

# Bentham Asset Backed Securities Fund - Class I

ARSN 622 644 866 APIR HOW2852AU ASX Code BAM06

## Product Disclosure Statement 18 October 2021

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**!** This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to additional important information which forms part of this PDS. You should consider that information before making a decision about the Fund. In addition you should also read the Target Market Determination (TMD) in conjunction with the PDS to ensure this Fund aligns with your objectives, financial situation and needs. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your own personal circumstances before investing in the Fund.

Fidante Partners Limited (ABN 94 002 835 592, AFSL 234 668) (**Fidante Partners, we, our, us**) is the Responsible Entity of the Bentham Asset Backed Securities Fund (ARSN 622 644 866) (the **Fund**) and the issuer of this PDS. Our ultimate parent is Challenger Limited (ABN 85 106 842 371). Fidante Partners is a member of the Challenger Limited group of companies (**Challenger Group**). Fidante Partners is not an authorised deposit-taking institution (**ADI**) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante Partners. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

We have appointed Bentham Asset Management Pty Ltd (ABN 92 140 833 674, AFSL 356 199) (**Bentham or the investment manager**) as the investment manager of the Fund. The offer or invitation to subscribe for units in the Fund under this PDS is only available to persons receiving this PDS in Australia. References in this PDS to the Fund are to the Class I units in the Bentham Asset Backed Securities Fund. No other class of units in the Bentham Asset Backed Securities Fund is offered in this PDS.

The Fund is available to direct investors (**Direct Investor**) and investors via the mFund settlement service (**mFund Investor**) through your nominated broker and through an investor directed portfolio service (**IDPS**) or IDPS like scheme (**Indirect Investor**). If you have any queries regarding your investment or if you would like a paper copy of the PDS or Additional Information Booklet (**AIB**) you should contact us.

**Addition Information Booklet (AIB):** Throughout the PDS, there are references to additional information contained in the AIB. The information contained in the AIB may change between the day you receive this PDS and the day you acquire the product. You must therefore ensure that you have read the AIB current as at the date of your application.

**Target Market Determination:** The Target Market Determination (**TMD**) describes the attributes of consumers who the product is likely to be appropriate for. It also specifies distribution conditions and restrictions that will help ensure the Fund is likely to reach consumers in the target market. Each person should obtain and consider the Fund's TMD and this PDS to ensure this Fund aligns with your objectives, financial situation and needs before making a decision about whether to acquire or continue to hold the Fund.

**Updated information:** The information in this PDS is up-to-date at the time of preparation. However, some information can change from time to time. If a change is considered materially adverse we will issue a replacement PDS. For updated or other information about the Fund (such as a copy of the PDS, AIB, TMD or other information such as performance), please contact your financial adviser or nominated broker, call our Investor Services team or visit our website [www.fidante.com.au](http://www.fidante.com.au). We will send you a copy of the updated information free of charge upon request.

**Consents:** Bentham has provided consent to the statements about it in the form and context in which they are included. Bentham was not otherwise involved in the preparation and distribution of this PDS and is not responsible for the issue of this PDS, nor is it responsible for any particular part of this PDS other than those parts that refer to it. Bentham has not withdrawn its consent before the date of this PDS.

## 1. About Fidante Partners

### Fidante Partners – the Responsible Entity

Fidante Partners is the Responsible Entity of the Fund. As Responsible Entity, we issue units in the Fund and are legally responsible to the unitholders of the Fund for its operation.

Fidante Partners forms long term alliances with talented investment teams to support and grow specialist investment management businesses. Through these strategic partnerships, we're able to provide investors with some of the world's most compelling investment strategies. We have appointed Bentham as the investment manager of the Fund. We provide back office, administration, and compliance support services to Bentham, allowing Bentham the freedom to focus on investing and managing the assets of the Fund.

A related entity of Fidante Partners has a partial equity stake in Bentham. Neither we, nor any of our related entities, nor Bentham guarantee the repayment of your capital or the performance of your investment or any particular taxation consequences of investing.

### Bentham – the Investment Manager

Bentham is a specialist fixed interest and credit investment manager. Bentham actively manages a number of credit focused funds with varying risk profiles. The portfolios are designed to generate income while diversifying risk in global credit markets. Bentham's goal is to deliver higher income to investors than can generally be achieved in traditional fixed interest markets with lower volatility than equity markets.

Bentham's investment philosophy is based on a strong credit culture and a systematic investment process, with a focus on the preservation of principal and protection against downside risk. The founders of Bentham previously worked together as part of the Credit Investment Group of Credit Suisse Alternative Capital Inc. If you would like more information on Bentham, please visit their website [www.benthamam.com](http://www.benthamam.com).

## 2. How the Bentham Asset Backed Securities Fund - Class I works

The Fund is a registered managed investment scheme (also known as a managed fund) that is an unlisted Australian unit trust governed by the constitution together with the Corporations Act 2001 (Cth) (**Corporations Act**) and other laws. Managed funds pool individual investors' monies which are then used to purchase assets in line with the Fund's investment objective.

Investors in the Fund are issued units in the Fund which represent their beneficial interest in the assets of the Fund, but do not give an investor an interest in any particular asset of the Fund. Certain rights are attached to these units and these rights are exercisable by the person who owns the units (referred to as **Direct Investor**, **mFund Investor**, **unitholders** throughout this PDS). For specific information on investing, please refer to '8. How to apply' in this PDS. Investors accessing the Fund through an IDPS are referred to as Indirect Investors throughout this document. Indirect Investors do not become unitholders in the Fund, nor do they acquire the rights of a unitholder.

The number of units you can purchase will depend on the amount being invested and the investment unit price calculated for the day we receive your valid application form.

### Investing

You can invest in the Fund as a Direct Investor, an mFund Investor, or an Indirect Investor.

For mFund Investors the minimum initial investment amount is \$10,000. For Direct Investors the minimum initial investment amount is \$10,000; or \$1,000 when a Regular Savings Plan is established. For additional investments, the minimum one-off additional investment amount is \$1,000 and the minimum Regular Savings Plan amount is \$100 per month. We can vary or waive the minimum investment amounts at any time.

For more information on how to make an investment, refer to '8. How to apply' in this PDS. All individual or joint investors in the Fund must be at least 18 years of age and all new investors must comply with our Customer Identification Program. Please refer to 'Customer Identification Program' in the Fund's AIB available on our website.

Indirect Investors should contact their IDPS operator for application information.

### Withdrawing

Once invested in the Fund, you can generally withdraw your investment at any time by making a withdrawal (subject to certain requirements).

For Direct Investors and mFund Investors the minimum withdrawal amount is \$1,000. The number of units you can withdraw will depend on the amount being withdrawn and the withdrawal unit price calculated for the day we receive your withdrawal request. In some circumstances, such as when there is a freeze on withdrawals or withdrawals are spread, you may not be able to withdraw your funds within the usual period upon request. Refer to 'Withdrawal risk' in this PDS for more information.

Indirect Investors should contact their IDPS operator for withdrawal information.

### Unit prices

Unit prices will vary as the market value of the Fund's assets rise and fall. Unit prices are determined in accordance with the Constitution and are usually calculated each New South Wales business day. We have a Unit Pricing Permitted Discretions Policy which sets out how we will exercise any discretion in relation to the unit pricing. You can request a copy of this policy free of charge by contacting us on 13 51 53.

### Processing

If your valid investment or withdrawal request is received in our Sydney office before 3:00pm Sydney time on a NSW business day (referred to as the **transaction cut-off time**), it will usually be processed using the unit price determined as at the close of business on that day. If your valid investment or withdrawal request is received after the transaction cut-off time, or on a non-business day, it will usually be processed using the applicable unit price calculated as at the close of business on the next business day. We will provide notice if we are to change the transaction cut-off time.

If you are investing through the mFund Settlement Service transaction cut off times may vary. Please contact your nominated broker for further details.

### Frequency of distributions

The Fund generally pays distributions monthly; however, we do not guarantee any level of distributions and there may be periods in which reduced or no distributions are paid. Distributions will generally be paid directly to a nominated Australian financial institution or reinvested in additional units in the Fund as soon as practicable after the end of the Fund's distribution period.

## How distributions are calculated

Distributions you receive will generally represent your share of the distributable income of the Fund and can be made up of both income and net realised capital gains. Where more than one class is on issue, the distributable income referable to each particular class will be the proportion of distributable income properly referable to that class of units. Your share of any distribution depends on how many units you held at the end of the distribution period as a proportion of the total number of units on issue in the Fund at that time.

In certain circumstances, some income and/or net realised capital gains may be held back until the final distribution of the distribution period (being a period of up to 12 months) at the end of June to allow for market volatility.

**You should read the important information about 'How the Fund is governed', 'Additional information about investing', 'Additional information about withdrawing', 'Additional information about transactions', 'How unit prices are calculated', and 'Additional information about distributions' in the AIB before making a decision. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'How the Fund is governed', 'Additional information about investing', 'Additional information about withdrawing', 'Additional information about transactions', 'How unit prices are calculated', and 'Additional information about distributions' may change between the time when you read this PDS and when you acquire the product.**

## 3. Benefits of investing in the Bentham Asset Backed Securities Fund - Class I

- **Active Management:** Investments are actively managed and provide investors with access to a diversified portfolio of asset backed securities with a strong focus on capital preservation and the generation of stable income.
- **Rigorous Investment Approach:** Bentham seeks to add value through economic cycles by identifying the most attractive relative value investment ideas on a risk adjusted basis. This is achieved by combining both top down macro and bottom up fundamental analysis and the flexibility to invest in global markets, across both sector and security type.
- **Experienced Investment Team:** The Fund offers access to investment professionals who specialise in domestic and global credit markets with a long track record in managing global asset backed securities.
- **Income:** Globally diversified sources of income targeting monthly income distributions.
- **Opportunity Set:** The Fund aims to take advantage of market inefficiencies in investment grade securitised debt through Bentham's proven investment philosophy and process.

Refer to '5. How we invest your money' in this PDS for more information on the Fund's investments.

## 5. How we invest your money

**!** When choosing what to invest in, you should consider the likely investment return of the Fund, the risks associated with investing in the Fund, and your own personal objectives, risk preference and investment time frame.

### Investment return objective

The Fund aims to provide exposure to investment grade global asset backed securities and to generate stable income with some capital growth over the medium term. The Fund aims to outperform its benchmark over the suggested minimum investment timeframe.

### Minimum suggested investment timeframe

At least three years

## 4. Risks of investing in managed investment schemes (MIS)

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of risk.

When investing in an MIS, it is important to note that the value of assets in the MIS and the level of returns will vary. No return is guaranteed. Future returns may differ from past returns and investors may lose some or all of their money invested. Additionally, laws (including tax laws) that affect MIS may change in the future, which may have an adverse effect on the returns of MIS,

The level of acceptable risk will vary across investors and will depend upon a range of factors such as age, investment timeframe, where other parts of the investor's wealth is invested and the investor's level of risk tolerance.

The significant risks of investing in the Fund include:

- **Currency risk:** Some securities held by the Fund may be denominated in a currency different to Australian Dollars. A change in the value of these currencies relative to the Australian dollar can affect the value of the investments.
- **Derivative risk:** Risks associated with using derivatives may include, but are not limited to, the value of a derivative failing to move in line with that of the underlying asset and its potential illiquidity. Derivatives may also be subject to collateral risk and counterparty risk (refer to AIB).
- **Fixed income security risk:** Fixed interest securities are affected by interest rate risk and credit risk, with term to maturity and quality of the issuer the main determinant of the impact of these risks. Refer to 'Interest rate risk' and 'Credit risk' in the AIB.
- **Fund risk:** The risk that changes to the Fund such as termination, changes to fees, or changes in government policies (including investment sanctions) can have an impact on the Fund and/or its investors.
- **Liquidity risk:** The risk that the securities in which the Fund is invested, or the Fund itself, may become illiquid. This may also impact an investor's ability to withdraw from the Fund (refer to 'Withdrawal risk' in the AIB).
- **Market risk:** The possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets outside the control of the Fund.

**You should read the important information about 'Additional information about significant risks' in the AIB before making a decision about the Fund. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'Additional information about significant risks' may change between the time when you read this PDS and when you acquire units in the Fund.**

## Benchmark

Bloomberg AusBond Bank Bill Index

## Risk level



Refer to 'Additional information about the Fund's investments' for further information about the Fund's risk.

## Description of the Fund

The Fund is focused on generating stable income by investing in a diversified portfolio of investment grade global asset backed securities (**ABS**).

The Fund is intended to be suitable for investors seeking to invest for at least three years, have a preference for an alternative to government bonds, and who are looking for floating rate global securitised credit exposure.

### Investment approach

The Fund is actively managed with a focus on generating stable income with some potential for capital growth by providing diversified exposure to global ABS subsectors while managing interest rate and currency risk.

Bentham seeks to add value through security selection and subsector allocation, while maintaining a minimum average credit quality of A-.

Bentham employs a top-down approach; active asset allocations across a range of credit sub-sectors are made according to quarterly forecasts of prospective risk-adjusted returns. Drawing on a combination of experience and strong relationships with specialist investment managers, Bentham seeks out and identifies global investment opportunities in credit markets with the aim to generate income with some potential for capital growth. Bentham utilises a bottom-up analysis to select individual investments based on credit fundamentals and market information.

The Fund must maintain a minimum exposure of 90% to investment grade rated securities and cash equivalents. Bentham aims to minimise credit risk by focusing on risk management and a high diversity of investments, which would otherwise be difficult to achieve without access to global markets.

### Investment universe and portfolio construction

The Fund invests in global securitised credit securities. The Fund's investments include, but are not limited to, collateralised loan obligations, residential mortgage backed securities, commercial mortgage backed securities, aircraft backed securities, and other asset backed securities, government bonds, government backed bonds, derivatives, and cash equivalents.

The Fund uses derivatives as a risk management tool, including currency swaps, interest rate swaps, credit default swaps, total return swaps, repurchase agreements, reverse repurchase agreements, futures and options. The final portfolio reflects Bentham's rigorous fundamental approach to credit portfolio management. Portfolio construction guidelines promote diversification and credit quality by maintaining a minimum average credit quality of A-, maintaining a minimum exposure of 90% to investment grade rated securities and cash equivalents, and by limiting the maximum portfolio exposure to any single non-investment grade issuer to 2%.

### Currency strategy

Bentham aims to hedge any foreign currency exposure back to the Australian dollar to between 95% and 105% of the Net Asset Value (NAV) of the Fund. Please refer to 'Currency Risk' for additional information.

## Strategic asset allocation ranges<sup>1</sup>

The Fund gains exposures to various investment markets and asset classes by investing into direct assets. References to asset allocations are references to the exposure of the Fund, not necessarily the physical unit or security held. The following are indicative asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment cause the Fund to exceed these asset allocations, or a limit set out in this document, this will be addressed by us or Bentham as soon as reasonably practical.

Asset class	Min (%)	Max (%)
Cash and Cash Equivalents	0	35
Securitised Credit - rating of AAA to A-	65	100
Securitised Credit - rating of BBB+ to BBB-	0	20
Securitised Credit - rating below BBB-, incl. unrated	0	10

<sup>1</sup>These are asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these ranges, or a limit set out in this PDS, this will be addressed by us or Bentham as soon as reasonably practicable.

**Labour standards or environmental, social or ethical considerations**

Bentham believes ESG analysis can assist in the identification of risks which can significantly impact credit worthiness. While Bentham takes into account labour, environmental, social and governance considerations when selecting, retaining or realising underlying investments, it does not adhere to any particular set of standards nor does Bentham have a predetermined view as to what constitutes a labour, environmental, social or ethical consideration, as these are determined on a case-by-case basis. Bentham's consideration of ESG factors is detailed further below.

**Changes to investment policy**

The Constitution permits a wide range of investments and gives us, as Responsible Entity, broad investment powers. We may change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.

**You should read the important information about 'Additional information about the Fund's investments' in the AIB before making a decision. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'Additional information about the Fund's investments' may change between the time when you read this PDS and when you acquire the product.**

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

### Fees and other costs

This section shows fees and other costs that you may be charged. The information in this summary can be used to compare costs between different simple managed investment schemes. These fees and costs may be paid directly from your account or deducted from the returns on your investment. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

### Fees and costs summary

Bentham Asset Backed Securities Fund - Class I		
Type of fee or cost	Amount <sup>7</sup>	How and when paid
<b>Ongoing annual fees and costs</b>		
<i>Management fees and costs</i> <sup>1,2,3,4</sup> The fees and costs for managing your investment	The management fees and costs of the Fund are 0.35% p.a. of the net asset value of the Fund	The amount quoted is made up of the following three components:  Management fees, which are calculated and accrued daily and paid monthly in arrears from the Fund's assets on or around the last business day of the month.  Indirect costs (if any), which are deducted from the Fund's assets, accrued daily in the net asset value, and then paid as and when due.  Recoverable expenses which may be abnormal operating expenses (if any) that, if changed, will be deducted from the Fund's assets, and paid as incurred; and/or normal operating expenses and investment expenses, which are paid out of the management fee.
<i>Performance fees</i> <sup>5</sup> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<i>Transaction Costs</i> <sup>6</sup> The costs incurred by the scheme when buying or selling assets	The net transaction costs incurred by the Fund for the last financial year were approximately 0.00% p.a. of the net asset value of the Fund	Transaction costs are deducted from the assets of the Fund as and when they are incurred (where not otherwise recovered through the buy/sell spread).
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		

<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	+0.09%/-0.09% of the investment or withdrawal amount	Charged at time of transaction and paid into the Fund when you invest in or withdraw from the Fund. The spread is reflected in the unit price.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable
<i>Switching fee</i> The fee for changing your investment options	Nil	Not applicable

- 1 Unless otherwise stated, all fees and costs are quoted gross of income tax and any Goods and Services Tax (**GST**) and reduced by any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) as applicable. Where available, the prescribed RITC rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Due to the impact of GST, ITC and RITC calculations, actual fees may vary slightly from those stated and may be rounded to two decimal places.
- 2 For certain wholesale clients (as defined in the Corporations Act) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to 'Can fees be different for different investors?' under the heading 'Additional explanation of fees and costs' in the AIB for more information.
- 3 All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. The costs component of management fees and costs reflect the actual amount incurred for last financial year and the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS (adjusted to reflect a 12-month period). All figures have been rounded to two decimal places. Please refer to 'Management fees and costs' under the heading 'Additional explanation of fees and costs' in the AIB for more information on management fees and costs.
- 4 Please refer to 'Other payments' under the heading 'Additional explanation of fees and costs' in the AIB for more information on costs that may be payable.
- 5 While a performance fee is chargeable under the constitution of the Fund, we have elected not to charge it and we have not charged it over the previous 4 financial year(s). Please refer to 'Performance fee' under the heading 'Additional explanation of fees and costs' in the AIB for further information on performance fees.
- 6 Transaction costs are the costs associated with the buying and selling of the Fund's assets. These costs include brokerage, settlement costs, clearing costs, stamp duty and other government taxes or charges and include the transactional and operational costs incurred by the underlying assets. Transaction costs are recovered from the assets of the Fund as and when they are incurred. The amount quoted reflects the transaction costs not recovered by the buy/sell spread for the last financial year (adjusted to reflect a 12-month period), including our reasonable estimates where information about actual costs was unavailable at the date of this PDS.
- 7 'Nil' means there is an entitlement under the constitution but we have elected not to charge it. 'Not applicable' means there is no entitlement for us to charge this fee.

## Example of annual fees and costs for the Fund

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

<b>EXAMPLE - Bentham Asset Backed Securities Fund - Class I</b>	<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR</b>	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>Plus</b> Management fees and costs	0.35% p.a. of the net asset value of the Fund	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$175</b> each year.
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year.

**PLUS** Transaction costs

0.00% p.a. of the net asset value of the Fund

**And**, you will be charged or have deducted from your investment **\$0** in transaction costs.

**EQUALS** Cost of the Fund

If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of and costs of: **\$175**

**What it costs you will depend on the investment option you choose and the fees you negotiate.**

**!** This example assumes that the \$5,000 contribution is made at the end of the year and the value of the investment is otherwise consistent, therefore the management fees and costs associated above are calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and expenses we charge are based on the value of the Fund, which also fluctuates daily. Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the buy/sell spread. For a detailed explanation about all of the fees and costs that apply see the fees and costs summary above.

## Calculator

There is a calculator provided by ASIC on its Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) that you can use to calculate the effect of fees and costs on your balance.

## Additional explanation of fees and costs

Please refer to the 'Fees and other costs' section in the AIB for further explanations of the fees and costs of the Fund.

**!** **Additional fees may be paid to a financial adviser if one is consulted or broker if accessing the Fund through mFund. You should refer to the financial adviser's statement of advice or broker's Financial Services Guide which provides details of the fees payable.**

## Can the fees change?

All fees can change. Reasons for this might include changing economic conditions and changes in regulation. We will give unitholders 30 days' written notice of any proposed increase in fees. We cannot charge more than the Constitution allows. If we wish to raise fees above the amount allowed for in the Constitution, we would first need to obtain the approval of unitholders. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

**You should read the important information about 'Fees and costs' in the AIB before making a decision about this product. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'Fees and costs' may change between the time when you read this PDS and when you acquire the product.**

## 7. How managed investment schemes are taxed

**!** **Investing in a registered managed investment scheme is likely to have tax and/or social security consequences and you are strongly advised to seek professional tax advice.**

The Responsible Entity has elected for the Fund to be an Attribution Managed Investment Trust (AMIT). It is intended that all determined trust components (i.e. assessable income, exempt income and non-assessable non-exempt income) will be attributed to members each year so that the Fund itself is not subject to tax. As an investor you will be assessed for tax on your attributed share of the Fund's taxable income, including any net capital gains. The Fund does not pay tax on behalf of Australian investors. Fidante Partners is not a registered tax (financial) adviser and is not licensed or authorised to provide tax advice. We strongly advise that you obtain your own professional advice regarding your position, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

**You should read the important information about 'Taxation considerations' in the AIB before making a decision. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'Taxation considerations' may change between the time when you read this PDS and when you acquire the product.**

## 8. How to apply

You can invest in the Fund as a Direct Investor, an mFund Investor, or an Indirect Investor.

### Direct Investors

The following applies to Direct Investors investing through Fidante Partners. To make your initial investment:

- read this PDS, the AIB and the Fund's TMD on our website;
- complete and sign the relevant application form available on our website, and include all required customer identity verification documents; and
- post all documentation to:

Fidante Partners Reply Paid 86049 Sydney NSW 2001 (No stamp required).

### mFund Investors

To make your initial investment through the mFund:

- read this PDS, the AIB and the Fund's TMD available on both our website and at [www.mFund.com.au](http://www.mFund.com.au);
- place a 'buy order' for units in the Fund through your nominated broker with whom you have a broker sponsorship agreement; you will have to advise your broker that you agree to use mFund and have read the PDS; and
- your broker will process your order using the mFund. Your payment will come out of your relevant broking account.

### Indirect Investors

If you are an Indirect Investor, you must complete the documentation which your IDPS operator requires.

### All investors

Under the Constitution we can accept or reject applications for investment units into the Fund at any time and are not required to give any reason or grounds for such a refusal. To address money laundering and terrorism risks, verification of each investor's identity is a prerequisite for all new investors. If we do not receive all valid documents with your relevant application

form we may not be able to commence your investment or may not process any future withdrawal requests until we receive the required documents.

### Cooling-off rights

If you are a retail investor as defined in the Corporations Act you may have a cooling-off right whereby you can change your mind about your investment in the Fund and ask for your money to be repaid. This cooling-off right must be exercised within 14 days from the earlier of:

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

No cooling-off period applies to an investment placed through an IDPS operator. You should seek advice from your financial adviser or IDPS operator about the cooling-off rights (if any) that might apply to your investment in your IDPS.

### Complaints

As part of our commitment to providing quality service to our investors, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within 24 hours or as soon as practical after receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 30 calendar days for standard complaints. If you have a particular complaint regarding your investment, please do not hesitate to contact us by calling our Investor Services Team on 13 51 53 or writing to us.

If you are not happy with our response or how the complaint has been handled (or we have not responded within 30 calendar days), you may contact the following external dispute resolution scheme: The Australian Financial Complaints Authority (AFCA), GPO Box 3, Melbourne VIC 3001, Tel: 1800 931 678, email: [info@afca.org.au](mailto:info@afca.org.au), [www.afca.org.au](http://www.afca.org.au). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Indirect Investors can contact their IDPS operator or us if there is a complaint in relation to the Fund. Complaints regarding the operation of an IDPS should be directed to your IDPS operator. If a complaint is first raised with an IDPS operator and an Indirect Investor is not happy with the how the complaint has been handled, they should raise that with the IDPS operator or the IDPS's external dispute resolution service.

**You should read the important information about 'How to exercise cooling-off rights' and 'Additional information about making a complaint' in the AIB before making a decision. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'How to exercise cooling-off rights' and 'Additional information about making a complaint' may change between the time when you read this PDS and the day when you acquire the product.**

## 9. Additional information

### mFund Settlement Service

mFund is a settlement service developed by the Australian Securities Exchange (ASX). It is an electronic processing system for settling transactions of unlisted managed funds through the Clearing House Electronic Subregister System (CHES) and is designed to replace the traditional paper application process for unlisted managed fund transactions.

## Indirect Investors

Investors accessing the Fund through an investor directed portfolio service (IDPS) or IDPS-like scheme (known commonly as a master trust or wrap account) may use, or be given, this PDS when deciding to invest in the Fund. These investors are referred to as Indirect Investors. Indirect Investors do not become unitholders in the Fund, nor do they acquire the rights of a unitholder. The operator of the IDPS (IDPS operator) acquires those rights and can exercise or decline to exercise them on behalf of Indirect Investors.

In addition to reading this PDS, Indirect Investors should carefully read the IDPS operator's offer document, which explains the service and the fees payable by the Indirect Investor to the IDPS operator. To invest, Indirect Investors need to complete the documentation which their IDPS operator requires.

## Privacy

As an investor in the Fund you will be providing us with your personal information. We recognise the importance of managing your personal information carefully, please refer to the AIB and our Privacy Policy available at [www.fidante.com.au](http://www.fidante.com.au) for more information.

**You should read the important information about 'Monitoring your investment' and 'Privacy' in the AIB before making a decision. Go to [www.fidante.com.au/BABSF\\_AIB.pdf](http://www.fidante.com.au/BABSF_AIB.pdf). The material relating to 'Monitoring your investment' and 'Privacy' may change between the time when you read this PDS and when you acquire the product.**

## Related parties

We may enter into transactions with, and use the services of, any of our related bodies corporate (as defined in the Corporations Act). Such arrangements will be based on arm's length commercial terms and will be for reasonable remuneration.

We, Bentham, or any of our respective related bodies corporate, or any director, officer or employee of any of them may invest in the Fund.

## Contact details

<b>Phone</b>	Investor Services team 13 51 53 or +612 9994 7000 from outside Australia (during Sydney business hours)
<b>Email</b>	<a href="mailto:info@fidante.com.au">info@fidante.com.au</a>
<b>Fax</b>	02 9994 6666
<b>Mail</b>	Fidante Partners Reply Paid 86049 Sydney NSW 2001. For any complaints please address to the 'Complaints Resolution Officer.'
<b>Website</b>	<a href="http://www.fidante.com.au">www.fidante.com.au</a> .