

Arminius Capital GMMA Fund

ARSN 614 078 812

Product Disclosure Statement

Investment Manager:

Arminius Capital Management Pty Ltd ABN 80 611 519 334

AFS Representative No: 001244100 AFSL No: 461307

Responsible Entity:

Quay Fund Services Limited ABN 84 616 465 671

AFSL No: 494886

APIR: EVO0006AU (platforms)

APIR: EVO0005AU (direct)

Dated: 23 July 2018



| Responsible Entity | Investment Manager | Custodian | Fund Administrator |
|---|--|--|--|
| Quay Fund Services Limited AFSL 494886 | Arminius Capital Management Pty Ltd AFS Representative No: 001244100 AFSL No: 461307 | AET Corporate Trust Pty Limited AFSL 258829 | Apex Fund Services (Australia) Pty Ltd |
| ACN 616 465 671 | ABN 80 611 519 334 | ACN 12 106 424 088 | ACN 149 408 702 |
| Level 8, 56 Pitt Street, Sydney NSW 2000 | Level 6, 10 Eagle Street, Brisbane City QLD 4000 | Level 3, 30 Hickson Road, Millers Point NSW 2000 | Business Operations 459 Little Collins Street, Melbourne VIC 3000 |
| | | | Client Services Telephone: + 61 3 9020 3000 |

CONTENTS

| | |
|---|-----------|
| 1. IMPORTANT INFORMATION | 3 |
| 2. FEATURES AT A GLANCE | 4 |
| 3. FUND OVERVIEW | 6 |
| 4. FUND BENCHMARKS AND DISCLOSURE PRINCIPLES | 7 |
| 5. KEY PARTIES | 10 |
| 6. HOW THE FUND INVESTS | 12 |
| 7. RISKS | 14 |
| 8. FEES AND OTHER COSTS | 17 |
| 9. HOW THE FUND WORKS | 20 |
| 10. ADDITIONAL INVESTOR INFORMATION | 23 |
| 11. TAXATION | 25 |
| 12. PRIVACY, ANTI-MONEY LAUNDERING, FATCA AND CRS REQUIREMENTS | 27 |
| 13. DEFINITIONS | 29 |



SECTION 1: IMPORTANT INFORMATION

1.1 PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (the Product Disclosure Statement) is dated 23 July 2018 and is issued by Quay Fund Services Limited ABN 84 616 465 671, AFSL 494886 ('Responsible Entity', 'us' or 'we'), in its capacity as responsible entity for the Arminius Capital GMMMA Fund ARSN 614 078 812 (the 'Fund'). The Investment Manager for the Fund is Arminius Capital Management Pty Ltd (referred to throughout this PDS as 'Arminius' or the 'Investment Manager'). 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 full.

Investments are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of the Responsible Entity or Arminius or any related company or external service providers referred to in this PDS guarantee the repayment of capital, payment of income or the performance of the Fund. A summary of the risks of investing in the Fund is set out in the section 'Risks' on pages 14-16 of this PDS.

When used in this PDS, the words 'anticipate', 'believe', 'estimate', 'intend', 'seek' and words or phrases of similar import as they relate to the Fund or its investments, are intended to identify forward looking statements. These statements reflect the current risks, uncertainties, and assumptions concerning certain factors including, without limitation, competitive factors, general economic conditions including market conditions, one-time events, government intervention and regulatory changes, overall market liquidity, supply and demand factors, ability to leverage and the associated costs and terms and other factors described in this PDS, particularly in the section entitled 'Risks' on pages 14-16. Based on changing conditions, if any one or more of these risks or uncertainties materialise or if an underlying assumption prove incorrect, actual results may vary materially from those described in this PDS as anticipated, believed, estimated, expected or intended.

A reference to time in this PDS is to Australian Eastern Standard Time (AEST).

1.2 OFFER UNDER THIS PDS

The offer made in this PDS is available to persons receiving this PDS in Australia (electronically or otherwise) No offer or invitation is made by this PDS, directly or indirectly, in any other jurisdiction where the offer or invitation would breach the applicable laws or require the PDS or any other document to be lodged or registered. Information in this PDS is general information and does not take into account an investor's specific needs or circumstances. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. You should consult an Australian financial services licensee or authorised representative to obtain investment advice on the Fund.

This PDS is available in paper form by calling Client Services on +61 3 9020 3000 and as an electronic PDS which may be viewed online at www.quayfund.com.au. Applications for units may only be made on the Application Form attached to or accompanying this PDS or its online copy form as downloaded from www.quayfund.com.au (when an electronic copy of this PDS is printed, all pages of this PDS must be printed). The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the PDS.

There is no active secondary market for the Units and none is expected to develop. Any transfer or withdrawal of a unit may be subject to restrictions. As a result, you must be in a position to bear the economic risk of an investment in the Fund for a significant period of time.

Authorised use of PDS

The Responsible Entity has authorised this PDS for the use of investors who invest directly in the Fund, as well as for investors who invest indirectly through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('IDPS'). The operator of an IDPS is referred to in this PDS as the 'IDPS Operator' and the disclosure document for an IDPS is referred to as the 'IDPS Guide'. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. The Responsible Entity consents to the use of this PDS by IDPS Operators who include the Fund on their investment menus but accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by the Responsible Entity.

1.3 FEES AND EXPENSES ARE GST INCLUSIVE

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.

1.4 FURTHER AND UPDATED INFORMATION FOR INVESTORS

Further information about the Fund or investing in the Fund, including a copy of the Constitution and information which has previously been made generally available to the public or might reasonably influence a decision on whether to invest in the Fund, can be obtained by contacting Client Services on +61 3 9020 3000.

Information concerning the Fund that is not materially adverse to investors, such as investment performance, may change from time to time or be updated by us. A copy of updated information and the most recent monthly report, or the annual report (prepared after each full Financial Year) on how the Responsible Entity meets the ASIC benchmarks and disclosure principles under Regulatory Guide 240 is available free on request by contacting Client Services on +61 3 9020 3000 or can be viewed online at www.quayfund.com.au.



SECTION 2: FEATURES AT A GLANCE

| About the Fund | | Further information - Section |
|--------------------------------------|--|-------------------------------|
| Name | Arminius Capital GMMA Fund, ARSN 614 078 812 | 3, p.6 |
| Type of Investment | Retail unit trust or managed investment scheme registered with ASIC. The Fund is deemed under ASIC guidelines to be a hedge fund for information disclosure purposes and this PDS has been prepared in accordance with these requirements. | 3, p.6 |
| Responsible Entity | Quay Fund Services Limited | 5, p.10 |
| Investment Manager | Arminius Capital Management Pty Ltd | 5, p.10 |
| Custodian | AET Corporate Trust Pty Limited | 5, p.11 |
| Funds Administration | Apex Fund Services (Australia) Pty Ltd | 5, p.11 |
| Fund Description | <ul style="list-style-type: none"> ○ The Fund, via its investment in the Arminius Capital ALPS Fund, invests in a diversified portfolio of global asset classes using a market neutral approach. These asset classes include: ○ Deposits at major Australian banks and other Australian ADI's ○ Short, medium and long term debt (corporate and sovereign bonds, subordinated debt) ○ Domestic and global equities, including ETFs ○ Futures (commodities, equities and interest rates) ○ Options (exchange traded and OTC). | 3, 4 & 6 pp. 6-9 & 12-14 |
| Investment Objectives | <p>Arminius' aim is to provide smooth positive returns with lower volatility and lower risk compared to a concentrated single market/asset class exposure.</p> <p>The Investment Manager seeks to achieve this through using both long and short strategies, which in the view of the Investment Manager are highly probable, with low volatility.</p> <p>As an absolute return Fund, the objective of the Investment Manager is to preserve the capital base across every 3 year rolling period and to generate strong annual total returns.</p> | 3, 4 & 6 pp. 6-9 & 12-14 |
| Investment Strategy | <p>Arminius uses a combination of fundamental, momentum and quantitative inputs. The Fund is managed in a market neutral style, meaning that it is not managed with a bias towards a particular investment style such as growth or value. This means that the Manager can take advantage of market cycles and conditions, irrespective of a particular investment style.</p> <p>The Fund effects this strategy through investment in the Arminius Capital ALPS Fund, which is managed on the same basis.</p> | 3, 5 & 6 pp. 6,10-14 |
| How hedging works in the Fund | <p>The returns for the Fund are sought to be enhanced by the Investment Manager through investment in either long or short positions of each of the asset classes into which the Fund may invest. Derivatives, such as futures, may be used to effect these positions in addition to physical investments.</p> <p>While there is no explicit maximum level of gross leverage that the Fund may be exposed to, as at the date of this PDS, it is anticipated that on average the gross leverage of the Fund will be in accordance with the historical exposure of the Arminius Capital ALPS Fund, which has been approximately 1.18 times of that Fund's Net Asset Value.</p> | 6 pp.12-14 |
| Currency Hedging Policy | It is not the Investment Manager's intention to use Derivatives to hedge the Fund's foreign currency exposure to asset classes denominated in currencies other than Australian dollars, back to Australian dollars. | 6 pp.12-14 |



| | | |
|--|--|----------------------------|
| Investment Timeline | Suggested minimum investment time frame is at least 3 years. Arminius and the Responsible Entity recommends that you consider, with your financial adviser, the suggested investment period for the Fund for your own investment timeframe. You should review this regularly to ensure that the Fund continues to meet your investment needs. | 3,4 & 6 pp. 6-9 & 12-14 |
| Minimum Initial Investment | \$5,000 | 9 pp.20-22 |
| Minimum Additional Investment | \$1,000 or for the regular investment plan, \$250 each month. | 9 pp.20-22 |
| Minimum balance | \$5,000 | 9 p2.20-22 |
| Frequency of unit pricing | Units are priced weekly, so that usually unit applications and withdrawals of units are processed weekly. | 9.1 - 9.4 pp.20,21 |
| Income distributions | Distributions are paid once a year after financial year end as at 30 June. Distributions may be reinvested in further units or paid to an investor's nominated account. Where no nomination is made, distributions will be reinvested. | 9.5 p.22 |
| Withdrawals of units | Withdrawals from the Fund of units will be at the Withdrawal Price. The minimum Withdrawal Amount is \$1,000. | 9.3 p.20 |
| Management Costs ¹ | 1.26% p.a. of the Fund's Gross Asset Value, calculated weekly and paid monthly in arrears. The Fund's current ICR is 2.285% p.a., inclusive of estimated performance fees and other costs and expenses. See section 8 for details. | 8 pp.17-20 |
| Performance Fee | A performance fee of 10.25% p.a. is payable out of the assets of the Arminius Capital ALPS Fund (the fund into which the majority of the Fund's assets will be invested in). The fee will be payable if the Arminius Capital ALPS Fund's net performance exceeds the Fund's absolute return benchmark of 0% p.a. The performance fee is subject to a high water mark and is payable quarterly in arrears. The performance fee will not be paid by the Fund directly, but will be reflected in the Fund's unit price, as the value of the Fund's investment in the Arminius Capital ALPS Fund will be reduced by the amount of any performance fee payable. | 8 pp.17-20 |
| Expense Recoveries | Properly incurred Fund expenses and liabilities may be reimbursed from the Fund. See Section 8, Fees and other costs, for details. | 8 pp.17-20 |
| Transaction costs (buy/sell spread) | 0% of the Unit Value on the issue or withdrawal of units. | 8.2 p.19 |
| Entry or exit fees | Nil | 8 pp.17-20 |
| Risks | See the section on Risks for the mains risks of investing in the Fund. | 7 pp.14-16 |

Notes:

1. Unless otherwise stated, all fees quoted in this Product Disclosure Statement are inclusive of the fees for both the Fund and the Arminius Capital ALPS Fund.



SECTION 3: FUND OVERVIEW

3.1 ARMINIUS CAPITAL GMMA FUND

The Arminius Capital GMMA Fund is a retail managed investment scheme, or unit trust created and governed under its Constitution. In this structure, the investments of all investors in the scheme are pooled together and used to buy investments, which are managed on behalf of all the investors.

The Investment Manager has recommended the name of the Fund to the Responsible Entity as an abbreviation for the long form of the name of the Fund it uses in practice, the Arminius Capital Global Macro Multi Asset Fund.

The Responsible Entity has engaged and entered into service agreements with a number of professional service providers for a range of investment, administration and back office services to the Fund, including custody, administration services and transaction execution. The Responsible Entity with the assistance of Arminius will monitor the performance of the service providers against service standards set out in the service agreements.

The Responsible Entity has day to day control over the operation of the Fund, including appointment and oversight of the Custodian, Fund Administrator and the Investment Manager.

By investing in the Fund, Investors can access securities from the broader market, utilising the knowledge and skill of Arminius. Transaction and other costs incurred by the Fund in buying and selling securities are likely to be reduced due to the Investment Manager's expertise in operating in the global and local markets in which the Fund invests.

Some of the other significant benefits of investing in the Fund are as follows:

- The Investment Manager aims to provide positive returns with lower volatility and lower risk than funds concentrated on a single market/asset class exposure.
- Absolute Returns: The Fund aims to provide positive investment returns across a broad range of market conditions in Australia and globally.
- Allocation to assets that are liquid.
- Risk Management: The Fund has implemented systematic measuring, monitoring and management of investment risk.
- Regular Reporting: The Fund provides regular investment reporting (annual as well as periodic) for your investment.

3.2 INVESTMENT OBJECTIVES

Arminius' investment objectives for the Fund is to provide smooth positive returns with lower volatility and lower risk than a concentrated single market/asset class exposure.

The Fund is managed on an absolute return basis using a combination of fundamental, momentum and quantitative inputs. The investment objective of the Fund is to preserve the capital base across every 3 year rolling period and to generate strong total annual returns.

The Fund takes both long and short positions in all global asset classes in which it invests, with the expected outcome of providing an absolute return at the end of each 3 year period for which units are held. The Fund is managed in a market neutral style, meaning that it is not managed with a bias towards a particular investment style such as growth or value. This means that the Investment Manager can take advantage of market cycles and conditions, irrespective of a particular investment style.

3.3 CHANGES TO THE FUND

We may change the terms and conditions governing the operation of the Fund as set out in this Product Disclosure Statement, or terminate the Fund. The investment strategy of the Fund may be changed. Notice will be given to Investors of any material changes or as required under the Corporations Act.



SECTION 4: FUND BENCHMARKS AND DISCLOSURE PRINCIPLES

4.1 ASIC REGULATORY GUIDE 240

ASIC has published benchmarks and guidelines in its Regulatory Guide 240: Hedge Funds: Improving Disclosure which apply to this PDS. Our compliance with these provisions, and where the information can be found, are set out in the tables below in sections 4.2 and 4.3.

4.2 FUND BENCHMARKS

| Summary of Benchmarks | Description and whether satisfied | For further information |
|---|--|--|
| 1. Valuation of assets: Are valuations of the Fund's non-exchange traded assets provided by an independent administrator or an independent valuation service provider. | Yes. Any OTC or non-exchange traded asset will have verifiable pricing available by means of an independent data provider (e.g. Bloomberg, FactSet) or another independent party valuation service. | See section 9.1 p.20 |
| 2a. Periodic reporting: annual | Yes. Periodic disclosure of certain key information will be provided to Investors at least annually including: <ul style="list-style-type: none"> ○ allocation to each asset type held by the Fund ○ liquidity profile of the Fund's Assets and the maturity profile of the Fund's Liabilities ○ the leverage ratio of the Fund, including leverage embedded in Fund Assets (other than listed equities and bonds) ○ Derivative counterparties engaged ○ annual investment returns and returns since Fund inception; and ○ changes to key service providers and their related party status. | See sections 1.4 & 10.1 pp.3,23 |
| 2b. Periodic reporting: monthly | Yes. The following information is available free on request by contacting Client Services on +61 3 9020 3000 or can be viewed online at www.quayfund.com.au <ul style="list-style-type: none"> ○ current NAV and Withdrawal Price as at the date the NAV ○ any changes to key service providers and their related party status or in the individuals playing a key role in investment decisions for the Fund ○ the Fund's net return after fees, costs and taxes ○ any material change in the Fund's risk profile or strategy. <p>The method of calculating the Fund NAV is contained in section 9.1</p> | See section 1.4, 9.1 & 10.1 pp.3,20 & 23 |



4.3 DISCLOSURE POLICIES

| Disclosure Principles | Summary | For Further Information |
|---|---|---|
| 1. Investment strategy | <p>This describes the Fund's investment strategy, including:</p> <ul style="list-style-type: none"> ○ asset classes, location and currency denomination ○ the role of leverage, Derivatives and short selling ○ how the strategy will produce investment returns ○ any key dependencies or assumptions for the strategy's ability to produce investment returns (e.g. market conditions or interest rates); ○ diversification guidelines or limits ○ specific risks and key aspects of the Fund's risk management strategy ○ if and how the investment strategy can change and what notification would be provided to investors. | See sections 3.1, 3.3 & 6 pp.6,12-14 |
| 2. Investment Manager | <p>Arminius Capital Management Pty Ltd</p> <p>For further information on the terms of the Investment Management Agreement between the Investment Manager and the Responsible Entity (including circumstances where we may terminate the appointment of the Investment Manager) see section 5.</p> | See section 5.1 p.10 |
| 3. Fund structure | <p>The Investment Manager's intention is to invest 100% of the Fund Assets into the Arminius Capital ALPS Fund. All agreements with related parties are on arm's length or better terms.</p> <p>The key service providers to the Fund are:</p> <ul style="list-style-type: none"> ○ the Investment Manager, Arminius Capital Management Pty Ltd; ○ the Custodian, AET Corporate Trust Pty Limited; (AET) and ○ the Fund Administrator, Apex Fund Services (Australia) Pty Ltd. | See sections 3.1, 5.2,5.5 & 9.1 pp.6,10,11 & 20 |
| 4. Valuation, location and custody of assets | <p>Includes how Fund NAV is calculated and what types of assets the Fund invests in, as well as their geographic location. The Fund's Assets are usually valued at their most recent market value, using independent pricing sources where available for the particular Asset type. The Responsible Entity expects all Assets to be held in Australia, notwithstanding that some of the asset of the Arminius Capital ALPS Fund might be foreign assets.</p> <p>The Fund has appointed AET, an independent custodian to hold all Fund assets.</p> | See sections 5.3. 6.1 & 9.1 pp.11,12 & 20 |
| 5. Liquidity | <p>As at the date of this PDS, the Responsible Entity reasonably expects to be able to realise at least 80% of the Fund's Assets, under normal conditions, at the value ascribed to those Assets in calculating the Fund's net asset value, within 5 days (subject to any Transaction Costs which apply).</p> | See sections 6.2 & 7 pp.13,14-16 |
| 6. Leverage | <p>While the Constitution of the Fund allows borrowing, it is our intention that no borrowing arrangements will be entered into by the Fund.</p> <p>The Fund through its investment in the Arminius Capital ALPS Fund may, however, obtain leveraged market exposure through its use of Derivatives and as a result of any short selling it undertakes.</p> <p>Details of the risks associated with the use of leverage are included in Section 7.</p> | See sections 6.1 & 6.4 pp.12,13 |



| | | |
|-------------------------|---|--|
| 7. Derivatives | <p>The Fund, through its investment in the Arminius Capital ALPS Fund, may use both exchange-traded and over-the-counter Derivatives including futures, forwards, swaps and contracts for difference. The Fund may use Derivatives to hedge the overall exposure of the Fund. The Fund also has the ability to use Derivatives to achieve additional exposure to the particular investments, although it does not generally do so.</p> <p>All of the Fund's Derivatives counterparties must be of investment grade at the time of trading and have, in the Investment Manager's reasonable opinion, sufficient expertise and experience in trading the Derivatives invested in.</p> <p>Details of the risks associated with the use of Derivatives are included in Section 7.</p> | See sections 6.3, 6.4 and 7 pp.13,14-16 |
| 8. Short selling | <p>The Fund, through its investment in the Arminius Capital ALPS Fund, may employ a long/short investment strategy that enables the Investment Manager to hold:</p> <ul style="list-style-type: none">○ long positions in companies it believes will increase in value, and○ short positions that allow the Fund to profit from falls in the value of companies/assets which the Investment Manager believes are overpriced. <p>Short and long positions may also be entered into for risk management purposes.</p> <p>The Fund through its investment in the Arminius Capital ALPS Fund commonly takes a short position by borrowing an equity from a stock lender and selling it at the prevailing market price, with the intention of buying it on the market at a cheaper price in the future and then returning it to the stock lender.</p> <p>Details of the risks associated with the use of short selling are included in Section 7.</p> | See sections 6.1, 6.4 & 7 pp.12, 13, 14-16 |
| 9. Withdrawals | <p>Explains how Investors can withdraw from the Fund.</p> <p>Withdrawal Requests are generally processed on a weekly basis by completing a Withdrawal Request form. Forms need to be received by the Fund Administrator prior to 3 pm on a Valuation Date to be processed using the Unit Value for that Valuation Date. Correctly completed forms received after this time will be processed on the next Valuation Date.</p> | See section 9.3 p.21 |



SECTION 5: KEY PARTIES

5.1 THE RESPONSIBLE ENTITY – QUAY FUND SERVICES LIMITED

Quay Fund Services Limited is the Fund's responsible entity and issuer of this PDS. Quay provides Responsible Entity and Trustee services to a range of fund management businesses across most asset classes. Quay's approach is to tailor its service offering to specifically meet the needs of each fund manager in a manner which is consistent with Australian laws and regulations. Quay has proprietary systems to undertake these services to fund managers.

Quay's responsibilities and obligations as the Fund's responsible entity are governed by the Fund's Constitution, the Corporations Act and general trust law. As responsible entity of the Fund, Quay is solely responsible for the management of the Fund. Quay has delegated the investment management functions to Arminius Capital Management Pty Ltd under an Investment Management Agreement ('IMA').

Quay reviews the Investment Manager on an ongoing basis to ensure that it is managing the investments of the Fund within the terms of the IMA.

Under the IMA, Arminius may notify the Responsible Entity that it wishes to terminate the IMA. The termination will take effect 3 months after the notice or immediately if the Responsible Entity ceases to be the responsible entity of the Fund or certain other events occur.

5.2 THE INVESTMENT MANAGER – ARMINIUS

Arminius was borne out of a desire to provide its existing wholesale capability which is aimed at providing capital preservation and growth to retail investors.

With over \$120 million of Funds under Management, Arminius applies econometric modelling based on macro-economic indicators together with fundamentals relevant for each individual instrument within each asset class to effect investment portfolios (numbers as at 30 June 2018).

Key individuals

The Managing Director of Arminius, Marcel von Pfyffer, has over 23 years' financial markets experience in the US, Europe and Australia at Director level at investment banks and wealth managers including Goldman Sachs and Banco Santander. As a Strategist and CIO, Mr von Pfyffer is responsible for the tactical & strategic asset allocation of the Fund investments. He is an independent member of a number of private companies' and Trusts' investment committees advising on Commodities forecasts, Equities portfolio construction and Economic Leading Indicators for the global macroeconomic outlook.

Marcel has a regular fortnightly interview on Sky Business Channel with Peter Switzer discussing international financial markets' conditions; presents on ABC Radio National and also to select Federal government Senators and MPs giving global macroeconomic outlook updates.

Neill Colledge, Director and Senior Portfolio Manager, has over 39 years' financial markets experience in the US, Europe and Australia. As a fund manager and analyst for Queensland Investment Corporation ('QIC') Neill has covered most sectors of the Australian share market. He joined QIC in 1990 as its seventh employee, becoming Head of Research for Australian equities in 1992. In this role he introduced a rigorous stock selection process as well as quantitative portfolio management methods.

In addition to managing a successful A-REIT Fund for QIC, he also managed an Australian equities fund of \$11 billion, which outperformed the benchmark S&P/ASX 200 accumulation index over eight years. Neill provides investment decision-making, portfolio construction, performance measurement, transaction execution and research management skills in his role at Arminius.

Neill also has extensive theoretical and practical knowledge in assessing and managing credit, investment, market and operational risks.

Other directors of Arminius include:

- Tom Hackett is Managing Partner of the Brisbane office of PKF Hacketts, a global accounting firm. Mr Hackett is a Chartered Accountant and Director of a number of private and limited companies. Tom has been providing clients with business and corporate advice for over 27 years.
- Chris McKnight is a Director of Core Advisor Group, an AFSL holder and a highly experienced practitioner specialising in investments, superannuation and retirement planning.
- Damion Bielby is a Director of Total Advice Partners, a financial planning practice and AFSL holder.

Arminius holds monthly investment committee meetings, which members include all the Directors, to oversight the investment management of the Fund.

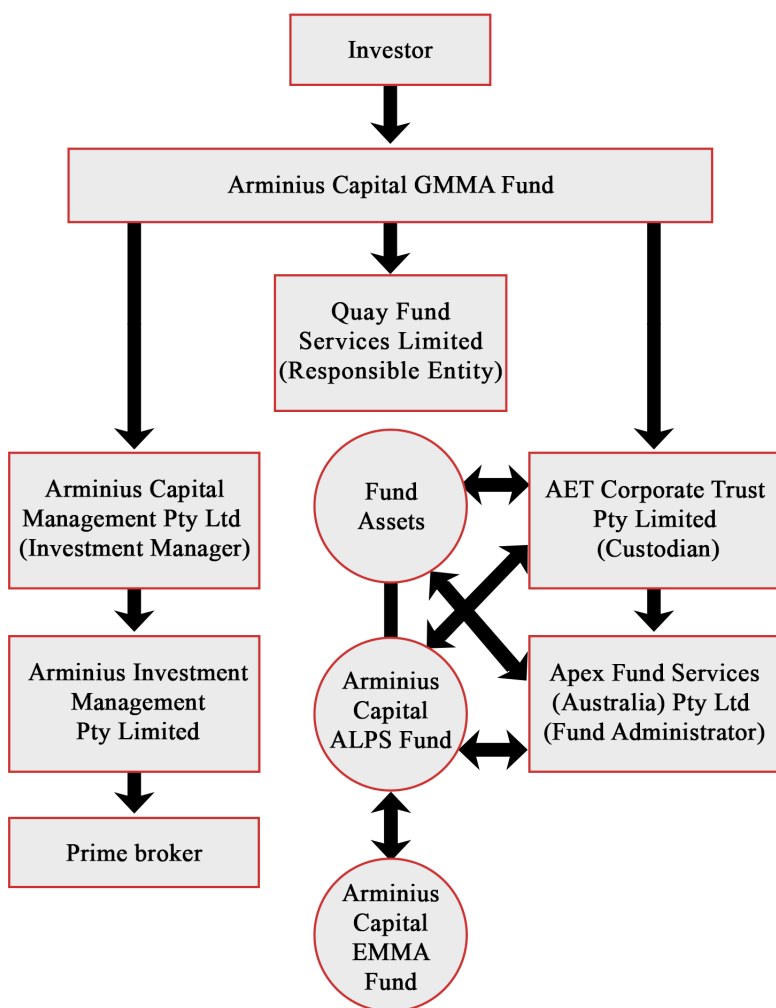
Under the IMA, the Responsible Entity may terminate the appointment of Arminius in certain circumstances, including, for example if a receiver or manager or similar is appointed to Arminius, or it ceases to carry on business as an investment manager. Otherwise, the Responsible Entity is required to convene an investor meeting and obtain the approval of a special resolution should it seek to terminate the appointment of Arminius as the Fund investment manager.

Other than as disclosed elsewhere in this PDS, there are no unusual or materially onerous clauses contained in the IMA.

Sub-manager: Arminius Investment Management Pty Limited

The Fund expects to fully invest into the wholesale Arminius Capital ALPS Fund which employs the same investment process as described in this PDS for the Fund. Its manager is Arminius Investment Management Pty Ltd (Sub-manager), which is part of the Arminius group of companies and is an authorised representative of Arminius Capital Advisory Pty Ltd, AFSL no 461307. Fees and expenses for investing in the Fund as disclosed in this PDS are inclusive of the fees and expenses of the Arminius Capital ALPS Fund.

The Fund may obtain its exposure to cash, deposits and short-term securities by investing through the Arminius Capital ALPS Fund directly or for efficiencies of scale through other



managed funds, which may include the Arminius Capital EMMA Fund which has the same investment manager, responsible entity, custodian and fund administrator as the Fund.

The diagram above shows how the Fund invests as well as the role of the Key Parties:

5.3 THE CUSTODIAN - AET

We have appointed AET Corporate Trust Pty Limited as the independent custodian for the Fund under a Custodian Agreement.

AET is one of Australia’s largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited (“IOOF”) Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX 200 listed company.

AET is also the Custodian for the Arminius Capital ALPS Fund, the underlying fund into which the Fund invests.

The Custodian’s role is to hold the Fund Assets in its name and act on the direction of the responsible entity to effect cash and investment transactions. AET has no supervisory role for the operation of the Fund and has no liability or responsibility to a Unit Holder for any act done, or omission made, in accordance with the Custodian Agreement. AET’s role as Custodian is limited to holding the Fund’s Assets.

5.4 THE FUND ADMINISTRATOR - APEX

We have entered into an agreement with Apex Fund Services Ltd. (AFS), a licensed fund administrator regulated by the Bermuda Monetary Authority under section 43 of the Investment Funds Act 2006, to appoint it as the Fund’s administrator. AFS has delegated its duties to Apex Fund Services (Australia) Pty Ltd (the Fund Administrator) to act as the Fund’s sub-administrator under an agreement between AFS and the Fund Administrator.

AFS is one of the world’s largest independent administrators and service funds on a global level delivering local expertise, support and partnership.

AFS is also the fund administrator for the Arminius Capital ALPS Fund, the underlying fund into which the Fund invests.

The Fund Administrator’s role is limited to administering the Fund Assets, including the provision of Fund accounting, unit registry services and unit pricing as an independent provider of these services. AFS and/or the Fund Administrator have no liability or responsibility to investors for any act done or omission made in accordance with the terms of the Fund Administration Agreement.

5.5 INITIAL AND ONGOING REVIEW OF SERVICE PROVIDERS

In addition to undertaking due diligence on the service providers prior to appointment, the Responsible Entity undertook a high level due diligence process on the Arminius Capital ALPS Fund through review of the fund’s strategy for consistency with the Fund. The key service providers of the underlying fund are either the same, or related to, the service providers for the Fund for which due diligence was undertaken prior to their appointment as service providers.

The Responsible Entity has an outsourcing policy under which it reviews and assesses the performance of service providers on an ongoing basis. The service providers for the Fund include the Investment Manager, Custodian and Fund Administrator.



SECTION 6: HOW THE FUND INVESTS

6.1 INVESTMENT PROCESS

The Investment Manager aims to produce robust returns irrespective of market conditions. It does this via a quantitative systemised approach which is more disciplined in taking both profits and losses than many other actively managed strategies.

Asset classes and location

Asset classes and types, into which the Fund invests through its investment in the Arminius Capital ALPS Fund, include:

- Deposits at major Australian banks and other Australian ADI's
- Short, medium and long term debt (corporate and sovereign bonds, subordinated debt)
- Domestic and global equities, including ETFs
- Futures (commodities, equities and interest rates)
- Options (exchange traded and OTC).

The typical type, location and currency denomination of the Fund Assets are as follows:

| Asset Class | Currency | Custodian | Location of Custodian | Assets as a % of Value of the Fund |
|---|---|-----------|-----------------------|------------------------------------|
| Equities and equity related securities | Various currencies including all major currencies (e.g. USD, EUR, GBP, CHF) and other EM currencies | AET | Australia | -100 to 100 |
| Cash, Deposits, & short term securities | Australian dollars | AET | Australia | 0 to 100 |
| Subordinated debt | Various currencies including all major currencies (e.g. USD, EUR, GBP, CHF) | AET | Australia | -35 to 35 |
| Bonds | Various currencies including all major currencies (e.g. USD, EUR, GBP, CHF) | AET | Australia | - 100 to 100 |
| Futures | Various currencies including all major currencies (e.g. USD, EUR, GBP, CHF) | AET | Australia | -100 to 100 |
| Options (Exchange traded and OTC) | Various currencies including all major currencies (e.g. USD, EUR, GBP, CHF) | AET | Australia | -100 to 100 |

The Fund is market neutral, so that market cycles, volatility, trends, and interest rates are not expected to be correlated to Fund performance. The Fund has an R² coefficient of determination of 0.05 to the Australian equities market.

Pending investment into the Arminius Capital ALPS Fund which also has a weekly application cycle, application money will be invested in that Fund's applications account, a non-interest bearing account.

Investment Management tools

The Fund is managed on an absolute return investment basis using a combination of fundamental, momentum and quantitative inputs to make investment decisions.

Arminius use quantitative econometric modelling of global supply, consumption, inventory and money supply/credit variables, which enables their models to 'learn' market behaviour over time and adapt to changes in the macroeconomic environment. The models used form a decision support system. The quantitative analysis provides valuations of all instruments (on a daily basis), in turn generating buy/sell signals from a combination of fair value indicators and momentum drivers.

Portfolio construction

Portfolio construction is dependent upon econometric models' output. It is intended to be a dynamic process across both TAA (Tactical asset allocation) and SAA (Strategic asset allocation) frameworks. This allows identification of areas of statistical undervaluation in asset classes and/or instruments; or conversely, their overvaluation.

Simply put, this is to determine whether relative exposures to asset classes rate as over or under valued in relation to each other. Portfolio is re-balanced monthly by the Investment Manager to lower volatility and force position re-allocation as per SAA levels.

Due to the investment methods of the Investment Manager, portfolio turnover is expected to be low relative to turnover in a typical single asset class fund such as equities, bonds, commodities or currency which are often more actively traded.



6.2 LIQUIDITY

The majority of assets currently traded and held by the Fund are liquid and they are expected to remain liquid for the purposes of the Corporations Act.

The policy of the Investment Manager is to invest in assets with sufficient liquidity to allow the Fund to be able realise around 80% to 100% of its assets within 5 business days under normal market conditions (based on daily average volumes over the last 12 months).

Consequently, the Investment Manager continuously monitors the portfolio of the Arminius Capital ALPS Fund to ensure that this objective can be achieved.

6.3 USE OF DERIVATIVES

The Fund through its investment in the Arminius Capital ALPS Fund as the underlying fund may invest in Derivatives which can be used for hedging, risk control or to implement investment strategies.

The types of Derivatives traded include futures, market traded options including CFDs (to be used if there is illiquidity in the exchange traded market or if pricing in the exchange traded market is unfavourable) to obtain exposure to the asset classes selected by the Investment Manager. OTC Derivatives are permitted provided the Investment Manager has determined that the counter-party risk fits within its risk management policy. Factors used in determining the suitability of counterparties include, but are not limited to, identification of participants, importance of the market maker, collateral practices, margin movement, risk buffers, clearing and settlement procedures, netting, transparency of exposures and activity and the transparency of prices.

Exchange traded Derivatives have a visible and transparent market price as prices are published on the market exchange on which they are bought and sold. Exchange traded Derivatives expose investors to minimal counterparty risk as the counterparty to the Derivative contract is the Clearing House rather than another party – contracts are standardised and subject to rules and regulations of the relevant exchange (in the case of the Fund's investments, major global securities markets).

Derivatives such as futures, options including CFDs may be used from time to time to effect a short sale where the Investment Manager is of the view that this is the most cost-efficient method of executing a decision to underweight a security.

Derivatives, when used for hedging purposes, may cover up to 100% of the underlying physical value of the Fund in unusual circumstances. The net delta adjusted calculation (the change in the price of the underlying asset to the corresponding change in the price of the Derivative) is constantly monitored when Derivatives are used for hedging purposes.

The key risks associated with the use of Derivatives are included in Section 7 'Risks'.

6.4 BORROWING AND THE USE OF LEVERAGE

Leverage occurs when a fund has exposure to underlying assets that is more than the amount invested in the assets. This can occur as a result of borrowing money to invest or through the use of Derivatives.

An example of this is as follows: if the Fund has NAV of \$100 and \$50 of NAV is exposed to "long equities", the Fund may consider leveraging its long equities exposure to 110% of the value of NAV. This means, that its long equities exposure would be \$55, implying that the Funds total exposure would be \$105, a leverage of 1.05 times. Equities and cash are typically the assets used to be pledged as collateral.

While the constitution of the Fund allows borrowing, it is our intention that no borrowing arrangements will be entered into by the Fund.

The Fund through its investment in the Arminius Capital ALPS Fund may, however, obtain leveraged market exposure through its use of Derivatives and as a result of any short selling it undertakes. The returns for the Fund are sought to be enhanced by the Investment Manager by investing in either long or short positions of the asset classes into which the Fund may invest. Derivatives, such as futures, may be used to effect these positions in addition to physical investments.

That means that the Fund has exposure to a potentially negative outcome. Futures, by their very nature, are technically 'leveraged instruments' with a high level of physical exposure relative to their level of required maintenance margin. In some instances of very low volatility instruments e.g. government or investment grade bonds, these positions may exceed 100% exposure to that individual asset class. If any asset class exposure exceeds 100%, then hedging is used to guard against possible downside risk. The quantitative nature of the system also provides for definitive stop-loss levels to be maintained.

While there is no explicit maximum level of gross leverage that the Fund may be exposed to, as at the date of this PDS, it is anticipated that the gross leverage of the Fund will be approximately 1.18 times the Fund's Net Asset Value.

Cash policy

Cash will be held in bank-backed and similar deposit products either directly or indirectly.

6.5 LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

Whilst we intend to conduct our affairs in an ethical and sound manner, our investment criteria does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment of the Fund.

6.6 RISK MANAGEMENT

The Investment Manager's Head of Risk is Dr Patrick Caragata, founder and executive Vice Chairman of Rapid Ratings Inc, a US based risk and ratings agency.

Risk is managed by the Investment Manager in both the portfolio construction process, as well as through the Fund's investment strategy. The Fund is not expected to be over-invested in any one asset class – unlike many passive indices. Instead, the Fund invests in securities or instruments determined by the Investment Manager's strategic asset allocation process as applied across all asset classes, which can be converted to cash holdings if a security or instrument ceases to be statistically overbought or oversold.



The Fund primarily attempts to reduce risk in three ways - diversification, liquidity and sector rotation. In relation to options, positions are structured with varying maturities and strike prices to reduce the risk of exercise and provides for a regular review of open positions. Future contracts may also be used with longer time frames than front month contracts, depending on what the models are indicating futures pricing to be for markets.

Interest rate risk is managed through diversification across sectors that have either fixed or floating yield characteristics. Credit risk is managed through ensuring a substantial portion of listed interest rate securities are rated investment grade or issued by corporations with an investment grade rating. Liquidity is ensured by only investing in market listed securities for equities and ETFs. Sector rotation is viewed as an important source of risk management, enabling Arminius to avoid sectors when the macroeconomic environment is less favourable.

The Investment Manager uses tools through an independent broking service provider which provide real-time market-risk management and monitoring for comprehensive risk measurement of the risk exposure across all the asset classes in which the Fund invests.

This includes real-time scenario analysis and stress testing ie. what percentage loss or gain would the Fund expect to make/lose should the markets it is currently invested in move suddenly. This allows the Investment Manager to understand how much risk they are taking in order to generate a return. If the risk management tools suggest that the trading position would be too unfavourable if the market would move by a certain percentage amount, then this demonstrates to the Investment Manager that the risk of making that investment is too high (irrespective of what the potential pay-off could be in an optimal situation) and they should instead remain in cash.

Risk budgeting is observed in portfolio construction whereby the Investment Manager may take overweight positions in a particular asset class inversely to the volatility of the asset class. This allows for smoothing of Fund returns, whilst minimising the possibility of extreme market conditions having a negative impact on the value of the Fund.

Currency hedging

Securities and instruments the Fund invests in may be in currencies other than Australian Dollars (AUD). The Investment Manager does not have a currency hedging policy in place to manage the value of assets in other currencies against movement in the AUD. As a result, any positions the Investment Manager takes in, for example, equities priced in a currency other than AUD, is being done so because the Investment Manager believes that an appreciation in the price of the equities will be complemented by the change in currency valuation.

6.7 KEY DEPENDENCIES

The Fund's investment style is based around a market neutral outlook. This implies that the strategies the Fund employs to generate positive returns are not beholden or dependant upon permanent market structures ie. low interest rates, high interest rates or bull or bear markets.

The Fund uses quantitative modelling to determine value in markets and market instruments at any given point in time. The quantitative output may indicate that markets or instruments are cheap or oversold, in which case the fund will employ a net long investment strategy. If the quantitative output indicates that markets or instruments are overbought, then the Fund will employ a net short investment strategy. If quantitative output indicates that markets are exhibiting high elements of volatility, or are neither cheap (oversold) or expensive (overbought) then the signals the fund acts upon will indicate that the Fund should not be invested at all and should in fact be holding cash.

SECTION 7: RISKS

7.1 RISKS OF INVESTING

All investments have some level of risk. Different strategies carry different levels of risk, depending on the assets that make up the strategy. Managed investment schemes can invest in a range of asset classes – for example, cash, bonds, equities and property. The likely investment return, and the level of risk of losing money, is different for each investment depending on the underlying assets. Those assets with potentially the highest return (such as equities), may also have the highest long-term risk of losing money on a shorter term view.

The standard risk level of the Fund is high. High being the risk level determined when a Fund has 3 or less than 4 numbers of negative annual returns over any 20 year period. The standard risk level methodology was jointly developed by the FSC and ASFA. The Fund is designed for those investors who want to maximise capital growth with some income returns and who are willing to accept the possibility of negative returns over the short term.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some or all of your money in some years.

Your financial adviser can help you understand investment risk and help you design an investment strategy that is right for you.



The following key risks apply to the Fund:

| Type of risk | Description |
|--|--|
| Investment and trading risk generally | Investments in securities and other financial instruments and products, which are subject to market forces, carry the risk of permanent loss of capital as a result of adverse market developments, which can be unpredictable. To the extent that the Fund's portfolio is concentrated in any one particular investment strategy, the risk of any incorrect investment decisions is increased. The Fund's strategies expose the capital of the Fund to the risk of extremely rapid and severe declines in value in the event of a sudden change in the level of volatility (e.g. a market crash) that may not be anticipated by the Responsible Entity or Arminius. No guarantee or representation is made that the investment program of the Fund will be successful. |
| Income distribution risk | There is no guarantee that the Fund will be able to distribute income to unit holders. Distributions of income from the Fund depend on the extent to which income is derived by the Fund when the trading tactics have indicated that positions should be held on a neutral basis (neither long nor short) and are held in cash as a result, from which an interest yield will be derived. |
| Market risk | <p>Market risk represents the risk of adverse movements in markets (including asset prices, volatility, changes in yield curves, interest rates or other market variables) impacting upon instruments held by the Fund. Market risk is best assessed in the context of the total portfolio, where the measure of this risk is the combined effective market exposure of both Derivatives and primary securities.</p> <p>Unlike primary securities, the accounting value of a Derivative does not give a true indication of the market exposure generated by a Derivatives' position. For example, the accounting value of a futures contract (calculated using mark-to market) measures only the unrealised profit/loss on the position.</p> |
| Diversification risk | Diversification is the very essence of the strategy of the Fund. Investing equally weighted long and short across all asset classes and strategies implies lower volatility of returns. The Fund operates across all asset classes so that an investor who desires specific overweighting to a particular instrument, asset class or strategy should employ other methods outside of the Fund to achieve those aims. |
| Price risk | The Fund is exposed to equity and derivatives and other financial products price risk, so that the value of units will vary in line with movement in the value of the Fund's Assets. This arises from investments held by the Fund for which prices in the future are uncertain. The level of returns may vary and future returns may differ from past returns. Changes in the price of shares held for the Fund may result in a loss to the Fund. Many factors drive asset prices, including profits made by companies and industries, economic cycles, matters relating to particular sectors or industries, investor demand, business confidence and government and central bank policies. |
| Credit risk | The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. This refers to the issuer of a debt instrument failing to pay interest or repay the principal sum. Credit risk arises from the Fund's investment in debt securities. The Fund is exposed to credit risk from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on Derivatives, OTC Derivatives, cash and cash equivalents, amounts due from brokers and other receivables. Fixed interest assets of the Fund are exposed to credit risk as well. |
| Derivatives and leverage risk | <p>The Fund may invest in Derivatives that are contracts between two parties that usually derive their value from the price of an underlying physical asset or market index. Derivatives can be used to manage risks, but may expose the Fund to other risks. These include the value of the Derivative failing to move in line with the underlying asset or index, potential illiquidity of the Derivative and counterparty risk (where the counterparty to the Derivative contract cannot meet its obligations under the contract).</p> <p>The Responsible Entity and Investment Manager have Derivatives policies in place including on the types of Derivatives used, controls on their use and the processes for assessing compliance with those controls.</p> <p>A Derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the Derivative. The type of Derivatives which the Fund may invest in are futures, exchange traded and OTC options including CFDs.</p> <p>Derivatives may be used to cover up to 100% of the exposure of the Fund. The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments in accordance with the IMA of the Fund.</p> |
| Interest rate | <p>The Fund is exposed to interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. Changes in interest rates in Australia or overseas may adversely affect the value of fixed interest investments held by the Fund, as an increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa.</p> <p>The Investment Manager monitors the Fund's overall interest rate sensitivity on a regular basis.</p> |



| | |
|---|--|
| Liquidity and delayed processing of withdrawals risk | <p>Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. If Fund investments are difficult to buy or sell, this can prevent sale of an investment in a timely fashion and at a fair price. If the Fund is required to liquidate assets to settle withdrawals, there is a risk that liquidation may be made on unfavourable terms, subjecting the Fund to loss.</p> <p>The Responsible Entity may also suspend the issue or withdrawal of units or the calculation of Issue Prices or Withdrawal Prices or the payment of proceeds of any withdrawal in certain circumstances.</p> |
| Currency risk | <p>As the Fund invests in international investments, it is exposed to currency risks. Changes in the exchange rate between the Australian dollar and the currencies of the Assets held by the Fund may lead to a loss of value of the Fund's Assets as expressed in Australian dollars. It may not be possible or practical to hedge against exchange rate risks.</p> |
| Commodities risk | <p>Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked Derivatives may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.</p> |
| Short selling risk | <p>Short selling involves selling securities that may or may not be owned by the seller and then borrowing these securities for delivery to the purchaser with the obligation to replace the borrowed securities at a later date. A short sale involves the risk of a theoretically unlimited increase in the price of the particular investment sold short, which could result in the inability of the Fund holding the Derivative to cover the short position. The Fund engages in short selling to capture a desired underweight position.</p> |
| Strategy risk | <p>The strategies employed by the Fund may prove to be incorrect or ill-timed resulting in losses in the Fund. Specific factors that may cause this risk are (but not limited to) an abrupt change to investment conditions negatively impacting interest rates, inflation, economic growth, political stability and other factors that may reduce the Fund's capacity to provide capital growth.</p> |
| International investment risk | <p>The Fund invests in a range of international securities, and in companies that have exposure to a range of international economies. Global and country specific macroeconomic factors may impact the Fund's international investments. Governments may intervene in markets, industries, and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Such interventions may impact the Fund's international investments.</p> |
| Taxation risk | <p>Changes in tax laws or their interpretation could adversely affect the tax treatment of the Fund, its investments and its investors. Other than Section 11 in this PDS which sets out some tax issues, the Responsible Entity does not provide taxation advice to investors and all investors should seek independent taxation advice before investing in the Fund. If an adverse tax change occurs, the Responsible Entity reserves the right to change the investments of the Fund, restructure the Fund, or compulsorily redeem units in the Fund under the Constitution to limit or prevent any adverse effects. Investment in the Fund may offer a different tax outcome than investing directly in the underlying assets of the Fund due to withdrawals or investments by other investors, and as a result of income or capital accruing in the Fund. Refer to Section 11 for more information.</p> |
| Legal risk | <p>Legal risk is the risk of losses occurring as a result of legal issues, principally due to the non-enforcement of a contract. This non-enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability in bankruptcy or insolvency.</p> |
| Fund risk | <p>The Responsible Entity may retire or be removed as responsible entity of the Fund, and there may be no other person willing to become the responsible entity.</p> |
| Reliance on Arminius as Investment Manager risk | <p>The Responsible Entity has delegated responsibility for the investment activities of the Fund to Arminius and Arminius, in its capacity as investment manager, has responsibility for the Fund's investment activities. The success of Arminius' trading and the investment performance is to a large degree dependent upon the services of its senior portfolio management team as well as the skills and abilities of Arminius' other investment professionals. The loss of the services of these individuals could result in Arminius being unable to trade effectively for the Fund's accounts. If Arminius ceases to act as Investment Manager, or if any of its senior portfolio management team is no longer actively engaged in formulating the investment philosophy of Arminius, no assurance is given that a suitable successor would be located or appointed.</p> |



SECTION 8: FEES AND OTHER COSTS

8.1 FEES AND OTHER COSTS

The warning statement below is required by law to be displayed at the beginning of the 'Fees and Other Costs' section of this PDS. The example given in the warning statement in the box below does not relate to any investments described within this PDS.

Consumer Advisory Warning

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 fund 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) has a managed funds fee calculator to help you check out different fee options.

The below table 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 Fund's Assets as a whole.

Information about Taxation is set out in Section 11 of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment. For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges charged by your IDPS Operator.

| Type of fee or cost | Amount | How and when paid |
|---|---|--|
| Fees when your money moves in or out of the Fund | | |
| Establishment fee The fee to open your investment | Nil | There is no establishment fee payable when you set up your investment in the Fund |
| Contribution fee The fee on each amount contributed to your investment | Nil | There is no contribution fee payable when you invest in the Fund |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | There is no withdrawal fee payable when you redeem investments from the Fund |
| Termination fee The fee to close your investment | Nil | There is no exit fee payable when you close your investment in the Fund |
| Management costs ^{1,2} The fees and costs for managing your investment | 1.26% p.a. of the Gross Asset Value of your investment per year (inclusive of the net effects of GST) is the current estimated Management costs for managing your investment. The Management Costs and Performance Fees below can be expressed as a per annum ratio of Fund net assets called the Indirect Cost Ratio (ICR). The ICR for the Fund is 2.285%. This is exclusive of transactional and operational costs and abnormal expenses (as explained below). | The Investment Manager fees are included in these costs and are not an additional cost to investors. This amount may vary from time to time and it is calculated on a historical basis. These costs include the fees and expenses of the underlying trust and is accrued weekly in the unit price and paid monthly in arrears. |



| | | |
|-------------------------|--|---|
| Performance Fees | <p>A performance fee of 10.25% p.a. will be payable if the underlying fund into which the Fund invests (the Arminius Capital ALPS Fund) has net performance which exceeds zero. The performance fee is subject to a high water mark.</p> <p>The Performance Fee will not be paid by the Fund directly, but will be reflected in the Fund's unit price, as the value of the Fund's investment in the Arminius Capital ALPS Fund will be reduced by the amount of any performance fee payable.</p> | <p>The performance fee is calculated on the excess return and is accrued weekly in the unit price and paid quarterly in arrears. If there is a period of underperformance to the benchmark, the accrued performance fee is frozen at its current level. The performance fee will not then accrue again until the value of the underperformance has been recouped back to the amount the performance fee was frozen at (called the "high water mark"). Performance fees are based on realised and unrealised gains. This means that a performance fee may be paid on unrealised gains that may never subsequently be realised.</p> |
|-------------------------|--|---|

Service fees ³

| | | |
|---|-----|----------------|
| Switching fee | Nil | Not applicable |
| The fee for changing investment options | | |

1. Management Costs quoted are inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).
2. The ICR is based on estimated amounts with reference to the previous financial year, see Additional Explanation of Fees and Costs below for more information on how the Indirect Costs Ratio is calculated.
3. Your financial adviser may receive payment for providing advice services to you. Refer to the information below in section 8.2 Additional Explanation of Fees and Costs.

Example of annual fees and costs

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

| Example – Arminius Capital GMMA Fund | | Balance of \$50,000 with contribution of \$5,000 during the year |
|--|--------|--|
| Contribution Fees | Nil | For every \$5,000 you put in, you will be charged nil. |
| Plus Management costs and Performance Fees (ICR) | 2.285% | And, for every \$50,000 you have in the Fund you will be charged \$1,143 each year. |
| Equals Cost of 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 of \$1,143* What it costs you will depend on the fees you negotiate with your fund or financial adviser. |

* This example assumes the \$5,000 contribution occurs at the end of the first year, therefore Management Costs are calculated using the \$50,000 balance only. This example does not include any additional fees that your financial adviser or IDPS operator may charge you which are not costs of the Fund. Performance fees included in the ICR are based on an estimate of 10% p.a. Fund performance using the average performance of the underlying trust over the last 3 years. However past performance is not an indication, or guarantee, of future performance. ASIC provides a fees calculator on its website www.moneysmart.gov.au, which you can use to calculate the effects of fees and costs on your investment in the Fund.



8.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

Indirect Cost Ratio (ICR)

The Constitution allows for the reimbursement of all properly incurred expenses or liabilities from the Fund. These include management costs, being responsible entity, investment management, custody, registry and professional fees.

The total indirect costs of the Fund including management costs, can be calculated as a percentage of the Fund net Assets over a prior financial year as the Indirect Cost Ratio ('ICR'). As the Fund was established during the 2016-2017 financial year, it does not have an ICR although it can be reasonably estimated it would be 2.285% p.a., as the sum of the management costs, performance fee and expenses which are not transactional or operational costs.

Transactional and Operational Costs

These are the costs ordinarily associated with the purchase or sale of a particular Asset, and are costs Investors generally would have to pay if they bought or sold the securities of the Fund. The current Transaction Costs for the Fund is 0% for each application or withdrawal. This may change if Transaction Costs change and unit holders will be given 30 days' notice of the change on the website of the Responsible Entity at www.quayfund.com.au.

As transaction costs are not part of the Issue or Withdrawal Price, these costs are borne by the Fund. Whilst not included in the ICR, the costs are estimated to be an average of 0.10% per purchase or sale of assets in the underlying trust. For example, if the Fund's annual total purchases and sales ranges between 30-50% p.a., these transaction costs will not exceed 0.05% p.a. of the Gross Asset Value of the Fund.

Operational Costs

Transactional and operational costs for the operation of the Fund are reimbursed from the Fund and the Arminius Capital ALPS Fund. These costs include (but are not limited to) bank charges and custody transaction fees.

Arminius Capital EMMA Fund

The investment manager may from time to time invest, through the Arminius Capital ALPS Fund, into a money market fund managed by the investment manager called the Arminius Capital EMMA Fund. The maximum ICR of the Arminius Capital EMMA Fund is estimated to be 0.50% p.a., however it is not possible to estimate the total additional costs to investors in the Fund due to investment in the Arminius Capital EMMA Fund. This is because the amount to be invested in the Arminius Capital EMMA Fund will depend on the conditions from time to time as determined by the investment manager as to whether cash, deposits and short-term securities are an appropriate investment for the Fund.

IDPS investors

For investors in IDPS, the fees listed in the 'Fees and Other Costs' section of this PDS are in addition to any other fees and charges by your IDPS Operator.

Abnormal expenses

We may also be reimbursed from the Fund for abnormal expenses or liabilities, such as the cost of Investor meetings, defending legal proceedings, and the cost of terminating the

Fund. These abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any year. However, we do not pay these abnormal expenses out of the ICR, and if they arise, we reserve our right to be reimbursed for these expenses or liabilities from the Fund.

Financial Adviser remuneration

Your Financial Adviser will assist with understanding and managing your investment requirements. They may receive payment for providing these services. Your Financial Adviser meets their expenses from this remuneration, and also relies on it to provide an income. You may negotiate with your Financial Adviser for them to receive an ongoing adviser fee. These payments are in addition to the management costs referred to in this PDS.

You can choose for these payments to be deducted from your account as a percentage of your total investment value or as a specified dollar amount, both calculated on a per annum basis. We will deduct this fee and pay it to your Financial Adviser on your behalf on a monthly basis through the withdrawal of units if you complete the appropriate section in the Application Form. Please note that the withdrawal of units has taxation consequences, refer to the Section 11: Taxation for more details.

Maximum fee and fee waiver

We may waive part or all of any of the fees described in this Fees and Costs section at our absolute discretion, or defer payment of fees to which we are otherwise entitled. We may negotiate management costs individually with certain wholesale investors (as defined by the Corporations Act 2001) including IDPS Operators. Under the Constitution we are entitled to a maximum management fee of 2.0% p.a. of the Gross Asset Value of the Fund, but have determined that we will reduce our fee to 1.26% p.a. (that is, exclusive of expenses and performance fees) unless we notify Investors otherwise.

Fee changes

The fees under this PDS can change without investor consent. We will provide investors with at least 30 days notice of any proposed change to the management fee. Expense recoveries may change without notice, for example, when it is necessary to protect the interests of existing Investors and if permitted by law.

Performance fees

The performance fee will not be paid by the Fund directly, but will be accrued and reflected in the Fund's weekly unit price, as the value of the Fund's investment in the Arminius Capital ALPS Fund will be reduced by the amount of any performance fee payable.

The examples show the additional fees which would be payable by an Investor based on different percentages of out-performance achieved by the Arminius Capital ALPS Fund over the course of a year, including an estimate based on the financial year ending 30 June 2017. However, please note that these are examples only, and are not a forecast or statement of the actual performance of the underlying fund as reflected in the unit price of the Fund. The performance of the underlying trust, the timing of the performance, and hence the performance fee accrued (if any), could vary.



| Out-performance of the Fund % p.a.* | Amount of fees \$ p.a. charged in addition to the Management Fees and Expenses on an investment of \$50,000 |
|-------------------------------------|---|
| 0 | 0 |
| 3 | 152 |
| 10 | 507 |

*The out-performance is the minimum return necessary for the underlying trust for a performance fee to apply and means that the underlying trust has achieved performance in excess of its hurdle. The hurdle for the underlying trust is zero.

SECTION 9: HOW THE FUND WORKS

9.1 UNITS AND THEIR VALUE

Generally each unit represents an equal interest in the Assets of the Fund less its Liabilities. A unit does not give the investor an interest in any particular asset of the Fund.

The first units in the Fund were issued at an Issue Price of \$1.00. Subsequently, the Issue Price will change from time to time as the market value of Fund Assets rises or falls. Each unit is a proportional interest in the Net Asset Value of the Fund, having regard to the total number of issued units.

The value of units is determined by dividing the current Fund Net Asset Value by the number of units on issue, adjusted for any Transaction Costs (these are currently nil). The Issue and Withdrawal Prices are calculated weekly, see section 9.4 below. At our discretion, we may calculate the application or withdrawal price more frequently than weekly.

The Fund's Assets are usually valued at their most recent market value, using independent pricing sources where available for the particular Asset type. Securities usually are valued at the closing price on the securities exchange on which they are listed. Any OTC products are priced by the prime broker and marked to market daily. Any income entitlement or cash held for the Fund and any amount of GST recoverable by the Fund from the ATO are also included in the value of Assets and used to calculate the Unit Value. Generally, Liabilities are valued at cost.

9.2 APPLICATIONS

The minimum application is \$5,000, with subsequent investment amounts of \$1,000 or for the regular investment plan, \$250 each month. We may waive or increase the minimum application amounts at our absolute discretion. We may accept or decline all or part of an application without giving any reason. Application money is deposited into a non-interest bearing account, pending processing. Properly completed applications accompanied by cleared funds are processed weekly. Confirmation of investment is normally issued within 3 to 5 business days of the processing of a correctly completed application, although in unusual circumstances up to 10 business days should be allowed. A correctly completed Application received during a week will be processed using a unit price based on the Net Asset Value for the last business day of the week. Applications will usually be processed within 3-5 business days of this calculation.

To invest, please complete the Application Form accompanying this PDS and forward with your direct debit

request. Alternatively, payment can be made by EFT directly to the Fund's application bank account. Investors should also forward the certified identification documentation as outlined in the Application Form to:

Apex Fund Services (Australia) Pty Ltd
PO Box 189
Flinders Lane VIC 8009

Please note that cash cannot be accepted. For additional applications you can either mail your completed Additional Investment Form to the address stated above, or fax it to the following number:

Fax: 03 8648 6885

Cooling off period

You may have a right to 'cool off' for an investment in the Fund within 14 days of the earlier of:

- o confirmation of your investment being received or available; and
- o the end of the fifth business day after the units are issued.

You may exercise this right by notifying the Fund Administrator in writing at the address stated above. You are entitled to a refund of your investment adjusted for any increase or decrease in the Issue Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of your units.

The right to cool off does not apply in certain limited situations, such as if the issue is under a distribution reinvestment plan or represents additional contributions under a savings plan. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during this 14 day period; this could include selling part of your investment or switching it to another product.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply. The right to cool off may not apply if you are an Indirect Investor. The terms and conditions of the IDPS Guide will govern your investment for your units in the Fund.

Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during this 14 day period; this could include selling part of your investment.

Your regular investment plan

The deductions for the regular investment plan will be made on or about the 20th day of each month, or where not a business day, on the prior business day. Application money is deposited into a non-interest bearing account, pending processing on the next occurring Tuesday which is a business day (or otherwise the next occurring business day after the Tuesday). You may change your regular investment plan by giving us at least 14 business days' notice.

We may vary the minimum monthly or stop the regular investment plan by giving 14 business days' prior notice to investors using the plan.

If you participate in the regular investment plan, you should keep the current Product Disclosure Statement for future reference.



IDPS investors

Investors who invest through an IDPS which are also known as platforms or wraps (“Indirect Investors”) 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 IDPS 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.

Indirect Investors should read this PDS in conjunction with the offer documents issued by the IDPS Operator. Indirect investors should complete the Application Form for their IDPS or IDPS-like scheme and receive reports concerning the Fund from their IDPS Operator. Enquiries should be directed to the IDPS Operator.

9.3 WITHDRAWALS AND TRANSFERS OF UNITS

Investors may redeem some or all of their units by sending a Withdrawal Request to the Fund Administrator. Payment of withdrawals is made by deposit to the Investor’s nominated bank account. The Responsible Entity is not required to give effect to a Withdrawal Request if it is for less than the minimum withdrawal amount and has the right to fully redeem an Investor’s investment in the Fund where their holding falls below the minimum balance amount of \$5,000. The minimum withdrawal amount is currently \$1,000.

Investors of the Fund can withdraw their investment by mailing or faxing a Withdrawal Request to:

Apex Fund Services (Australia) Pty Ltd
PO Box 189
Flinders Lane VIC 8009
Fax: 03 8648 6885

Withdrawal Requests are processed weekly. A correctly completed Withdrawal Request received during a week will be processed using a unit price based on the Net Asset Value calculated for the last business day of the week.

Withdrawals are usually paid within 3-5 business days (although in unusual circumstances, up to 10 business days should be allowed) after the processing of a correctly completed Withdrawal Request as described above by deposit to your nominated bank account, although the Constitution allows longer in the circumstances described below.

The Responsible Entity will refuse to comply with any Withdrawal Request if the requesting party does not satisfactorily identify themselves as the Investor. Withdrawal payments will not be made to third parties (including authorised nominees), and will only be paid directly to the Investor’s bank account held in the name of the investor at a branch of an Australian domiciled bank.

IDPS investors

If you have invested indirectly in the Fund through an IDPS, 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.

In the unlikely event that material changes to withdrawal rights are made, investors will be notified.

Suspension or delay of issues or withdrawals of units

There may be a delay in processing withdrawal or application requests immediately after each Distribution Period on 30 June, when unit pricing is suspended pending processing of the Fund distributions.

Where we determine it is not possible, or in the best interests of Investors due to circumstances outside of our control, we may suspend the issue or withdrawal of units or the calculation of Application or Withdrawal Prices. These circumstances include but are not limited to restricted or suspended trading, or extreme price fluctuations, of a Fund Asset.

Where the Responsible Entity receives on any one Withdrawal Date Withdrawal Requests representing more than 5% of the units in issue, it may treat the Withdrawal Requests as 5 separate Withdrawal Requests and stagger them over the next successive 5 Withdrawal Dates.

Where there is a suspension of withdrawals in these circumstances or where the proportion of liquid assets of the Fund falls below the specified thresholds under the Corporations Act, investors may not be able to withdraw their investments within the usual period upon request. Where a Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from that 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.

A Fund will cease to be liquid if less than 80% of the assets of that Fund 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.

Where withdrawals are frozen, applications will also be suspended. For Withdrawal Request or applications lodged during a freeze period, the Withdrawal and Issue Prices will be those next calculated after the end of the suspension.

Transfers of units

Investors may transfer their units in accordance with the Constitution. Transfers will not be effective until registered by the Fund Administrator. We may refuse to register any transfer of units at our absolute discretion.

9.4 EFFECTIVE DATE OF TRANSACTIONS

The Valuation Date for a correctly completed Application or Withdrawal Request received during a week before 3pm on the last business day of the week (or where not a business day, on the next occurring business day) will be the second business day of the next week. An investor who submits an



incomplete Application Form or Withdrawal Request will receive the Issue or Withdrawal Price on the next occurring Friday which is a business day after the correctly completed Application Form or Withdrawal Request is received, provided it is received before 3pm.

9.5 DISTRIBUTIONS

Fund income will be distributed annually to Investors typically within 30 business days after each 30 June. Investors can elect to reinvest distributions at the current Unit Value (which will be calculated on 1 July if a business day, or otherwise, on the next occurring business day) or distributions can be paid directly to the Investor's nominated account. If you do not make a selection or distributions cannot be paid into your account, distributions will be reinvested (less any bank charges), until you advise us otherwise. We do not accept directions to pay distributions to third parties. If an attempted deposit is rejected, the deposit may be cancelled.

The income of the Fund is paid to Investors in proportion to the number of units held by an Investor on 30 June. In certain circumstances, such as where there is a large withdrawal by an Investor, a special distribution will be made to ensure equity between investors, so that part of the Withdrawal Amount may consist of taxable income including any taxable gains.

As distributions are part of the unit price, the unit price will generally fall following a distribution. Investors who acquire units just before a distribution may receive some of their investment back immediately as income, and may need to pay income tax on these amounts, or Investors who dispose of units just before a distribution may effectively turn income into capital.

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

9.6 THE CONSTITUTION

The Fund was established by a Constitution dated 17 August 2016 (the Constitution).

The Constitution sets out the legal rights, duties and obligations of the Responsible Entity and Investors and includes the following:

- the rights, interests and liabilities of Investors as Unit Holders
- the duties and obligations of the Responsible Entity
- investment, valuation and borrowing powers
- fees and expenses
- unit issue and withdrawal procedures
- convening and conduct of Investor meetings
- the duration and termination of the Fund
- distributions
- the limitation of the liability of Unit Holders to the Issue Price.

The Constitution seeks to limit the liability of Unit Holders by providing that a Unit Holder is not obliged to make any contribution to the Fund or to indemnify the Responsible Entity, or any creditor of either or both of them, if there is a deficiency of the Assets of the Fund. However, because this is a matter which can ultimately only be determined by the courts, none of the Responsible Entity, or Arminius,

or any related body corporate of any of them or any of their respective directors, officers or employees gives any assurance or guarantee to this effect.

The Constitution allows for more than one class of units to be offered to Investors. Currently there is only one class of units in the Fund. We may vary the terms of the Constitution if we consider the amendment will not adversely affect Investor's rights. Otherwise the Constitution may only be amended by a special resolution of Investors.

If any contract or obligation arises in connection with acceptance by us of an Application or reliance on this PDS by Investors, any amendment to the Constitution may vary or cancel that contract or obligation. That contract or obligation also may be varied or cancelled by a deed executed by us with the approval of a special resolution of Investors, or without that approval if we consider the variation or cancellation will not materially and adversely affect Investors' rights.

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

Investment in the Fund is governed by the Constitution and nothing in this Product Disclosure Statement limits or qualifies the powers and discretions conferred upon the Responsible Entity.

This Product Disclosure Statement should be read in conjunction with the Constitution for the Fund. In the event of any inconsistency between the Constitution and this Product Disclosure Statement, the Constitution prevails.

9.7 TERM OF THE FUND

The Fund will commence on the first issue of units in the Fund.

The Fund terminates on the earlier of:

- the 80th anniversary of the day before the Fund commenced
- the date on which an event occurs which under the Corporations Act or the Constitution which requires the Responsible Entity to wind up the Fund; or
- the date specified by the Responsible Entity in a notice given to Investors.

On termination, the Fund will be wound up in an orderly fashion and the net proceeds distributed to Investors in proportion to the units held under the terms of the Constitution.

9.8 JOINT INVESTORS

For joint accounts, each joint Investor invests as joint tenants. Each joint Investor is able to operate the account and bind the other to any transaction including investments or withdrawals.

9.9 NO LISTING

Units are not listed on any stock exchange and no application will be made to list the units on any stock exchange.

9.10 COMPLIANCE PLAN

We have prepared and lodged a Compliance Plan for the Fund with ASIC. The Compliance Plan describes the procedures used by us 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.



SECTION 10: ADDITIONAL INVESTOR INFORMATION

10.1 INFORMATION PROVIDED TO INVESTORS

Information is provided to Investors concerning their investment in the Fund as follows:

- A confirmation of investment or withdrawal on each activity (confirmation of investments won't be provided for the regular investment plan).
- Quarterly reports showing additional investments, withdrawals and changes in the Unit Value.
- An annual distribution and taxation statement after each 30 June.
- The audited annual financial report for the Fund is available free of charge to Investors after 31 October each year and will be placed on the Responsible Entity's website at www.quayfund.com.au on or around 30 September each year, unless you request that a copy be sent to you.

The above information may at our discretion be provided to you by email or through other electronic means except as required by law. Your Financial Adviser may ask us to provide them with information about your investment and may also view your account details on line where available. It is our policy to supply this information unless you have instructed us in writing not to do so.

Information about the Fund, such as its composition and Fund performance, is subject to change from time to time. You can obtain a copy of this information free of charge by contacting Client Service on +61 3 9020 3000 on any business day or by referring to the Responsible Entity's website at www.quayfund.com.au

The Fund is not currently a disclosing entity as defined by the Corporations Act. If the Fund becomes a disclosing entity (generally this will occur when the Fund has 100 investors or more), it will be subject to regular reporting and disclosure obligations. Investors (but not Indirect Investors) have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report ('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.

The above information will also be available Quay's website at www.quayfund.com.au or can be obtained free of charge by contacting Arminius or the Responsible Entity. In addition, copies of documents lodged with ASIC concerning the Fund may be obtained from, or inspected at, an ASIC office.

If you are an Indirect Investor, contact your IDPS Operator.

Unit pricing discretions policy

Under the Constitution, the Unit Issue (or Withdrawal) Price is generally calculated on each Valuation Date by:

- establishing the Net Asset Value of the Fund which is generally based on the market value of the Fund's Assets, which includes undistributed income, after

deducting Liabilities such as fees and expenses and excluding application money for applications that have not been accepted;

- dividing the resulting amount by the number of Units in issue;
- increasing (or decreasing) the Net Asset Value of each Unit by the Transaction Costs (where applying); and
- rounding the price up (or down) to the nearest 4 decimal points.

We have a formal written policy for 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 any other relevant documents concerning 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 by contacting the Responsible Entity or can be found by referring to the website of the Responsible Entity at www.quayfund.com.au.

10.2 COMPLAINTS RESOLUTION

If you have a complaint about any aspect of your investment, please contact us by writing to:

Quay Fund Services Limited
PO Box R186, Royal Exchange, NSW 1225
Telephone 1300 114 980
Email enquiries@quayfund.com.au

We have a structured internal complaints procedure. Every effort will be made to address your complaint. We generally will acknowledge your complaint within 5 business days and seek to resolve it within 40 days with a written response.

If you are not satisfied with the response, you should refer your complaint to:

Financial Ombudsman Service (FOS)
Telephone 1800 367 287
Fax (03) 9613 6399
Post GPO Box 3, Melbourne VIC 3001
Email info@fos.org.au
Web www.fos.org.au

This service has been established to resolve complaints firstly through enquiry and conciliation, and then, if this is unsuccessful, adjudication. FOS is an independent body that can assist you if we cannot.

If you are investing through an IDPS, then enquiries and complaints should be directed to the operator of the IDPS.

10.3 FUND AUDITOR AND FUND ACCOUNTS

The annual accounts of the Fund and our AFSL are subject to annual independent audit. The annual financial report of the Fund is available to Investors free of charge.

10.4 RELATED PARTY TRANSACTIONS

The Directors of the Responsible Entity and the Investment Manager may invest from time to time in the Fund on the

same basis as other Investors in the Fund.

We and the Investment Manager may use services on behalf



of the Fund provided by companies related to us on no worse than arm's length commercial terms, including investment in other Funds for which Arminius Capital Management is also the investment manager.

Arminius Capital Management Pty Ltd is owned by 5 shareholders:

- Arminius Capital Advisory Pty Ltd ACN 165 509 928
- Placement Pty Ltd ACN 107 612 000
- CAG Investment Holdings Pty Ltd ACN 602 563 299
- DB Investment Co Pty Ltd ACN 133 084 161
- Jaroda Tide Pty Ltd ACN 113 603 302

All parties have made capital contributions to Arminius.

The Investment Manager maintains an Alternative Form of Remuneration Register. The Register outlines the alternative forms of remuneration which are paid by, and received from, the Responsible Entity. The Register is publicly available on request.

10.5 RIGHTS OF RESPONSIBLE ENTITY

We may rely on the advice of lawyers and information supplied by bankers, accountants, valuers and other experts and will not be liable for their acts or omissions, provided we exercise care in their selection.

We are not liable to any investor for making tax or similar payments.

When acting in good faith and without negligence, as Responsible Entity we:

- are indemnified out of the Assets of the Fund
- are not liable to Investors for loss or liability to any greater extent than the Fund Assets
- are not obliged to enter into any transaction unless our personal liability is excluded.

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 us. We may retain and pay out any monies in its hands all sums necessary to affect this indemnity.

We may retire as Responsible Entity on giving notice to Investors and must retire where we cease to be properly authorised to act as Responsible Entity under Australian law. In these cases, we will discuss the orderly transition to a new Responsible Entity with the Investment Manager.

10.6 RIGHTS OF INVESTMENT MANAGER

The Responsible Entity indemnifies the Investment Manager against Liabilities it reasonably incurs when acting as investment manager under the IMA without negligence, fraud, default or dishonesty. This indemnity does not cover where the Investment Manager's breach of the IMA or any act or omission of the Investment Manager (or of its officers, employees or agents) causes the Responsible Entity to be liable to investors where the Responsible Entity has no right of indemnity from the Fund.

10.7 APPOINTMENT OF A PERSONAL REPRESENTATIVE

Investors may appoint a personal representative to operate their Investors may appoint a personal representative to

operate their investment. The relevant sections on the Application Form need to be completed. If you appoint a personal representative we suggest that you ensure that your representative cannot appoint another nominee; and the appointment lasts until cancelled by you in writing or by the Responsible Entity.

A personal representative can, among other things apply for additional units; request distribution instructions be altered; change bank account details, withdraw all or part of your investment; and enquire as to the status of your investment and obtain copies of statements.

If the Responsible Entity determines that the circumstances require it, the Responsible Entity may cancel an appointment by giving the investor 14 days notice in writing. If an appointment cancelled, the Responsible Entity will not be obliged to act on the instructions of the personal representative.

Indemnity and release

By completing and lodging the sections on personal representatives on the Application Form you release, discharge and agree to indemnify the Responsible Entity from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Responsible Entity acting on the instructions of your personal representative. You also agree that any instructions of your personal representative to the Responsible Entity which are followed by the Responsible Entity are a complete satisfaction of the obligations of the Responsible Entity, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if the personal representative's instructions are followed by the Responsible Entity, you and any person claiming through or under you have no claim against the Responsible Entity concerning the instructions.

10.8 ELECTRONIC INSTRUCTIONS AND FACSIMILES INDEMNITIES AND RELEASES

Facsimiles

By lodging a facsimile withdrawal request, the Investor releases, discharges and agrees to indemnify the Responsible Entity from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request. The Investor also agrees that any payment made in accordance with a facsimile Withdrawal Request is in complete satisfaction of the obligations of the Responsible Entity, notwithstanding any fact or circumstance including that the payment was made without the investor's knowledge or authority. The Investor agrees that if the payment is made in accordance with a facsimile Withdrawal Request, the Investor and any person claiming through or under them shall have no claim against the Responsible Entity to the payment.

Electronic instructions

If an investor instructs the Responsible Entity by electronic means, such as facsimile or internet, the Investor releases it from, and indemnifies the Responsible Entity against, all losses and liabilities arising from any payment or action the Responsible Entity makes based on any instruction (even if not genuine) that it receives by an electronic communication bearing the Investor's investor code and which appears to



indicate to the Responsible Entity that the communication has been provided by the Investor. The Investor also agrees that neither they nor anyone claiming through them has any claim against the Responsible Entity or the Fund for these payments or actions.

10.9 CONSENTS

Arminius has given and, at the date of this PDS, has not withdrawn, its written consent to be named in this PDS as the Investment Manager of the Fund, and to the inclusion of the statements made about it and the Fund which are attributed to it.

Arminius has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. Arminius and its employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

AET has given, and as of the date of this PDS, not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. AET does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by AET.

To the maximum extent permitted by law, AET expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. AET does not guarantee the repayment of capital or any particular rate of capital or income return.

Apex has given and, as of the date of this PDS, has not withdrawn, its written consent to be named in this PDS as the Fund Administrator of the Fund, and to the inclusion of the statements made about it or the Fund which are attributed to it, in the form and context in which they appear.

Apex has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. Apex and its affiliates, employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

SECTION 11: TAXATION

11.1 TAXATION INFORMATION

The taxation information in this Product Disclosure Statement is of a general nature and is current as at its date. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their units on capital account. The application of these laws depends on the individual circumstances of the Investor.

The following comments should not be regarded as tax advice and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident Investors only (unless otherwise stated).

11.2 TAXATION OF THE FUND

The Fund is an Australian resident trust estate for Australian tax purposes. Under the Constitution, where Investors are

entitled to all of the distributable income of the Fund for a Financial Year, the Fund itself should not be liable for income tax. The taxation liability for the taxable income of the Fund will rest with the Investors. However, if for any reason there is taxable income to which no Investor is presently entitled, the Fund will be taxed at the highest marginal tax rate for that income.

If the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Investors. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses (including to the extent the Fund has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

11.3 DISTRIBUTIONS

Where an Investor is presently entitled to a share of the Fund's income for a Financial Year, the Investor will be liable to tax on their proportional share of the taxable income of the Fund. Investors will be assessed on their proportionate share of the Fund's net taxable income in the Financial Year for which their entitlement to the distributable income arises, even though it may not have been received in that Financial Year.

Distributions from the Fund may comprise different components including interest, dividends, net capital gains, other income, franking credits, foreign income, foreign income tax offsets and tax-deferred amounts.

For Investors who hold their units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred distribution is paid. Instead, the Investor's cost base in the units will be reduced by the tax-deferred amount and may affect the CGT position of the investment. However, for those Investors who have a zero cost base in their units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the Investor. Investors should maintain records of their adjustments.

Distributions of income reinvested in further units are treated the same way as cash distributions.

11.4 FRANKING CREDITS

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and related franking credits. A credit for these amounts may be available in calculating Unit Holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45 day holding period rule. Excess franking credits may be refundable to certain resident individuals and complying superannuation entities and in certain cases may generate tax losses for corporate entities.

11.5 FOREIGN INCOME TAX OFFSETS

Australian resident Investors may be entitled to claim foreign income tax offsets (FITOs) for foreign tax paid on the foreign income received by the Fund. In order to claim FITOs, Investors must include the amount of the credits in their assessable income. The ability to utilise the FITOs will be dependent upon each Unit Holder's specific tax circumstances.



We will advise each Investor of their share of tax credits in the annual tax statement.

11.6 DISPOSAL OR WITHDRAWAL OF UNITS

Investors must include any realised capital gain or loss on disposal or Withdrawal of their units (together with any capital gain distributed by the Fund) in calculating their net capital gain or loss for a Financial Year.

The Fund may determine that part of the Withdrawal Price of a unit represents a distribution of income for tax purposes for the Financial Year. Where the Withdrawal Price includes a distribution of income, any capital gain made is reduced by the taxable income amount included in the Investor's assessable income. A net capital gain will be included in an Investor's assessable income. A net capital loss may be carried forward for offset against capital gains of the Investor in subsequent years, but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the units have been held for 12 months or more.

For non-resident Investors, complex laws govern the taxation of capital gains distributed by the Fund or those realized on the disposal of units. Accordingly, non-resident Investors should seek their own professional tax advice.

11.7 TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)

Since 1 July 2010, the TOFA provisions have applied on a mandatory basis to qualifying taxpayers for certain financial arrangements. The TOFA rules may apply to financial arrangements held by the Fund when calculating its assessable income. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on an accruals basis and treats the relevant gains and losses on revenue account. As at the date of this Product Disclosure Statement, we, as Responsible Entity of the Fund, have not made an election to apply one of the elective methods under TOFA.

11.8 FOREIGN ACCRUALS REGIME

The Foreign Investment Fund (FIF) provisions were repealed with effect from 1 July 2010. It was proposed that the FIF provisions would be replaced by a specific anti-avoidance roll-up provision called the Foreign Accumulation Funds (FAF) rules. These rules would seek to ensure that Australian residents cannot defer or avoid a tax liability on income earned in a FAF. The government decided not to proceed with these proposed measures. As at the date of this document, the Government has not released any further legislation in draft form that would replace the repealed FIF provisions.

11.9 ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT)

The Fund intends to qualify as an eligible Attribution Managed Investment Trust (AMIT). When the Fund qualifies as a MIT, it intends to make an irrevocable election to apply the AMIT tax legislation. The AMIT legislation applies an attribution model whereby the trustee attributes amounts of trust

components of a particular character to investors ('members' for the purpose of this section) on a fair and reasonable basis consistent with the operation of the AMIT's constitution.

Amounts related to income and tax offsets of an AMIT, of a particular tax character are attributed to the members of the AMIT on the basis of their determined member components of that tax character. Notably, there are three determined member components of an income character being (a) assessable income; or (b) exempt income; or (c) non-assessable non-exempt income. A separate determined member component exists for tax offsets.

Assessable income includes ordinary and statutory income from all Australian and foreign sources, discount and non-discount capital gains, capital gains from taxable and non-taxable Australian property, dividends, interest, royalties and the gross-up for franking credits).

The sum of all AMIT trust components must equal the AMIT's assessable income for the income year.

Subsequently deductions that relate directly to each type of AMIT income are applied to each specific income type. Any remaining deductions are allocated to the various types of AMIT income 'on a reasonable basis'.

The effect of the application of deductions is in effect a calculation of the taxable income for the AMIT for the year of income.

The AMIT trustee will subsequently determine the 'taxable member component' for each investor member and must provide each member with an AMIT member annual statement (AMMA statement) which sets out the various trust characters and amounts allocated to that member in an approved format within 3 months of the AMIT year end. The AMMA statement must also notify of any adjustments to the member's cost base in AMIT units. The AMIT trustee is permitted to issue a revised AMMA statement within 4 years of the AMIT's income year to which it relates in the event of required changes as a result of variance identified consistent with the 'unders and overs' rules.

The member has the ability to dispute the basis of calculation of the determined member components notified on the AMMA statement. A specific dispute resolution process is provided in the AMIT legislation.

11.10 NON-RESIDENT WITHHOLDING TAX

If an Investor is not an Australian resident, withholding tax will normally be deducted from distributions before they are paid to the Investor. The tax rate will depend on the nature of the distribution and the country in which the Investor resides.

Withholding tax based on country of residence

Capital gains on the disposal of units by non-residents are not generally liable to Australian capital gains tax, subject to certain indirect interests in real property.

Distributions of income reinvested in further units are treated the same way as cash distributions.

Distributions of capital may have tax consequences.



11.11 GOODS AND SERVICES TAX (GST)

The Goods and Services tax (GST) is not applied to the application for or withdrawal of units in the Fund, as these are input-taxed financial supplies. However, GST generally applies to Fund's management fees and expense costs. The Fund is entitled to claim Reduced Input Tax Credits at the prescribed percentage of 55% or 75% (depending on the acquisition) from the ATO for part of the GST paid.

11.12 TAX FILE NUMBERS AND AUSTRALIAN BUSINESS NUMBERS

An Investor is not required to quote their Tax File Number ('TFN') or Australian Business Number ('ABN'). However, if the Investor is an Australian resident for taxation purposes and a TFN or ABN is not provided or an exemption is not claimed, we are required to withhold tax at the highest marginal rate, plus the Medicare levy, from Fund distributions.

11.13 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FACTA) AND COMMON REPORTING STANDARD (CRS) OBLIGATIONS

The Responsible Entity is required to identify tax residents of countries other than Australia to meet reporting requirements under local and international laws; the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS, together the Foreign Tax Reporting Obligations). This may include disclosing information to the ATO, who may in turn report that information to the US Internal Revenue Service or other international tax collection entity.

Failure to comply with these reporting obligations could result in the Fund being subject to US withholding tax on payments of US income or gross proceeds from the sale of particular US securities for FATCA, or for CRS, the amount assessed by the relevant country. However, provided all information requested by us is obtained and these taxes should not apply to the Fund or its investors. The Responsible Entity may therefore request that investors and prospective investors provide certain information in order to comply with these requirements - see section 12.3

SECTION 12: PRIVACY, ANTI-MONEY LAUNDERING, FATCA AND CRS REQUIREMENTS

12.1 PRIVACY POLICY

Privacy laws apply to our handling of personal information and how we will collect, use and disclose the personal information of Investors. All personal information collected from an Investor will be used and stored by us in accordance with our privacy policy, a copy of which is available on request or at our website, www.quayfund.com.au.

We collect information for the following reasons:

- to assess and process your application;
- to establish and maintain the register of Investors;
- to monitor, audit, evaluate and otherwise administer

investments; and

- to communicate with Investors concerning their investment and transactions relating to their investment.

We may disclose information we hold about an Investor in the following circumstances:

- to companies that provide services on our behalf (for example printing statements which we send to Investors);
- if the disclosure is required or authorised by law; or
- if the Investor consents to the disclosure.

Our privacy policy includes details about the following matters:

- how we collect and hold personal information;
- how an Investor may access personal information that we hold about the Investor and seek correction of the information (note that exceptions apply in some circumstances);
- how an Investor may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint; and
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which the recipients are likely to be located if it is practicable for us to specify those countries.

AET may collect your personal information for primarily the purpose of providing custodial services to the Responsible Entity and for ancillary purposes detailed in AET's Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Responsible Entity or as otherwise instructed by the Responsible Entity. AET are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. AET's Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy.

12.2 ANTI-MONEY LAUNDERING REQUIREMENTS

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML Act') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies apply to us ('AML Requirements'), to regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

To comply with the AML Requirements, we are required to, amongst other things:

- verify an Investor's identity and source of application monies before providing services to the Investor, and to re-identify the Investor if we consider it necessary to do so; and



- where the Investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

We reserve the right to request such information as is necessary to verify the identity of an Investor and the source of payment of application money.

If there is a delay or failure by the Investor to produce this information, we may refuse to accept an application and the application monies relating to the application or we may suspend payment of Withdrawal proceeds if necessary to comply with AML Requirements. We are not liable to an Investor for any loss suffered by them as a result of the rejection or delay of any application or payment of Withdrawal proceeds.

We have implemented a number of measures and controls to ensure we comply with our obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls, we may from time to time require additional information from Investors to assist us in this process.

We have certain reporting obligations under the AML Requirements and we are prevented from informing an Investor that this reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. We are not liable for any loss an Investor may suffer as a result of our compliance with the AML Requirements.

12.3 FATCA AND CRS REQUIREMENTS

If requested by the Responsible Entity each Investor agrees, and it is a condition of the issue of the units, to provide certain information required by it or the Custodian in order to comply with any applicable law, and to promptly notify us of any change to the information you have previously provided us, including under FATCA and CRS.

The Fund has not been registered under the United States (US) Securities Act, as amended, (Act) or under any similar or analogous provision of law enacted by any jurisdiction in the US. The units may not be offered or sold within the US or sold to any US person unless we and the Investment Manager, at our absolute discretion, grant an exception. For this purpose, a US person is one falling under the definition of US person under the Act, under the guidelines set forth by the US Commodities Futures Trading Commission in its Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as amended, or under US Internal Revenue Code (IRC) or under the US federal income tax law or a non-US entity with certain US owners.

Requirement to notify us

In addition, Investors are required to notify us immediately if they are or become US persons or hold units for the account or benefit of US persons or hold units in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or its investors or otherwise be detrimental to the interests of the Fund.

It is important to note that if you fail to provide this information and the Fund or Responsible Entity as a result becomes subject to withholding tax under FATCA or CRS, the Responsible Entity may seek to recover the amount of the tax from the Investor or redeem the units of the Investor in accordance with the provisions of the Constitution.



13. DEFINITIONS

Apex Fund Services (Australia) Pty Ltd or Apex: the Fund Administrator.

Application Form: the application form attached to this Product Disclosure Statement.

Arminius Capital EMMA Fund ARSN 614 074 449: means the money market fund managed by the Investment Manager and having the same Custodian, Fund Administrator and Responsible Entity.

Arminus or Arminus Capital Management: Arminius Capital Management Pty Ltd.

Arminius Group: Arminius, Arminius Capital Management, Arminius Investment Management Pty Ltd AFSR no 471285 and Arminius Capital Advisory Pty Ltd AFSL no 461307.

ASFA: Association of Superannuation Funds of Australia.

ASIC: the Australian Securities and Investments Commission.

Asset: all property, including investments, right and income of the Fund.

ATO: the Australian Taxation Office.

AET Corporate Trust Pty Limited or AET: the Custodian.

business day: any day except Saturday, Sunday or a public or bank holiday in Melbourne.

Constitution: the constitution under which the Fund was established dated 17 August 2016 as maybe amended from time to time.

Controlling Person: An individual who directly or indirectly own a legal interest in an entity of 25% or more and/or exercise actual effective control over the entity, whether from an economic or other perspective, such as voting rights. For a trust, a controlling person includes the settlor, trustee(s), appointer(s), protector(s), beneficiary(ies) or classes of beneficiaries. For an entity other than a trust, it includes persons in equivalent or similar positions.

Corporations Act: the Corporations Act 2001 (Cth) as amended from time to time.

CRS: the Common Reporting Standard.

Custodian or AET: the custodian of the Fund, AET Corporate Trust Pty Limited.

Custodian Agreement: the agreement under which the Responsible Entity has appointed AET to be the Custodian.

Delta: The ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a Derivative.

Derivative: a contract the value of which depends on, or is derived from, the value of an underlying asset, reference rate or index. This includes without limitation, options, futures, swaps and forward contracts.

Distribution Period: the period for which a distribution of income of the Fund is calculated and paid for a Financial Year.

Dollars or a reference to currency means Australian dollars unless otherwise noted.

ESG: environmental, social and governance considerations.

FATCA: the US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act 2010 (Cth)

Financial Year: the 12 months ending on 30 June in a year, except for the first Financial Year of the Fund which starts on the Fund Commencement and ends the next 30 June, and for the last Financial Year of the Fund which ends on its termination date and commence the previous 1 July.

FSC: the Financial Services Council.

Fund: the Arminius Capital GMMA Fund, which is an abbreviation of the Arminius Capital Global Macro Multi Asset Fund.

Fund Administrator: Apex Fund Services (Australia) Pty Limited, which was appointed to act as sub-administrator of the Fund by Apex Fund Services Ltd., with which we have entered into a fund administration agreement.

Fund Commencement: the date on which the Fund commenced under the Constitution, being the date on which Assets are first vested in the Custodian appointed by it.

Gross Asset Value of the Fund: the sum of the Market Value of the Assets.

GST: the tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth).

IDPS: Investor directed portfolio service. An IDPS is a vehicle through which an investor purchases a range of underlying investment options from numerous investment managers. The IDPS Operator providing the investor with consolidated and streamlined transaction statements and other reporting.

IDPS Operator: An entity that operates and offers an IDPS.

Investment Management Agreement or IMA: the investment Management Agreement under which Quay has appointed Arminius as the Investment Manager of the Fund.

Investment Manager or Arminus Capital Management: Arminius Capital Management Pty Ltd.

Investor: a unit holder in the Fund.

Issue Price: for the initial issues of units, \$1.00 per unit. For the subsequent issues of units, the Issue Price is the Unit Value most recently determined by us prior to the issue date, adjusted for any Transaction Costs.

Liabilities: the total of the liabilities of the Fund, including any accruals or provisions we reasonably believe should be made and any liability to Unit Holders for distributions or withdrawals.

Market Value: the current market value of an Asset or other value appropriate to the nature of the Asset under generally accepted accounting principles. We may appoint a valuer to determine the value of an Asset where it determines this method does not truly reflect its value.

Minimum Withdrawal Amount: the Unit Value of units which may be redeemed, being \$1,000.

month: a calendar month.

Net Asset Value or NAV of the Fund: the Gross Asset Value of the Fund less the Liabilities.

OTC Derivatives: Derivatives which are not traded on a listed stock exchange but are traded over the counter.

Product Disclosure Statement: means this document as may be amended or replaced.



Quay or Quay Fund Services Limited or us, our or we: the Responsible Entity.

R² coefficient: means a statistical method that explains how much of the variability of a factor can be caused or explained by its relationship to another factor.

Responsible Entity: the Responsible Entity of the Fund, Quay Fund Services Limited.

RITC: Reduced Input Tax Credit. We will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

Sub-manager: Arminius Investment Management Pty Ltd.

Transaction Costs or buy-sell spread: an amount paid into the Fund to cover the costs of buying or selling Assets. This includes any tax or duty or valuation required for Fund property to effect an acquisition or sale. The Transaction Costs on application or withdrawal of units is 0% of the amount invested or redeemed.

underlying trust: Arminius Capital ALPS Fund.

Unit: a fully paid ordinary unit in the Fund.

Unit Holder: a person noted on the unit register as the holder of a unit, including persons jointly registered.

Unit Value: the Net Asset Value of the Fund divided by the number of units in issue on the Valuation Date.

Valuation Date: a date on which the Net Asset Value of the Fund is determined.

Withdrawal Amount: an amount equal to the number of units to be redeemed, multiplied by the Withdrawal Price on the Withdrawal Date.

Withdrawal Date: the date determined by us with effect from when a unit is to be redeemed.

Withdrawal Price: the Unit Value most recently determined by us prior to the Withdrawal Date, adjusted for any Transaction Costs.

Withdrawal Request: a written request to redeem units by an Investor or otherwise in a form acceptable to the Responsible Entity.