

Coolabah Active Composite Bond Fund (Hedge Fund)



Product Disclosure Statement

Ticker: FIXD
ARSN 650 526 695
APIR ETL2716AU
Issue Date 8 June 2021

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This Product Disclosure Statement ("PDS") was issued on 8 June 2021. This PDS is for the offer of interests in the Coolabah Active Composite Bond Fund (Hedge Fund) ARSN 650 526 695, (CXA: FIXD), APIR ETL2716AU (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The investment manager is Coolabah Capital Investments (Retail) Pty Ltd (referred to throughout this PDS as the "Investment Manager" or "CCIR"). Coolabah Capital Investments (Retail) Pty Ltd is a corporate authorised representative (#000414337) of Coolabah Capital Institutional Investments Pty Ltd (AFSL 482238). The portfolio manager of the Fund is Coolabah Capital Institutional Investments Pty Ltd ("CCII" or "Portfolio Manager"). Both the Investment Manager and Portfolio Manager are wholly owned subsidiaries of Coolabah Capital Investments Pty Ltd ("CCI" or "Coolabah").

At the time of lodgement of this PDS with ASIC, the Responsible Entity has made an application to a Securities Exchange Operator for the quotation of Units in the Fund on the Securities Exchange with the exchange ticker: FIXD. If the application is approved by the Securities Exchange Operator and the Units in the Fund are quoted on the Securities Exchange, the Units will be able to be traded on the Securities Exchange. No representation is made concerning the Fund's quotation on the Securities Exchange. Neither ASIC nor the Securities Exchange Operator takes any responsibility for the contents of this PDS.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). This PDS is available for use by persons applying for Units through an IDPS ("Indirect Investors").

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager and the Portfolio Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager and the Portfolio Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial situation and needs and you may want to seek professional financial advice before making an investment decision.

Equity Trustees, the Investment Manager, the Portfolio Manager and their employees, associates, agents or 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 no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager, the Portfolio Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become an investor in the Fund.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are

outside the control of, and are unknown to, Equity Trustees, the Investment Manager and the Portfolio Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. The significant risk factors affecting the Fund are summarised in Section 7.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand. All references to dollars or "\$" in this PDS are to Australian dollars. New Zealand investors wishing to invest in the Fund should be aware that there may be different tax implications of investing in the Fund and should seek their own tax advice as necessary.

New Zealand WARNING STATEMENT

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

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

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

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

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

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

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

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

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

j) If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of

participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

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

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The Units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this PDS electronically, you will need to print and read this document in its entirety. We will provide a paper copy free upon request during the life of this PDS.

Certain information in this PDS is subject to change. Information that is not materially adverse information can be updated by the Responsible Entity. You can obtain any updated information:

- by contacting Coolabah on 1300 901 711; or
- by visiting the Coolabah website at www.coolabahcapital.com

A paper copy of the updated information will be provided free of charge on request.

You may also contact Equity Trustees:

- by writing to GPO Box 2307 Melbourne VIC 3001; or
- by calling +613 8623 5000

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in Australian Dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

1. Fund at a glance

Name of the fund	Coolabah Active Composite Bond Fund (Hedge Fund)	Cover page
ARSN	650 526 695	Cover page
APIR Code	ETL2716AU	Cover page
Ticker	FIXD	Cover page
Responsible Entity	Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975)	Section 4
Investment Manager	Coolabah Capital Investments (Retail) Pty Ltd (ABN 64 153 555 867)	Section 4
Investment objective	<p>The Fund targets returns in excess of the Bloomberg AusBond Composite 0+ Yr Index, after management costs, by 1.0% to 2.0% per annum over rolling 12 month periods.</p> <p>The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed</p>	Section 5
Fund Benchmark	Bloomberg AusBond Composite 0+ Yr Index (BACM0) plus management costs	Section 5
Investment strategy	<p>The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index, after management costs.</p> <p>The Fund is permitted to invest in bonds, such as government and semi-government bonds, bank and corporate bonds, and asset-backed securities, including residential-mortgage backed securities, issued in Australian Dollars or in G10 currencies hedged to Australian Dollars, as well as cash and cash equivalents.</p> <p>In addition to an active investment, the Fund also employs active asset-allocation between cash and debt securities. The Fund retains the agility to switch between cash and debt securities based on the portfolio managers' valuation views of each sector and may invest 100% in cash as a defensive measure.</p> <p>The Fund may also invest in over-the-counter ("OTC") or exchange traded derivatives for risk management purposes.</p> <p>The Fund's investment strategy may involve borrowing, using repurchase agreements or taking long or short positions to achieve "leverage". Any use of leverage is aimed to increase the Fund's exposure to mispriced bonds that can provide capital gains as their price appreciates in addition to the income they pay.</p> <p>If the Fund uses leverage, this can be expected to magnify both the investment gains and losses, and consequently significant variations in the value of the Fund's investments can be expected. The Fund may therefore involves risks that are not present in un-leveraged fixed income funds.</p>	Section 5
The type(s) of investor(s) for whom the Fund would be suitable	<p>An investment in the Fund may be suitable for investors seeking:</p> <ul style="list-style-type: none"> • returns above the Bloomberg AusBond Composite 0+ Yr Index after management costs, • access to fixed income securities, • a diversified portfolio of fixed income securities, or • consistent quarterly income. <p>The Fund carries certain investment risks. For more information on the risks applicable to the Fund see section 7.</p> <p>The Fund's use of derivatives and leverage may make the investment strategy of the Fund riskier than some other fixed income funds available in the Australian market. Potential investors should consider their tolerance for risk and their particular investment objectives and circumstances, in consultation with a professional adviser before making an investment decision. An investment in the Fund should only be considered as a component of an investor's overall portfolio..</p>	Sections 5 and 7

Recommended investment timeframe	<p>The suggested investment timeframe is 3 years.</p> <p>The Investment Manager has set the timeframe having regard to the investment “standard risk measure” developed by industry to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. Refer to section 7 “risk measure” for more details.</p> <p>Your investment timeframe will depend on your own personal circumstances and you should talk to your financial adviser to determine your particular investment timeframe.</p>	Sections 5 and 7
Net Asset Value	<p>The Net Asset Value (“NAV”) of the Fund is calculated by deducting the liabilities (including any accrued fees) of the Fund from the aggregate value of assets. The NAV published on a particular Business Day reflects the value of the Fund on the previous day at the close of trading in each market in which the Fund invests.</p> <p>The NAV per Unit is calculated by dividing the NAV by the number of Units on issue in the Fund.</p> <p>An indicative NAV per Unit (“iNAV”) will be published by the Fund throughout the Trading Day. The iNAV will be updated using a real time fair value methodology that seeks to ensure that the iNAV reflects movements in markets and currencies during the Trading Day.</p>	Section 6
Minimum initial investment	<ul style="list-style-type: none"> • Buying Units on the Securities Exchange: Nil • Applying for Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum additional investment	<ul style="list-style-type: none"> • Buying Units on the Securities Exchange: Nil • Applying for Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum withdrawal amount	<ul style="list-style-type: none"> • Selling Units on the Securities Exchange: Nil • Redeeming Units directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Minimum balance	<ul style="list-style-type: none"> • Units held on the Securities Exchange: Nil • Units held directly with the Responsible Entity: \$1,000 	Sections 6, 8 and 9
Cut off time for applications and withdrawals	<ul style="list-style-type: none"> • Applications and withdrawals on the Securities Exchange: Close of the Trading Day • Applications and withdrawals Directly with the Responsible Entity: 3pm (Sydney time) on a Business Day 	Sections 6, 8 and 9

Entering and exiting the Fund	<p>A key feature of the Fund is that investors are offered flexibility to choose the method in which they may enter or exit an investment in the Fund. Investors can enter the Fund either by applying for Units directly with the Responsible Entity using an Application Form or, once the Units are quoted on the Securities Exchange, by buying Units on the Securities Exchange through a stockbroker using your HIN.</p> <p>Investors can exit the Fund by either directly making a withdrawal request to the Responsible Entity using a withdrawal form or by selling Units on the Securities Exchange. Investors will need to hold Units on the issuer sponsored sub-register (SRN) to make a withdrawal request directly to the Responsible Entity. Refer to section 6 for further details regarding the transfer and conversion of Units.</p> <p>The method by which you enter the Fund does not affect the method by which you can exit the Fund. Investors can buy Units in the Fund on the Securities Exchange and sell Units on the Securities Exchange or directly with the Responsible Entity. An investor who enters the Fund by applying for Units directly with the Responsible Entity can exit the Fund by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity.</p> <p>There are some important differences that apply to the manner in which Investors enter or exit an investment in the Fund. These differences include, amongst others, the entry and exit price for Units in the Fund, and minimum investment amounts which apply when investing directly with the Responsible Entity.</p> <p>An investor that applies for Units directly with the Responsible Entity will pay an Application Price determined at the close of that Business Day on which the Investor makes an application for Units to the Responsible Entity, which may differ from the price that an Investor who buys Units on a Securities Exchange at the prevailing market price on that particular Trading Day will receive. Similarly, an Investor who redeems Units directly with the Responsible Entity by submitting a withdrawal form will receive a Withdrawal Price applicable to that Business Day (subject to the applicable cut-off times for that Business Day), which may differ from the price that an Investor who sells Units on a Securities Exchange at the prevailing market price on that particular Trading Day will receive. These differences in prices received by investors depending on the manner in which they enter or exit the Fund may result in a different return from an investment in the Fund made at the exact same time. Refer to the Comparison Table in section 6 regarding the differences in pricing between transacting with the Securities Exchange or directly with the Responsible Entity.</p>	Sections 6, 8 and 9
Market liquidity	<p>The Responsible Entity will appoint a market maker to provide liquidity to investors who choose to buy and sell Units in the Fund on the Securities Exchange. The market maker will provide liquidity by acting as buyer and seller of Units throughout the Trading Day.</p> <p>There may be other circumstances where:</p> <ul style="list-style-type: none"> • Withdrawals have been suspended in accordance with the Constitution or the Fund is not liquid (as defined under the Corporations Act). In such circumstances, Units in the Fund may continue to trade on the Securities Exchange provided that the Fund continues to comply with the Securities Exchange Rules. If the Fund ceases to comply with the Securities Exchange Rules, the Responsible Entity may seek a trading halt or the Securities Exchange Operator may suspend trading of Units in the Fund on the Securities Exchange; or • The Securities Exchange Operator suspends trading of Units in the Fund on the Securities Exchange. In such circumstances, investors may continue to withdraw directly with the Responsible Entity unless withdrawals have also been suspended in accordance with the Constitution. 	Sections 6 and 8
Transaction confirmations	<p>Investors buying or selling Units on the Securities Exchange will receive transaction confirmations from their stockbroker, including a HIN.</p> <p>Direct investors will receive transaction confirmations directly from the Administrator, including an investor number on the issuer sponsored sub-register.</p>	Sections 8 and 9

Income distribution	Distributions will generally be made quarterly but may be made less frequently at the discretion of the Responsible Entity.	Section 6
Management fees and costs	0.30% p.a. of the NAV. Please refer to section 11 for a detailed explanation of fees and costs.	Section 11
Transaction costs	Estimated at 0.02% p.a. (gross) of the NAV of the Fund.	Section 11
Performance fee	20.50% of the amount by which the Fund's performance exceeds the Bloomberg AusBond Composite 0+ Yr Index plus management costs of 0.30% p.a. (Benchmark)], subject to a high water mark.	Section 11
Entry fee/exit fee	Nil	Section 11
Buy/Sell Spread	<ul style="list-style-type: none"> • Buying or selling Units on the Securities Exchange: determined by market participants. • Applying for Units directly with the Responsible Entity: nil on applications into the Fund, and 0.025% on withdrawals out of the Fund. 	Section 11

2. ASIC Benchmarks

The Fund is a 'hedge fund' for the purposes of Australian Securities and Investments Commission (ASIC) Regulatory Guide 240. The following table and the tables in Sections 1 and 3 set out a summary of the disclosure ASIC requires for hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of ASIC Regulatory Guide 240 is available from www.asic.gov.au.

The information summarised in the relevant tables and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with the detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in Section 6 of this PDS.

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>Equity Trustees has appointed an independent administrator, Mainstream Fund Services Pty Ltd, to provide administration services for the Fund, including valuation services.</p> <p>The Fund satisfies Benchmark 1 by having its non-exchange traded assets independently valued by the Administrator in accordance with its pricing policy and by having OTC derivatives generally valued by reference to the counterparty settlement price which is based upon broad financial market indices.</p> <p>The Fund's Administrator will value all of the Fund's assets and calculate the total value of the Fund's assets and NAV per Unit using these valuations.</p> <p>The Fund's assets reflect their market value. The valuation methods applied to value the Fund's assets are consistent with applicable industry standards and result in the NAV per Unit calculations that are independently verifiable.</p>	5.4
Periodic reporting			
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information specified by ASIC on an annual and monthly basis.	Yes	The Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.	10

3. ASIC disclosure principles

	Summary	Section (for further information)
Investment strategy	<p>The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index after management costs.</p> <p>Assets will be held in custody in Australia and held in Australian dollars or hedged to Australian dollars. Any overseas bonds will be held by an offshore custodian under a sub-custody agreement with the Custodian.</p> <p>The Investment Manager and Portfolio Manager may use leverage through the use of repurchase agreements or as a result of short selling. If it is used, leverage can magnify both investment gains and losses, and consequently significant variations in the value of the Fund's investments can be expected. See "Leverage" below.</p> <p>The Investment Manager and Portfolio Manager intend to use derivatives in implementing the investment strategy. See "Derivatives" below.</p> <p>The Investment Manager and Portfolio Manager may use short selling strategies with the Fund's underlying investment products to generate returns in declining markets. See "Short Selling" below.</p> <p>The investors will receive distributions (generally quarterly) consisting of returns from (1) fixed income (coupons) paid to investors, normally quarterly; (2) changes in the value of the Fund's bond and derivative portfolio holdings magnified by the effect of leverage, which will be reflected in the Fund's NAV per Unit and (3) profits derived from short selling positions.</p> <p>The Fund's ability to produce investment returns is partially dependent on general bond market conditions, adverse price fluctuations on bond prices, prevailing interest rates, the price of a derivative's underlying financial product value and the availability of acceptable finance for gearing.</p> <p>Specific risks associated with the Fund's investment strategy are described in section 7, and include market risk, gearing risk and counterparty risk.</p> <p>The Responsible Entity's risk management strategy comprises: (1) monitoring the Fund's gearing ratio; (2) ensuring counterparties have been previously approved and monitoring counterparty positions in relation to repurchase agreements; (3) monitoring the price fluctuations of derivatives and bonds involved in short positions.</p>	Sections 5.2, 5.5, 5.6, 5.7 and 7
Investment manager	<p>Equity Trustees, as Responsible Entity of the Fund, has appointed Coolabah Capital Investments (Retail) Pty Ltd (ABN 64 153 555 867) as the Investment Manager of the Fund, which has in turn appointed Coolabah Capital Institutional Investments Pty Ltd (ABN 85 806 059; AFSL 482238) as the Portfolio Manager of the Fund.</p> <p>See Section 4 in relation to the expertise of the Investment Manager and the investment management agreement under which the Investment Manager has been appointed.</p> <p>Under the investment management agreement between the Investment Manager, Portfolio Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager or Portfolio Manager's appointment where the Investment Manager or Portfolio Manager become insolvent, materially breaches the agreement, ceases to carry on its business or in certain other circumstances. In the event that Equity Trustees terminates the Investment Manager or Portfolio Manager following one of these events, the Investment Manager or Portfolio Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager or Portfolio Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.</p>	Section 4

	Summary	Section (for further information)
Fund structure	<p>The Fund is a registered managed investment scheme. An application has been made to a Securities Exchange Operator to admit Units in the Fund to quotation on the Securities Exchange. Once admitted to quotation on the Securities Exchange, Units in the Fund will be able to be traded on the Securities Exchange like any quoted security.</p> <p>The Responsible Entity of the Fund is Equity Trustees Limited. Equity Trustees may appoint service providers to assist in the ongoing operation, management and administration of the Fund.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> • Coolabah Capital Investments (Retail) Pty Ltd, the Investment Manager of the Fund; • Coolabah Capital Institutional Investments Pty Ltd, the Portfolio Manager of the Fund; and • Mainstream Fund Services Pty Ltd, the Administrator, Unit registry and Custodian of the assets of the Fund; <p>See Section 4 for further information on other key service providers and Equity Trustees' role in monitoring the performance of service providers.</p> <p>See section 5.3 for a description of the Fund's structure. The risks associated with the Fund's structure are described in section 7. As an exchange traded managed fund, there is the risk of the Fund's Units being suspended from trading, of a lack of a liquid market for Units, and of the trading price of Units differing from NAV per Unit.</p>	Sections 4 and 5.3
Valuation, location and custody of assets	<p>Mainstream Fund Services Pty Ltd is the administrator of the Fund and provides administrative, fund accounting, registry and transfer agency services. The Administrator is responsible for calculating the Fund's NAV.</p> <p>Mainstream Fund Services Pty Ltd is also the custodian and provides custodial services.</p> <p>See section 5.4 for further information on the custodial arrangements and the geographical location of the Fund's assets.</p> <p>Assets of the Fund are primarily expected to be located in Australia. Foreign denominated bonds, which will be settled via Euroclear, will be held by an offshore custodian under a sub-custody agreement with the Custodian.</p>	Section 5.4
Fund liquidity	<p>The Responsible Entity intends that the Fund will only invest in liquid assets that it reasonably expects will be able to be liquidated (at their market value) on a daily basis (subject to normal settlement cycles of listed bonds and hybrid securities that generally do not exceed two business days).</p> <p>Further, in order to facilitate a liquid market for the Fund on the Securities Exchange, the Responsible Entity has appointed a market maker, on behalf of the Fund, to maintain continuous liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units. The market maker will create and redeem Units as required to hold an inventory of Units enabling it to provide buy and sell prices to the secondary market, while also potentially hedging their underlying positions.</p> <p>There may be circumstances where the Fund is suspended in accordance with the Constitution or where the Fund is not liquid as defined under the Corporations Act. In those cases, the Fund may continue to trade on the Securities Exchange provided the Fund complies with the Securities Exchange Rules. The Responsible Entity or the Securities Exchange Operator may seek a trading halt, if the Fund ceases to comply with the Securities Exchange Rules.</p> <p>Alternatively, there may be circumstances where the Securities Exchange Operator suspends trading of Units and unitholders may continue to withdraw directly from the Responsible Entity, provided the withdrawals have not also been suspended in accordance with the Constitution.</p>	

	Summary	Section (for further information)
Leverage	<p>The Fund may use leverage through its use of borrowing, repurchase agreements, derivatives and as a result of any short selling it undertakes for the purposes of generating alpha as part of the investment strategy.</p> <p>The counterparties to the repurchase agreements will typically be large Australian and international trading banks. The counterparties to derivative contracts will include large banks with superior credit ratings of at least 'A-'. The Fund may also secure borrowing arrangements with prime brokerage providers.</p> <p>The Fund does not target a specific level of leverage, and does not use leverage simply to increase Fund yield. Leverage can be used to obtain additional exposure to mispriced assets which the Investment Manager believe will generate capital gains for the Fund. The Fund will typically have leverage of 1.0x (i.e. no leverage) to 1.5x, and may have leverage of up to 2.5x subject to the opportunity set and the magnitude of the mispricings available to it.</p> <p>A worked example showing the impact of leverage on investment returns and losses, assuming the maximum anticipated level of leverage (including leverage embedded in assets, excluding leverage in listed bonds) is provided at section 5.5</p>	Section 5.5
Derivatives	<p>Derivatives are used to manage risk and/or gain limited exposure to investments (i.e. to provide leverage).</p> <p>The use of derivatives may amplify losses or returns on capital.</p> <p>The Investment Manager and Portfolio Manager intend to include exchange traded and OTC derivatives in the Fund's investment strategy.</p> <p>The counterparty to the Fund's OTC derivatives will typically be large banks with superior credit ratings of at least 'A-', and the Investment Manager selects counterparties based on selection criteria in its Trade Management Policy.</p> <p>In accordance with the Securities Exchange Rules, the Responsible Entity monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC derivatives counterparties is reduced to 10% or less of NAV.</p> <p>For key risks to the Fund associated with the collateral requirements of the derivative counterparties, please see Section 7.</p>	Section 5.6 and 7.
Short selling	<p>Short selling is used to manage risk and/or gain exposure to investments.</p> <p>The risks associated with short selling and the ways in which the Investment Manager seeks to mitigate those risks are set out in Sections 5.7 and 7.</p>	Sections 5.7 and 7
Withdrawals	<p>Investors can enter or exit the Fund by buying or selling Units on the Securities Exchange like any listed security.</p> <p>Investors may also apply or withdraw Units directly with the Responsible Entity. Investors will need to hold Units on the issuer-sponsored sub-register to withdraw directly from the Responsible Entity.</p> <p>The method by which an Investor enters the Fund does not affect the method by which the Investor can exit the Fund. For more information refer to the Comparison Table in section 6.</p> <p>For more information on buying and selling securities on the Securities Exchange, see section 8.</p> <p>For more information on applying to and withdrawing directly from the Responsible Entity, see section 9.</p>	Sections 6, 8 and 9

4. Who is Managing the Fund?

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's Constitution, the Corporations Act and general trust law. Equity Trustees has appointed Coolabah Capital Investments (Retail) Pty Ltd as the Investment Manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

Coolabah Capital Investments (Retail) Pty Ltd

The Investment Manager is Coolabah Capital Investments (Retail) Pty Ltd (CCIR), which is a corporate authorised representative (#000414337) of Coolabah Capital Institutional Investments Pty Ltd (AFSL 482238).

CCIR has appointed its related entity, Coolabah Capital Institutional Investments Pty Ltd (CCII), as the Portfolio Manager to which it sub-delegates all portfolio management responsibilities for the Fund and its other fixed-income products. Both the Investment Manager and Portfolio Manager are wholly owned subsidiaries of Coolabah Capital Investments Pty Ltd (CCI). CCI is 75% owned by its portfolio management team, and one quarter owned by Pinnacle Investment Management Group Limited, a leading Australian-based multi-affiliate investment firm.

Established in 2011, the CCII's goals are to develop and deliver low risk savings and retirement solutions that outperform traditional cash and fixed-income products through active portfolio management. As at 31 January 2021, it managed approximately \$5.0 billion in assets.

These savings solutions, which include this Fund, have been created to satisfy demand for lower risk investment products that can:

- provide investors with cash and fixed-income opportunities that add value generally beyond deposits,
- outperform conventional fixed-income investments without taking significant interest rate duration risk,
- offer investors diversification opportunities away from the volatility of the share market, and
- supply retirees with regular quarterly income.

The Portfolio Manager

Coolabah Capital Institutional Investments Pty Ltd

The Investment Manager has appointed CCI, as the Portfolio Manager of the Fund. The Portfolio Manager's experienced investment team at the date of issue of this PDS comprises four full-time portfolio managers and nine full-time analysts who apply intensive quantitative and qualitative valuation analysis to identify mispriced securities that can be profitably translated into active returns, as they have consistently done since 2012. This team is augmented by an experienced independent chair

and an independent compliance committee specialist, as well as distribution, performance and compliance oversight by the Investment Manager and ultimately Equity Trustees as the Responsible Entity.

The Custodian and Administrator

Mainstream Fund Services Pty Limited

The Responsible Entity has appointed Mainstream Fund Services Pty Limited (Mainstream) to act as administrator for the Fund (Administrator). In such capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the Net Asset Value of the Fund. The Administrator also provides Unit registry services. The Responsible Entity has entered into an Administration Agreement with the Administrator, which governs the services that will be provided by the Administrator to the Fund. The Investment Manager may at any time, in consultation with the Responsible Entity, select any other administrator to serve as administrator to the Fund.

The Responsible Entity has also appointed Mainstream as an independent custodian to hold the assets of the Fund (Custodian). In such capacity, the Custodian will hold the assets of the Fund in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. The Responsible Entity has entered into a Custodian Agreement, which governs the services that will be provided by the Custodian to the Fund. Certain assets may also be held in safe custody at the Responsible Entity or Equity Trustees as its delegate.

Fund Auditor

Ernst & Young ABN 75 288 172 749. Ernst & Young has been appointed as the independent auditor of the Fund's financial statements and Compliance Plan. Ernst & Young is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS.

Process

We have processes for selecting, monitoring and reviewing the performance of all of our service providers. There are no unusual or materially onerous provisions in service provider agreements from an investor's perspective.

We are not aware of any related party relationships between any of the service providers above other than as disclosed in this PDS, nor between any of the key service providers and any underlying funds or counterparties. We are not aware of any material arrangements in connection with the Fund that are not on at least arm's length terms.

Market Maker(s)

Under the Securities Exchange Rules, the Responsible Entity is under certain obligations in respect of the Fund to facilitate an orderly and liquid market for the Fund. The Responsible Entity will appoint market maker(s) to maintain continuous liquidity.

Given the importance of the role of the market maker(s), we seek to appoint market maker(s) that:

- have experience in making markets in exchange quoted products and other types of listed securities in both Australia and overseas;
- are participants of the Securities Exchange and have agreements with the Securities Exchange Operator to act as a market maker; and
- have the necessary skill and expertise to perform a market making function.

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

Under the market making arrangements, the market maker will generally retain for its own account any trading profit or bear any loss generated by its market making activities.

5. How the Fund invests

5.1 Investment Objective

The Fund targets returns in excess of the Bloomberg AusBond Composite 0+ Yr Index by 1.0% to 2.0% per annum, after management costs, over rolling 12 month periods. Investors targeting returns above traditional fixed income investments may wish to consider the Fund.

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed.

5.2. Investment Strategy

The Investment Manager is an active manager. This entails applying bottom-up fundamental analysis and quantitative analysis of both issuers of the securities and the credit quality and structural features of the securities themselves to build a diversified portfolio of Australian cash and debt investments that offer attractive returns relative to the Benchmark whilst minimising the risk of capital loss. Active managers seek to exploit mispricing of assets and/or find undervalued securities in order to produce superior performance.

The Fund offers an active fixed-income strategy focused on mispricing in government and corporate bond markets with the aim of delivering superior risk-adjusted returns over the Bloomberg AusBond Composite 0+ Yr Index after management costs. The Fund seeks to have broadly similar interest rate duration risk to the Benchmark subject to any active decisions implemented by the investment manager in order to generate excess returns.

In addition to an active investment philosophy that seeks to profit from mispriced assets, the Fund also employs active asset-allocation between cash and debt securities. The Fund retains the ability to switch between cash and debt securities based on the portfolio managers' valuation views of each sector. When credit spreads are wide and the risk-return payoff on debt securities may be higher than cash, the exposure to these debt securities may increase. Equally when credit spreads compress the portfolio weight to cash may rise.

The ability to invest 100% in cash is a defensive attribute of the Fund.

Although the Fund is not the same as a bank account, the Fund does have a considered and diversified investment approach, which includes:

- the Fund is permitted to invest in bonds, such as government and semi-government bonds, bank and corporate bonds, and asset-backed securities, including residential-mortgage backed securities, issued in Australian Dollars or in G10 currencies hedged to Australian Dollars;
- the Fund is also permitted to invest in cash and cash-equivalent securities, repurchase agreements, exchange traded derivatives and over-the-counter derivatives;
- all the Fund's investments are Australian Dollar-denominated or fully hedged into Australian Dollars (so the Fund has minimal direct exposure to foreign exchange risk);
- the Fund targets a minimum dollar-weighted average Standard & Poor's 'A' credit rating across its bonds and deposits (or equivalent rating as determined by rating agencies);
- the Fund does not invest in unrated debt, sub-investment grade debt or hybrid securities;

- the Fund does not invest directly in listed or unlisted ordinary shares (i.e. equities) although it can invest in certain exchange traded funds (ETFs) that invest in permitted underlying assets;
- the Fund can use derivatives to hedge risks such as interest rate, credit, currency & macro risks;
- the Fund's use of repurchase agreements, derivatives and shorting may result in gearing of up to 2.5x; and
- the Fund has a Low to Medium risk rating under the "standard risk measure"

The Fund also has access to liquidity facilities that allow assets that are classified as "eligible securities" for repurchase by the RBA to be swapped with major Australian and international trading banks in exchange for cash, subject to these banks accepting these assets as part of their own repurchase operations.

Due to movements in the market or similar events, the guidelines set out above may not be adhered to from time to time. In these circumstances, the Investment Manager will seek to bring the Fund's investments within the guidelines within a reasonable period of time.

5.3. Fund Structure

The Fund offers investors exposure to assets that are traditionally defined as defensive, including:

- cash and cash equivalents;
- government bonds;
- senior and subordinated bonds; and
- Asset-backed securities.

The derivatives used by the Fund may be exchange traded or OTC and may include, but are not limited to, the following:

- interest rate derivatives;
- credit derivatives;
- foreign exchange derivatives; and
- other related swaps.

The Fund invests in assets of investment-grade quality, which means assets with at least a BBB- credit rating from a recognised rating agency. The Fund does not target equities investments, focusing on securities ranking higher up the capital structure. The Fund does not adhere to pre-defined sectoral limits because the Investment Manager believes that this type of blind diversification can introduce correlated default and liquidity risks.

5.4. Valuation, location and custody of assets

The Fund's assets are valued on a daily basis and provided to the Fund's independent administrator, who then calculates the daily unit prices for the Fund.

Assets of the Fund are primarily expected to be located in Australia. Foreign denominated bonds, which will be settled via Euroclear, will be held by an offshore custodian under a sub-custody agreement with the Custodian.

The value of the investments of the Fund is generally determined daily. The value of a Unit is determined by the NAV per Unit. This is calculated by deducting from the gross value of the assets of the Fund the value of the liabilities of the Fund (not including any investor liability). Generally, investments will be valued on each Business Day at their market value but other valuation methods and policies may be applied by the Administrator if appropriate or if otherwise required by law or applicable accounting standards.

5.5. Leverage

The Fund can take long and short positions, use repurchase agreements, borrow and use derivatives and this can mean the Fund is geared (or leveraged). Leverage can amplify gains and also amplify losses. At the core of the Portfolio Manager's use of leverage is that it is applied against liquid, investment-grade debt securities, which rank ahead of equities and hybrids in the corporate capital structure. The Portfolio Manager has set leverage limits and other exposure limits to assist with risk management, which is overseen by the Portfolio Manager's independent compliance committee.

The Fund does not target a specific level of leverage, and does not use leverage simply to increase Fund yield. Leverage may be used to obtain additional exposure to mispriced assets that the Manager believes will generate capital gains for the Fund. The Fund will typically have gearing of 1.0x (i.e. no gearing) to 1.5x, and may have gearing of up to 2.5x subject to the opportunity set and the magnitude of the mispricings available to it.

The Fund may enter into repurchase agreements with large bank counterparties that have credit ratings of at least A-. The Fund may also enter into other secured borrowing arrangements with various prime brokerage providers.

Leverage may also be used for the purpose of certain risk mitigation strategies, such as short-selling bonds in the event that the Manager believes the values of these bonds will decline.

The following example illustrates the way in which gearing can effect investment gains and losses in comparison to a fund that is not geared.

Example	Geared	Ungeared
Initial investment	\$4,000	\$4,000
Fund gearing level	60.00%	0.00%
Amount borrowed by Fund	\$6,000	\$0
Amount invested in market	\$10,000	\$4,000
If the value of the Fund's assets rises by 2.0%		
Rise in value of Fund's assets	\$200	\$80
Value of Fund assets	\$10,200	\$4,080
Outstanding loan	\$6,000	\$0
Value of investment	\$4,200	\$4,080
Gain on investment	\$200	\$80
Return %	5.0%	2.0%
If the value of the Fund's assets falls by 2.0%		
Fall in value of Fund's assets	-\$200	-\$91
Value of Fund assets	-\$200	-\$80
Outstanding loan	\$9,800	\$3,920
Value of investment	\$6,000	\$0

Example	Geared	Ungeared
Loss on investment	\$3,800	\$3,920
Return %	-\$200	-\$80

The leverage rules are asset-class specific, with riskier exposures subject to tighter controls. They are designed to reduce the risk of loss and to manage portfolio volatility within the target range.

Please refer to Section 7 'Managing risk' for more details on this subject.

5.6. Derivatives

A derivative is any financial product that derives its value from another security, index or liability.

The Fund uses derivatives to take investment positions and to manage (or 'hedge') risks. Their use is central to the investment strategy of the Fund, employed so that the Fund can take long and short positions.

The Fund may invest in OTC and exchange traded derivatives, comprising the following types of derivatives:

- interest rate derivatives;
- credit derivatives;
- foreign exchange derivatives; and
- and other related swaps.

Under the Securities Exchange Rules, if the Fund's exposure to OTC derivatives exceeds 5% of the Fund's NAV, the Responsible Entity must disclose on a monthly basis:

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

In accordance with the Securities Exchange Rules, the Responsible Entity monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC derivatives counterparties is reduced to 10% or less of NAV. Only cash may be held by the Fund as collateral under an OTC derivative.

5.7. Short Selling

Short sales involve selling an investment you do not own in anticipation that the investment's price will decline. Short sales are important as they can generate performance in declining markets or provide a hedge to long market exposure. But they present a risk on an individual investment basis, since the price of the investment may rise, causing the value of the Fund to decline. In addition, the Fund may be required to buy back the investment sold short at a time when the investment has increased in value, which would generate a loss.

The Fund may enter into short selling positions in order to profit from a particular mispricing, or to hedge other positions within the Fund. The Fund can enter short selling positions using derivatives or through securities borrowing via repurchase agreements or similar arrangements. Short selling does not form a substantive part of the Fund's investment strategy, and short sales are expected to be used opportunistically when certain bonds or derivatives are expected to decrease in value.

5.8. Labour standards and environmental, social and ethical considerations

The Portfolio Manager considers that that environment, social and governance (ESG) issues can affect investment performance and other matters including credit ratings. It considers for example that ESG issues are not always fully incorporated by credit agencies when rating Australian fixed-income securities.

Accordingly, the Portfolio Manager may take into account ESG issues as part of its active investment process, including with the goal of helping reduce potential credit risks and enhance investment performance.

No formal guidelines are used, nor is any formal weighting given to the ESG issues in portfolio construction. Rather the Investment Manager takes a broad, implicit approach when carrying out this subjective assessment.

The types of ESG that may be taken into account include:

- environmental: weather, pollution and environmental disruption, sustainability, and associated reputational and brand risks;
- social: political stability, human rights issues, privacy and cyber-security, impact on local communities, health and safety, and associated reputational and brand risks; and

5.11. Significant benefits of investing in the Fund

Significant benefits	
Active management	The Investment Manager actively adjusts the Fund's portfolio of Australian cash, bonds, floating-rate notes and asset-backed securities in order to maximise returns while minimising risk.
Target return	The Fund targets returns in excess of the Bloomberg Ausbond Composite Bond (0+) Year Index by 1.0% to 2.0% per annum, after management costs, over rolling 12 month periods – see Fees and Costs section 11 of this PDS for details.
Exposure to the wholesale bond market	The Fund invests in wholesale bonds issued by governments, banks and companies that are not always easy for individual investors to access.
Target interest rate duration	The Fund seeks to have broadly similar interest rate duration exposure to the Bloomberg Ausbond Composite Bond (0+) Year Index with less subject to any active decisions implemented by the investment manager in order to generate excess returns.
No capped return	The Fund has no capped or fixed return.
No fixed term	The Fund has no fixed minimum term.

- governance: board composition, risk management track-record, legal and compliance track-record, history of prosecutions, management remuneration, distribution of equity, and associated reputational and brand risks.

5.9. Fund performance

The recent performance of the Fund will be available at www.coolabahcapital.com. Your financial adviser can also provide further information on the Fund.

Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

5.10 Investment timeframe

The suggested investment timeframe is 3 years, having regard to the underlying fixed income investments and other investment strategies such as the use of derivatives, leverage and short selling (discussed in this part 5). In suggesting this timeframe we have not taken into account your individual objectives, financial circumstances or needs. Consider whether this product is right for you and consult a financial adviser before making a decision to buy or continue to hold this product.

6. About the Fund and Units

Investors' application monies are pooled together with other investors' money. The Investment Manager pools the application monies of all unitholders to buy investments and manage them on behalf of unitholders in accordance with the Fund's investment strategy. By investing in the Fund, unitholders have access to investments they may not be able to access on their own and benefit from the investment capabilities of Coolabah's investment team. The Fund serves as an efficient mechanism to invest on behalf of all unitholders

Investors can enter the Fund through acquiring Units on the Securities Exchange, through an IDPS provider or directly with the Administrator. Investors can exit the Fund through selling Units on the Securities Exchange, redeeming Units through an IDPS or directly with the Administrator. All Units are fungible and the method you enter the Fund does not determine how you should exit the Fund. An investor who acquires Units directly with the Administrator can exit the Fund, or sell Units through the Securities Exchange by contacting their broker (see section 8, applications and withdrawal on the Securities Exchange). Similarly, an investor can redeem Units through their Administrator by submitting a redemption request to the Administrator (See section 9 'applications and withdrawals with the Responsible Entity).

Units and NAV per Unit

The Responsible Entity has made an application to the Securities Exchange for Units in the Fund issued pursuant to this PDS to be quoted for trading on the Securities Exchange. Once the Fund has been quoted for trading on the Securities Exchange, the Units of the Fund will be traded on the Securities Exchange like any quoted security.

Under the Securities Exchange Rules, the Responsible Entity has certain obligations in respect of the Fund to facilitate a liquid and orderly market. The Responsible Entity will appoint a market maker to provide continuous liquidity to the market by acting as a buyer and seller to the Securities Exchange. The market maker uses information such as NAV and pricing baskets (see below) to determine the price of Units and places bid-ask spreads around this value before sending these prices to the Securities Exchange as bid and ask orders. The orders are published to the market, and investors can either 'hit' orders to trade with the market maker or send their own orders to the exchange and wait for someone else to 'hit' them. Market maker orders are updated continuously throughout the day to reflect price changes in the underlying securities.

The NAV estimates the value of the Fund at the close of trading on a previous day in each market in which the Fund invests. The NAV per unit will be published daily on the Investment Manager's website www.coolabahcapital.com prior to the commencement of each trading on the Securities Exchange. The NAV per unit may fluctuate each day as the market value of the Fund's assets rises or falls. The Responsible Entity's NAV Permitted Discretions Policy provides further information about how the NAV per Unit is calculated.

The Responsible Entity has engaged Solactive AG as its agent to calculate and disseminate an iNAV which will be published on the Responsible Entity's website www.eqt.com.au/insto as well as the Investment Manager's website www.coolabahcapital.com throughout the Securities Exchange Trading Day. The iNAV reflects the real time movements in markets and currencies during the Trading Day. The Responsible Entity or its appointed agents give no guarantees that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity nor its

appointed agent shall be liable to any person who relies on the iNAV. The price at which Units trade on the Securities Exchange may not reflect with the NAV per Unit or the iNAV.

The Fund will not disclose every underlying asset on a daily basis. Disclosing the ongoing investment strategy of the Fund would create an unacceptable risk to the Fund and the investors. The Fund will disclose a pricing basket that will enable the market maker to determine the price at which it buys and sells Units on the Securities Exchange. The pricing basket is intended to represent the value of the applicable Fund during the Trading Day and is used to determine the iNAV.

The market maker creates and redeems Units with the Responsible Entity at prices that are determined by the published NAV of the applicable Fund. The NAV is based on the value of every underlying asset in the applicable Fund. This means the market maker has a strong incentive to ensure there is minimal or no difference between the price at which it buys and sells Units based on the NAV or pricing basket and the price of Units created or redeemed based on the net asset value of the Fund.

The price at which Units trade on the Securities Exchange, or may be applied for or redeemed with the Responsible Entity, may not reflect with the NAV per Unit or the iNAV. Refer to section 7 'Trading price of Units may differ from NAV per Unit' for further details on this Risk.

Investing through an IDPS

The Responsible Entity has authorised the use of this PDS as disclosure to investors or prospective clients of IDPSs, which provide investors with a menu of investment opportunities.

Investors who invest through an IDPS may rely on the information in this PDS to give a direction to the operator of the IDPS to invest in the Fund on their behalf. The Responsible Entity agrees to provide notice to the operators of the IDPSs promptly of any supplementary or replacement PDS that is issued under the Corporations Act.

Importantly, investors who invest in the Fund through an IDPS do not become unit holders of the Fund. In those instances the unit holder of the Fund is the operator of the IDPS. The unit holder's rights set out in this PDS may only be exercised by the operator of the IDPS on behalf of the investor for whom they have acquired the Units.

Investors should read this PDS in conjunction with the offer documents issued by the IDPS Operator. Investors complete the application form provided by the IDPS Operator and receive reports concerning the Fund from their IDPS Operator. Enquiries should be directed to the IDPS Operator.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

Comparison Table – transacting on a Securities Exchange or with the Responsible Entity

Investors can enter the Fund either by applying for Units directly with the Responsible Entity using an Application Form or, once the Units are quoted on the Securities Exchange, by buying Units on the Securities Exchange.

Investors can exit the Fund either by directly making a withdrawal request to the Responsible Entity using a withdrawal form or by selling Units on the Securities Exchange.

The method by which you enter the Fund does not affect the method by which you can exit the Fund. If you enter the Fund by buying Units on the Securities Exchange, you can exit the Fund

by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity. If you enter the Fund by applying for Units directly with the Responsible Entity you can exit the Fund by selling Units on the Securities Exchange or by withdrawing directly with the Responsible Entity.

You need to hold your Units on the issuer-sponsored sub-register to make a withdrawal request directly to the Responsible Entity. Your stockbroker can assist you with this process if you hold your Units on a HIN. Similarly, if you hold your Units with the Fund (SRN holding on the issuer sponsor sub-register) your stockbroker will need to convert Units to a

CHESSE sub-register (HIN) in order to settle the trade on a Securities Exchange. Refer to the heading 'Transfer and Conversion of Units' in this section 6 for further details.

The following table sets out the key differences between entering and exiting the Fund via the Securities Exchange or by applying for and withdrawing Units directly from the Fund. This is a summary only. This PDS should be read in full before making any decision to invest in the Fund. For more information on buying and selling Units on the Securities Exchange, see Section 8. For more information on applying to and withdrawing directly from the Fund, see Section 9.

	Buying Units on the Securities Exchange	Applying for Units directly with the Responsible Entity
How do I make an investment in the Fund?	<p>Once the Units are quoted on the Securities Exchange, investors can invest in the Fund by purchasing Units via their trading platform or stockbroker.</p> <p>Investors do not need to complete an application form and they will settle the purchase of their Units in the same way they would settle purchases of quoted securities via the CHESSE settlement service.</p>	<p>You can acquire Units by completing the Application Form that accompanies this PDS.</p> <p>If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money before or at 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will generally receive the Application Price calculated for that Business Day.</p>
What is my entry price when I make an investment in the Fund?	<p>An investor's entry price into the Fund will be the price at which they have purchased Units on the Securities Exchange.</p> <p>The Responsible Entity does not guarantee the price on the Securities Exchange will align with NAV or iNAV.</p> <p>Investors buying or selling Units on the Securities Exchange will receive transaction confirmations from their stockbroker.</p> <p>Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.</p>	<p>The Application Price at which Units are acquired is determined in accordance with the Constitution.</p> <p>The Application Price on a Business Day, is in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for transaction costs ("Buy Spread").</p> <p>As at the date of this PDS, the Buy Spread is nil</p>
Is there a minimum number of Units I need to purchase?	<p>There is no minimum number of Units investors can buy on the Securities Exchange.</p>	<p>The minimum initial investment amount to invest in for the Fund directly is \$1,000.</p> <p>The minimum additional investment amount is \$1,000.</p>
	Selling on the Securities Exchange	Withdrawing Units directly with the Responsible Entity
How do I withdraw my investment?	<p>Investors can withdraw from the Fund by selling Units on the Securities Exchange via their stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the CHESSE settlement service.</p>	<p>Investor's in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund. To withdraw, you must hold your Units on the Fund's issuer sponsored sub-register and provide your SRN.</p> <p>If we receive a withdrawal request before or at 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that Business Day.</p>

	Selling on the Securities Exchange	Withdrawing Units directly with the Responsible Entity
At what price can I sell my Units in the Fund?	<p>An investor's exit price will be the price at which they have sold Units on the Securities Exchange.</p> <p>The Responsible Entity does not guarantee the price on the Securities Exchange will be the same as NAV or iNAV.</p> <p>Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges.</p>	<p>The Withdrawal Price at which Units are withdrawn is determined in accordance with the Constitution.</p> <p>The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.025%.</p> <p>The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.</p>
Is there a minimum number of Units I need to withdraw?	There is no minimum number of Units investors can sell on the Securities Exchange.	The minimum withdrawal amount is \$1,000.

Access to funds

Except where the Fund is not liquid (see below), the Responsible Entity will generally allow investors to access their funds within 2 Business Days of receipt of a redemption request form for the relevant amount.

However, the Constitution of the Fund allows the Responsible Entity to make payment up to 21 days after receipt of a withdrawal request form, and this period can be extended at the discretion of Equity Trustees in accordance with the Constitution.

The Responsible Entity reserves the right to postpone the processing and payment of withdrawals for the Fund subject to the above extensions of time.

Where the Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. The Fund will cease to be liquid if less than 80% of its assets are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

Compulsory withdrawal

The Responsible Entity may redeem some or all of an investor's Units without asking them in accordance with the Constitution or as permitted by law. As an example, this may occur where an investor breaches their obligations to the Responsible Entity (for example, where the Responsible Entity believes that the Units are held in breach of prohibitions contained within the Constitution) or where the Responsible Entity believes that the Units are held in circumstances which might result in a violation of an applicable law or regulation.

Transfer and conversion of Units

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

- (Selling Units on a Securities Exchange) If the Investor acquired Units from the Responsible Entity directly (Units held on the issuer sponsored sub-register), the Investor will need to convert or transfer Units to an account with a stockbroker (HIN holding on the CHESS sub-register) to

transact on a Securities Exchange. To do this, you will need to provide your broker with your SRN. You are only able to convert or transfer whole Units and any residual Units will be cancelled and become the assets of the Fund.

- (Redeeming Units directly with the Responsible Entity) If the Investor acquired Units on a Securities Exchange and wants to redeem Units with the Responsible Entity directly, Units must be held on the issuer sponsored sub-register (SRN). Your stockbroker can initiate the transfer or conversion of your Units held in an account with your stockbroker's CHESS sub-register (HIN) to an account directly with the Fund (SRN on the issuer sponsored sub-register). It is also open to Investors holding Units on an account with your stockbroker to transfer or convert your Units to another HIN. The Administrator (Unit registry) will process transfer of Units for investors on receipt of a completed original standard transfer form.

Distributions

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of Units held by the investor at the end of the distribution period. The Fund usually distributes income quarterly. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Under the AMIT rules, investors will be assessed for tax on the income of the Fund attributed to them. The Constitution permits the Responsible Entity to reinvest part or all of your distribution and/or accumulate part or all of the Fund's income in the Fund, in which case, under the AMIT rules, the income of the Fund that is attributed to you (and which must be included in

your income tax return) will be more than the cash distribution paid and the tax cost base of your Units will increase by the amount that the income of the Fund attributed to you exceeds the cash distribution paid. For more details, see the Taxation overview in Section 13.

The Responsible Entity may, in a particular year:

- Require distributions of the income of the Fund to be reinvested as additional Units in the Fund in accordance with the Distribution Reinvestment Plan (“DRP”) Rules. The Responsible Entity will provide a notification on the Fund’s website where it has elected to require part or all of the distribution to be reinvested as additional Units in the Fund. The Constitution provides that all unitholders are bound by the DRP Rules; or
- Retain or accumulate part or all of the income of the Fund. The tax cost base of Units will increase to the extent that the income of the Fund attributed to investors exceeds the cash distribution paid (and will decrease to the extent that the income of the Fund attributed to investors is less than the cash distribution paid). We will send you a tax statement after the end of each financial year detailing the amounts attributed to you to assist in the preparation of your tax return.

You can choose to have your distributions directly credited to your Australian bank account or, to the extent that the Responsible Entity offers a DRP, automatically reinvested as additional Units in the Fund. No fees or transaction costs will be payable in respect of distributions that are automatically reinvested. The DRP Rules require that additional Units issued to investors who hold their Units with a stockbroker (HIN holding on the CHESS sub-register) will be rounded to the nearest whole number and investors who hold their Units directly with the Fund (SRN holding on the issuer sponsored sub-register) will be issued partial Units. Please be aware that distributions will be reinvested unless you instruct us otherwise.

Should we offer a DRP in respect of the Fund, information will be made available on the Fund’s website.

Details in relation to each distribution will be published on the announcements platform of the Securities Exchange Operator and the Fund’s website at www.coolabahcapital.com. The distribution policy of the Fund is current as at the date of this PDS and may be subject to change from time to time.

New Zealand investors

New Zealand investors can only have their distribution directly credited if an AUD Australian domiciled bank account is provided, otherwise it must be reinvested. If New Zealand investors elect to have their distribution paid in cash, they will need to nominate a bank account held in their own name with an Australian domiciled bank. Cash distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, New Zealand investors will be allotted Units in accordance with the terms and conditions set out above.

The distribution reinvestment plan described above is offered to New Zealand investors on the following basis:

- At the time the price of the Units allotted pursuant to the distribution reinvestment plan is set, Equity Trustees will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire, or require Equity Trustees to issue, Units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you, and will be subject to the same rights as Units issued to all investors of the same class as you.

There is available from Equity Trustees, on request and free of charge, a copy of the most recent annual report (if any) of the Fund, the most recent financial statements (if any) of the Fund, the auditor’s report on those financial statements or, if those financial statements are not audited or reviewed by an auditor, a statement to that effect, the PDS and the Constitution for the Fund (including any amendments). Other than the Constitution, these documents may be obtained electronically from www.eqt.com.au/insto.

7. Managing risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and the Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

Derivatives Risk

The value of a derivative is derived from the value of an underlying asset and can be highly volatile. Changes in the value of derivatives may occur due to a range of factors that include rises or falls in the value of the derivative in line with movements in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk.

Securities Exchange liquidity risk

The liquidity of trading in the Units on the Securities Exchange may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the Securities Exchange during any period that the Securities Exchange suspends trading of Units in the Fund.

iNAV risk

The iNAV published by the Fund is indicative only and might not accurately reflect the underlying value of the Fund. As a consequence the Fund may be subject to market making risk.

Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and Reserve Bank of Australia (RBA) policies.

Investment and credit risk

This is the risk that the value of an individual investment in the Fund may change in value or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in government or bank policies, the Investment Manager's operations or management, or business environment, or a change in perceptions of the risk of any investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure.

Investment manager risk

Investment managers can be wound up or liquidated, they can cease to manage the relevant fund and be replaced, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly. If any of these occurred, Equity Trustees would do all things reasonably practicable to recover the value of the Fund's investments and seek a new investment manager or program, with a similar investment profile, if thought appropriate. If the investment program changed significantly, you would be given at least 30 days' notice before those changes come into effect. Further, only a small number of investment professionals between the Investment Manager and Portfolio Manager are responsible for managing the Fund and their personal circumstances can change. We aim to reduce this risk by having additional resources available through Equity Trustees as needed.

Market making risk

The Responsible Entity has appointed a market maker to provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units in the Fund. Whilst the Responsible Entity will monitor its market maker(s) ability to maintain continuous liquidity in the market, there is a risk that the market maker may not always be able to make a market in times of uncertainty about the value of the portfolio due to its duty to act in the best interests of members. There is a risk that the Fund could suffer a material cost as a result of these market making activities which may adversely affect the NAV of the Fund and the value of investors' holdings regardless of whether the units were acquired on the Securities Exchange or directly with the Responsible Entity.

In order to mitigate this risk, the Responsible Entity has the discretion to increase the spread at which it makes a market and also has the right to cease making a market subject to its obligations under the Securities Exchange Rules. If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

Market risk

This is the risk that an entire market, country or economy (such as Australia) changes in value or becomes more volatile, including the risk that the purchasing power of the currency changes (either through inflation or deflation), potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and manmade disasters, conflicts and changes in market sentiment.

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

As with any exchange traded managed fund, it is possible that the trading price of Units on the Securities Exchange may differ from the NAV or iNAV per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, pricing basket, investor confidence, the availability of the market maker services during the course of the Trading Day, and the bid-offer spread charged by the market maker.

The application and redemption process between Responsible Entity and market makers is designed to reduce the likelihood of Units trading at a significant discount or premium to the NAV

per Unit. However, if there is a suspension of the application or redemption process on a particular Trading Day, the trading price might diverge further from the NAV per Unit.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from the Fund's NAV per Unit. The risk may be higher in the period shortly after the Securities Exchange opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to NAV per Unit or sells at a time when the market price is at a discount to the NAV per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

Ratings risk

The assets in which the Fund invests may or may not have been assigned credit ratings by independent ratings agencies. A ratings downgrade could significantly reduce the value of an investment and impact the value of the Units of the Fund. Credit ratings do not guarantee the credit quality of a security, its underlying assets, or its repayment, and may be re-assessed by ratings agencies in a range of circumstances. Ratings agencies can make mistakes. The Investment Manager seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

Risk measure

The Investment Manager considers that the "standard risk measure" for this Fund is a Low to Medium risk rating, which means that the estimated number of negative annual returns over any 20 year period is 1 to 2. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 3.

The standard risk measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. It is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

The Fund may be removed from quotation by the Securities Exchange Operator or terminated

The Securities Exchange Operator imposes certain requirements for the continued quotation of securities, such as the Units, on the Securities Exchange. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain quotation on the Securities Exchange. In addition, the Securities Exchange Operator may change the quotation requirements. The Responsible Entity may elect, in accordance with the Constitution and Corporations Act, to terminate the Fund for any reason including if Units cease to be quoted on the Securities Exchange. Information about the Securities Exchange Rules applicable to quotation of Units in the Fund on the Securities Exchange is set out in Section 12 of this PDS.

Leverage Risk

The Fund may be exposed to investment strategies that use leverage. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within the portfolio. Therefore, if a leveraged portfolio generates a positive return, the returns will be greater than the returns generated by an equivalent

unleveraged portfolio. Similarly, if the investments generate a negative return, the losses will be greater than the losses generated by an equivalent unleveraged portfolio.

The Responsible Entity will monitor the leverage ratio and exposure to OTC derivative counterparties on a daily basis and make adjustments to ensure maximum leverage is not exceeded.

Short selling risk

Fund may be exposed to investment strategies that engage in short selling. Short selling allows the holder of a short position to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of covering the short position. Furthermore covering a short position may include activities which increase the price of the security (or the reference security if in a derivative contract) thereby exacerbating any loss.

The Portfolio Manager seeks to manage the risks associated with short selling through its portfolio construction processes. Short positions are periodically rebalanced, so as to reduce the risk of substantial changes in the price of the short security and exposure limits may be imposed with regards to single stock positions, in order to mitigate potential losses. When a short position is established through a derivative contract, the position may give rise to the risks detailed under "derivative risk". Short selling is not intended to form a significant part of the investment strategy, and risks of short selling are also maintained by only engaging in short sales on a limited basis.

Counterparty Risk

Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities or bonds in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the Responsible Entity uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be honoured. A default on a financial commitment could result in a financial loss to the Fund.

To manage counterparty risks, the Responsible Manager monitors the Fund's exposure to all OTC derivative counterparties on a daily basis. In accordance with the Securities Exchange Rules, in the event that the aggregate exposure of the Fund to all OTC derivative counterparties exceeds 10% of NAV, the Responsible Entity will take steps within one Trading Day to acquire further collateral to ensure that the exposure of all OTC Derivatives counterparties is reduced to 10% or less of NAV

Liquidity of investments risk

Whilst the Fund is exposed to bonds which are generally considered to be liquid investments, under extreme market conditions, there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations, including payment of withdrawals, within required timeframes or it may be required to sell assets at a substantial loss in order to do so.

Foreign investment risk.

Exposure to securities, hybrids or derivative instruments issued overseas may include certain risks associated with:

- differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depositary nominee;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. These movements may either add to or subtract from performance. Passive currency management may be undertaken, however, it may not be possible to perfectly match performance of the hedging relative to that

of its benchmark. Additionally, active currency management may be undertaken from time to time, with a view to manage risk and return. Currency management can result in capital losses and investment returns are not guaranteed;

- countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value; and
- differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect the Fund.

8. Applications and Withdrawals on the Securities Exchange

Applications via the Securities Exchange

Once the Units are quoted on the Securities Exchange, Investors can invest in the Fund by buying Units through a broker who will settle the buy order on the CHESS settlement service. Application Forms are not required to be completed and there is no minimum investment amount. The price applied to the investors buy order will be the market price at the time of purchase as reflected by the price at which they have bought Units on the Securities Exchange.

Withdrawing via the Securities Exchange

Once the Units are quoted on the Securities Exchange, Investors can withdraw from the Fund by selling Units through a broker who will settle the sell order on the CHESS settlement service. Withdrawal forms are not required to be completed and there is no minimum withdrawal amount. The exit price applied to the investors sell order will be the market price as reflected by the price at which they have sold Units on the Securities Exchange. You are only able to withdraw whole Units and any residual Units will be cancelled and become the assets of the Fund.

Securities Exchange liquidity

Once the Units are quoted on the Securities Exchange, Units are transacted (bought and sold) on the secondary market, in the same manner as other listed securities.

The Responsible Entity has appointed a market maker to provide liquidity to investors on the Securities Exchange by acting as a buyer and seller of Units.

A market maker will create and redeem Units as required to hold an inventory of Units enabling it to provide buy and sell prices to the secondary market, while also potentially hedging their underlying positions.

The market maker uses information such as the NAV prices (as referenced by iNAV) or pricing baskets to determine the price of Fund Units and places a bid/ask spread around this value before sending these prices to the Securities Exchange as bid and ask orders.

The price that the market maker may buy or sell Units on the Securities Exchange may vary due to market conditions, the number of Unit applications and withdrawals made directly with the Responsible Entity during a Business Day, and the supply and demand for Units on the Securities Exchange during the Trading Day. Please refer to the Market Making Risks in section 7.

9. Applications and Withdrawals with the Responsible Entity

Applying for Units directly with the Responsible Entity

You can acquire Units by completing the Application Form that accompanies this PDS or using the online application at www.coolabahcapital.com. The minimum initial investment amount for the Fund is \$1,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

Mainstream Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Please note that cash cannot be accepted.

By completing the online application at www.coolabahcapital.com, you can identify yourself and transfer funds by BPAY® or electronic funds transfer (EFT) (a reference number will be sent to you).

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The Application Price at which Units are acquired is determined in accordance with the Constitution. The Application Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of Units on issue and adjusted for the Buy Spread. At the date of this PDS, the Buy Spread is nil.

The Buy/ Sell Spread may change depending on the liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at www.coolabahcapital.com.

The Application Price will vary as the market value of assets rise or fall.

Application cut-off times

If we receive a correctly completed online application or Application Form attached to the PDS, identification documents (if applicable) and cleared application money:

- before or at 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will receive the Application Price calculated for that Business Day; or
- after 3pm (Sydney time) on a Business Day and your application for Units is accepted, you will receive the Application Price calculated for the next Business Day.

We will only start processing an application if:

- we consider that you have correctly completed the online application or Application Form attached to the PDS;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your online application or Application Form attached to the PDS.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

Additional applications

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. Alternatively complete the online application. You can transfer funds with BPAY® or electronic funds transfer (EFT). The minimum additional

investment into the Fund is \$1,000. You can also invest via direct debit on a monthly basis using the savings plan. The minimum monthly savings plan investment into the Fund is \$100 per month.

Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in the initial applications section above.

Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Making a withdrawal directly with the Responsible Entity

If an investor's Units are held on the Fund's issuer sponsored sub-register, Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

Mainstream Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Or sending it by fax to +61 2 9251 3525

Or sending it by email to registry@mainstreamgroup.com

The minimum withdrawal amount is \$1,000. Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

You will be required to provide your SRN or your investor number on the withdrawal form.

If your Units are held with your stockbroker (and so carry a HIN), then your Units are maintained on the CHESS sponsored sub-register. If your Units are held this way and you wish to withdraw directly from the Fund, you will first need to submit a request to your stockbroker to have your Units converted to an issuer sponsored holding so that an SRN can be allocated to you by the Unit registry. Your stockbroker is responsible for managing the process of converting your broker-sponsored holding to an issuer sponsored holding and is subject to their standard processing times. Please contact your stockbroker for further information.

The Withdrawal Price at which Units are withdrawn is determined in accordance with the Constitution. The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the assets the Fund, divided by the number of Units on issue for the Fund and adjusted for the Sell Spread. At the date of this PDS, the Sell Spread is 0.025%. The Withdrawal Price will vary as the market value of assets referable to the Fund rises or falls. The Buy/ Sell Spread may change depending on the

liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at www.coolabahcapital.com.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion.

Withdrawal cut-off times

If we receive a withdrawal request:

- before 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for that Business Day; or
- on or after 3pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for the next Business Day.

Terms and conditions for withdrawals

Equity Trustees will generally allow an investor to access their investment within 2 Business Days of receipt of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account. Access to your investment at the end of a distribution period will take longer as the Fund's Unit price is placed on a temporary hold whilst the distribution is calculated.

However, in accordance with the Constitution, while the Fund is 'liquid' for the purposes of the Corporations Act, Equity Trustees may take up to 21 days to satisfy a withdrawal request after the date a withdrawal request is accepted, or a longer period in limited circumstances including if there is a circumstance outside its control (such as restricted or suspended trading or extreme price fluctuation or uncertainty in the market for an asset).

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$1,000 as a result of processing your withdrawal request. Equity Trustees can reject a withdrawal request or suspend consideration of a withdrawal request in certain circumstances. Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. When the Fund is not liquid, an investor can only withdraw if Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers. The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities).

Withdrawals will only be paid directly to the unit holders' bank account held in the name of the unit holder with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

When you are withdrawing, you should take note of the following:

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your redemption request form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post,

courier, fax or email, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.

You agree that if the payment is made according to all the terms and conditions for withdrawals set out in this PDS, you and any person claiming through or under you, shall have no claim against Equity Trustees or the Investment Manager in relation to the payment. Investors will be notified of any material change to their withdrawal rights (such as any suspension of their withdrawal rights) in writing.

New Zealand investors

Withdrawal requests received from New Zealand investors must specify:

- The withdrawal amount in Australian dollars; or
- The number of Units to be withdrawn.

We are unable to accept withdrawal amounts quoted in New Zealand dollars. If you are a New Zealand investor, please note that the withdrawal amount paid to you will be in Australian dollars and may differ from the amount you receive in New Zealand dollars due to:

- Foreign exchange spreads between Australian and New Zealand dollars (the currency exchange rate differs daily); and
- Overseas telegraphic transfer costs.

Compulsory redemptions

We can redeem your investment without asking if you breach your legal obligations to us, to recover money you owe us or anyone else relating to your investment, if law prohibits you from legally being an investor or if you fail to meet the minimum account balance from time to time.

Joint account operation

For joint accounts, each signatory must sign withdrawal requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so. Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and

- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or internet, the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the investor eg. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees or the Fund in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

Savings Plan

You can increase your investment in the Fund through a monthly direct debit from your nominated bank account. The minimum additional investment for the Fund under the savings plan is \$100 per month. Direct debits will be processed on the 19th calendar day of the month if this is not a business day then the direct debit will be processed on the next occurring business day. See the 'Direct Debit Request Service Agreement below.

The following is your Direct Debit Service Agreement with Mainstream Fund Services Pty Ltd ABN 81 118 902 891 who acts as the Unit registry provider of the Fund. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

Definitions

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

Agreement means this Direct Debit Request Service Agreement between you and us.

Banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Debit day means the day that payment by you to us is due.

Debit payment means a particular transaction where a debit is made.

Direct debit request means the Direct Debit Request in the application form or additional application form

Us or we means Mainstream Fund Services, (the Debit User) you have authorised by signing a Direct Debit Request.

You means the customer who has signed or authorised by other means the Direct Debit Request.

Your financial institution means the financial institution nominated by you on the DDR at which the account is maintained.

1. Debiting your account

a) By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.

b) We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.

c) If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Amendments by us

a) We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

3. Amendments by you

a) You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14 days) notification by writing to:

I. Unit registry Mainstream Fund Services Pty Ltd GPO BOX 4968 Sydney NSW 2001

or

II. by telephoning us on 1300 133 451 during business hours; or

III. arranging it through your own financial institution.

4. Your obligations

a) It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.

b) If there are insufficient clear funds in your account to meet a debit payment:

I. you may be charged a fee and/or interest by your financial institution;

II. you may also incur fees or charges imposed or incurred by us; and

III. you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

c) You should check your account statement to verify that the amounts debited from your account are correct

d) If Mainstream Fund Services Pty Ltd is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay Mainstream Fund Services Pty Ltd on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

a) If you believe that there has been an error in debiting your account, you should notify us directly on 1300 133 451 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution direct.

b) If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

c) If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

6. Accounts

You should check:

I. with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.

II. your account details which you have provided to us are correct by checking them against a recent account statement; and

III. with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

7. Confidentiality

a) We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have

about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

b) We will only disclose information that we have about you:

I. to the extent specifically required by law; or

II. for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

a) If you wish to notify us in writing about anything relating to this agreement, you should write to

Mainstream Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

b) We will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request.

Any notice will be deemed to have been received on the third banking day after posting;

10. Keeping track of your investment

Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:
Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

Reports

We will make the following statements available to all investors;

- A transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request).
- The Fund's annual audited accounts for each period ended 30 June.
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June.
- Annual report detailing each of the following:
 - the actual allocation to each asset type;
 - the liquidity profile of the portfolio assets as at the end of the period;
 - the maturity profile of the liabilities as at the end of the period;
 - the derivative counterparties engaged;
 - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;
 - the returns since inception; and
 - the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest annual report will be available online from www.coolabahcapital.com.

The following information will be available on the Fund's website, www.coolabahcapital.com/coolabah-active-composite-bond-fund:

- the current total NAV of the Fund and the withdrawal value of a unit in each class of Units as at the date the NAV was calculated, updated daily;

- the 'pricing basket', available daily;
- the iNAV will be published throughout the Trading Day;
- the tracking performance between the pricing basket and the full portfolio holdings for the Fund on a quarterly basis;
- the full portfolio holdings at least quarterly with a delay of no more than two months;
- the number of individual Units on issue in relation to the last Business Day in that month, published within 5 days of the end of that month;
- Where the total notional value of more than 5% of the ETP's NAV comprises OTC derivatives, the total percentage of notional derivative exposure to the Fund's NAV will be disclosed to the market within 5 business days of the end of that month;
- any change to key service providers if they have changed since last report given to investors, disclosed monthly;
- for each of the following matters since the last report on those matters, disclosed monthly:
 - the net return on the Fund's assets after fees, costs and taxes;
 - any material change in the Fund's risk profile;
 - any material change in the Fund's strategy; and
 - any change in the individuals playing a key role in investment decisions for the Fund.

By applying to invest in the Fund, you agree that, to the extent permitted by law, any periodic information which is required to be given to you under the Corporations Act or ASIC policy can be given to you by making that information available on Equity Trustees' or the Investment Manager's website.

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. However, Equity Trustees will be providing the reports described above to relevant IDPS Operators. Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

Additional disclosure information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained through ASIC's website at www.asic.gov.au.

11. Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment 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) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

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

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

Fees and Costs Summary

Coolabah Active Composite Bond Fund (Hedge Fund)		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Management fees and costs</i> The fees and costs for managing your investment	0.30% of the NAV of the Fund ²	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	0.27% of the NAV of the Fund ³	Performance fees are calculated daily and paid semi-annually in arrears from the Fund and reflected in the unit price.
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.02% of the NAV of the Fund ²	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable

Coolabah Active Composite Bond Fund (Hedge Fund)

<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<ul style="list-style-type: none"> Buying units on the Securities Exchange: Determined by market participants. Applying for units directly with the Responsible Entity: Nil on applications into the Fund, and 0.025% on withdrawals out of the Fund. 	<p>These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.</p>
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Not applicable	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Not applicable	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Not applicable	Not applicable

¹ All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how management costs are calculated.

² The indirect costs component of management fees and costs and transaction costs are based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period. Please see "Additional Explanation of Fees and Costs" below.

³ This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager. The performance fee is calculated by reference to a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12-month period. See "Performance fees" below for more information.

⁴ Refer to our website for any updates which are not materially adverse from time to time.

Additional Explanation of fees and costs

What do the management costs pay for?

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 0.30% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12 month period.

The costs associated with holding derivatives for the primary purpose of avoiding or limiting the financial consequences of fluctuations in, or in the value of, receipts or costs of the Fund

(particularly to hedge against foreign exchange movements related to financial products issued overseas) are not indirect costs, and are disclosed as transaction costs. Refer to "transaction costs" below.

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance fees for the Fund are 0.27% of the NAV of the Fund. In respect of the Fund first offered in the current financial year, the performance fee figure that is disclosed in the Fees and Costs Summary is calculated by reference to a reasonable estimate of the performance fee for the current financial year, adjusted to reflect a 12 month period.

In respect of the Fund that was not in operation for the previous five financial years, the performance fee average is calculated by reference to the number of financial years in which the Fund was operated.

In relation to the performance fees that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager

In terms of the performance fees payable to the Investment Manager, a performance fee is payable where the investment performance of the Fund exceeds the Bloomberg AusBond Composite 0+ Yr Index plus management costs of 0.30% p.a. (Benchmark), provided that the high water mark is also exceeded.

The performance fees are 20.5% of this excess, calculated daily and paid semi-annually in arrears from the Fund and calculated using the beginning NAV over the relevant period.

Please note that the performance fee disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The

Responsible Entity, Investment Manager and Portfolio Manager cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Information on current performance fees will be updated from time to time and available at www.eqt.com.au/insto.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, and the costs of over-the-counter derivatives that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is nil upon entry and 0.025% upon exit. The dollar value of these costs based on an application or a withdrawal of \$1,000 is \$0 (application) and \$0.25 (withdrawal) for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.coolabahcapital.com will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.02% p.a. of the NAV of the Fund, which is based on a reasonable estimate of relevant transaction costs. 0.025% is recovered through the Sell Spread to produce net transaction costs of 0.02% p.a. of the NAV of the Fund.

In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

However, actual transaction costs for future years may differ.

Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the Securities Exchange. Investors should consult their stockbroker for more information in relation to their fees and charges

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 4% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on 1300 901 711 for further information.

Taxation

Please refer to Section 13 of the Product Disclosure Statement for further information on taxation.

Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Coolabah Active Composite Bond Fund (Hedge 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
Plus Management fees and costs	0.30% p.a.	And, for every \$50,000 you have in the Coolabah Active Composite Bond Fund (Hedge Fund) you will be charged or have deducted from your investment \$150 each year

EXAMPLE – Coolabah Active Composite Bond Fund (Hedge Fund)

Plus Performance fees	0.27% p.a.	And , you will be charged or have deducted from your investment \$135 in performance fees each year
Plus Transaction costs	0.02% p.a.	And , you will be charged or have deducted from your investment \$10 in transaction costs
Equals Cost of Coolabah Active Composite Bond Fund (Hedge 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: \$295* What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for the Fund, over the previous five financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

12. About the Securities Exchange and CHESS

Chi-X Operating Rules Framework

An application has been made to Chi-X (“Securities Exchange Operator” or “Chi-X”) for the Units in the Fund to be admitted for trading status on the market (“Securities Exchange”) operated by Chi-X under the Chi-X Operating Rules (“Securities Exchange Rules”). The Securities Exchange Rules are accessible at www.chi-x.com.au.

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

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

Requirement	ASX Listing Rules	Securities Exchange Rules
Control	<p>An issuer controls the value of its own securities and the business it runs.</p> <p>The value of those securities is directly influenced by the equity issuer’s performance and conduct. e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>An issuer of a product quoted on the Chi-X platform does not control the value of the assets underlying its product. It offers a product that gives investors exposure to underlying assets – such as shares, bonds, indices, currencies or commodities.</p> <p>The value (price) of products quoted under the Securities Exchange Rules is dependent on the performance of the underlying assets rather than the financial performance of the issuer itself e.g. a managed fund issuer does not control the value of the shares it invests in.</p>
Continuous disclosure	<p>Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of products quoted under the Securities Exchange Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>As an overarching requirement, Rule 14.28 requires the Responsible Entity must disclose to the Securities Exchange Operator information required to be disclosed under the Corporations Act. In this regard, this means that the Responsible Entity must comply with section 675 of the Corporations Act and disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended).</p> <p>The Responsible Entity will publish such information on the Chi-X announcements platform and its website at www.eqt.com.au/insto at the same time as it is disclosed to ASIC.</p> <p>Under Rule 14.29, the Responsible Entity must disclose:</p> <ul style="list-style-type: none"> • information about the NAV of the Fund’s underlying investments daily; • the Fund’s NAV whenever the issuer’s management activities cause the Fund’s NAV to move by more than 10% since the last reported NAV; • information about withdrawals from the Fund; • information about distributions paid in relation to the Fund;

		<ul style="list-style-type: none"> • any other information that is required to be disclosed to ASIC under s675, 1017B or s323DA of the Corporations Act must be disclosed to Chi-X via the Chi-X market announcement platform at the same time it is disclosed to ASIC; • any information the non-disclosure of which may establish a false market in the Units or otherwise impact on the price for the Units; and Immediately disclose the NAV whenever the activities of the Investment Manager or Portfolio Manager cause the NAV to move by more than 10% since the last reported NAV.
<p>Periodic disclosure</p>	<p>Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.</p>	<p>Under the Securities Exchange Rules, issuers are not required to disclose their half yearly and annual financial information or annual reports.</p> <p>Responsible entities of products quoted on Chi-X that are registered managed investment schemes are, however, still required to lodge financial reports for those managed investment schemes with Chi-X at the same time as they are provided to ASIC and investors. As at the date of this PDS, Equity Trustees as an issuer of a product quoted on Chi-X is required to disclose:</p> <ul style="list-style-type: none"> • within 5 Business Days of the end of each month, the total number of individual Units on issue on the last Business Day of that month; and • in the case where the Fund's aggregate notional exposure to all OTC derivatives is greater than 5% of the Fund's NAV, within 5 Business Days of the end of each month, the exposure of the Fund to all OTC derivative counterparties as a percentage of the NAV of the Fund and the value of the assets (excluding the value of OTC derivatives, but inclusive of collateral) held by the Fund as a percentage of the NAV of the Fund.
<p>Corporate control</p>	<p>Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.</p>	<p>Certain requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the Securities Exchange Rules.</p> <p>Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity by extraordinary resolution by the members entitled to vote.</p>

Related Party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to products quoted under the Securities Exchange Rules. The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the Securities Exchange Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Fund under section 601HG of the Corporations Act.

About CHESS

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

13. Taxation

Tax implications

This information is a general guide only for Australian resident investors who hold their investment on capital account for income tax purposes and is based on our interpretation of the Australian taxation laws and Australian Taxation Office (ATO) administrative practices as at the date of the publication of this PDS.

Tax can be complex and this guide is not intended to be a complete statement of all relevant tax laws. Investing through a trust can also mean different things for you from a tax perspective. It is important that you seek timely professional tax advice concerning the particular tax implications before making investment decisions.

Distributions

The Fund usually distributes income annually effective at the end of June each year, however distribution frequency can be changed by the RE without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date. The Fund's policy is to distribute all cash income of the Fund unless we consider it in the best interests of investors as a whole to do otherwise.

The Australian Government has enacted a regime for the taxation of managed investment trusts (MITs), referred to as the Attribution Managed Investment Trust (AMIT) rules which may impact how the Fund's tax calculations are prepared (refer below). Where the Fund is a MIT it will make/rely on an election to apply deemed capital account treatment for gains and losses on disposal of eligible investments (including equities and units in trust).

Attribution Managed Investment Trusts (AMITs)

Where the Fund is subject to the new AMIT tax regime:

- The taxable income of the Fund is attributed to you by the Responsible Entity (RE) on a fair and reasonable basis and in accordance with the Fund's constitution. You have rights in limited circumstances to object to any such decision however, we expect that for the most part, all investors of each class will be treated the same.
- Subsequent to its annual distribution, the Fund may discover that it under or over distributed its determined trust components (e.g. where actual amounts differ to the estimates of income used in the distribution calculation). If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be entitled to a decrease in the tax cost base of their Units. Estimates of these net cost base increase or decrease amounts will also be provided to investors through the AMIT Member Annual Statement ("AMMA Statement").
- Unders and overs of trust components will generally be carried forward and included as an adjustment in the calculation of distributions in the year of discovery.

Non – Attribution Managed Investment Trusts (non-AMIT)

Where the Fund does not qualify or elect to be an AMIT, it will be subject to ordinary trust taxation provisions in the tax legislation.

Investors in the Fund will be made 'presently entitled' to and distributed all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

Taxation of Australian resident investors

Australian resident investors will be required each year to include in their own tax calculations and tax return filings the assessable income, exempt income, non-assessable income and tax offsets allocated to them by the Fund.

The Australian tax law may impact the time that income is brought to account as assessable and included in an investor's taxable income. Broadly, the Taxation of Financial Arrangements (TOFA) rules may affect the time at which gains and losses from financial arrangements held by the Fund are recognised for income tax purposes, including whether the gains and losses are recognised on an accruals or realisation basis. Certain foreign income may also be recognised on an accruals basis.

You may be entitled to tax offsets (such as franking credits attached to dividend income and credits for tax paid on foreign income) which may reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains. The ability to utilise these tax offsets and concessional rates of tax may be subject to certain requirements being satisfied.

Withdrawals

Australian investors may be liable for tax on any gains realised on the disposal of Units when they make a withdrawal from the Fund or when ownership of their Units' changes. In calculating any capital gain or capital loss under the CGT provisions, any taxable capital gain arising on disposal of your Units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their Units if the Units are held of a period of more than 12 months, and certain other requirements are satisfied. You should always obtain professional tax advice about the availability of the CGT discount provisions.

Offshore tax rules

The Australian tax treatment of offshore investments is complex. The type of offshore investment held by the Fund may impact the nature of the income and gains derived, as well as the timing of when these amounts are recognised. For example, gains in respect of certain offshore investments may be treated as deemed dividends for Australian tax purposes and capital account treatment not available.

Under Australia's offshore tax rules, the ATO also expects that tax be paid by Australian investors on some gains made on an accruals basis even though those gains realised offshore are not yet received by investors in Australia. This can mean there could be a cash flow issue for investors where there is a liability with no matching payment to fund the liability. If Fund distributions are insufficient, you will need to independently fund any such tax liability.

The Fund's offshore investments may also be subject to foreign income and withholding taxes. Investors may be eligible for tax offsets in respect of these foreign taxes where certain requirements are satisfied.

Foreign investors

If you are a non-resident of Australia for tax purposes, the Responsible Entity may be required to withhold tax from taxable income distributions allocated to you.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard'

which is designed to be a global standard for collection and reporting of tax information. Generally, we report this to the ATO, who then shares this with relevant foreign authorities.

TFNs and ABNs

You do not have to disclose your tax file number (TFN) or any Australian Business Number (ABN) you may have, but most investors do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

What else should you know?

We will send you information after the end of each financial year (June) to help you to complete your tax return, including details of taxable income allocated to you for the year and any net cost base adjustment amount by which the cost base of your Units in the Fund should be increased or decreased.

At the time of your initial or additional investment in the Fund there may be accrued income or unrealised capital gains included in the unit price which, if later realised, may be included in the taxable income of the Fund allocated to you. There may also be realised but undistributed income or capital gains in the Fund which may be included in the taxable income allocated to you. Sometimes when we are administering the Fund we learn new things about past tax matters and need to

make adjustments. Where these matters cannot be treated as under and over distributions, it is possible that we will ask you to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

Indirect investors

Tax outcomes can be different for indirect investors. We strongly encourage you to seek timely professional advice before making investment decisions.

Tax reform

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

New Zealand resident taxation

If you are a New Zealand resident wishing to invest in Australia, we strongly recommend that you seek independent professional tax advice. New Zealand resident investors will be taxed on their units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sourced income or gains.

14. Other important information

Cooling off period

Investors do not have cooling-off rights in respect of Units in the Fund (regardless of whether they were purchased on the Securities Exchange or applied for directly with the Responsible Entity), however a complaints handling process has been established.

ASIC relief

The Responsible Entity relies on ASIC Class Order 13/721 which exempts it from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund was an unlisted disclosing entity.

Securities Exchange conditions of admission

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

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

Consent

The Investment Manager, Portfolio Manager, Administrator and the Custodian have both given and, as at the date of this PDS, have not withdrawn:

- written consent to be named in this PDS as the Investment Manager, Portfolio Manager, Administrator and Custodian respectively of the Fund; and
- written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Investment Manager and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to Equity Trustees for inclusion in this PDS.

Constitution of the Fund

You will be issued Units in the Fund when you invest. Subject to the rights, obligations and restrictions of a class, each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease processing withdrawals, such as if the Fund becomes 'illiquid';
- the nature of the Units - identical rights attach to all Units within a class; and
- an investor's rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise, the Constitution can only be amended if approved at a meeting of investors. To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights;
- when we can retire as the Responsible Entity of the Fund - which is as permitted by law;
- when we can be removed as the Responsible Entity of the Fund - which is when required by law; and
- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets.

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss (provided we act in good faith and without negligence); and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees' responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and

- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests as well as other significant breaches required by law. Copies of the Constitution are available, free of charge, on request from Equity Trustees.

A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the aggregate of the Withdrawal Price for each of the Units they hold in the Fund.

Our legal relationship with you

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors. Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investors rights. Otherwise the Constitution may be amended by way of a special resolution of investors. To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights. A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

Compliance plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Unit pricing discretions policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire Units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect

Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the

IDPS Guide or other disclosure document issued by the IDPS Operator.

Indemnity

Equity Trustees, as the Responsible Entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, Equity Trustees may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA regime.

Under FATCA, Australian financial institutions are required to collect and review their information to identify account holders that are U.S. residents and U.S. controlling persons that invest indirectly through certain passive entities. The information of such account holders is reported to the ATO. The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard (“CRS”)

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) (“Privacy Act”) regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and

Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees’ Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees’ Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees’ Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

15. Glossary of important terms

Administrator

Mainstream Fund Services Pty Limited will provide administrative and Unit registry services.

Administration Agreement

The administration agreement in respect of the Fund between the Responsible Entity and the Administrator.

AFSL

Australian Financial Services License.

Application Form

The application form attached to the PDS.

Application Price

The price at which Units are acquired.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

ASX

Australian Securities Exchange.

ASX Listing Rules

The listing rules of the ASX from time to time.

ASX Operating Rules

The operating rules of the ASX from time to time.

Benchmark

Bloomberg AusBond Composite 0+ Yr Index (BACM0) plus management costs.

Business Day

A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney.

Buy/Sell Spread

The difference between the application price and withdrawal price of Units in the portfolio, which reflects the estimated transaction costs associated with buying or selling the assets of the portfolio, when investors invest in or withdraw from the portfolio.

CCI

Coolabah Capital Investments Pty Ltd.

CCII

Coolabah Capital Institutional Investments Pty Ltd, the portfolio Manager.

CCIR

Coolabah Capital Investments (Retail) Pty Limited, the Investment Manager.

CHESS

Clearing House Electronic Sub-register System, the Australian settlement system for equities and other issued products traded on the ASX or other exchanges (such as Chi-X). CHESS is owned by the ASX.

Chi-X

Chi-X Australia Pty Ltd.

Chi-X Operating Rules

The operating rules of the Chi-X from time to time.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time.

Corporations Act

The Corporations Act 2001 and the Corporations Regulations 2001 (Cth), as amended from time to time.

Custodian

Mainstream Fund Services Pty Limited will provide custody services to the Fund.

Custodian Agreement

The custody agreement in respect of the assets of the Fund between the Custodian and the Responsible Entity.

GST

Goods and Services Tax.

HIN

Holder Identification Number.

IDPS

Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers. In New Zealand, the IDPS needs to be licensed as a Discretionary Investment Management Service provider.

IDPS Guide

Investor-Directed Portfolio Service Guide.

IDPS Operator

An entity responsible for operating an IDPS.

iNAV

Indicative NAV per Unit.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Net Asset Value (NAV)

The value of the assets of the Fund less the value of the liabilities of that Fund.

NAV per Unit

The NAV per Unit is calculated by dividing the NAV of the Fund by the number of Units on issue.

OTC

Over the counter.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

RITC

Reduced Input Tax Credit.

Securities Exchange

The market operated by Chi-X Australia Pty Ltd (Chi-X).

Securities Exchange Operator

The market operated by Chi-X Australia Pty Ltd (Chi-X).

Securities Exchange Rules

Refers to either the Chi-X Operating Rules from time to time.

SRN

Securityholder Reference Number.

Trading Day

The day and time during which shares or Units are traded on the Exchange.

Unit or Units

The securities on offer under this PDS.

US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the US, its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the US; or
- (d) a pension plan primarily for US employees of a US Person; or
- (e) a US collective investment vehicle unless not offered to US Persons; or
- (f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

We, us

Refers to Equity Trustees

Wholesale Client

Has the meaning given by sections 761G and 761GA of the Corporations Act.

Withdrawal Price

The price at which Units are withdrawn

You, your

Refers to an investor.