to Section 1 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'How the Auscap Ex-20 Australian Equities Fund works' may change between the time when you read this PDS and the day when you acquire units.

### 3. Benefits of investing in the Auscap Ex-20 Australian Equities Fund

#### Significant features

The Fund's objective is to seek to outperform its benchmark, being the S&P/ASX 300 Ex S&P/ASX 20 Index (**Benchmark**), over the suggested minimum investment timeframe of 5 years.

The Fund provides exposure to an actively managed portfolio, made up of a broad range of listed Australian equities. The Fund's portfolio comprises between 40 to 60 securities purchased primarily from the S&P/ASX 300 Index (excluding securities in the S&P/ASX 20 Index). While the Fund cannot purchase a security that is in the S&P/ASX 20 Index, it may continue to hold a security which the Fund already holds which then moves into the S&P/ASX 20 Index. Such a security may be held for so long as Auscap's investment team deem appropriate, and they will use their discretion in selling down that security having regard to the best interests of investors. This means that, from time to time, the Fund may hold some securities in the S&P/ASX 20 Index.

#### Significant benefits

Investing in the Fund offers a number of significant benefits, including:

- **Diversified portfolio:** investment in an actively managed portfolio of diverse Australian companies which are viewed as quality businesses by Auscap's investment management team based on a range of financial and non-financial metrics they consider to be relevant.
- **Actively managed portfolio:** potential for long term capital growth and enhanced performance from active management.
- **Thorough investment process:** access to Auscap's specialist investment management team with extensive experience in Australian equities who will actively manage the underlying investments.

Please refer to Section 5, 'How we invest your money', for more information on the Fund's investment objective, strategy and features.

#### **IMPORTANT**

You should also read the important information in the **Additional Information Guide** about 'How we invest your money' before making an investment decision. Go to Section 3 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'Benefits of investing in the Auscap Ex-20 Australian Equities Fund' may change between the time when you read this PDS and the day when you acquire units.

### 4. Risks of managed investment schemes

All investments have an inherent level of risk. Different investment strategies carry different levels of risk depending on the assets that make up the strategy and assets with the highest long-term returns may also carry the highest level of short-term risk. The laws affecting registered managed investment schemes may change in the future.

Auscap has an established investment process that seeks to mitigate the risks associated with the Fund, however an investment in the Fund carries certain risks. The appropriate level of risk for you will vary depending on a range of factors including your: age, investment timeframes, where your other wealth is invested, and risk tolerance. Your financial adviser can help you determine whether the Fund is an appropriate investment based on the above factors.

There is no guarantee that the Fund will achieve its investment objectives and investors should fully understand the risks of investing in the Fund. The value of your investment and level of returns will vary over time and/or you could receive little or no income, or you may lose some of your money. Past performance is not a reliable indicator of future performance. Neither the performance of the Fund nor the security of your investment can be guaranteed by Auscap.

The key risks associated with the Fund are summarised below. These risks are not exhaustive and there could be other risks that may adversely affect the Fund. See Section 2 of the Additional Information Guide for additional risks.

- **Investment manager risk:** There is a risk that Auscap's investment strategy could fail to achieve the Fund's investment objectives and could result in a decrease in the value of an investment in the Fund. The Fund is subject to management risk because it is actively managed.

- **Market risk:** Investment returns are influenced by the performance of the market. Changes in economic, social, technological, political or environmental conditions, and market sentiment, can affect the value of the investments in the Fund.
- **Investment specific risk:** An investment in a company or other entity (such as a trust) by the Fund may be affected by unexpected changes in that company's or entity's operations (e.g. changes in management or the loss of a major customer) and business environment. Investing in shares in a company will expose an investor to many of the risks to which the individual company is itself exposed.
- **Concentration risk:** The Fund may invest a relatively high percentage of its assets in a limited number of securities, or in securities in a limited number of industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.
- **Liquidity risk:** Liquidity risk arises when investments are made in securities which are traded on an infrequent basis, or in securities which are not traded regularly on any financial market. Should the Fund hold illiquid securities then it may not

be able to sell them at a fair price at the time it may wish to do so. This may affect the Fund's performance and may also impact upon an investor's ability to redeem from the Fund.

- **Fund risk:** Common risks associated with most managed funds include the risks that the fund may be terminated, fees and expenses could change, the responsible entity could change, or the investment team could change. In addition, the results of investing in the Fund may lead to different results compared with investing directly in securities because of income or capital gains accrued in the Fund and the consequences of other investors investing in, or redeeming from, the Fund.

#### **IMPORTANT**

You should also read the important information in the **Additional Information Guide** about 'Risks of managed investment schemes' before making an investment decision. Go to Section 2 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'Risks of managed investment schemes' may change between the time when you read this PDS and the day when you acquire units.

## 5. How we invest your money

Before deciding to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe. The Responsible Entity recommends that you consult a financial advice provider for assistance in determining whether the Fund is appropriate for you.

Auscap Ex-20 Australian Equities Fund	
Fund description	The Fund is an actively managed portfolio of listed Australian equities. It typically invests in between 40 to 60 Australian listed securities, purchased primarily from the S&P/ASX 300 Index excluding securities in the S&P/ASX 20 Index.
Investment objective <sup>1</sup>	The Fund aims to generate returns in excess of the Benchmark, after fees, over the suggested minimum investment timeframe of 5 years.
Benchmark	S&P/ASX 300 Ex S&P/ASX 20 Index
Investment strategy	The Fund's investment strategy is to have a diverse portfolio of listed Australian equities purchased primarily from the S&P/ASX 300 Index, but excluding securities purchased from the S&P/ASX 20 Index. While the Fund cannot purchase securities in the S&P/ASX 20 Index, if a security is already held by the Fund and then moves into the S&P/ASX 20 Index it may continue to be held for so long as Auscap's investment team deem appropriate. They will use their discretion in selling down such securities having regard to the best interests of investors in the Fund. This means that, from time to time, the Fund may hold some securities in the S&P/ASX 20 Index. The Fund may hold securities outside the S&P/ASX300 Index, and may use exchange traded derivatives for the purposes of portfolio management and managing investment risk.
Minimum suggested timeframe	The minimum suggested investment timeframe for the Fund is 5 years. <sup>2</sup>
Mix of asset classes <sup>3</sup>	Australian listed equities: 85% to 100% Cash: 0% to 15% Derivatives: 0% to 10%
Risk level	High. The potential for loss and unit price variability over the short term is high. Please refer to Section 4, 'Risks of managed investment schemes'.
Fund Suitability	The Fund may be suitable for investors seeking long term capital growth, with some income via distributions and franking credits, through investment in Australian equities and who have a high tolerance for risk. <b>You should consult a licensed financial advice provider to obtain financial advice that is tailored to suit your personal circumstances.</b>
Fund performance	For up-to-date information on the performance of the Fund visit <a href="http://www.auscapam.com">www.auscapam.com</a> and click on Auscap Ex-20 Australian Equities Fund under the 'Funds' menu. <b>Past performance is not a reliable indicator of future performance.</b>
Distribution frequency	Annually (30 June)

Changes to Fund details	Auscap has the right to make changes to the Fund at any time, and in some cases without prior notice. This could include closing or terminating the Fund, amending its investment parameters, including the investment objective and strategy, or changing the asset class allocation ranges. We will inform you about any material change to the Fund's details in your next regular communication or otherwise as required by law. Details of any change will be available on our website, <a href="http://www.auscapam.com">www.auscapam.com</a> .
Responsible Investing	For information on responsible investing please refer to Section 3 in the Additional Information Guide.

1. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the longer term on the assumption that equity markets remain relatively stable throughout that period. The Fund may not be successful in meeting this objective. Returns are not guaranteed.
2. The suggested timeframe may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.
3. These are indicative asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, changes in the nature of an investment, or a change in the Fund's investment strategy, cause the Fund to move outside these indicative ranges, or a limit set out in this PDS, this will be addressed by us as soon as reasonably practicable.

### **IMPORTANT**

You should also read the important information in the **Additional Information Guide** about 'How we invest your money' before making an investment decision. Go to Section 3 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'How we invest your money' may change between the time when you read this PDS and the day when you acquire units.

## 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 fees. Ask the Fund or your financial adviser.

### **TO FIND OUT MORE**

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

This section shows fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Information on how managed investment schemes are taxed is set out in section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment. Refer to the below 'Additional explanation of fees and costs' for further information.

### Fees and costs summary

Auscap Ex-20 Australian Equities Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs<sup>1,2</sup></b> The fees and costs for managing your investment	1.00% p.a. of the Fund's NAV comprised of: 1. A management fee of 0.95% p.a. of the Fund's NAV; and 2. Recoverable expenses of 0.05% p.a. of the Fund's NAV.	1. The management fees are calculated and accrued daily and paid monthly in arrears from the Fund's assets and reflected in the unit price. 2. Recoverable expenses will be deducted from the Fund's assets and paid as incurred. Auscap currently chooses to cap the recoverable expenses at 0.05% (see 'Additional Explanation of Fees and Costs' below).
<b>Performance fees<sup>1,3,4</sup></b> Amounts deducted from your investment in relation to the performance of the Fund	0.00% p.a. of the Fund's NAV	The performance fee is calculated as 15% of Outperformance (as defined below in 'Additional Explanation of Fees and Costs'). The performance fee (if any) is calculated and accrued daily, and paid monthly in arrears from the Fund's assets.
<b>Transaction costs<sup>2</sup></b> The costs incurred by the scheme when buying or selling assets	0.09% p.a. of the Fund's NAV	Transaction costs are deducted from the Fund's assets as and when they are incurred. They are disclosed net of the amounts recovered through the "buy/sell spread".

Type of fee or cost	Amount	How and when paid
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.25%/0.25% of the investment or redemption amount	Incurred at the time of transaction and incorporated into the application and redemption prices (i.e. not separately charged to you)
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

- 1 Unless otherwise stated, all fees and costs in this PDS are quoted inclusive of any GST and net of any reduced input tax credits (RITC) that are expected to be available to the Fund at the rates applying on the date of this PDS, rounded to 2 decimal places.
- 2 All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical fees and costs for the current financial year, based on the actual transaction costs incurred for the previous financial year adjusted to reflect a 12-month period. Please refer to the 'Additional explanation of fees and costs' below for more information on applicable fees and costs.
- 3 Past performance is not a reliable indicator of future performance and the Fund's actual performance will be based on the Fund's performance over the relevant period.
- 4 This amount is the Responsible Entity's reasonable estimate based on the performance of the Fund against the Benchmark as at the date of this PDS. Please refer to 'Performance fee' under the heading 'Additional explanation of fees and costs' below for more information.

### Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this Fund with other products offered by managed investment schemes.

EXAMPLE – Auscap Ex-20 Australian Equities Fund		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs	1.00% p.a. of the Fund's NAV	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$500 each year
<b>PLUS</b> Performance fees	0.00% p.a. of the Fund's NAV	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees
<b>PLUS</b> Transaction costs	0.09% p.a. of the Fund's NAV	<b>And</b> , you will be charged or have deducted from your investment \$45 in transaction costs
<b>EQUALS</b> Cost of the Auscap Ex-20 Australian Equities Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$545. <sup>1, 2, 3</sup> <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

- 1 Unless otherwise stated, all fees and costs in this PDS are quoted inclusive of any GST and net of any RITCs that are expected to be available to the Fund at the rates applying on the date of this PDS.
- 2 Additional fees and costs may apply. Please note that this is just an example, and this example does not take into account the buy/sell spread, reimbursements from the Fund for any items and expenses of an extraordinary nature or any fees charged by your IDPS (if any).
- 3 Assumes the additional \$5,000 was invested at the end of the year and the value of the investment is constant over the year, meaning the management costs are calculated on the \$50,000 balance only.

## Additional explanation of fees and costs

### Management fees and costs

The total management fees and costs of the Fund are comprised of the management fee and recoverable expenses referable to a class of units in relation to the Fund. The Fund's management fees and costs are payable, or can be recovered, from the Fund's assets and are not paid directly from your account.

### Management fee

The management fee includes Auscap's fees for overseeing the operations of the Fund and managing its assets. The management fee is 0.95% p.a. of the NAV of the Fund (including GST net of RITC) referable to the class. The fee is accrued and payable daily from the Fund's assets and is reflected in the daily unit price. The NAV of

the Fund is the value of all of its assets less all of its liabilities. The amount of the management fee may be negotiated by 'wholesale clients' (as defined in the Corporations Act).

### Recoverable expenses

Operating expenses are those expenses properly incurred by Auscap in managing the Fund (including the establishment of the Fund) and include fees for custody, administration and registry, accounting, legal, taxation and audit. Auscap currently chooses to cap the amount of expenses that are recoverable in each year at 0.05% p.a. of NAV (including GST net of RITC), and these operating expenses and outgoings are accrued and payable from the Fund's assets monthly in arrears. Any higher amount (beyond the cap) will be borne by Auscap without being charged to investors.

If extraordinary expenses are incurred, such as the expenses of holding a unitholder meeting or in relation to third party claims (as outlined in the Additional Information Guide), Auscap may recover these extraordinary expenses from the Fund's assets. Extraordinary expenses are not subject to the above cap.

### Performance fee

In addition, a performance fee of 15% p.a. (including GST net of RITC) of Outperformance is payable to Auscap by the Fund. **Outperformance** is calculated as the amount by which the NAV per unit of the relevant class plus any relevant distributions at the end of the relevant performance period exceeds the Relative High Water Mark adjusted by the Benchmark Return. The **Relative High Water Mark** means, until a performance fee in respect of the class is payable, the issue price of the relevant class; and otherwise, the most recent NAV per unit plus any relevant distributions at the end of the relevant performance period for any performance period in respect of which a performance fee was payable for the relevant class. The **Benchmark Return** is the performance of the S&P/ASX 300 Ex S&P/ASX 20 Index since the Relative High Water Mark date expressed as a percentage.

The performance fee is calculated and accrued daily, and reflected in the daily unit price for the Fund. Any accrued performance fee in respect of any units redeemed is calculated as at the Business Day on which the units are redeemed.

The Responsible Entity has not operated the Fund for a full financial year, meaning the performance fee disclosed in the 'Fees and costs summary' is a reasonable estimate of the current financial year based on the performance of the Fund against the Benchmark at the date of this PDS. The actual performance fee payable in any given year will be reflected in the Fund's fees and costs for that year. For worked performance fee examples please refer to Section 4 ('Fees and costs') of the Additional Information Guide.

### Transaction costs

In addition to the expenses discussed above, the Fund may incur transaction costs associated with buying and selling Fund assets, including brokerage, settlement costs including custody costs, transaction fees, clearing costs and stamp duty. Transaction costs incurred as a result of investors coming into and out of the Fund may be accounted for in the "buy/sell spread". Other transaction costs are additional costs that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Fund's unit price. The transaction costs are displayed net of any amount recovered by the "buy/sell spread" (see below).

Auscap reasonably estimates that the net transaction costs of the Fund for the current financial year will be 0.09% p.a. of the NAV of the Fund. This is based on the actual transaction costs incurred for the previous financial year, adjusted to reflect a 12 month period.

Transaction costs may vary. The turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transaction costs not covered in the "buy/sell spread". Further, there are highly variable drivers upon which such transaction costs are dependant.

### Buy/sell spread

A "buy/sell spread" of 0.25%/0.25% is charged on all applications and redemptions for the costs of acquiring and selling assets to issue and redeem units in the Fund (other than distribution reinvestments). This is an additional cost but is incorporated into the issue and redemption prices, and is not separately charged to you. This is paid into or retained by the Fund for the benefit of other investors. This amount represents a contribution to the estimated transaction costs incurred by the Fund to accommodate the issue and redemption of units in the Fund. There is no "buy/sell spread" on distributions from the Fund that are re-invested. The "buy/sell spread" may be altered by Auscap at its discretion. Any such alteration will be advised on Auscap's website at [www.auscapam.com](http://www.auscapam.com).

### Fees waiver, deferral or reduction

Auscap retains the sole discretion to elect to waive, defer or reduce any fees from time to time. Any such waiver, deferral or reduction will in no way affect the right to receive any fees payable. Auscap may, in its sole discretion and in accordance with ASIC policy and the Corporations Act, negotiate a rebate or waiver of all or part of its fees with 'wholesale clients' (as defined in the Corporations Act), including IDPS operators. Please refer to Section 4 of the Additional Information Guide.

### Increase in fees and other costs

The Fund's Constitution permits higher fees to be charged as well as other fees which are not currently levied. Auscap is entitled to increase or start charging other fees as permitted in the Fund's Constitution without your consent. However, Auscap does not currently intend to change the fee structure outlined in this document. Auscap will give 30 days' written notice in advance of any increase in fees and costs charged by the Fund.

### Additional fees may apply

Additional fees may be payable by you to a financial adviser if you have consulted one. You should refer to the Statement of Advice (if any) or Financial Services Guide provided by your financial adviser for details of these fees. Indirect Investors accessing the Fund through an IDPS may incur additional fees and costs. As well as reading this PDS, Indirect Investors should read their IDPS operator's offer document, which explains the fees payable by the Indirect Investor to the IDPS operator.

#### IMPORTANT

You should also read the important information in the **Additional Information Guide** about 'Fees and costs' before making an investment decision. Go to Section 4 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'Fees and costs' may change between the time when you read this PDS and the day when you acquire units.

## 7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice before investing in the Fund.

The Fund generally distributes or attributes all of its net taxable income each year so that the Fund itself is not subject to tax. As a unitholder you will be assessed for tax on your share of the net taxable income generated by the Fund, including any net realised capital gains. The Fund does not pay tax on behalf of Australian unitholders. Withdrawing units in the Fund may result in a taxable gain or loss.

If you invest directly in the Fund, the Responsible Entity will provide you with a tax statement following the end of each financial year to enable you to complete your tax return. If you invest through an IDPS, the IDPS operator will provide you with the relevant tax information.

### IMPORTANT

You should also read the important information in the **Additional Information Guide** about 'How managed investment schemes are taxed' before making an investment decision. Go to Section 5 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'How managed investment schemes are taxed' may change between the time when you read this PDS and the day when you acquire units.

## 8. How to apply

### Direct investors

To invest directly in the Fund, you should follow these steps:

1. Read this PDS together with the Additional Information Guide.
2. Apply either:
  - (a) online at [www.auscapam.com](http://www.auscapam.com) (please refer to the Additional Information Guide for further details on this process); or
  - (b) by completing and signing the Application Form accompanying this PDS (also available at [www.auscapam.com](http://www.auscapam.com)).
3. Provide the relevant identification documents (as required).
4. Make payment of the application monies via one of the methods set out in the Application Form (either the online or paper version), using the corresponding payment details.
5. If using the paper-based Application Form, mail it to the Administrator using the details on the Application Form.
6. Upon receipt of confirmation of your initial investment in the Fund you can then start to make additional investments into the Fund.

A copy of the PDS, Additional Information Guide, Application Form and Additional Application Form are also available by contacting the Administrator on 1300 133 451 or [registry@apexgroup.com](mailto:registry@apexgroup.com).

### Indirect Investors

To invest in the Fund via an IDPS, you will need to contact your IDPS operator and complete any documentation required by the IDPS operator. You will also need to contact your IDPS operator in relation to making additional contributions to your investment. You should contact your IDPS operator about any complaint you may have, and your IDPS operator will work with us to assist you in

resolving any complaints relating to your investment in the Fund. Indirect Investors wishing to make a complaint about the Fund can also contact the Responsible Entity directly. Please see 'Complaints Resolution' below for more information.

### Cooling off period

If you are a 'retail client' (as defined in the Corporations Act) investing directly in the Fund, you can change your mind within a 14-day period of your investment by notifying Auscap in writing or electronically. The 14-day period commences on the earlier of either the date you receive confirmation of your investment or the end of the fifth Business Day after the day on which your units are issued. If you exercise your cooling off rights, the realised market value of the units will be refunded to you, less any taxes and reasonable transaction and administrative costs.

The proceeds refunded may be lesser or greater than the amount invested, since units in the Fund are subject to market movement from the time they are acquired. Cooling-off rights will not apply to 'wholesale clients' (as defined in the Corporations Act).

Cooling off rights do not apply in respect of any investment acquired through an IDPS. However, Indirect Investors should consult their IDPS operator about what cooling off rights (if any) may apply.

### Complaints resolution

Auscap has a formal complaints handling procedure in place which applies to both direct investors and Indirect Investors. You can request a copy of our complaints handling procedure. For any concerns or complaints please contact Auscap by phone, by mail or by email using the Auscap contact details shown on page 1 of this PDS. Auscap will acknowledge receipt of the complaint as soon as practicable and in any event within 24 hours (or 1 Business Day) of receipt and take necessary steps to address it. Auscap will generally provide a response to you within 30 calendar days.

If you have made a complaint and you are not satisfied with how your complaint has been handled or a response was not provided to you within 30 calendar days, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). This is a free, independent dispute resolution service approved by ASIC. AFCA has authority to hear certain complaints. Contact AFCA to confirm if it can assist you.

You can contact AFCA by telephone, 1800 931 678 (free call), by email, [info@afca.org.au](mailto:info@afca.org.au), by mail at Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001, or on its website, [www.afca.org.au](http://www.afca.org.au).

### IMPORTANT

You should also read the important information in the **Additional Information Guide** about 'Other information' before making an investment decision. Go to Section 6 of the **Additional Information Guide** available at [www.auscapam.com](http://www.auscapam.com). The material relating to 'How to apply' may change between the time when you read this PDS and the day when you acquire units.

## 9. Other information

### Keeping you informed

We will keep you up to date regarding your investment. For more information on the type of communications that you will receive from us, refer to Section 1 ('How the Auscap Ex-20 Australian Equities Fund Works') in the Additional Information Guide.