

# Product Disclosure Statement

## Auscap High Conviction Australian Equities Fund

1 December 2024

ARSN: 615 542 213 APIR Codes: ASX0001AU, ASX8411AU & ASX6124AU

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 High Conviction Australian Equities Fund works	2
3. Benefits of investing in the Auscap High Conviction Australian Equities Fund	3
4. Risks of managed investment schemes	4
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 High Conviction Australian Equities Fund ARSN 615 542 213 (**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, Link Fund Solutions Pty Ltd (**LFS** 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). Where capitalised terms have not been defined in the body of this PDS, the meaning given to them is the same as provided by the Constitution.

#### 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

Link Fund Solutions Pty Ltd  
Unitholder Services  
Attention: Auscap Fund Unit Registry  
Locked Bag 5038  
Parramatta NSW 2124

**Telephone:** 1300 420 208

**Email:** [auscap@linkmarketservices.com.au](mailto:auscap@linkmarketservices.com.au)

## 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 (**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 High Conviction 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 in that class.

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 redemption.

The Constitution allows for more than one class of units to be offered. As at the date of this PDS, the Fund has three classes of units on issue being the Monthly Class, Daily Platform Class and Wholesale Class A. This PDS is for the Monthly Class and Daily Platform Class. Any reference to a class will be for the Daily Platform Class or Monthly Class unless otherwise specified. Units in the Monthly Class can be issued by way of direct investment through this PDS or by way of IDPS operators investing in the Fund on behalf of Indirect Investors. Units in the Daily Platform Class are only to be issued to IDPS operators investing in the Fund on behalf of Indirect Investors, unless otherwise determined by Auscap.

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. The minimum additional investment amount is \$5,000. Any additional investments must be made in accordance with the PDS current at the time of the addition.

For the Fund's Monthly Class, valid applications for units together with cleared funds received by the Administrator before 5.00pm on the last business day before the end of the month (meaning a day, other than a Saturday, Sunday or public holiday on which banks are generally open for business in New South Wales (**Business Day**)) will generally be processed on the first Business Day of the following month. For the Fund's Daily Platform Class, valid applications for units together with cleared funds received

by the Administrator by 2.00pm on any Business Day will generally be processed on the following Business Day. The issue price for the units (**Issue Price**) will be based on the net asset value (**NAV**) of the Fund plus the 'buy spread' at the immediately preceding valuation day, being the last day of each calendar month on which NAV is calculated in the case of the Monthly Class, and each Business Day on which NAV is calculated in the case of the Daily Platform Class.

Valid applications for units received by the Administrator after these cut-off times will normally be issued at the Issue Price calculated for the next Business Day for the Daily Platform Class or the first Business Day of the next month for the Monthly Class. The Responsible Entity has the absolute discretion to allow applications at other times and with longer or shorter notice periods.

The Responsible Entity 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 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. IDPS operators must contact Auscap for a specific application form for the Daily Platform Class.

### How to withdraw

There is no minimum redemption amount, however there is a minimum holding amount of \$10,000. For direct investors, you can request the redemption 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 redemption amount or holding at any time.

For the Monthly Class, redemption requests must be submitted and received by the Administrator by 5.00pm on the last Business Day of the month, with a one full month notice period then applying and the processing of the redemption request taking place on or about the first Business Day of the month following the one full month notice period.

This means that if you submit a redemption request on the first day of a month, the redemption price (**Redemption Price**) will be calculated based on the NAV per unit on the last Business Day of the next calendar month, with the redemption request processed on or about the first Business Day of the following month. This is effectively a 2 month period. In normal circumstances, redemption proceeds for the Monthly Class will be available within 30 days after the redemption has been processed.

The Redemption Price will be the NAV per unit of the relevant class on the valuation day (being the last day of each calendar month on which NAV is calculated in the case of the Monthly Class, and each Business Day on which NAV is calculated in the case of the Daily Platform Class) immediately preceding the redemption day, less the 'sell spread'.

For the Daily Platform Class, redemption requests must be submitted by the IDPS operator and received by the Administrator by 2.00pm on any Business Day for receipt of that day's unit price. Any redemption request received after 2.00pm on a Business Day will generally be treated as having been received the following Business Day. Indirect Investors should contact their IDPS operator for applicable cut-off times for making a redemption request through the IDPS. In normal circumstances, proceeds from redemptions for the Daily Platform Class will be available within 10 Business Days after the redemption has been processed.

The Responsible Entity has the absolute discretion to allow redemptions at other times or with longer or shorter notice periods. With the exception of financial year end, Redemption Prices will generally be finalised within 10 Business Days after the relevant redemption day. For financial year end, Redemption Prices will generally be finalised within 20 Business Days. In certain circumstances, such as after a distribution date or when there is a suspension on withdrawals, including if the Fund is illiquid or being wound up, you may not be able to redeem your units within the usual period upon request.

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

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 for each class is generally calculated by dividing the NAV of the relevant class of units by the total number of units held by all unitholders in that class. The NAV is the total assets less liabilities (including accruals for all fees and expenses). Issue and redemption unit prices are then calculated by applying a "buy/sell spread" to the NAV unit price for the relevant class. 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. Unit prices are available at [www.auscapam.com](http://www.auscapam.com).

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the correct documentation has been received unless the Responsible Entity otherwise determines.

Under the Constitution of the Fund, Auscap has certain discretions in calculating unit prices. A documented unit pricing policy is maintained relating to the exercise of these discretions. A copy of the unit pricing policy is available free of charge by contacting Auscap.

### 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 at a price calculated by dividing the NAV of the relevant class (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. Indirect Investors should review their IDPS guide for information regarding distributions.

#### IMPORTANT

You should also read the important information in the **Additional Information Guide** about 'How the Auscap High Conviction 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 High Conviction 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 High Conviction Australian Equities Fund

### Significant features

The Fund's objective is to seek to outperform its benchmark, being the All Ordinaries Accumulation Index (**Benchmark**), after fees over the suggested minimum investment timeframe of 5 years.

The Fund provides access to an actively managed high conviction Australian equities portfolio of 30 to 50 stocks.

### Significant benefits

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

- **High conviction portfolio:** investment in a concentrated, actively managed portfolio of listed Australian companies which are viewed by Auscap's investment management team as high-quality businesses with the potential to offer the best risk-adjusted returns 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 High Conviction 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 investment 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 invests 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.
- **Key person risk:** The Fund relies heavily on the skills of the Chief Investment Officer (CIO) of Auscap to implement the Fund's investment strategy and manage the Fund's investments. There is a risk that the CIO or other key personnel of Auscap could become unable or unavailable to perform their roles, and there is no guarantee that their skills can be easily or quickly replaced. If this risk materialises in relation to the CIO of Auscap, this may impact on the performance and / or continuation of the Fund. This risk is reduced in relation to the CIO as he is the majority owner of Auscap.
- **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 High Conviction Australian Equities Fund	
Fund description	The Fund is an actively managed portfolio of listed Australian equities. It typically invests in between 30 to 50 Australian listed securities.
Investment objective <sup>1</sup>	The Fund aims to generate returns in excess of the Benchmark, after fees, over the suggested minimum investment time of 5 years.
Benchmark	All Ordinaries Accumulation Index
Investment strategy	The Fund is a concentrated high conviction portfolio of Australian equities. Auscap will allocate capital in accordance with expected performance and risk measures. Exchange traded derivatives may be used for the purposes of portfolio management and managing investment risk.
Minimum suggested timeframe <sup>2</sup>	The minimum suggested investment timeframe for the Fund is 5 years.
Mix of asset classes <sup>3</sup>	Australian listed equities: 75% to 100% Cash: 0% to 25% Derivatives: 0% to 10% <sup>4</sup>
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> . <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.
- 4 Exchange traded derivatives used are not intended to exceed 10% of the Fund's NAV, unless the exposure is due to unforeseeable circumstances for a period of no more than 3 consecutive Business Days.

### **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 High Conviction Australian Equities Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	For each Class, 1.69% p.a. of the NAV comprised of: 1. A management fee of 1.54% p.a. of the NAV; and 2. Recoverable expenses of 0.15% p.a. of the NAV. <sup>2</sup>	1. The management fee is charged as follows: • for the Monthly Class, accrues and is payable monthly; • for the Daily Platform Class, accrues and is payable daily, and reflected in the unit price for the relevant class. 2. Recoverable expenses are deducted from the Fund's assets.
<b>Performance fees<sup>3</sup></b> Amounts deducted from your investment in relation to the performance of the Fund	For each class, 0.71% p.a. of the NAV	The performance fee is 15.375% of Outperformance. The performance fee (if any) accrues and is payable monthly for the Monthly Class, and daily for the Daily Platform Class.
<b>Transaction costs<sup>2</sup></b> The costs incurred by the scheme when buying or selling assets	For each class, 0.18% of the NAV	Transaction costs are deducted from the assets of the Fund and reflected in the unit price. They are disclosed net of the amounts recovered through the "buy/sell spread" (see below).

Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
<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	0.20%/0.20% (Monthly Class) and 0.30%/0.30% (Daily Platform Class) 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 The expenses component of management fees and costs and transaction costs are based on the amounts incurred for the previous financial year ending 30 June 2024. Please refer to the 'Additional explanation of fees and costs' below for more detail, including amounts referable for each class.
- 3 The performance fee is referable to the class you have invested in. The amount shown is based on the average performance fee incurred over the previous five financial years. Please refer to the 'Additional explanation of fees and costs' below for more detail. Past performance is not a reliable indicator of future performance.

### 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 High Conviction Australian Equities Fund – Monthly Class <sup>1</sup>		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	1.69% p.a. of the NAV	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$845 each year
<b>PLUS</b> Performance fees	0.71% p.a. of the NAV	<b>And</b> , you will be charged or have deducted from your investment \$355 in performance fees
<b>PLUS</b> Transaction costs	0.18% p.a. of the NAV	<b>And</b> , you will be charged or have deducted from your investment \$90 in transaction costs
<b>EQUALS</b> Cost of the Auscap High Conviction Australian Equities Fund <sup>2,3</sup>		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 \$1,290.  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

- 1 The figures in this table are based on the Monthly Class of units in the Fund which, as at the date of this PDS, was the investment option in which the largest proportion of assets of the Fund were invested.
- 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 costs such as 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 1.5375% p.a. of the NAV of the Fund (including GST net of RITC) referable to the class. The fee is accrued and payable monthly in arrears from the Fund's assets for the Monthly Class, and daily from the Fund's assets for the Daily Platform Class, and is reflected in the relevant unit price. The NAV of the relevant class 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 and include fees for custody, administration, registry, accounting, legal, banking, taxation and audit. This also includes expenses such as those incurred in holding a unitholder meeting or defending a third party claim made against the Fund. Auscap recovers expenses from the Fund's assets. For FY24, expenses were 0.15% of the average NAV for each class, but these expenses may vary from year to year.

## Performance fee

In addition, a performance fee of 15.375% p.a. (including GST net of RITC) of Outperformance is payable to Auscap by the Fund. The performance fee is referable to the class invested in. **Outperformance** is calculated as the amount by which the NAV per unit of the relevant class at the end of the relevant Performance Period, plus any relevant distributions, exceeds the High Water Mark adjusted by the Hurdle Rate. The **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 NAV per unit immediately following the most recent Performance Period in respect of which a performance fee was payable for the relevant class. The **Hurdle Rate** is the percentage rate of return of the All Ordinaries Accumulation Index (which can be positive or negative). Performance fees will only be payable on Outperformance when the NAV per unit at the end of a Performance Period plus any relevant distributions also exceeds the High Water Mark increased by the Reserve Bank of Australia Cash Rate. **Performance Period** means: for a unit in the Monthly Class, the period commencing on the issue of the unit for the first Performance Period and, subsequently, the period commencing after the end of the previous Performance Period and ending on the earlier of the end of the month in which the unit was issued or otherwise the end of that month, or the end of the day on which the unit is redeemed or the final distribution is made in respect of the unit; and for units in the Daily Platform Class, the period commencing after the end of a Business Day and ending at the end of the next Business Day.

The performance fee accrues and is payable monthly for the Monthly Class, and daily for the Daily Platform Class, at the end of each Performance Period. The performance fee is reflected in the unit price of the relevant class.

The performance fee of 0.71% p.a. of the NAV of the relevant class displayed in the 'Fees and costs summary' is calculated by taking the average of the performance fees that accrued in relation to the relevant class in each of the previous five financial years. On 1 January 2021, Auscap changed the benchmark from the Reserve Bank of Australia Cash Rate to the Benchmark, i.e. the All Ordinaries Accumulation Index, and from that date the payment of the performance fee also became subject to the Fund's performance being above the return of the Reserve Bank of Australia Cash Rate. Auscap notes that if this approach was in place prior to 1 January 2021, the average performance fee in the 'Fees and costs summary' would be lower.

## 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). For example, total transaction costs for the Monthly Class and the

Daily Platform Class during FY24 were 0.22% p.a. of the average NAV. Approximately 0.04% of this amount was recovered through the "buy/sell spread" charged to unitholders (discussed in more detail below), resulting in estimated net transaction costs for FY24 of 0.18% p.a. of the average NAV.

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 0.20%/0.20% is charged on all applications and redemptions for the costs of acquiring and selling assets to issue and redeem units in the Monthly Class, and a "buy/sell spread" of 0.30%/0.30% is charged on all applications and redemptions for the costs of acquiring and selling assets to issue and redeem units in the Daily Platform Class. 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. Redeeming 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's Monthly Class, 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 using the details set out in the Application Form.
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 using the contact details on page 1.

If you are an IDPS operator seeking to invest in the Fund's Daily Platform Class, please contact Auscap or the Administrator using the contact details on page 1.

### 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, mail or 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, 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 High Conviction Australian Equities Fund Works') in the Additional Information Guide.