

# Fairview Equity Partners Emerging Companies Fund

## Product Disclosure Statement

ARSN: 133 197 501 APIR code: ANT0002AU ASX mFund code: FEP01

Dated: 1 October 2021



## Contents

1.	About Antares Capital Partners Ltd	1
2.	How the Fairview Equity Partners Emerging Companies Fund works	2
3.	Benefits of investing in the Fairview Equity Partners Emerging Companies Fund	3
4.	Risks of managed investment schemes	3
5.	How we invest your money	4
6.	Fees and costs	5
7.	How managed investment schemes are taxed	7
8.	How to apply	8
9.	Other information	8

## 1. About Antares Capital Partners Ltd

### Antares Capital Partners Ltd

Antares Capital Partners Ltd (ACP) is the Responsible Entity of the Fund and the issuer of this PDS and any units offered under it.

As the Responsible Entity, ACP is responsible for all aspects of operating the Fund including administration of the assets and overall investment policy.

National Australia Bank Limited provides unit registry services to the Fund via its agreement with OneVue Fund Services Pty Ltd (Registry Services).

ACP is part of the IOOF Group. ACP may also be referred to as 'us', 'we' or 'our' throughout this PDS.

### Fairview Equity Partners Pty Ltd

ACP has appointed Fairview Equity Partners Pty Ltd (Fairview), a specialist Australian small company equities manager, as investment manager of the Fund.

Michael Glenane was one of the founders of Fairview in October 2008. Leo Barry joined the Fairview team in early 2015. Tim Hall joined in January 2017. Fairview collectively has in excess of 69 years of investment experience, encompassing funds management and investment research.

Fairview is majority owned by the three members of the investment team, each with an equal shareholding. The remaining interest is owned by the IOOF Group. This strengthens the alignment of interests of the investment team and their aim to maximise returns for investors.

## Important information

This Product Disclosure Statement (PDS) summarises significant information about the Fairview Equity Partners Emerging Companies Fund (Fund). It also contains a number of references to important information in the Fairview Equity Partners Emerging Companies Fund Product Guide (Product Guide) marked with an **I** symbol. The Product Guide is a separate document which forms part of this PDS. This PDS and the Product Guide contain important information you should consider before making an investment decision in relation to the Fund. The information provided in this PDS is general information only and does not take into account your objectives, personal financial situation or needs. We recommend you obtain financial advice for your own personal circumstances before making any investment decision.

These documents are available from [mlcam.com.au/fepecf](http://mlcam.com.au/fepecf) or you can request a copy free of charge by calling us on **1300 738 355** or by contacting your investor directed portfolio service, IDPS-like scheme, master trust or wrap operator (collectively referred to as an 'IDPS' in this PDS). If you are accessing the Fund through the ASX mFund Settlement Service (mFund), you can also access this PDS at [mFund.com.au](http://mFund.com.au). To invest directly in the Fund you must have received the PDS (electronically or otherwise) within Australia.

The information in these documents is up to date at the time of preparation and may change from time to time. If a change is considered materially adverse, we will issue a replacement PDS. Information that is not materially adverse to investors can be updated by us and will be published on our website [mlcam.com.au/fepecf](http://mlcam.com.au/fepecf). A paper copy of any updates will be provided free of charge upon request. You should check you have the most up to date version before making an investment decision. All amounts in these documents are in Australian dollars unless stated otherwise.

Antares Capital Partners Ltd is part of the IOOF group of companies (comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) (IOOF Group). This document has been prepared on behalf of Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 as Responsible Entity of the Fund. The capital value, payment of income and performance of the Fund are not guaranteed. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. This Fund is no longer a complying investment under the rules applicable to significant investor visa holders in the *Migration Act 1958* (Cth) and the *Migration Regulations 1994* (Cth).

Fairview Equity Partners Pty Ltd has given its written consent to being named and quoted in this PDS, and to the inclusion of statements made by it or said to be based on statements made by it. As at the date of this PDS these consents have not been withdrawn.

## 2. How the Fairview Equity Partners Emerging Companies Fund works

### About the Fund

The Fund invests in an actively managed portfolio of mainly small capitalisation (small cap) equities (primarily shares in companies, but may also include units in trusts) listed on the Australian share market.

Equities listed on the Australian share market can be grouped as small and medium (mid) cap based on factors including the total market value of their listed equity and liquidity.

Small cap equities are those that comprise the S&P/ASX Small Ordinaries Index. Mid cap equities are those that are members of the S&P/ASX 100 Index but are not members of the S&P/ASX 50 Index.

Where we refer to companies or shares in this PDS, it includes trusts and units.

The Fund operates like most other managed investment schemes. Your money is pooled together with other investors' money to buy investments which are managed on behalf of all investors.

When you invest in a managed investment scheme, such as the Fund, you gain exposure to investments that you may not ordinarily have access to, if you invest on your own.

The Fund is governed by its constitution (Constitution) and is registered with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for this PDS or the operation of the Fund by ACP.

### Units and unit prices

The Fund is a 'unit trust'. When you invest in the Fund you acquire an 'interest' in the form of units in the Fund, rather than ownership of the underlying assets of the Fund. When your money is paid into the Fund, units are issued to you and when money is paid out, your units are cancelled.

The value of your investment is reflected in the price of the units. The unit price changes every business day, reflecting the performance (rises and falls in value) of the underlying assets due to market movements, as well as income earned, fees, expenses and taxes paid and payable.

We usually calculate the unit price for the Fund as at the end of each business day.

All references to 'business day' in this PDS and the Product Guide mean days other than a Saturday or a Sunday, or a public or bank holiday in Sydney.

### About mFund

The Fund is available through mFund, a managed fund settlement service operated by the Australian Securities Exchange (ASX). mFund uses the ASX electronic settlement system to automate and track the process of applying for and withdrawing units in managed funds. It allows you to apply for or withdraw units in the Fund via an accredited mFund broker (broker), or your financial adviser who uses a stockbroking service on

your behalf.

Your holding of mFund units is linked to your Holder Identification Number (HIN). Your HIN is used for all investments and transactions made through the ASX.

mFund does not provide a market for trading units in the Fund. Units settled through mFund are issued and redeemed by us.

**Please note that we will not accept any instructions directly from you if your investment in the Fund is held through mFund.**

If you invest in the Fund through mFund, the processes of the ASX and the broker you use will impact the time your application and withdrawal requests are received by us. Please contact your broker or financial adviser for their cut-off times as they may be different from those outlined in this PDS.

There are also some risks associated with the ASX's systems and brokers. For example, the ASX's systems could fail, there could be errors or irregularities, or your broker could cease offering the settlement service. In addition, the ASX may suspend or revoke the admission of the Fund to mFund.

You should contact your financial adviser or broker for further information.

### Investing directly

To invest in the Fund you will need to complete an Initial Application Form, or you can apply for units in the Fund through mFund. The Initial Application Form is available at [mlcam.com.au](http://mlcam.com.au) or on request from Client Services on **1300 738 355**. Please see section 8 'How to apply' for more information.

Once you've opened your account, you can make additional investments by sending a completed Additional Investment Form by post or emailing a scanned copy to Registry Services. Application payments can be made via direct deposit. If your investment is held through mFund you must make additional investments through mFund.

The following minimum investment amounts and balance apply:

- minimum initial investment and minimum balance: \$20,000, and
- minimum additional investment: \$1,000.

If accepted, application requests received by the Fund before 3:00 pm (Sydney time) on any business day will normally receive that day's unit price. Application requests received after 3:00 pm will normally receive the next business day's unit price.

If you invest directly into the Fund then you hold units in the Fund and have the rights of a unitholder, as set out in the Constitution. This applies whether your investment is made using the Initial Application Form, the Additional Investment Form, or through mFund.

### Accessing your money

You can request a partial or a full withdrawal at any time by sending a completed Withdrawal Form by post or emailing a

scanned copy to Registry Services. The Withdrawal Form is available at [mlcam.com.au](http://mlcam.com.au) or on request from Client Services on **1300 738 355**. If your investment is held through mFund you can only request a withdrawal of your investment through mFund.

Once lodged, withdrawal requests may not be cancelled except with our consent. If a withdrawal request results in you holding less than the minimum balance in the Fund, we may treat your withdrawal request as being for the whole of your investment in the Fund.

If accepted, withdrawal requests received by the Fund before 3:00 pm (Sydney time) on any business day will normally receive that day's unit price. Requests received after 3:00 pm will normally receive the next business day's unit price.

Withdrawal payments will generally be made to your nominated Australian bank account within 10 business days.

In certain circumstances, withdrawals may be delayed. These circumstances may include where a large number of assets need to be sold, where we believe that it is not in the best interests of unitholders to sell underlying assets or where we are unable to calculate the withdrawal price or realise sufficient assets due to circumstances outside our control, such as restricted or suspended trading in the market for an asset.

We may also process requests in instalments over a period of time.

In circumstances where withdrawals are delayed or being paid in instalments, the unit prices used for a withdrawal may be those available on the day the withdrawal takes effect, rather than the day the withdrawal request is received.

In the unlikely event that the Fund is no longer liquid (as defined in the *Corporations Act 2001* (Cth)), you may only withdraw your funds in accordance with any withdrawal offer that we make.

### Income distributions

The income of the Fund will generally be calculated effective 30 June each year. To receive a distribution, you must hold units on the distribution calculation date.

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We generally aim to pay income distributions within 10 business days.

There may be periods in which no distributions are made or the Fund may make additional distributions.

Our current practice is to generally distribute all of the net taxable income of the Fund to investors each financial year (including net capital gains and any net gains on currency management). As the Fund is an Attribution Managed Investment Trust (AMIT), we have the discretion to accumulate income (instead of distributing all of the income) and if we do so, the accumulated income will be reflected in the unit price. We intend to continue our current practice to distribute all of the income (including any capital gains) for each year. We will notify you if this changes.

You can request to have income distributions:

- reinvested into the Fund, or
- paid into your nominated Australian bank account.

If you do not make a selection we will reinvest the distribution into the Fund.

You can change your distribution selection at any time by sending a completed Change of Details Form by post or emailing a scanned copy to Registry Services at least five business days prior to the end of a distribution period. The Change of Details Form is available at [mlcam.com.au](http://mlcam.com.au) or on request from Client Services on 1300 738 355. If you are investing through mFund, please contact your ASX broker or your financial adviser who uses a stockbroking service on your behalf.

### Investing via an IDPS

If you invest in the Fund through an IDPS, then you do not hold units in the Fund and you have none of the rights of a unitholder.

Instead the IDPS holds units on your behalf, acquires unitholder rights and may exercise these rights as it sees fit without reference to you.

We authorise the use of this PDS as disclosure to persons who wish to access the Fund through an IDPS. This PDS must be read together with offer documents provided by the IDPS operator and you can apply to invest or perform other transactions by completing the relevant forms provided by the IDPS operator.

Investing through an IDPS may result in different conditions applying from those referred to in this PDS including:

- minimum balance requirements
- fees and other costs
- cooling-off rights
- how to transact on your investment
- timing of processing of transactions and payment of distributions and withdrawals, and
- provision of statements and other information.

You should contact your financial adviser or IDPS operator for further information.

**!** You should read the important information about **How the Fund works** before making a decision. Go to the Product Guide available at [mlcam.com.au/fepectf\\_pg](http://mlcam.com.au/fepectf_pg)

The material relating to **How the Fund works** may change between the time when you read this statement and the day when you acquire the product.

## 3. Benefits of investing in the Fairview Equity Partners Emerging Companies Fund

### Access to small company opportunities

The Fund typically invests in 50-65 equities listed on the Australian share market. While Fairview focuses on small cap equities, it may invest up to 20% of the Fund in mid cap equities.

The Fund offers investors access to investment opportunities, markets and diversity that individual investors usually can't achieve on their own.

### Fairview's investment expertise

Fairview's investment team has successfully managed small cap equity funds for many years.

Through its core, active investment approach to stock selection (outlined in section 5), Fairview aims to generate long-term growth from the Fund's portfolio of mainly small cap equities.

### Mispricing opportunities may lead to better return outcomes

Small cap equities are more likely to be mispriced by the market, as they are generally less researched by analysts and brokers.

Fairview's investment approach seeks to identify mispricing opportunities to achieve better return outcomes than the S&P/ASX Small Ordinaries Total Return Index (Benchmark), after fees, over rolling five year periods.

## 4. Risks of managed investment schemes

### Investment risk

All investments come with some risk. Some investments will have more risk than others, as it depends on the investment's strategy and assets.

The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts than investments with lower levels of risk, ie it's more volatile.

While it may seem confronting, investment risk is a normal part of investing. Without it you may not get the returns you need to reach your investment goals. This is known as the risk/return trade-off.

The level of risk you're prepared to accept will be determined by various factors, including:

- your investment goals
- the savings you'll need to reach these goals
- your age and how many years you have to invest
- where your other assets are invested
- the return you may expect from your investments, and
- how comfortable you are with investment risk.

While Fairview rigorously applies a disciplined, research-driven investment approach, it's important for you to carefully consider the risks of investing in the Fund and to understand that:

- its value and returns will vary over time
- investments with higher long-term return potential usually have higher levels of short-term risk
- returns aren't guaranteed and you may lose money
- future returns will differ from past returns, and
- laws affecting your investment may change in future.

### Significant risks

Many factors influence an investment's value. The significant risks of investing in the Fund are typical of the risks of managed investment schemes whose investment strategy is to invest in a portfolio of small companies listed on the Australian share market.

These risks include:

- **Market risk:** risks that affect entire share markets including investor sentiment, economic impacts, inflation rates, regulatory conditions, interest rates, and political and catastrophic events.
- **Company specific risk:** a company's share price is affected by events within and outside the company. These events include:
  - changes to management
  - profit and loss announcements
  - the expectations of investors regarding the company
  - competitive pressures
  - legal action against the company
  - social and government issues
  - climate change, and
  - environmental issues.
- **Small company risk:** shares in small and medium (mid) capitalisation companies trade less frequently and in lower volumes and therefore generally experience greater price volatility than large cap companies. They may also underperform large cap companies for many years.
  - Compared with larger cap companies, small cap companies may also have:
    - limited public information due to shorter operating histories
    - smaller markets for their products
    - new to market product concepts
    - fewer product lines
    - heavier dependence on key personnel, and
    - less financial resources.
- **Changes in the value of the Australian dollar:** investments in Australian assets may be exposed to changes in the exchange rate if their earnings are derived outside Australia eg Australian companies that export or import goods and services.

- **Liquidity risk:** this is the risk that an investment may not be able to be sold without incurring large transactional costs or quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests.
- **Fund risk:** risks specific to the Fund include the risk that the Fund could close to new


investments or return capital due to the amount of money managed in the strategy or terminate to protect unitholder interest. There is also a risk that the fees and costs of the Fund could change. Investing in the Fund may also give different results than investing directly because of the impact of fees, income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors.

- **Investment manager performance risk:** investment managers have different approaches to managing portfolios, which invariably results in different investment returns. No single investment approach is guaranteed to outperform all others in all market conditions. Changes to investment markets and within an investment manager's firm may also affect an investment manager's performance.

## 5. How we invest your money

The following table provides an overview of the Fund's investment return objective and investment approach.

You should consider the likely investment return and risk of the Fund and your investment time frame when deciding whether to invest into the Fund.

Fairview Equity Partners Emerging Companies Fund	
Fund description	The Fund invests in an actively managed portfolio of mainly small cap equities listed, or expected to be listed, on the Australian share market.
Investment return objective	The Fund aims to earn a return (after fees) which exceeds the Benchmark over rolling five year periods.
Benchmark	S&P/ASX Small Ordinaries Total Return Index
Investment approach	<p>Fairview's investment philosophy is based on the belief that opportunities for identifying mispriced equities are greatest within the small cap segment of the market. This is primarily because many small cap companies tend to be under-researched and therefore have the potential to offer investors significant upside.</p> <p>Fairview implements this philosophy through a disciplined, multi-faceted strategy of stock selection. This collaborative approach is research-driven, combining high levels of company contact, detailed analysis, a robust peer review process and appropriate risk controls.</p> <p>Fairview's investment process is as follows:</p>  <ol style="list-style-type: none"> <li><b>1. Initial stock screens and filters</b> <ul style="list-style-type: none"> <li>• Initial investment universe comprises more than 1,500 equities.</li> <li>• Detailed quantitative and qualitative filters are applied to narrow the investible universe, including an assessment of a company's management, business quality, cashflow and balance sheet strength.</li> </ul> </li> <li><b>2. Research and modelling</b> <ul style="list-style-type: none"> <li>• An investment process that revolves around an intensive program of company visits, industry assessment and detailed financial modelling.</li> </ul> </li> <li><b>3. Investment conviction</b> <ul style="list-style-type: none"> <li>• Potential investments are then subjected to a further layer of review through which Fairview tests the strength of a company's investment case.</li> </ul> </li> <li><b>4. Peer review</b> <ul style="list-style-type: none"> <li>• The peer review process seeks to fully utilise the extensive experience of the investment team.</li> <li>• Ongoing peer review ensures that the investment case for existing portfolio positions remains valid and any behavioural biases of investment team members are kept in balance.</li> </ul> </li> <li><b>5. Portfolio construction and risk control</b> <ul style="list-style-type: none"> <li>• Risk controls are in place to ensure the Fund is adequately diversified, with sector and style biases controlled.</li> <li>• The Fund is diversified by selecting the highest conviction stocks from groupings of companies based on investment styles, industry sectors and risk/return profiles.</li> <li>• Maximum active position size is 5% of the Fund and the typical number of equities is approximately 50 - 65. This ensures adequate diversity and a broad number of equities contributing to performance. The Fund may also invest in equities that Fairview expects to be included in the Benchmark.</li> </ul> </li> </ol>
Indicative asset allocation ranges	Australian equities: 90% - 100% Cash and cash equivalents: 0 - 10%
Minimum suggested timeframe	5 years or more

Risk level (expected volatility)	<p><b>Very high:</b> While the Fund offers investors the potential for higher returns over the long term compared to funds investing in other types of assets such as fixed income or cash, the high level of volatility in the Fund means the likelihood of the value of your investments going down over the short term is relatively very high.</p> <p>See section 4 'Risks of managed investment schemes' for further information.</p>
The Fund may be suited to you if you:	<ul style="list-style-type: none"> <li>• believe in the greater long-term wealth creation potential of equities</li> <li>• want to invest in an actively managed portfolio of Australian small cap companies listed on the Australian share market that is managed by a specialist investment manager</li> <li>• want to diversify your Australian equity portfolio to include access to a range of small and emerging companies that show strong long-term growth potential, and</li> <li>• can tolerate fluctuations of income and the risk of capital loss.</li> </ul>
Responsible investing	<p>Environmental, social, governance (ESG), and ethical factors impact the sustainability of companies and governments and therefore influence the returns from investing. Incorporating ESG and ethical considerations into investment decisions is known as responsible investing.</p> <p>Examples of ESG and ethical factors are:</p> <ul style="list-style-type: none"> <li>• Environmental – climate change, waste and pollution, resource depletion.</li> <li>• Social and labour standards – working conditions, employee relations and diversity, health and safety.</li> <li>• Governance – executive pay, bribery and corruption, tax strategy.</li> <li>• Ethical considerations – other factors that could be detrimental to the broader community.</li> </ul> <p>We don't, as Responsible Entity, take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments.</p> <p>The Responsible Entity has delegated investment management decisions for the Fund to Fairview. Fairview takes into account labour standards, environmental, social and ethical considerations when making decisions to buy, retain or sell investments of the Fund. Fairview has an ESG framework which has two vital components: Engage and Enact. Engage includes commitment from all Fairview executives to engage with portfolio company management in determining those companies' commitment to ESG principles. Enact includes constructing the investment theses on each candidate company where it will be assessed on Fairview's ESG principles and scored. These individual ESG scores will be aggregated and compared to the remainder of the portfolio. Following regular review of the Fund's investments, the bottom cohort of companies will have their target weights reduced while the best adherents to the pursuit of ESG excellence will be rewarded with an increased portfolio weight. Companies that deal in armaments, illicit drugs or pornography are always excluded from the portfolio. The Fund isn't promoted as a socially responsible or ethical investment as Fairview doesn't buy, sell or retain investments based on a predetermined view of ESG or ethical factors.</p> <p>We don't intend for the Fund to invest in tobacco manufacturing companies. There may, from time to time, be a small level of unintended tobacco-related exposure.</p>

## Changes to the Fund

We may make changes to the Fund (and the information in this PDS) at our discretion, including but not limited to, terminating the Fund or changing the investment manager when we deem it to be in unitholders' best interests. Some changes may be made without prior notice, including but not limited to, closing the Fund to new applications and changes to the investment strategy, asset allocation and service providers.

Where possible, we will give you prior written notice of any materially adverse change.

Changes that are not materially adverse may be made available on the website [mlcam.com.au/fepecf](http://mlcam.com.au/fepecf). You should check the website for the latest information or you can obtain a paper copy of any updated information free of charge by calling Client Services on **1300 738 355**. mFund investors may also refer to the website [mFund.com.au](http://mFund.com.au)

If you invest via an IDPS and you would like to receive notices of any changes to the Fund or PDS you should request this from your IDPS operator.

## 6. Fees and costs

### DID YOU KNOW?

**Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.**

**For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).**

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

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

### TO FIND OUT MORE

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

The ASIC managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

The fees and costs outlined in this PDS are for the Fund only.

You should read all of the information about fees and costs because it is important to understand their impact on your investment in the Fund.

If you are investing in the Fund via an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and your financial adviser. If investing through mFund, additional fees may also be payable directly to your broker, or your financial adviser who uses a stockbroking service on your behalf. You should consider the Financial Services Guide provided by your broker (or adviser).

This section shows the fees and other costs that you may be charged in relation to the Fund. 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.

The information in this table can be used to compare fees and costs between different simple managed investment schemes. Taxes are set out under the 'How managed investment schemes are taxed' section of this PDS.

All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the managed investment product.</b>	
<b>Establishment fee</b> The fee to open your investment.	Nil
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil
<b>Exit fee</b> The fee to close your investment.	Nil
<b>Management costs<sup>1,2</sup></b>	
The fees and costs for managing your investment.	
<b>Management fee<sup>3</sup></b>	1.20% pa of the Fund's net asset value.
<b>Estimated performance fee<sup>4</sup></b> This is the fee charged if the Fund's return exceeds the Benchmark.	0.54% pa of the Fund's net asset value. The performance fee is calculated as 20.5% of the Fund's quarterly return (after deducting the management fee) in excess of the Benchmark's quarterly return after recouping any prior periods' underperformance in dollar terms multiplied by the Fund's average net asset value over the quarter.

<sup>1</sup> An allowance for transactional costs may apply to investments into and withdrawals from the Fund. Please see 'Transactional costs' in the 'Additional explanation of fees and costs' for further details.

<sup>2</sup> Rounded to two decimal places.

<sup>3</sup> Wholesale clients (as defined in the *Corporations Act 2001* (Cth)) may be able to negotiate this fee by contacting Client Services.

<sup>4</sup> The Benchmark is the S&P/ASX Small Ordinaries Total Return Index. The performance fee estimate is calculated and accrued in the Fund's daily unit price. If applicable, it is paid from the assets of the Fund quarterly in arrears. Where the Fund's return does not exceed the Benchmark's return, no performance fee is accrued. This estimate of the performance fee is based on the average of the actual performance fees charged during the last three financial years ending 30 June 2021. Past performance is not a reliable indicator of future performance and the Fund's actual performance fee will be based on the Fund's performance over the relevant period. Please see 'Additional explanation of fees and costs' for further details about the calculation of the Performance fee.

## Example of annual fees and costs for the Fund

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

<b>EXAMPLE:</b>		<b>Balance of \$50,000 with a contribution of \$5,000 during the year<sup>1</sup></b>
<b>Fairview Equity Partners Emerging Companies Fund</b>		
Contribution fees	0%	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b>		
Management costs <sup>2</sup>		<b>And, for every \$50,000 you have in the Fund you will be charged:</b>
Management fee	1.20%	\$600
Performance fee	1.16%	+ \$580
<b>Total</b>	<b>2.36%</b>	<b>= \$1180 each year.</b>
<b>EQUALS</b>		
Cost of the 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 from: <b>\$1180<sup>2</sup>.</b> <b>What it costs you will depend on the fees you negotiate with the Fund, your IDPS operator or your financial adviser and the performance of the Fund.</b>

<sup>1</sup> This example assumes the \$5,000 additional investment occurs at the end of the year and that value of the Fund does not change for the entire year. Actual fees and costs are based on the value of the Fund which fluctuates daily. This example isn't designed to illustrate any transactional costs that may apply to you, such as a buy/sell spread.

<sup>2</sup> The performance fee is for the performance of the Fund 12 months prior to 30 June 2021. This amount may increase or decrease in the future depending on the performance of the Fund. See 'Performance fee' below for further information.

## Additional explanation of fees and costs

### Management costs

The management costs are fees and costs for investing the Fund's assets.

Management costs are made up of the management fee and the performance fee (if payable) described below and do not include buy/sell spreads or transactional costs.

### Management fee

The Responsible Entity receives a management fee for managing the assets of the Fund and overseeing the day to day operations of the Fund. The Responsible Entity will pay out of its management fee any fees paid to the investment manager, and other costs and expenses incurred in operating the Fund ('operational costs') such as custody costs, registry costs, auditing fees and tax return fees.

We may decide in the future to recover operational costs directly from the Fund in addition to the management fee.

### Performance fee

The Responsible Entity may also be entitled to a performance fee, which will be paid directly to Fairview.

The performance fee is calculated each calendar quarter as 20.5% of the difference between the Fund's quarterly return (after deducting the management fee) and the Benchmark's quarterly return after recouping any prior periods' underperformance in dollar terms multiplied by the Fund's average net asset value over the quarter.

### Prior underperformance must first be offset

A performance fee is only payable once any prior periods' underperformance in dollar terms has been offset. The Fund's performance below the Benchmark is carried over to the next quarter and added to that quarter's (and any subsequent quarter's) performance fee calculation. This ensures that past underperformance is made up before a performance fee is payable.

### Fee not payable when Fund's return is negative

When the Fund's return over a quarter is negative, it is still possible for the Fund to outperform the Benchmark and accrue a performance fee. However, a performance fee will not be paid where the Fund's return over a quarter is negative. Instead, the performance fee will be carried forward as an accrual in the unit price and will be paid to the Responsible Entity when the Fund's return over a quarter is positive.

### Estimated Performance fee

The estimated annual performance fee for the Fund is 0.54% of the Fund's net asset value. This estimate is based on an average of the actual performance fees charged during the last three financial years ending 30 June 2021. Past performance and this estimate are not indicative of future performance, and performance fees payable in the future may

be lower or higher than this estimated amount depending on the Fund's performance.

Any performance fee payable is in addition to the management fee. Please refer to 'Performance fee' in section 2 'Fees and costs' of the Product Guide for more information.

### Transactional costs

Transactional costs are the costs incurred when assets in the Fund or in underlying investments are bought or sold and includes costs such as brokerage, stamp duty and settlement costs. Transactional costs may also be incurred when the market process for trading assets causes the price paid or received to be different from the value of the assets immediately after the transaction, for example, where bid/ask spreads are incurred.

The estimated transactional costs for the financial year to 30 June 2021 were approximately 0.62% of the Fund's net asset value. Of this amount, we estimate that 0.14% was recovered through buy/sell spreads with the remaining 0.48% being an estimate of the amount of transactional costs that reduced the return of the Fund.

These costs are not included in the management costs and are an additional cost to you. No part of the transactional costs are paid to us or any investment managers.

### Buy/sell spreads

You incur the buy/sell spread when you buy or sell units in the Fund.

The buy spread is added to the unit price when you buy units. The sell spread is deducted from the unit price when you sell units. The buy/sell spread is not a fee and no part of the buy/sell spread is paid to us or to any investment managers. The buy/sell spread is retained in the Fund to cover the estimated transaction costs incurred as a result of investor applications and redemptions.

As at the date of this PDS, the buy/sell spreads are:

- Buy spread: 0.30% of each amount you invest into the Fund.
- Sell spread: 0.30% of each amount you withdraw from the Fund.

This means that for every \$5,000 you contribute to the Fund you will incur costs of \$15.00 and for every \$5,000 you withdraw from the Fund you will incur costs of \$15.00.

Buy/sell spreads may change from time to time. Increases (and decreases) may be significant.

The latest buy/sell spreads can be found at [mlcam.com.au/buy-sell-spreads](http://mlcam.com.au/buy-sell-spreads). Investors may not be notified of changes, and should check current buy/sell spreads before making any investment decision.

### Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the Constitution, without your consent.

Under the Constitution for the Fund, we are entitled to charge the following maximum fees:

- **Management fee:** 3% pa of the value of the Fund's Assets (as defined under the Constitution).
- **Performance fee:** 30% of any excess performance in a calendar quarter above the Benchmark multiplied by the Fund's average net asset value over the quarter.
- **Contribution fee:** 5% of the application amount (currently not charged).
- **Withdrawal fee:** 5% of the withdrawal amount (currently not charged).

If you invest directly in the Fund we will give you 30 days' notice of any increase in fees. No prior notice will be given in respect of changes to transactional costs or buy/sell spreads. For updated details go to [mlcam.com.au/fepecf](http://mlcam.com.au/fepecf)

**!** You should read the important information about **Fees and costs** before making a decision. Go to the Product Guide available at [mlcam.com.au/fepecf\\_pg](http://mlcam.com.au/fepecf_pg)

The material relating to **Fees and costs** may change between the time when you read this statement and the day when you acquire the product.

## 7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. Because this PDS and the Product Guide are not tax guides and tax laws are complex and change from time to time, we strongly recommend that you obtain professional tax advice in relation to your own personal circumstances. This applies whether you are an Australian resident or a non-resident for tax purposes.

### Australian taxation information

The general comments below only relate to the tax consequences arising to Australian residents. The Fund itself should not be liable for tax on its net earnings. Managed investment schemes generally do not pay tax on behalf of resident investors. Rather investors should include their proportion of the Fund's taxable income as income in their tax returns. Investors are assessed for tax on any income and capital gains generated by the Fund. Any net losses are retained by the Fund and potentially used to offset future matching gains.

The unit price of units issued before a distribution will include income accumulated in the Fund. The income that has been accumulating will generally be distributed. You may potentially have taxation liabilities on that income. Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the Fund are sold

or redeemed.

**!** You should read the important information about **How managed investment schemes are taxed** before making a decision. Go to the Product Guide available at [mlcam.com.au/fepecf\\_pg](http://mlcam.com.au/fepecf_pg)

The material relating to **How managed investment schemes are taxed** may change between the time when you read this statement and the day when you acquire the product.

## 8. How to apply

### Investing directly

To invest directly, you must complete and sign the Initial Application Form for the Fund and post it to Registry Services with your application money via direct deposit and identification documentation as applicable.

The Initial Application Form is available at [mlcam.com.au](http://mlcam.com.au) or on request from Client Services on 1300 738 355.

You can also invest directly in the Fund through mFund by placing a buy order for units in the Fund through your broker (or financial adviser who uses a stockbroking service on your behalf). You should contact your financial adviser or broker for further information.

### Investing via an IDPS

To invest in the Fund via an IDPS, you will need to contact your IDPS operator and complete the relevant IDPS application form and any other documentation required by the IDPS operator. You will also need to contact your IDPS operator in relation to making additional contributions to your investment.

You should contact your IDPS about any complaint you have. Your IDPS will work with us to assist you in resolving any complaints relating to your investment in the Fund. The remaining information in this section only applies to direct investors in the Fund (including mFund investors). If you invest via an IDPS, and require further information you should contact your IDPS operator.

### Privacy

We are committed to protecting your privacy. We collect your personal information to provide you with services and information related to your investment. If you do not provide the requested personal information we may not be able to provide you with these services. Any personal information we collect about you will be handled in accordance with the IOOF Group Privacy Policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF Group Privacy Policy, please contact Client Services on 1300 738 355 or visit our website at [mlcam.com.au/privacy](http://mlcam.com.au/privacy)

### Cooling-off right

Unless you are a 'wholesale client' (as defined in the *Corporations Act 2001* (Cth)), you have a 'cooling-off right' whereby you can change

your mind about your initial investment in the Fund and ask for your money to be repaid.

The cooling-off right must be exercised by writing to the Responsible Entity. Your written request must be received by Registry Services within 14 days from the earlier of:

- when you receive confirmation of your investment, or
- the end of the fifth business day after the day on which your units were issued to you.

Your cooling-off right terminates immediately if you exercise a right or power under the terms of the Fund, such as withdrawing or transferring part of your investment. Cooling-off rights do not apply to any additional contributions you make to your investment (including those made under any distribution reinvestment election).

Any repayment of your investment under the cooling-off right is subject to an adjustment for market movements (both positive and negative), taxes, buy/sell spreads, and fees and other costs referred to in section 6 of the PDS.

### Anti-Money Laundering, Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

We are required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), the FATCA and the CRS rules.

Under these laws we may need to collect additional information from you or anyone acting on your behalf, and your related parties, as part of the initial application process and post account set up.

If investing via mFund your broker will conduct anti-money laundering and counter-terrorism financing checks and will also ask some basic questions about your foreign tax residency status, including whether you are a US person and other information required for FATCA and CRS. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities.

### Resolving complaints

If you have a complaint, we can usually resolve it quickly over the phone on 1300 738 355. If you'd prefer to put your complaint in writing, you can email us at [client.services@mlcam.com.au](mailto:client.services@mlcam.com.au) or send a letter to **Ground Floor, 105 - 153 Miller Street, North Sydney NSW 2060**. We'll conduct a review and provide you with a response in writing. If you're not satisfied with our resolution or we haven't responded to you in 30 days, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides an independent financial services complaint resolution process that's free to consumers. You can contact AFCA in writing to **GPO Box 3, Melbourne, VIC, 3001**, at their website [afca.org.au](http://afca.org.au), by email at [info@afca.org.au](mailto:info@afca.org.au) or by phone on 1800 931 678 (free call). For more information on our complaints management policy visit [mlcam.com.au/terms-and-conditions](http://mlcam.com.au/terms-and-conditions)

## 9. Other information

The Fund is a disclosing entity (as defined under the *Corporations Act 2001* (Cth)) and is subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. We follow ASIC's good practice guidance and disclose continuous disclosure information on our website at [mlcam.com.au/fepecf](http://mlcam.com.au/fepecf). You can also call us on 1300 738 355 to obtain copies of the following documents free of charge:

- the most recent annual financial report lodged with ASIC for the Fund
- any half-year financial reports for the Fund lodged with ASIC after the lodgement of the above annual financial report but before the date of the PDS, and
- any continuous disclosure notices given by the Fund after the lodgement of the above annual financial report but before the date of the PDS.

**!** You should read the important information about **Email terms and conditions, Investor Online and Adviser Online, Joint investors, Identity verification documents and Keeping you informed** before making a decision. Go to the Product Guide available at [mlcam.com.au/fepecf\\_pg](http://mlcam.com.au/fepecf_pg)

The material relating to **Email terms and conditions, Investor Online and Adviser Online, Joint investors, Identity verification documents and Keeping you informed** may change between the time when you read this statement and the day when you acquire the product.

### Contact details

#### Registry Services

National Australia Bank  
C/- OneVue Fund Services Pty Ltd  
GPO Box 804  
Melbourne VIC 3001 Australia  
Email: [mlc\\_transactions@unitregistry.com.au](mailto:mlc_transactions@unitregistry.com.au)

#### Client Services

Ground Floor  
105-153 Miller Street  
North Sydney 2060 NSW Australia  
Telephone: 1300 738 355  
Email: [client.services@mlcam.com.au](mailto:client.services@mlcam.com.au)

#### Responsible Entity

Antares Capital Partners Ltd  
105-153 Miller Street  
North Sydney NSW 2060 Australia

#### Website

[mlcam.com.au](http://mlcam.com.au)

#### mFund website

[mFund.com.au](http://mFund.com.au)