



**WALKER CAPITAL**

**Walker Capital Australia Alternative Fund  
Diversified Trust  
Product Disclosure Statement**

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## IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is dated 1 August 2022 and is issued by Gleneagle Asset Management Limited ABN 29 103 162 278, AFSL 226199 (**Responsible Entity**), of the Walker Capital Australia Alternative Fund ARSN 646 309 631 (**Fund**) and describes the class known as – Diversified Trust (**Diversified Trust or Class**).

The Fund currently has more than one Class<sup>1</sup>. Each Class is for a different Strategy as described in the PDS for that Strategy. This PDS describes only the class known as the “**Diversified Trust**”. Potential Investors should be aware that references to the name “Diversified Trust” is to a Class of the Fund, not a separate fund or trust.

Although this PDS describes the Diversified Trust, the Responsible Entity cannot rule out that any investment in Units in any other Class might be affected by the Fund’s investments held in for any other Class available from time to time, so you should read this PDS in full and consider product disclosure statements for any other Class before you decide whether to acquire, to hold or dispose of an interest in Units in any Class. To ensure that you receive any updated information, a copy of all available product disclosure statements (for all Classes) will be available via [www.walkercapital.com.au](http://www.walkercapital.com.au)

Applications for investment in the Fund can only be made via the electronic Application Form which must be validly executed, and other required documents sent to Walker Capital.

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

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.

Indirect Investors should carefully read these terms and conditions before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights.

Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. The Responsible Entity accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by the Responsible Entity or to withdraw the PDS from circulation if required by the Responsible Entity.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

The information contained in this PDS is general in nature and has been prepared without considering your investment objectives, financial situation or particular investment needs. Before deciding to invest in the Fund, it is important that you read the entire PDS and consult a financial adviser regarding the appropriateness of this investment for your personal circumstances. Your initial Investment and return on your investment are not guaranteed. You should consider the information contained in this PDS and the appropriateness of an investment in the Fund having regard to your objectives, financial situation and investment needs before proceeding to invest. This will include considering the risk factors that could affect the financial performance of the Fund, some of which are described in the Significant Risks section of this PDS.

No person has been authorised by the Responsible Entity to make any representation or to give any information about the Fund that is not contained in this PDS. Any representation or information of this kind that has been provided may not be relied upon as being authorised by the Responsible Entity in connection with this offer. No Investment Manager has authority to make statements on behalf of or to bind the Responsible Entity.

This PDS will be issued in paper form and as an electronic Product Disclosure Statement (**Electronic PDS**). The Electronic PDS will be available via [www.walkercapital.com.au](http://www.walkercapital.com.au). Potential investors should only rely on the information in this PDS. If this PDS has been received electronically, then a paper copy of this PDS will be provided free of charge, on request by contacting Walker Capital using the contact details detailed in the directory section of this PDS.

If this PDS has been received electronically, Potential investors should ensure that the complete Application Form and Electronic PDS have been obtained. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to the complete and unaltered Electronic PDS. If you are unsure about the completeness of this PDS, whether received in printed or electronic form, you should contact Walker Capital.

Information contained in this PDS may change from time to time. Information that is not materially adverse may be updated and provided via the website at [www.walkercapital.com.au](http://www.walkercapital.com.au). Upon request, Walker Capital will provide you with a paper copy of any updated information free of charge. If there is a change to the information contained in the PDS that is materially adverse to the offer, the Responsible Entity will issue a supplementary PDS in accordance with the Corporations Act or may issue a new product disclosure statement.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Fund or otherwise permit the public offer of the Fund outside Australia.

Any forward-looking statements that relate to future matters which are contained in this PDS are subject to uncertainty and risks. The actual performance of your investment via the Fund may be materially different from those expressed or implied in the statements.

An investment in the Fund does not represent an investment or liability of the Responsible Entity, any of its related bodies corporate or any Investment Manager and is subject to investment risk, including delays in repayment and loss of capital invested or income re-invested. Neither the Responsible Entity nor any of its related bodies corporate guarantee the performance or success of the Fund, payment of distributions or repayment of your investment.

Certain terms in this PDS have defined meanings. Refer to the Glossary in this PDS.

## KEY FEATURES

FEATURE	OVERVIEW	SECTION
<b>Fund Type</b>	The Fund is organised as an open-ended unit trust and has been registered with ASIC as a managed investment scheme.	<i>see also</i> <b>Section 1</b>
<b>Investment Manager</b>	Walker Consulting (Australia) Pty Ltd (ACN 602952116) has been appointed by the Responsible Entity to manage the Fund. For important features of this role and relationship, see Section 1 of the PDS.	<i>see also</i> <b>Section 1</b>
<b>Investment objective</b>	The Class's investment objective is to generate positive absolute returns from those investments regardless of how any financial market performs.	<i>see also</i> <b>Section 1</b>
<b>Investment Strategy</b>	The investment strategy of the Fund is to generate positive absolute returns from those investments gained by directly investing in those investments or indirectly by investing in other funds regardless of how any financial market performs. It is an actively managed multi-asset portfolio which seeks long / short exposures to various asset classes.	<i>see also</i> <b>Section 1</b>
<b>Investment Universe</b>	<p>The Fund will invest:</p> <ul style="list-style-type: none"> <li>• directly in a portfolio of foreign exchange positions;</li> <li>• in other funds which invest in investment grade corporate and government bonds, asset backed securities, bank bills and negotiable certificates of deposit (NCDs) issued by Australian banks (referred to as "Fixed Income Investments"), as well as inflation derivatives, interest rate derivatives, and other derivatives specifically to manage fixed income investments (referred to as "Fixed Income Investment Derivatives") and</li> <li>• in other funds which have an absolute return strategy, focussing on thematic investment opportunities with an equity bias. which invest in different asset classes, including but not limited to commodities; carbon products; all derivatives; fixed income; hybrids; currencies (including digital and crypto assets); listed and unlisted equities; and other assets from time to time.</li> </ul>	<i>see also</i> <b>Section 1</b>
<b>Risks</b>	There are risks associated with investing in the Fund. Please see section 3 of this PDS.	<i>see also</i> <b>Section 3</b>
<b>Initial Investment Funding Methods</b>	You can fund your initial investments by electronic funds transfer and BPAY.	<i>see also</i> <b>Section 4</b>
<b>How to invest</b>	Each entity wishing to invest into the Fund is required to complete the Application Form available from the Investment Manager.	<i>see also</i> <b>Section 4</b>
<b>Withdrawal from Fund</b>	You can request to withdraw all or part of your investment in the Fund, resulting in the redemption proceeds being paid to the Member, by providing a redemption request in writing in the required form to Walker Capital.	<i>see also</i> <b>Section 5</b>

FEATURE	OVERVIEW	SECTION
<b>Investment Instruction deadlines for applications and withdrawals</b>	<p>For the Fund, the Valuation Dates for applications occur monthly and for withdrawals from the Fund the Valuation Date occurs monthly.</p> <p>Investment Instructions relating to applications and withdrawals from the Fund itself can be provided at any time. Also:</p> <ul style="list-style-type: none"> <li>i. Applications will generally be processed (i.e., Units issued and redeemed) on the Subscription Date following the first monthly Valuation Date after the Responsible Entity receives the Investment Instruction, provided it is received before the Designated Time. If the Investment Instruction is received after the Designated Time it will be processed on the Subscription Date following the second monthly Valuation Date after the Responsible Entity receives the Investment Instruction.</li> <li>ii. Withdrawals from the Fund itself will generally be processed (i.e., Units redeemed) on the Subscription Date following the first monthly Valuation Date after the Responsible Entity receives the Investment Instruction, provided it is received before the Designated Time. If the Investment Instruction is received after the Designated Time, it will be processed on the Subscription Date following the second monthly Valuation Date after the Responsible Entity receives the Investment Instruction</li> </ul>	<i>see also</i> <b>Section 5</b>
<b>Income Distributions</b>	<p>Distributions (if available) for the Class will be made on the last day of each financial year.</p> <p>Distributions are required to be reinvested to acquire additional Units in that Class of the Fund.</p>	<i>see also</i> <b>Section 5</b>
<b>Minimum Initial Investment</b>	\$100,000 <sup>1</sup>	<i>see also</i> <b>Section 5</b>
<b>Minimum additional Investment</b>	\$50,000 <sup>1</sup>	<i>see also</i> <b>Section 5</b>
<b>Minimum Withdrawal</b>	\$10,000 <sup>1</sup>	<i>see also</i> <b>Section 5</b>
<b>Minimum Balance</b>	\$100,000 <sup>1</sup>	<i>see also</i> <b>Section 5</b>
<b>Reporting</b>	<p>An annual report, including audited annual financial statements, will be sent out to Unit holders if requested.</p> <p>For further details on the monthly and annual reporting, see Section 6, Reporting.</p>	<i>see also</i> <b>Section 6</b>
<b>Fees and charges</b>	There are fees and charges payable by you to the Responsible Entity. See section 8 of this PDS.	<i>see also</i> <b>Section 8</b>
<b>Unit price</b>	The Fund has a variable Unit price. The Unit price is the Net Asset Value of the Fund being the value of all assets of the Fund less the total value of the liabilities of the Fund divided by the number of Units, referable to the relevant Class.	<i>see also</i> <b>Section 9</b>
<b>Cooling Off</b>	Only retail clients have a cooling off period in relation to an investment in the Fund.	<i>see also</i> <b>Section 9</b>
<b>Disclosure Principle 1: Investment Strategy</b>	The investment strategy of the Fund is summarised above in this table and is further disclosed later in this Section 1.	<i>see also</i> <b>Section 1</b>
<b>Disclosure Principle 2: investment managers</b>	<p>The Responsible Entity has appointed Walker Consulting (Australia) Pty Ltd (ACN 602 952 116), an Australian incorporated company, as the Investment Manager.</p> <p>In addition to the summary above in this table, for important features of this role and relationship, see Section 1 of this PDS.</p>	<i>see also</i> <b>Section 1</b>

FEATURE	OVERVIEW	SECTION
<b>Disclosure Principle 3: Fund Structure</b>	<p>The Fund is a unit trust and structured in Classes. The Trust is a Class of the Fund. The Fund is a registered managed investment scheme.</p> <p>Potential investors should be aware that references to the name “Diversified Trust” is to a Class of the Fund, not a separate trust.</p> <p>This PDS describes only the Class known as the Diversified Trust and the Strategy for it. References to investing in the Trust or in the Class are references to investing in Units in the Class for the Diversified Trust.</p>	<i>see also</i> <b>Section 1</b>
<b>Disclosure Principle 4: Valuation, location and custody of assets</b>	<p>Units in the Fund are valued at each Valuation Date. The Net Asset Value is determined in accordance with the Constitution and industry standards. See Section 1 for more disclosure</p> <p>Gleneagle Securities is custodian of the financial assets which are the investments in other funds. Responsible Entity may itself hold certain derivative positions on behalf of the Fund. Further information is given above in this table and in Section 1.</p>	<i>see also</i> <b>Section 1</b>
<b>Disclosure Principle 5: Liquidity</b>	<p>Withdrawals are summarised above in this table and further details are in Section 5. Please also refer to Section 3 on Significant Risks especially under the heading “Liquidity risk”.</p>	<i>see also</i> <b>Section 5</b>
<b>Disclosure Principle 6: Leverage</b>	<p>Leverage of assets in the Fund is within the investment strategy and may be used.</p> <p>Please also refer to Section 3 on Significant Risks especially under the heading “Leverage”.</p>	<i>see also</i> <b>Section 3</b>
<b>Disclosure Principle 7: Derivatives</b>	<p>While the Fund invests indirectly by investing in other funds, the Investment Manager may, in its discretion, invest in derivatives to gain an intended exposure or manage a particular risk.</p> <p>Please also refer to Section 3 on Significant Risks especially under the heading “Derivative Risk”.</p>	<i>see also</i> <b>Section 3</b>
<b>Disclosure Principle 8: Short Selling</b>	<p>Short selling may be undertaken directly or indirectly within the other funds.</p> <p>Investment manager will engage in short-selling in accordance with the rules of the particular market on which it is trading.</p> <p>Please also refer to Section 3 on Significant Risks especially under the heading “short selling”.</p>	<i>see also</i> <b>Section 3</b>
<b>Disclosure Principle 9: Withdrawals</b>	<p>The key aspects of withdrawals are in the table above (see “Withdrawal all or part of your investment”).</p> <p>Please also refer to Section 5 under the heading “Payment of withdrawal proceeds from Fund”.</p>	<i>see also</i> <b>Section 5</b>
<b>Benchmark 1: Valuation of assets</b>	The Fund meets the valuation of assets benchmark.	
<b>Benchmark 2: Periodic reporting</b>	This benchmark is met for the Fund. Further details are in Section 6.	<i>see also</i> <b>Section 6</b>

<sup>1</sup> subject to the discretion of the Responsible Entity

You should consider consulting a financial adviser or financial planner before deciding whether to invest in Walker Capital Australia Alternative Fund – Diversified Trust and an appropriate amount to invest in and or withdraw from the Fund.

## SECTION 1: ABOUT THE FUND

The Fund is an open-ended managed investment scheme which is registered with ASIC. The funds investment universe is unconstrained.

The asset class described in this PDS is referred to as the "Diversified Trust".

### WHO IS THE RESPONSIBLE ENTITY?

Gleneagle Asset Management Limited, an Australian Financial Services Licensee (AFSL: 226199, ABN: 29 103 162 278) is the Responsible Entity of the Fund and, as such, is responsible to you for the operation of the Fund. However, the Responsible Entity is permitted to appoint managers and agents to perform some of the operation of the Fund. These include the custody of assets, the administration and management of the Fund.

### INVESTMENT MANAGER PROFILE

Responsible Entity has appointed Walker Consulting (Australia) Pty Ltd trading as Walker Capital Australia ACN 602 952 116 Corporate Authorised Representative (CAR No. 1250196) of Walker Capital Private Wealth Pty Ltd (ACN 161 363 097, AFSL No. 436859 ) (**Investment Manager or Walker Capital**) as the investment Manager and all documentation and information about the Fund and all client communication can be obtained by contacting Walker Capital using the contact details detailed in the directory section of this PDS.

The investment Manager will decide on the allocation of funds as among indirect investments.

Michael Walker has over 15 years trading experience.

Michael holds several qualifications including:

- RG146 Foreign Exchange, Derivatives, Securities and Superannuation
- Diploma of Financial Services
- Graduate Diploma in Management

### INVESTMENT OBJECTIVE

The investment objective of the Diversified Trust is to generate positive absolute returns from those investments regardless of how any financial market performs.

### INVESTMENT STRATEGY

As a result of the Fund investing directly or indirectly through investments in other Funds there are differing investment strategies relating to the different funds and direct investing namely:

- the Swing Trading FX Strategy to trade the FX markets being a direct investment of the Fund (**Swing Trading FX Strategy**);
- a thematic investment process with an equity bias to achieve asymmetric returns being an indirect investment by investing in other Funds (**Absolute Thematic Strategy**); and
- Fixed Income Investments strategies and other derivatives specifically to manage fixed income investments (referred to as "Fixed Income Investment Derivatives") being an indirect investment by investing in other Funds (**Fixed Income strategy**).

### INVESTMENT PROCESS

#### Swing Trading FX Strategy:

- When applying these strategies, the FX Strategy Manager will use various tools to analyse the market, including but not limited to:

- Market momentum and general trend;
- Technical analysis; and
- Fundamental analysis of the economic outlook

Entry signals are generated from technical analysis (chart patterns) and trade size is based on market volatility. The objective is to capture movements in the market trading specific currencies to target a managed range of volatility, using leverage. Stop losses will be placed on each trade as required.

The Swing Trading FX Strategy is designed to generate consistent returns with lower volatility in the long term. Being an assertive strategy, the Swing Trading FX Strategy holds a heavy weighting on currency and may underperform in some months.

#### A thematic investment process:

We strive to achieve asymmetric returns through a thematic investment process. In simple terms, asymmetric investing is about producing above average returns with below average drawdowns. This has four pillars.

- Find asymmetric themes;
- Invest in the best ideas within those themes;
- Focus on macro drivers for risk & opportunities; and
- To generate an asymmetric return profile.

### ALLOCATION OF FUNDS

- There is no fixed allocation of funds as among indirect allocation to other funds or as among the many types of potential investment exposures and strategies.
- Potential investors should be aware of the benefits and risks arising from not having pre-fixed allocation amounts and schedules of review and rebalancing. The Fund gives an opportunity for indirectly accessing a diverse range of investment exposures and strategies which will be dynamically managed, so it is inappropriate to pre-fix allocations as among them.
- The Responsible Entity has appointed the Investment Manager to advise, monitor and manage the allocations, subject to any controls imposed by the Responsible Entity from time to time.
- The following tables gives a broad indication of possible (i.e., non-binding) ranges for the broad categories of investments likely to be held for this Fund over time. It is important to be aware that these are not fixed parameters and so actual investments any time, and over time during different market conditions, will differ from the general indication below, but the maximum allocations must be adhered to.

Investment Type	Targeted Allocation	Min to Max % Allocation
Fixed Income Strategy	50%	0% to 100%
Absolute Thematic Strategy	25%	0%-50%
Swing Trading FX Strategy	25%	0% - 50%

## **OTHER KEY SERVICE PROVIDERS**

Other key service providers include LNP Audit & Assurance, the auditors of the Fund.

Gleneagle Securities is custodian of the financial assets which are the investments in other funds

All key service providers of the Fund are appointed on arm's length commercial terms. Service providers are largely based in Australia.

The Responsible Entity ensures compliance of its service providers with their obligations under the relevant service agreements and laws by monitoring performance, and by conducting reviews in accordance with its service provider monitoring program.

There are risks of holding assets through third party service providers such as brokers. These risks are outlined in the Section 3 of the PDS "Counterparty risks".

For information on fees and costs associated with an investment in the Fund, please refer to "Fees and other costs" later in this PDS.



## SECTION 2: BENEFITS OF THE FUND

The benefits include the following:

### PROFESSIONAL INVESTMENT MANAGEMENT

The strategies offered are all constructed and managed by a professional investment manager.

### TAX REPORTING AND EFFECTIVE TAX MANAGEMENT

The Fund will be audited annually and therefore your accountant or tax adviser can use the end of financial year tax summary to assist in the preparation of your tax returns.

You should refer to Section 7, Taxation of this PDS for further information on the main taxation implications of investing in the Fund.

### INVESTOR PROFILE

**Refer to the Target Market Determination available on the website of both the Responsible Entity and the Investment Manager.**

The investment strategy is designed for investors who:

- Are seeking a medium to longer term growth by investing in a diversified investment exposure to fixed income investments, currencies including digital and crypto assets), listed and unlisted equities, fixed income, equity and other derivatives, commodities and hybrids..
- Have a medium to longer term investment horizon of at least two years plus.
- and a medium or potentially a high risk/return profile who does not need access to capital for short to medium term

## SECTION 3: SIGNIFICANT RISKS

Before you make any investment in the Fund, you should identify exactly what you want your investment to achieve and what level of risk you are willing to take on the investment failing to perform in line with your expectations, or performing negatively over a period of time (i.e., your level of acceptance of risk).

Retail investors particularly should consider whether to obtain personal advice from a financial adviser or financial planner as to the investments you intend to make in the Fund and whether the Fund is suitable for your personal financial situation, needs and investment objectives.

The following section describes the significant risks of investing in the Fund generally.

### GENERAL RISK

Risk is inherent in every investment decision; therefore, it is important to understand the relationship between risks and return prior to making such a decision.

The higher the risk associated with an investment the higher the expected return is on the investment. Investment returns may be volatile over time and the possibility therefore exists for a Member to lose money or be unable to recover their initial investment amount.

It is important for Members to know that the future performance of any investment made via the Fund is not guaranteed, including any return in the form of income. There are various risks within particular asset classes, some of which are specific to the type of asset and some of which are general risks of any investment.

Also, inflation can erode the value of the income you receive from your investments, making it more difficult to achieve your expected investment returns relative to your financial needs (such as to maintain your standard of living or to fund your retirement plans). Inflation refers to a general increase in prices over time, reducing the purchasing or investment power of money.

### MARKET RISK

There is always a risk that any investment may fall as well as rise in value through the movement of investment markets. Market forces will impact the price of investments, and at their worst, market values of some assets may become zero if adverse market conditions are encountered.

### TIMING RISK

Timing risk refers to the risk of price falls in markets shortly after the purchase of an investment or conversely the risk of price rises in markets shortly after investments are sold. Timing risk is applicable in the context of you or your Authorised Person providing Investment Instructions to Walker Capital. For example, if you provide instructions to Walker Capital then, depending on the timing of applications, withdrawals and the execution of orders by the Investment Managers as soon as practicable, there will always be some delay while the moneys can be made available for trading by the Investment Manager and investing in countries with operating time zones will also involve delays.

### POLITICAL RISK

There is a risk that investments could be adversely impacted by political factors. These could include changes to domestic and international political parties, legislative changes (such as the treatment of taxation) or change in government policy.

### LEGAL, REGULATORY AND TAX RISK

Legal, regulatory and tax changes could occur during the term of the Fund, which may adversely affect the Fund and its underlying investments.

The value or tax treatment of an investment, whether in Australia or in some other jurisdiction, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation and withholding) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods.

### LIQUIDITY RISK

There is no established secondary market in which to sell your Units. This lack of investment liquidity could have an adverse impact on a Unitholder's ability to realise their investment. While there is redemption procedure, there is a risk that redemptions are not able to be met.

Liquidity risk is the risk that the Investment Manager will have difficulty in realising assets including redeeming the units in the other funds necessary to fund withdrawals in a timely manner. The funds invested in may suffer from a lack of liquidity. This may result in a delay in paying redemption proceeds.

### SHORT SELLING RISK

The Fund may engage in short selling. Selling securities short creates the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which may reduce profits or create losses in particular positions.

### PORTFOLIO INVESTMENT RISK

The strategy may include investing in speculative investments with increased levels of investment risk. The value of the Fund's investments may fall or fluctuate widely which will affect the portfolio. Changes in economic, political or market conditions or the regulatory environment may adversely impact the portfolio and its investments.

In addition, other factors may affect investments (i.e., interest rates or exchange rates) and consequently the value of the portfolio may fall. There are no assurances that the Investment Manager will anticipate these developments. None of the Responsible Entity, its related bodies corporate and the Investment Managers guarantees the performance of any of the investments made by the Fund or any investment in Units in other Funds. No guarantee with respect to the payment of Distributions or the return of capital. Accordingly, you risk losing some or all of your investment in the Fund.

### DERIVATIVE RISK

A derivative is a financial instrument which has pricing and other characteristics derived from an underlying asset. Derivatives may be used by investment managers to protect against changes in market value of existing investments, to simulate an investment position without purchasing or selling the underlying asset, to partially or substantially manage against various risks such as credit and interest rate risks or to gear an investment or a portfolio.

The use of derivatives attracts a higher level of risk than other investment classes. The risks include the failure of the value of derivatives to move in line with the underlying asset, a derivative position may be costly to reverse, the parties/counterparties associated with the derivative contract may not fulfil their obligations, and derivatives may be impacted by market liquidity.

As derivatives are leveraged investments, potential losses and gains are multiplied in relation to movements in the price of the underlying assets. The portfolio's investment could suffer losses in excess of the amounts initially committed to the relevant derivatives which could substantially reduce or even lose all of the portfolio's investments and expose the Responsible Entity to meeting further shortfalls in addition to the amount invested, potentially also exposing assets bought for other portfolios of the Fund. The Responsible Entity from time to time sets parameters for managing leverage and other risks for the Fund in order to minimise those risks while allowing the manager to manage within the terms described in this PDS.

## INTEREST RATE RISK

Interest rates and bond prices have an inverse relationship. Changes in interest rates can have a direct impact on bond prices and the returns available on the investments of the Fund.

They can also have an indirect positive or negative impact on the relative attractiveness of fixed income instruments to other asset classes, or on the capacity to service any borrowings by the Fund.

## FX AND NON-AUSTRALIAN INVESTMENTS

This PDS described how there may be foreign exchange investments and fluctuations in the Australian Dollar value of investments denominated in other currencies from time to time. Because of the volatility of those foreign exchange-based fluctuations, an investment in the Fund may not be suitable for you if you do not have experience, and are unfamiliar with, investing in products that provide exposure to foreign exchange.

The changes in the geographical spread of investments, and in the business activities of the companies invested in, can affect the overall investment returns, since the combination of laws, taxes, global market pricings and international events can have complex, unforeseeable impacts on investment prices and performances, in the short term, medium term and long term.

Potential investors in Units in the Fund should therefore be experienced in investments with these kinds of global investment features and risks.

## INVESTMENT MANAGER RISK

Before investing in Fund, you need to consider the risks associated with the appointed Investment Manager.

While the PDS describes the general risk of an investment manager failing to perform its duties or an investment strategy not achieving its objectives, the Fund has a particular risk that the investment manager of the funds invested in may perform poorly in assessing and managing the investment opportunities, leading to impaired returns of the Fund, reducing income to Unitholders and the value (if any) on withdrawals from the Fund.

The investment strategy may underperform its stated performance objectives, even if the general market performs well. None of the Responsible Entity, its related bodies corporate and the Investment Managers can assure performance of the investment strategy, so underperformance of a strategy or even of an Investment Manager is one of the key risks for the investor.

The funds can be wound up or liquidated, the investment manager can cease to manage the relevant Fund and be replaced, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly.

This risk also applies in relation to managers of funds which the Fund invests in.

## COUNTERPARTY RISK

This risk is that a counterparty to a given agreement default on financial obligations to the Fund or a fund invested in, resulting in losses because the Fund or fund invested in might still be required to fulfil its contractual obligations which were to have been offset by the contract with the party defaulting.

Obviously, this risk can be managed by choosing to deal with counterparties with superior risk profiles but neither the Responsible Entity nor its agents can independently verify the risk of dealing with those counterparties nor will they guarantee their performance.

## LEVERAGE

The Investment Manager may wish to borrow to enable the Fund to achieve a higher rate of return. Accordingly, the Responsible Entity may pledge any of the Fund's assets. The Fund may also leverage its investment return with Fixed Interest Investment derivatives. Leverage can magnify both the gains and losses and Unitholders may experience increased volatility in the value of their investments, particularly if borrowings are substantial.

## WORKED EXAMPLE OF IMPACT OF LEVERAGE ON INVESTMENT RETURNS AND LOSSES

The following table provides examples of two different scenarios of the Fund's performance and their theoretical outcome if the Fund was at its maximum gross market exposure (2.5x) with no protection. At the Fund's maximum gross market exposure, this means that for every \$1 of the Fund's Net Asset Value, the Fund is leveraged \$2.50. Note that this example does not take into account leverage or trading costs. The examples use an investment of \$50,000 and the maximum anticipated and allowed leverage of 2.5x:

RETURN ON INVESTMENTS	TOTAL GROSS PORTFOLIO EXPOSURE	TOTAL PORTFOLIO GAIN/(LOSS)	TOTAL PORTFOLIO VALUE
Portfolio return +10%	\$125,000	\$12,500	\$62,500
Portfolio return -10%	\$125,000	(\$12,500)	\$37,500

This risk also applies in relation to funds which the Fund invests in.

## FUND RISK

There are risks particular to investing in the Fund including that the Fund could be terminated, fees and charges could change, the Responsible Entity could be changed, Investment Manager may be changed and the investment strategy may be changed. There are risks in the proper monitoring of Investment Managers (to ensure portfolio directions are consistent with the investment objectives) and in executing transactions and holding the Funds' assets.

The Class has a particular risk the results of investing in other funds (also called trusts) may lead to different results compared with investing directly in securities because of income or capital gains accrued in the other funds and the consequences of other investors investing in, or withdrawing from, the other funds.

## INVESTMENTS IN FUNDS MANAGED BY OTHER INVESTMENT MANAGERS

The investment strategy and investment universe will comprise investments (in units) in other funds which are managed by other investment managers.

There are some risks arising from such "fund of funds" indirect investments:

- There is a risk of the investment strategies of the other funds diverging materially from the investment strategy for the Fund or, even if aligned, not being implemented in alignment with the investment strategy.
- There is a risk that the investments in the other funds will be illiquid, since they are subject to the rights, powers and discretions of the responsible entity of those other funds (not the Investment Manager) and those other funds' respective constitutions from time to time and the same underlying investments might become illiquid sufficient to trigger the rights to suspend redemptions of those investments held for the Fund.

- This risk is considered to be relatively low, since the diversification within those other funds should facilitate redemptions of units in those other funds.
- There is a potential risk that the indirect investments would cause there to be higher expenses for the Fund, due to the fees, charges and costs of the other funds. The Responsible Entity also has policies and procedures with respect to conflicts of interest.
- There is a risk in that the Fund will be relying on the investment manager of other funds and there could be poor decisions or changes in key personnel which might have a detrimental effect in relation to performance.

### **COVID-19 RISK**

While the COVID-19 pandemic continues, the investments of and operation of the Fund could be affected in numerous ways. For example, markets may be more volatile than usual, and the management of the Fund could be affected by self-isolation or sickness.

While the risk of COVID-19 exists, the Investment Manager has implemented additional processes to ensure continued operation of the investment strategy and management of the Fund. The Investment Manager has implemented the following steps: the ability of the staff to work remotely, remote monitoring of exposure risk occurs on a daily basis, all staff are upskilled on the roles of other staff to ensure that if one becomes incapacitated, the implementation of the investment strategy continues. The Investment Manager believes these steps, in addition to its highly automated investment process running in cloud-based software is inherently suited for a distributed team, and will help to ensure that operation and management of the Fund can continue as normal

## SECTION 4: APPLICATION PROCESS

### MINIMUM INITIAL INVESTMENT

The minimum initial investment is \$100,000.

### APPLICATION MONEY

The Responsible Entity will accept application moneys in cleared funds (via electronic funds transfer) and the amount of application money must be not less than the Minimum Application Amount.

If you are investing via electronic funds transfer, then please refer to the funding instructions that will be sent to you once your application has been accepted and use the unique client identifier provided to you for funding purposes.

Application moneys held before the Units are issued will be held by the Responsible Entity in accordance with the Corporations Act and will not earn interest.

### AUTHORISATIONS

Walker Capital will only accept instructions from either yourself or your Authorised Person. When you invest in the Fund, you may appoint an Authorised Person to provide instructions to Walker Capital on your behalf. For terms and conditions relating to your appointment of an Authorised Person, please refer to Section 10 Authorisations.

### APPLICATIONS

You will become a Member of the Fund after the Responsible Entity accepts your complete application and upon issuance of Units in your name. This requires receipt of cleared application moneys from you, correctly completing forms and providing required anti-money laundering information and relevant identification documentation.

The initial application into the Fund requires an Application Form to be completed online.

The Responsible Entity believes it is important for you to consider obtaining independent professional advice about your financial circumstances and needs and whether the Fund is a suitable investment for you.

Under the Constitution, the Responsible Entity has an absolute discretion to accept or reject any application for Units without giving a reason for the decision. The Responsible Entity may therefore decline any application in its discretion and if it does it will refund your application moneys within the time required by law.

If any Units are issued and payments are dishonoured after the Units being issued, those Units will be cancelled and void as of their date of issue.

No Units will be issued until the application is complete, as detailed above, by the Designated Time set for the Diversified Trust and the application has been accepted.

### HOW TO APPLY

To apply for units in the Fund you need to do this:

1. Complete the Application Form, which is available from the Investment Manager website at [www.walkercapital.com.au](http://www.walkercapital.com.au). Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide available from the IDPS Operator.
2. Select the class of units being the chosen strategy for this PDS its the "Diversified Trust" via the application process.
3. Complete and provide the other forms and documentation as required (including all AML/CTF identification documents).
4. Send the necessary forms and documentation as required (including all AML/CTF identification documents) to the Responsible Entity.
5. Pay the application moneys using your unique client identifier provided to you.

### APPLICATION MONEY

Application moneys for direct investors should be paid to the Responsible Entity via electronic funds transfer to the following account:

**Bank:** National Australia Bank  
**Account Name:** Gleneagle Asset Management ATF Walker Capital Application Account  
**BSB:** 082-057  
**Account No:** 88-458-4696

Application moneys held before the Units are Allotted will be held by the Responsible Entity in accordance with the Corporations Act and any interest earned on the application moneys prior to Allotment (because the cost of calculating and accounting for interest for small amounts does not justify calculation) will be retained by the Responsible Entity.

## SECTION 5: TRANSACTING

### INVESTMENT INSTRUCTIONS

Investment Instructions relating to applications and withdrawals from the Fund itself resulting in a payment of withdrawal proceeds, can be made at any time and will generally be processed (i.e., Units issued or redeemed) on the Subscription Date following the first Valuation Date after the Responsible Entity receives the Investment Instruction, provided it is received before the Designated Time. If the Investment Instruction is received after the Designated Time it will be processed on the Subscription Date following the second Valuation Date after the Responsible Entity receives the Investment Instruction.

Please note that this may incur transaction costs.

### MINIMUM ADDITIONAL INVESTMENT

The minimum additional investment is \$50,000.

### MAKING ADDITIONAL INVESTMENTS

You can make additional investments at any time:

- In relation to additional application moneys into the Fund this requires an additional Investment Instruction to be communicated to Walker Capital either by yourself directly, or by your Authorised Person in writing.
- Additional applications can be funded by electronically transferring cash, using the funding instructions and the unique client identifier provided when your initial application had been accepted or can be obtained by contacting Walker Capital.

Before making an additional investment, you should refer to the website for any updates to this PDS (including a supplementary or replacement PDS).

### MINIMUM WITHDRAWAL

The minimum withdrawal amount is \$10,000.

### WITHDRAWING ALL OR PART OF YOUR INVESTMENT

You can request a withdrawal of all or part of your Units from the Fund subject to the Constitution and the Corporations Act.

If you wish to withdraw all or part of your investment from the Fund at any time and you want the redemption proceeds to be paid to you, this can be done by contacting Walker Capital to obtain a Redemption Form or by writing to Walker Capital and providing your unique client identification code (if known), account name, the value to be withdrawn and the external account details to deposit the funds into.

The contact details are provided in the directory section of this PDS.

The Responsible Entity may suspend withdrawals in certain circumstances, such as if the Responsible Entity considers it to be in the interests of Unitholders as a whole, or if sufficient interests in the underlying investments cannot be realised or it is not reasonably practicable to determine the redemption price. If the Fund becomes illiquid within the meaning of that term for the purposes of the Corporations Act, the Responsible Entity may make withdrawal offers but it is not obliged to do so.

### PAYMENT OF WITHDRAWAL PROCEEDS FROM FUND

As per the Constitution, the Responsible Entity must, within 21 days of receipt of a withdrawal Request, redeem the number or value of Units specified in the withdrawal request by payment from the assets at the withdrawal price.

As per the Constitution, the Responsible Entity will, in its absolute discretion, calculate whether the whole or any amount paid as redemption proceeds represents distributable income to which the Member was entitled.

Please refer to Section 7 of this PDS (Taxation) for information on the taxation implications if the Responsible Entity exercises this discretion.

### PERIODIC REDEMPTIONS

Under the Constitution and subject to the law, the Responsible Entity may periodically redeem some or all of the Units of any Member (other than those Units issued to the initial Member) on a date determined by the Responsible Entity and later notified to each Member regardless of whether or not the Responsible Entity has received a withdrawal request in respect of those Units.

By doing this, investors will crystallise gains or losses on their Units for tax purposes, with the result that an investor's tax position in respect of their investment in any given year may more closely mirror that which would have arisen had they invested directly in the underlying assets.

You should be aware that this may mean that you are taxable in respect of any increases in value in your investment since the last periodic redemption (or your acquisition date, if later), even though you do not receive any cash payment reflecting that gain, and even though that increase in value may be later reversed if the value of your investment falls in a later year.

New Units will be issued which correspond with the redeemed Units. It is common for broadly similar unit trust funds to give their Responsible Entity the power to redeem without notice, so this part of periodic redemptions is a reasonably common power.

If the Responsible Entity decides to apply this power in a particular case, the Responsible Entity will be treated as having received and accepted an application to apply the redemption amount (and any distribution amount) received for the issue of new Units.

This redemption initiated by the Responsible Entity can also be referred to as "resetting" the Units.

Please refer to Section 7 of this PDS (Taxation) for information on the taxation implications if the Responsible Entity exercises this discretion.

## **INCOME DISTRIBUTIONS**

Under the Constitution the Responsible Entity must pay or apply to or for the Members who are on the register at the close of business on the last day of an Income Distribution Period the amount of their respective income entitlements (excluding any amounts previously distributed in respect of the Income Distribution Period) within 2 months after the Income Distribution Date for the Income Distribution Period.

The Income Distribution Date is the last day of each financial year and such other date or dates in a financial year as may be specified by the Responsible Entity from time to time.

The income entitlement distributed is the estimate of the distributable income for the Income Distribution Period which exceeds the aggregate of any income entitlements to former Members (i.e., any such amounts which the Responsible Entity in its absolute discretion calculates as the whole or any part of any amount paid as redemption proceeds representing distributable income to which the former Member was entitled).

Distributions comprise your portion of any income and any realised gains or losses of the Class. Furthermore, Unit prices fall after the end of the Income Distribution Period to reflect the distribution entitlements. The Responsible Entity recommends that you consult a financial adviser or tax adviser to determine the effect of distributions on your own tax situation.

The Responsible Entity may change the distribution times but will not do so without first notifying you. No distribution is guaranteed.

## **DISTRIBUTION REINVESTMENT**

Distributions are automatically reinvested to acquire additional Units in that Class of the Fund because that tends to decrease total transaction costs and improve overall investment performance from better continuity of investments and fewer transactions, benefiting all Members in the Fund over time.

If elected by the Unitholder as part of the application process Distributions may be paid directly to each Unitholders bank account within 2 months after the Income Distribution Date for the Income Distribution Period.

## **SECTION 6: REPORTING**

### **TAX STATEMENTS**

Tax statements will be sent to you within 6 months of the end of the financial year.

### **ADMINISTRATOR UNIT PRICE REPORTING**

The Administrator will calculate the Unit pricing for the Fund once the Administrator has received the valuations from the underlying funds. The Unit pricing for the Fund as at the 30 June each year may be delayed as we may need to also calculate the final distributions if any at the 30 June each year.

The Unit pricing gives your investment value as at each Valuation Date.

### **MONTHLY REPORTING**

The Responsible Entity will report to Unitholders monthly the following:

- Net Asset Value and price of Units; and
- net returns after fees, costs and relevant taxes



## SECTION 7: TAXATION

The discussion contained in this summary outlines the main Australian income tax, GST and stamp duty implications for Members in circumstances where the assumptions below apply. The taxation consequences for Members where any of the assumptions below do not apply may differ from those outlined below. This summary is of a general nature only and does not consider the specific circumstances of any Member.

This summary is based on Australian taxation laws in force and administrative practices generally accepted as at the date of this PDS. Taxation laws, their interpretation and relevant administrative practices may change over the term of an investment in Units. Each Member must take full and sole responsibility for their own investment in Units, the associated taxation implications arising from that investment and any changes in those taxation implications during that investment.

The information in this summary does not purport to constitute legal or tax advice. As the taxation implications for each potential Member may be different, each prospective Member should obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

### ASSUMPTIONS

This summary of the taxation implications assumes that:

- each Member will be an individual that is always an Australian resident for Australian tax purposes ;
- each Member will not be a person who is carrying on a business of trading in securities;
- all transactions entered by the Members or the Fund will be at prevailing market prices and otherwise on arm's length terms;
- at all times the Responsible Entity will be a company resident for tax purposes in Australia and the management and control the Fund will be in Australia;
- the Fund will not be a corporate unit trust or a public trading trust;
- the Fund will have positive distributable income every financial year, and all that distributable income will be distributed each financial year;
- the Fund will be a "managed investment trust" (**MIT**) for tax purposes at all relevant times, but will not make the MIT capital election;
- the Fund is, or will be treated as, a fixed trust for tax purposes;
- it is not the case that 75% or more of the Units in the Fund (or 75% or more of the value of the Fund or of the rights to income or other distributions, including on winding-up) are held, directly or indirectly, by 20 or fewer individuals (counting associates as a single entity);
- the Unit register for the Fund will always be kept and maintained in Victoria;
- the Fund satisfies the following requirements to qualify as a "widely held unit trust" under the Duties Act 2001 (Queensland):
  - Units have been issued to the public;
  - 50 or more persons are beneficially entitled to the Units in the Fund;
  - more than 20 persons are beneficially entitled to at least 75% of the total Units in the Fund;
- the Fund is a managed investment scheme within the meaning of section 9 of the Corporations Act 2001 (Commonwealth) and the Fund is registered under section 601EB of that Act.

### (Widely Held Unit Trust Requirements)

- the assets of the Fund consist of only any of the following:
  - Cash Investments; and
  - derivatives being foreign currencies that do not give a legal or beneficial interest in the underlying reference assets;

### TAXATION OF THE FUND

#### TAXATION OF THE RESPONSIBLE ENTITY

The Responsible Entity should not be liable for tax in respect of the income or capital gains (if any) of the Fund. Rather, all the net income of the Fund should be included in the assessable income of the Members as described below.

#### NET INCOME OF THE FUND

On the basis that the Fund will generally hold assets for less than 12 months, it is not expected that the Fund will hold any assets on capital account. Furthermore, as the Fund will not make the MIT capital election (an irrevocable election under tax laws that allows MITs to be taxed on capital account in relation to certain investments such as shares and units), all gains or losses arising on the disposal of assets are expected to be on revenue account (that is, capital gains tax (**CGT**) treatment should not apply to any of the Fund's assets).

The net income of the Fund in any given year will vary depending on the assets held by the Fund, and may include the following:

- interest on cash deposits;
- an amount of assessable income associated with any trust distributions received by the Fund (the amount and any tax attributes will depend on the underlying fund);
- net gains arising in respect of the disposal of underlying assets such as shares and units;
- gains on derivatives held by the Fund, although the manner and timing in which these are brought to account for tax will differ depending on the nature of the derivative; and
- foreign exchange gains if assets are denominated in a foreign currency.

The net income of the Fund will also be reduced by allowable deductions, including:

- expenses incurred in deriving the Fund's income, including management and performance fees;
- net losses on the sale of underlying assets such as shares and units;
- losses on derivatives held by the Fund, although the manner and timing in which these are brought to account for tax will differ depending on the nature of the derivative; and
- foreign exchange gains if assets are denominated in a foreign currency.

Depending on the nature assets held by the Fund, there may be other amounts considered in determining the net income of the Fund, and it is not possible to address all the potential tax implications in this PDS.

## TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)

The TOFA regime applies to tax gains from some financial arrangements on a revenue basis and, in certain circumstances, on an accrual's basis over the term of the arrangement. Certain taxpayers may also elect to apply one of several alternative methods for the purpose of calculating gains and losses from financial arrangements.

If the Fund is subject to TOFA, certain gains and losses of the Fund may be brought to account for tax purposes before they are realised. For example, interest may be brought to account on a compounding accruals basis, and gains or losses on derivatives may be assessable or deductible when they become "sufficiently certain". Special rules also apply to determine the amount and timing of assessable/deductible amounts arising in respect of certain swaps. However, if such assets are only held for relatively short periods of time or only held within the one income year, the impact of the TOFA timing rules is not expected to be significant. The tax implications for Member of the Fund being assessed under the TOFA regime is discussed below.

## TREATMENT OF FUND LOSSES

If the net income of the Fund (on a global basis) for any financial year is a loss, that loss will not flow through to Members but, subject to the application of the trust loss provisions, may be carried forward for use by the Fund in future income years. Broadly, the Fund may be unable to utilise any carry forward losses (other than capital losses, if any) if the Fund fails the continuity of majority beneficial ownership test or the income injection test. Changes in the membership of the Fund (e.g., on the issue of a new Class or a Class of Units being redeemed) may therefore result in a denial of tax losses that would otherwise be available.

## TAXATION OF MEMBERS

### CHARACTERISATION OF INVESTMENT IN UNITS

Members may hold their Units on either capital account or revenue account. This will depend on the Member's circumstances, but generally, if the Member only intends to hold their Units for a relatively short period (e.g., only a few months), the Units are more likely to be held on revenue account. Where the Member instead intends to hold their Units for several years, Units are more likely to be held on capital account.

### ASSESSABLE INCOME – DISTRIBUTIONS

Each Member's assessable income will include a share of the Fund's net income for tax purposes that is proportionate to that Member's share of the distributable income of the Fund for that year (including any amount of redemption proceeds taken to be a distribution of distributable income).

To the extent that the distributions to which a Member is entitled in respect of an income year exceed the amount on which the Member is assessed (for example, due to the net income for tax purposes being calculated on a global basis, or because of timing differences under the TOFA regime), the Member's cost base in their Units will be reduced accordingly, which will affect the amount of any capital gain (or loss) on disposal of the Units (or alternatively a capital gain may arise at the time of the distribution to the extent that these amounts exceed the Unit cost base). Members should be aware that recent comments by the government in the context of the reform of taxation of trusts suggest that if a Member holds Units on revenue account, the Member will be taxed on the full amount of distributions at the time of receipt, although in this case a cost base adjustment should not occur. Members holding their Units on revenue account should seek their own advice on this issue.

## REDEMPTION OR SALE OF UNITS HELD ON CAPITAL ACCOUNT

Where a Member holds Units on capital account, the excess of the redemption price (less any amount representing a distribution of income on redemption) over the cost base of that Unit will be treated as a capital gain. A capital loss will arise to the extent the redemption price (less any amount representing a distribution) is less than the reduced cost base of the Unit.

The cost base of a Unit should be the amount paid by the Member to acquire the Unit; plus, certain incidental costs incurred in acquiring the Unit. If, for an income year, a Member receives distributions in excess of the Member's share of the net income of the Fund, the amount of the distributions not included in the Member's assessable income will reduce the Member's cost base in its Units (and give rise to a capital gain on the Units to the extent it exceeds the Member's cost base in the Units).

Members who are individuals and have held their Units for at least 12 months (excluding acquisition and disposal dates) will be entitled to discount CGT treatment, such that only 50% of any capital gain arising on the redemption of Units is included in the calculation of their assessable net capital gain. However, Members should note that if Units are redeemed annually under a periodic redemption, Members will not be entitled to discount CGT treatment in respect of their Units.

The same outcome arises if a Member sells their Units to a third person, with a capital gain arising to the extent the sale proceeds exceed the cost base for the Unit (or a capital loss to the extent the reduced cost base exceeds the reduced cost base).

Capital losses may only be applied to offset capital gains of the Member, with any net capital loss carried forward to future income years.

## REDEMPTION OR SALE OF UNITS HELD ON REVENUE ACCOUNT

Where a Member holds Units on revenue account, then any gain (or loss) arising on the redemption of the Units - essentially, the difference between the cost of acquiring the Units and the redemption price (less any amount that is a distribution) - should be assessable (or deductible) to the Member in the income year in which the Unit is redeemed.

The same outcome arises if a Member sells their Units to a third person, with the net gain or loss calculated by reference to the sale proceeds for the Units.

## PERIODIC REDEMPTION OF UNITS

If the Responsible Entity redeems and re-issues new Units to a Member as a result of a periodic redemption (or "resetting") of Units, the redemption will have the same tax consequences for Members as outlined above - that is, a gain or loss will arise on the redemption of the Units based on the Unit price at that time, with the tax treatment depending on whether the Member holds the Units on capital or revenue account.

Members should be aware that this may mean that they become taxable on any increases in the value of their investment since the last periodic redemption (or acquisition of the Units, if later), even though they do not receive any cash payment at the time of resetting. That is, the taxing point on underlying gains of the Fund or unrealised gains on a Member's Units may be brought forward to an earlier income year, including in circumstances of the unrealised gains/increases in value later being reversed by a loss or fall in value in later years.

The Member will be issued with new Units, having a cost base equal to the redemption price of the redeemed units, less any amount representing a distribution of income on redemption. The new Units will be taken to have been acquired at the time of the resetting, which may mean that Members holding their Units on capital account will not be entitled to CGT discount treatment on the final disposal of their Units.

## TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)

Generally, TOFA should not apply to a financial arrangement that is constituted by an interest in a trust if the interest in the trust is an equity interest as defined by the tax laws or an interest in a Managed Investment Scheme (although there are some exceptions to this rule). On this basis, the provisions should not apply to Members in relation to their Units.

All Members should obtain independent taxation advice as to the application of the TOFA provisions and their implications for the taxation treatment of an investment in the Units.

## TAX FILE NUMBER DECLARATION

A Member is not required to quote their tax file number (TFN) in relation to the investment in Units. However, if the Member does not quote their TFN (or in certain circumstances their Australian Business Number) and does not provide a valid exemption from quoting their TFN, the Responsible Entity will be required to withhold tax from any distribution (currently at the rate of 46.5%).

## PART IVA

Part IVA of the Income Tax Assessment Act 1936 contains general anti-avoidance provisions and should be considered by Members in respect of all investments. In general, Part IVA may apply if a taxpayer obtains a "tax benefit" as a consequence of entering into or carrying out a scheme (or part of a scheme), whether devised by the taxpayer or somebody else, and the dominant purpose of one or more parties who entered into or carried out the scheme (or part of the scheme) was to secure the tax benefit for the taxpayer.

The application of Part IVA to a taxpayer can only be conclusively determined considering each individual taxpayer's own facts and circumstances. Members should therefore seek their own independent professional tax advice in relation to the potential application of Part IVA in their own individual facts and circumstances.

Members should be aware that the Government has introduced legislation to amend Part IVA and that these amended provisions are intended to have effect from 16 November 2012. Whilst the proposed amendments should not significantly affect the potential application of Part IVA to Members, Members should nonetheless remain alert to any further developments in this regard.

## STAMP DUTY

Under current laws and on the basis of the assumptions set out in this summary, the acquisition of Units by a Member and disposal of Units by a Member (either by sale of the Units by the Member, redemption of the Units by the Responsible Entity or otherwise) should not be liable to stamp duty in any jurisdiction in Australia.

If the Fund does not qualify as a "widely held unit trust" under the Duties Act 2001 (Queensland) (see under the heading "Widely Held Unit Trust Requirements" above) before and after any dealings with Units by a Member (including those noted above), that dealing may attract Queensland transfer duty if the Fund has an indirect interest in Queensland dutiable property. If the Fund intends to acquire an indirect interest in Queensland dutiable property prior to qualifying for the abovementioned status and the Widely Held Unit Trust Requirements will be satisfied within one year of the issue of Units to the public, consideration can be given to making an application to the Queensland Office of State Revenue for imminent widely held unit trust status.

## GOODS AND SERVICES TAX (GST)

The Fund will be charged GST on the costs / fees associated with the management of your investment (i.e., Expense Recovery, Management Fee and Performance Fee) charged by the Responsible Entity (in its personal capacity). However, if available, the Fund will claim a proportion of the GST charged as input tax credits or reduced input tax credits (RITCs). If an input tax credit or RITC is not available, the GST charged would represent a net cost to the Fund.

Unless otherwise stated, fees and charges in this PDS have been stated inclusive of any Goods and Services Tax (GST) and exclusive of any reduced input tax credits (RITCs).

No GST should be payable in respect of the subscription, acquisition, disposal or redemption of Units or any distributions paid in respect of the Units. GST may apply on fees charged to Members. For example, fees or commissions paid by a Member to their financial adviser may attract GST. Members should obtain their own advice as to whether an input tax credit is available for any such GST.

## TAX REFORM

The Government has announced several changes to the tax laws that may affect the taxation of the Fund and Members outlined above. These include the proposed changes to Part IVA discussed above.

The Government has also announced that it will implement a new tax system for MITs, applicable from 1 July 2014. The rules, which are elective, are intended to provide greater certainty in relation to the tax treatment of MITs, reduce complexity and lower compliance costs. No draft legislation has been released as at the date of this PDS. Based on the announcements to date, it is not expected that the new legislation would adversely affect the tax treatment of the Fund.

In addition to the proposed MIT tax changes, the Government has also announced a wide-ranging review of the tax treatment of trusts generally. Although the Government has stated that it does not intend to change the broad policy framework for the taxation of trusts, the review may nonetheless result in significant changes to the tax laws. The proposed changes are also expected to address the "streaming" issue discussed above. Whilst the proposed new MIT rules should take precedence over these general rules, the general trust tax rules could still apply to the fund if it does not qualify for the MIT rules in any particular income year, and as such, any changes to the tax laws pursuant to this review may potentially impact Members. It is intended that any changes will have effect from 1 July 2014.

## SECTION 8: FEES, CHARGES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your 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 if applicable. For more information, please contact Walker Capital.

### 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.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

### FEES AND COSTS

The total fees, charges and other costs which you will pay will include all the costs of investing through the Fund.

All fees, charges and other costs outlined in this section have been stated inclusive of any Goods and Services Tax (GST) and exclusive of any reduced input tax credits (RITCs).

Please see "Additional Explanation of Fees and Costs" after the table.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment Fee</b> The fee to open your investment.	Nil	Not Applicable
<b>Contribution Fee</b> The fee on the initial amount contributed to your investment.	Nil	Not Applicable
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment.	Nil	Not Applicable
<b>Termination Fee</b> The fee to close your investment.	Nil	Not Applicable
<b>Buy / Sell Spread</b>	Nil	Not Applicable

### Management Costs: The fees and costs for managing your investment.

#### Other fees and expenses

Reimbursement of ordinary direct expenses, fees and costs for operating the Fund. They include administration and other expenses incurred in operating the Fund e.g., custodian fees, administration and registry costs, compliance committee costs, audit, accounting, legal and tax advisory fees, Responsible Entity Fees, IT, insurance, postage and printing costs). These fees and other costs comprise both fixed fees and a percentage of total assets under management.

The costs are accrued monthly and paid out when incurred, from the Fund's assets first out of income and then out of capital.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<p><b>Management Fee</b></p> <p>The amount you pay for investing in a professionally managed investment option.</p>	<p>The Management fee is 2.2% per annum of the NAV calculated at the end of each Month (at an equivalent Monthly rate of 0.1833%).</p>	<p>The Management fee is calculated, accrues and is payable Monthly from the Fund's assets first out of income and then out of capital.</p>
<p><b>Performance Fee</b></p> <p>The fee payable for the investment performance.</p>	<p>22% of the increase in an assessed Unit's NAV for a given Month, subject to the Unit's NAV surpassing the highest previously achieved (high watermark) NAV for that Unit.</p>	<p>The Performance fee is calculated, accrues and is payable Monthly from the Fund's assets first out of income and then out of capital.</p>
<p><b>Management Fees and Costs of any underlying fund</b></p> <p>The fees and costs for managing the Fund's investment in an underlying fund</p>	<p><b>Management fee</b></p> <p><b>Absolute Thematic Strategy:</b> 1.65% per annum of the Net Asset Value of the investment.</p> <p><b>Fixed Income Strategy:</b> Nil</p> <p><b>Other fees and expenses</b> Reimbursement of ordinary direct expenses and fees such as responsible entity or trustee fees, custodial, administrative and registry expenses incurred. Reimbursement for any extraordinary expenses such as costs for convening investor meetings or defending third-party claims made against the underlying fund.</p>	<p>Deducted monthly from the Fund's investment in the underlying fund.</p> <p>Deducted from the Fund's investment in the underlying fund.</p>
<p><b>Performance Fees of any underlying fund</b></p> <p>Amounts deducted from the Fund's investment in relation to the performance of an underlying product.</p>	<p><b>Performance fee</b></p> <p><b>Absolute Thematic Strategy:</b> 22% of the increase in an assessed Unit's NAV for a given Month, subject to the Unit's NAV surpassing the highest previously achieved (high watermark) NAV for that Unit.</p> <p><b>Fixed Income Strategy:</b> Nil</p>	<p>The Performance fee is calculated, accrues and is payable Monthly from the Fund's assets first out of income and then out of capital.</p>

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### GENERAL

The Constitution of the Fund allows all properly incurred expenses to be recovered directly from the Fund. There are several kinds of expenses. Each kind of expense can be dealt with in a different way, as explained below. While the summary below describes the generally applicable fees, in some cases they might not be charged or might be charged less than permitted by the Constitution.

Unless otherwise stated in this PDS all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and exclusive of any reduced input tax credits (RITCs).

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 and RITC calculations, actual fees may vary slightly from those stated in this PDS, which may be rounded to two decimal places.

Due to the impact of GST and RITC calculations, actual fees may vary slightly from those stated in this PDS.

Please refer to "Goods and Services Tax (GST)" in Section 7 of the PDS for more information.

### INTERPOSED VEHICLES

The Fund invests in products indirectly by investing in underlying funds. The fees and costs of underlying funds should also be considered as part of investment decisions. Initially, the Fund intends to invest through one underlying fund. The fees and costs in relation to this fund have been included in the table above. If the fees and costs of subsequent funds differ materially and the estimates used are no longer reasonable, a supplementary PDS will be issued.

### ABOUT MANAGEMENT COSTS

Management costs comprise the additional fees or costs that investors incur by investing in the Fund, rather than investing directly in the underlying Assets. These include investment management fees, audit costs, legal costs, broking, administration and custody fees. Management costs do not include transactional and operational costs. The management costs should also take into account any costs of interposed vehicles which includes the management costs of the Fund investing in underlying funds unless its specifically assumed that these costs are taken into consideration in the return received from the underlying funds.

### MANAGEMENT FEE

The Management fee is 2.2% per annum of the NAV calculated at the end of each Month (at an equivalent Monthly rate of 0.1833%).

A worked management fee example is set out below.

The Management fee based on a \$50,000 investment held over a 12 Month period (assuming no change in value of the NAV at the end of each Month throughout the 12 Month period) would be calculated:

$$\$50,000 \times 2.2\% = \$1,100$$

The NAV is likely to change from month to month, either up or down. A lower NAV at the end of a month will mean there is a smaller management fee dollar amount for that month. A higher NAV at the end of a month will mean there is a higher Management fee dollar amount for that month. The actual total Management fees paid over a 12 Month period might be different from the total amount calculated above which assumes that the NAV does not change throughout the 12 Month period.

Please also note that the Management fee is based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses might never be realised.

### PERFORMANCE FEE

The Investment Manager is entitled to a Performance fee. The Performance fee is 22% of the net increase in the assessed Unit's NAV for a given Month, subject to the Unit's Net Asset Value surpassing the highest previously achieved (high water mark) Net Asset Value for that Unit. The Performance fee is calculated, accrued and payable Monthly. It is also applied pro rata in respect of redeemed Units.

A Performance fee only becomes payable for the Fund if there is a net increase in the Net Asset Value of Units in the Fund.

There is no other benchmark hurdle because of the nature of the investment philosophy and strategies.

If the NAV of the Unit in the Fund falls below the previous high for those Units, then no further Performance fee can be accrued until the loss in value has been fully recovered.

The NAV applicable to each Unit for the purpose of calculating the Performance fee is adjusted to reflect any increase in NAV resulting from new applications and reduced to reflect Distributions and withdrawals.

It is not possible to provide a meaningful dollar estimate of Performance fees since they depend on future performance.

### PERFORMANCE FEE EXAMPLE 1

#### Performance fee payable because performance exceeded high water mark

High water mark at commencement of period	\$100,000
High water mark per Unit (assume 100,000 Units on issue)	\$1.000
Closing NAV for the Month	\$125,000
New NAV per Unit	\$1.25
(100,000 units on issue at end of the Month)	
<b>equals:</b> new performance per Unit (\$1.25-\$1.000)	\$0.25
number of Units on issue during the Month	100,000
Performance for the Month (\$0.25 x 100,000)	\$25,000
Performance fee payable (22% of \$25,000)	\$5,500
<b>Performance fee (incl. GST) per Unit (\$5,500/100,000)</b>	<b>\$0.055</b>

The high-water mark per Unit for the next Performance fee calculation during the financial year is **\$1.195** (\$1.25 - \$0.055)

### PERFORMANCE FEE EXAMPLE 2

#### Performance fee NOT payable because performance did not exceed high water mark

High water mark	\$100,000
High water mark per Unit (100,000 Units on issue)	\$1.0000
Closing NAV for the Month	\$95,000
NAV per Unit for the Month	\$0.95
(100,000 Units on issue at end of the Month)	
<b>equals:</b> net performance per Unit (\$0.95-\$1.0000)	<b>-\$0.05</b>

Since the net performance per Unit is negative, no Performance

fee is payable. The high-water mark per Unit for the next Performance fee calculation in the annual period remains \$1.0000.

If the closing NAV as at 30 June in a financial year is \$0.95652, that would be the new high-water mark for the next calculation period since it is annually reset.

## ADMINISTRATIVE EXPENSES

The administrative expenses, fees and costs such as custody fees, administration and registry costs, compliance committee costs, audit, accounting, legal and tax advisory fees, Responsible Entity Fees IT, insurance, postage and printing costs. Such expenses will be paid out of the assets of the Fund.

The costs are accrued monthly and paid out when incurred. The administrative expenses that relate to the Fund will be apportioned to each class within the Fund.

In order to smooth out the recovery of significant expenses over time, the Responsible Entity (in its discretion) may spread the recovery of the more significant expenses over some time.

Fee Description	Amount
Responsible Entity Fee, professional indemnity insurance, compliance committee costs for the Fund:	\$66,000 per annum
Administration Fee for the Class:	10bps of NAV subject to a minimum of \$2,750 per month
Investor Transaction Fee for the Class:	\$11 per transaction
Investor Maintenance Fee for the Class:	\$66 per annum per investor
Australian Tax Reporting Fee for the Fund:	\$7,150 per annum
Accounting, tax and audit Fee for the Fund:	\$22,000 per annum

IDPS Investors may incur additional fees and costs levied by their IDPS provider.

## TRANSACTION COSTS

Transaction costs incurred in the acquisition or disposal of the assets of the Fund such as brokerage, clearing costs, hedging costs, transaction fees, taxes and stamp duty will generally be paid for by the Fund.

The amount of transaction costs incurred when transacting to implement and to manage investment objectives is dependent on a number of different variables, including the level of trading undertaken so we are unable to provide a meaningful estimate or example of these costs.

## ABNORMAL EXPENSES

Abnormal expenses such as the cost of Unitholder meetings, dealing with disputes with Members, defending legal proceedings, legal costs incurred by changes in the Fund's Constitution and the costs of terminating the Fund will generally be borne by the Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and might not be incurred in any year.

We will seek reimbursement from the Fund in relation to these expenses if they arise.

## FEE FOR WHOLESALE INVESTORS

In accordance with the Corporations Act and the Constitution, we are permitted to negotiate fees individually with investors classed as "wholesale clients" or "sophisticated" or "professional" investors; however, it is not currently proposed to do that.

## VARIATION OF FEES

Under the Constitution, the Responsible Entity may waive, reduce or refund any part of the fees specified in this PDS without your consent. The Constitution sets out the limits for the fees that the Responsible Entity may charge and the method of recovery, the recurrence of the recovery and the timing of the recovery of the fees. If a change in fees or costs results in an increase in fees or costs, then (except any changes to the buy/sell spread) the Responsible Entity will give notice to Members at least 30 days before the change takes effect.

We cannot charge more than the Constitution of the Fund allows unless we obtain Members' approval to do so. While the fees charged are disclosed in the PDS and in many cases are not charged or are charged less than the maximum permitted by the Constitution, you should be aware that under the Constitution the maximum fees (exclusive of the Goods and Services Tax (GST) and any reduced input tax credits (RITCs) are:

- a maximum contribution fee (i.e., Entry Fee) of 5.0% of the investment amount;
- a maximum redemption fee of 5.0% of the redemption amount (i.e., the Withdrawal Price);
- a maximum management fee of 3.0% pa of the value of the assets of the Fund Asset (i.e., the NAV calculated monthly); and
- a maximum fee for the investment performance (Performance Fee) in respect of each Unit of up to 30.00% per annum of the increase in the Net Asset Value of the Assets.

## ADVISOR FEES

Additional fees may be paid by you to your financial adviser. These are not fees, charges or costs of the Fund. You should refer to the statement of advice provided by your adviser for details of those fees. We do not have in place any arrangements with any advisers to pay them any fees you may owe them.

## PAYMENTS TO IDPS OPERATORS

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

## NO ALTERNATIVE FORMS OF REMUNERATION

We do not provide alternative forms of remuneration which are permitted by or in accordance with the Corporations Act and the Constitution (which includes professional development, sponsorship and entertainment for licensed financial advisers, dealer groups and master trust or investor directed portfolio service (IDPS) operators).

## TAXES

Unless otherwise stated in this PDS, all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and exclusive of any reduced input tax credits (RITCs).

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 and RITC calculations, actual fees may vary slightly from those stated in this PDS, which may be rounded to two decimal places.

See the Taxation section 7 of this PDS for more details.

## 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 should use this table to compare the Fund with other managed investment products. It is important read the assumptions and notes below the table.

<b>EXAMPLE</b>		<b>\$100,000 investment made at the beginning of the year with a contribution of 50,000 during the year and no withdrawal during that year and there is no borrowing for the Fund:</b>
Management Fees and costs (including underlying funds <sup>1</sup> )	2.6% per annum	For every \$100,000 you have in the Fund you will be charged fees of \$2,600 each year.
<b>PLUS</b>		
Performance fee (including underlying funds <sup>2</sup> )	27.7% per annum	In addition to the above fees, if you invested \$100,000 and after the first year the net increase in value of your Units is \$1,200, a Performance fee of 27.7% of \$1,200 would be charged, i.e., \$332.40.
<b>EQUALS</b>		
Cost of Fund <sup>3</sup>		If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$50,000 during that year, you would be charged management fees of \$2,600 each year (on the \$100,000) and up to a further \$1,300 per annum on your additional investment depending on the timing of your additional investment (since the management fee is charged at a pro rata amount each Month).

<sup>1</sup> The management fees and costs of the underlying funds is based on the targeted allocation of funds

<sup>2</sup> The performance fees and costs of the underlying funds is based on the targeted allocation of funds

<sup>3</sup> The Corporations Act requires that when calculating management costs in this example's table we must assume that the value of your investment remains at \$100,000 and the Class' Unit price does not fluctuate. Management costs actually incurred will depend on the market value of underlying investments and the timing of your contributions (including any reinvestment of Distributions) during any 12-month period.

The example also assumes no abnormal expenses are incurred and no additional service fees are incurred by you and that fees are not individually negotiated with us. Totals may vary from the expected number due to rounding.



## SECTION 9: ADDITIONAL INFORMATION

### UNIT PRICE CALCULATION

When you invest in the Fund you are issued several Units based on the amount invested and the current Unit price.

The Unit price is ordinarily calculated on a Valuation Day.

In accordance with the Responsible Entity's policy on unit pricing discretions, a valuation will not be carried out if, in the opinion of the Responsible Entity or its agent (the Administrator) believes there are reasonable reasons for delaying it, such as the market pricing being unavailable.

The Unit price for Units in the Fund during the initial application period for the Fund is \$1.00.

After that:

The Unit price for Units will be calculated by:

- (i) determining the NAV (that is, the value of all assets less liabilities (other than liabilities relating to a Unitholders redemption rights) dividing the resulting amount by the number of Units on issue; and
- (ii) adjusting by adding an amount (in the case of applications) and deducting an amount (in the case of withdrawals) to reflect any buy/sell spread (if applicable).

All Unit prices are calculated to six decimal places and reported to 4 decimal places.

Fractional Units may be issued and are calculated to six decimal places and reported to 4 decimal places.

The Responsible Entity has adopted a policy on Unit pricing discretions which documents the Unit pricing discretions that the Responsible Entity may exercise. A copy of this policy is available free on request. If the Responsible Entity exercises a Unit pricing discretion for which there is no documented policy at the time of exercise, or in a way that differs from its policy, it will prepare a document explaining the unit pricing discretion. A copy of that document will be available free on request.

### TRANSFER OF UNITS

You can transfer the ownership of your Units at any time, if you do this in an approved form. The Responsible Entity has the discretion to refuse transfers and is not obliged to accept a transfer that is not in an approved form or if stamp duty (if applicable) has not been paid to the relevant government authority. Please contact Walker Capital for more information.

### COOLING OFF PERIOD

If you have invested directly into the Fund and are not a "wholesale client" as defined in the Corporations Act, you are entitled to a 14 day cooling off period during which time you may return or redeem the Units subscribed for and receive an amount equal to the amount that would have been the allocation price for the Units if they had been issued on the day on which the Responsible Entity receives notice of their return.

Please note that the amount returned to you may be greater or less than the amount initially invested, since it will be impacted by market movements in the Fund's assets, applicable transaction costs and any non-refundable tax or duty paid or payable. That possible difference in the amount returned is likely to have tax implications for you.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard.

Cooling off rights do not apply to distribution reinvestments or when the Fund is illiquid.

A retail client's right to cooling off is subject to certain conditions allowed by law. Cooling off rights do not apply to wholesale clients.

### ASIC RELIEF

ASIC has issued a declaration which has the effect of amending the Corporations Act to allow the Responsible Entity to determine the Unit price for applications and withdrawals attributable to Units.

### CONSTITUTION

The Constitution and the Corporations Act govern the rights of a Member.

The Constitution is the primary document governing the relationship between the Responsible Entity and Members and contains extensive provisions about the legal obligations, rights and powers of both the Members and the Responsible Entity.

It provides that the assets of the Fund are vested in, and held by, the Responsible Entity or any custodian (or its sub-custodian) the Responsible Entity appoints. It includes broad powers for the Responsible Entity to carry out its duties and deal with the assets, including the right to fees and reimbursement of expenses and details about how it must comply with Investment Instructions relating to choosing new investments.

The Constitution also details the Responsible Entity's entitlement to be indemnified out of the assets for all liabilities, costs, damages or expenses incurred in connection with its office, or in prosecuting or defending any action in respect of a provision of the Constitution.

The liability of the Responsible Entity is limited to the extent of the assets of the Fund, except if there has been any fraud, negligence or breach of trust by the Responsible Entity.

The absolute beneficial entitlement of Members to the assets held for the Fund is set out in the Constitution.

The liability of Members is limited under the Constitution to the value of their investment. However, the question of limited liability for investors of managed investment schemes has not been tested in a court of law.

All Members are bound by the Constitution including any amendments. A special resolution of Members at a properly convened meeting is required to amend the Constitution, unless the change does not adversely affect the rights of Members. Upon request, you can obtain a copy of the Constitution.

### COMPLIANCE PLAN AND COMPLIANCE COMMITTEE

The Compliance Plan outlines the principles and procedures which the Responsible Entity will invoke to ensure that it complies in all respects with the provisions of the Corporations Act, ASIC policy and the Constitution. The Compliance Plan deals with an extensive range of issues in relation to the operation of the Fund compliance committee, consisting of members who are internal and external to the Responsible Entity has been established. The compliance committee is responsible for monitoring compliance with the Compliance Plan and reports on its findings to the Board.

## CUSTOMER RELATIONSHIP MANAGER

Walker Capital has been appointed by the Responsible Entity to provide customer relationship services for the Fund. This PDS describes how and when to contact Walker Capital.

## ADMINISTRATOR

An Administrator has been appointed by the Responsible Entity to provide registry and other services to the Fund.

## AUDITOR

The Fund and the Compliance Plan are required to be audited annually.

## UNITHOLDER'S LIABILITY

The Constitution provides that the liability of each Unitholder is limited to their investment in the Fund. It is therefore expected that Unitholders will not be under any obligation if a deficiency in assets of the Fund was to occur. However, because the efficacy of such a provision is yet to be tested at law, no absolute assurance can be given that Unitholders will be protected from liability to third parties.

## COMPLAINTS HANDLING POLICY

You have a right to complain if you are not satisfied with the performance of the Responsible Entity. Indirect investors also have access to the Gleneagle complaint resolution process. The Responsible Entity takes all complaints seriously and will provide you with a copy of the complaints handling policy on request and at no charge.

If you have a complaint, then you should notify the Responsible Entity in writing. If you use a financial planner or broker they can convey the complaint to us on your behalf. Once a complaint is received, the Responsible Entity will acknowledge the complaint immediately, or if not, as soon as practicable after receipt. The Responsible Entity will endeavour to resolve any complaint and provide a final response as soon as practicable, but within 30 Business Days from receipt.

If a satisfactory resolution cannot be reached, then you may lodge your complaint with the Australian Financial Complaints Authority (AFCA) (details below), of which the Responsible Entity is a member. Please note that AFCA will not deal with your complaint unless you have first raised your concerns with the Responsible Entity.

You can contact AFCA as follows:

By telephone: 1300 931 678 (free call) Email: [info@afca.org.au](mailto:info@afca.org.au)

Website: [www.afca.org.au](http://www.afca.org.au)

In writing:

GPO Box 3

Melbourne VIC 3001

## PRIVACY

The Responsible Entity is committed to managing and only using personal information in ways that comply with the Privacy Act. If you complete an Application Form you will be providing personal information to the Responsible Entity for the Fund. The personal information is collected by the Responsible Entity and will be disclosed to the Responsible Entity custodians, to the systems and software providers, any brokers it might use, and any other party the Responsible Entity believes necessary to facilitate the operation and maintenance of your investment in the Fund.

The Responsible Entity holds and uses that personal information only in order to:

- assess your application;
- service your needs as a Member;
- provide facilities and services that you request;
- carry out the appropriate administrative services for the Fund; and
- comply with any laws which the Responsible Entity is required to comply with (such as the anti-money laundering legislation discussed in more detail of this PDS).

If you have notified Walker Capital that you have an Authorised Person, either on the Application Form or in writing (later), you acknowledge that details of your investment will be provided to them. This will continue until you notify the Responsible Entity otherwise in writing.

The Responsible Entity may provide your personal information to related entities. The Responsible Entity may also use the personal information collected from Members for the purpose of providing direct marketing material that the Responsible Entity believes may be of interest to you. The Responsible Entity will stop providing this information if requested by you to do so.

A copy of the Responsible Entity's Privacy Policy is available at [www.gleneagle.com.au](http://www.gleneagle.com.au), or by contacting the Responsible Entity.

## CONSENTS AND DISCLAIMERS

Each of the persons named in this PDS in a statement which might be relied upon has given its consent to be named in this PDS in the form and context in which it is named. Each of the parties has not caused the issue of this PDS and does not make, nor purport to make, any statement in this PDS. Each of the parties has not, before the issue of this PDS, withdrawn its consent to be named. Each of the parties expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name.

The directors of the Responsible Entity have authorised the issue of this PDS.

## INDIRECT INVESTORS

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

## INFORMATION ON UNDERLYING INVESTMENTS

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

## RELATED PARTIES, CONFLICTS AND OTHER BENEFITS

The Responsible Entity has a policy for managing conflicts of interests and related party transactions. All transactions entered by or on behalf of the Responsible Entity with related parties are conducted at arm's length, meaning that they are entered into on terms comparable with or better than arrangements that would be made with unrelated third parties.

The Responsible Entity may act as trustee for other funds. The Responsible Entity, its associates and their directors and employees may engage in trading the same as or different from trading for any particular Fund and they may hold principal positions which are similar to or the opposite of the investments held for the Fund. During their services, any of them may receive benefits which directly or indirectly arise in relation to the investments made for the Fund. The Responsible Entity and its associates may also give benefits to the Fund, such as not charging for fees or arranging for lower fees and charges that might not otherwise be available to the Fund. All these possibilities are covered by the Responsible Entity's policy.

## LABOUR STANDARDS OR ENVIRONMENTAL, SOCIAL OR ETHICAL FACTORS

No investments made for the Fund consider labour standards or environmental, social or ethical considerations in relation to investment decision making.

## **NOTIFICATION OF ELECTION TO RECEIVE ANNUAL REPORTS**

Annual Reports will be sent free on request in electronic copy by email to your email address provided on the Application Form.

You may later change your election on how to receive the Annual Report or notifications that Annual Reports are available.

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

## SECTION 10: AUTHORISATIONS

### ONLINE TERMS AND CONDITIONS

The Responsible Entity will not generally be liable for any loss incurred by you if your password is used by someone without your authority, except to the extent that such liability is attributable to the Responsible Entity's own negligence. Therefore, you agree to indemnify and to release the Responsible Entity from all potential actions and liabilities arising from Walker Capital acting on what appeared to be genuine instructions from you or from your Authorised Person on your behalf.

Members should take care to store their password securely and separately from their application records.

### APPOINTMENT OF AN AUTHORISED PERSON

When you invest in the Fund you may appoint an Authorised Person who can provide instructions to Walker Capital on your behalf. To appoint an Authorised Person and authorise Walker Capital to provide your Authorised Person with information about your investment in the Fund, you must complete and sign the relevant section of the Application Form.

The appointment of an Authorised Person is subject to the following terms and conditions. Your Authorised Person will be permitted (unless you make restrictions which we accept):

- to transmit your Investment Instruction relating to your investments in the Fund including (without limitation), making additional investments or withdrawals from the Fund, or changing your investor details;
- make enquiries about your investment in the Fund; and
- to transmit your requests to the Responsible Entity on your behalf in relation to the transactions listed above and any incidental transactions.

If Walker Capital receives directions or an enquiry from a person whom Walker Capital reasonably believes is your Authorised Person, then Walker Capital will act on such directions and enquiries as if they were your personal acts. Until Walker Capital receives a written cancellation of the appointment, Walker Capital will continue to act on any instructions from your Authorised Person. The Responsible Entity may cancel or vary the terms of the appointment of an Authorised Person upon providing you with 14 days' notice. If your Authorised Person is a company or a partner acting for a partnership, all actions taken by any director, partner, or authorised officer of the Authorised Person is deemed to be an act of the Authorised Person.

The Responsible Entity is not responsible for and does not provide personal advice in relation to your investments. The Responsible Entity, its successors and assignees disclaim any liability for direct or consequential loss, damage or injury arising from your appointment of an Authorised Person. You agree that the Responsible Entity is not responsible for acts, matters and things done or purported to be done by your Authorised Person even if not authorised by you, provided Walker Capital have no reasonable reason to believe that they are not your Authorised Person.

Neither you nor any person making a claim on your behalf will have any right or claim against the Responsible Entity, its related bodies corporate successors and assignees regarding any matter, act, or thing done or purported to be done by your Authorised Person. Any payment made, requested or received by your Authorised Person constitutes a release of the Responsible Entity obligations and neither you nor any person making a claim on your behalf will have any cause of action against the Responsible Entity.

## SECTION 11: AML, FATCA AND CRS

### AML ACT

In order to comply with current or future regulations aimed at the prevention of money laundering and counter terrorism financing, including but not limited to the laws and regulations of Australia in force from time to time (**AML/CTF law**), appropriate detailed identification and verification about an Applicant will be required, which may include identification of underlying beneficial owner(s).

The Responsible Entity may delay or refuse to accept an application (and return any funds received with the application without interest) of a prospective Applicant who delays or fails to produce any information Walker Capital request for verification purposes or if the Responsible Entity are concerned that the application may breach any obligation of, or cause the Responsible Entity to commit or participate in an offence under the AML/CTF law and the Responsible Entity will incur no liability to you if this occurs.

Your application will not be accepted or processed until all required information has been received to Walker Capital's satisfaction (including any additional information that may be requested) and the Responsible Entity is satisfied that all client identification procedures have been completed and any other obligations under the AML/CTF law have been complied with.

Walker Capital may also require you to provide additional information and identification documents to those listed in the Application Form.

By completing the Application Form, you warrant that:

- You are not aware and have no reason to suspect that:
  - the moneys used to fund your investment have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement ('illegal activity'); or
  - the proceeds of your investment will be used to finance any illegal activities.
- You, your agent, or your nominated Authorised Person will provide Walker Capital with all additional information and assistance that may be requested in order to comply with the Responsible Entity obligations under any AML/CTF law.
- You are not a 'politically exposed' person or organisation for the purposes of any AML/CTF law.

### FATCA AND CRS

The Application Form includes a section on self-certification to comply with legislation which gives effect to the OECD Common Reporting Standard and the US legislation known as FATCA.

If requested by the Responsible Entity, the Investor agrees, and it is a condition of the issue of the Units, to provide certain information required by it in order to comply with any applicable law, including the ATO.

The ATO shares this information with the competent authorities of other jurisdictions as a means of countering global tax evasion. For more information, refer to the ATO website: <http://www.ato.gov.au>.

## SECTION 12: DIRECTORY

### INVESTMENT MANAGER

Walker Consulting (Australia) Pty Ltd (ACN 602952116)  
Corporate Authorised Representative (CAR No. 1250196)  
of Walker Capital Private Wealth Pty Ltd ACN 161 363 097,  
AFSL No. 436859).

Website: [www.walkercapital.com.au](http://www.walkercapital.com.au)

Phone: +61 2 8076 2210

### RESPONSIBLE ENTITY

Gleneagle Asset Management Limited

ACN 103 162 278

AFSL No. 226199

Website: [www.gleneagle.com.au](http://www.gleneagle.com.au)

### Sydney Office:

Level 27, 25 Bligh Street

Sydney NSW 2000

Australia

### ADMINISTRATOR

Apex Fund Services (Australia) Pty Ltd

ACN 149 408 702

Level 13, 459 Little Collins Street

Melbourne VIC 3000

Australia

Phone: +61 3 9020 3000

Website: [www.apexfundservices.com](http://www.apexfundservices.com)

### AUDITOR

LNP Audit and Assurance Pty Limited

ACN 155 188 837

Level 14, 309 Kent Street

Sydney NSW 2000

Australia

## SECTION 13: GLOSSARY

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<b>\$</b>	Australian dollars
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<b>Administrator</b>	Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702) has been appointed as the administrator of the Fund.
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<b>AEST</b>	Australian Eastern Standard Time (Please note that this applies even if there is daylight saving time locally.)
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<b>Applicant</b>	A person who applies in accordance with this PDS to become a Member of the Fund.
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<b>Application Form</b>	The form which is required to apply to become a Member of the Fund.
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<b>ASIC</b>	Australian Securities and Investments Commission.
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<b>Auditor</b>	LNP Audit and Assurance Pty Limited (ABN 65 155 188 837) has been appointed the auditor of the Fund.
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<b>Business Day</b>	Any day on which trading banks are open for business in Sydney, Australia.
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<b>Class or Diversified Trust</b>	Diversified Trust refers to a Class of the Fund described in this PDS, as is not a separate fund or trust.
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<b>Cash Investments</b>	Cash Investments includes at call cash accounts, cash term deposits, fixed interest securities and any similar cash, term or yield security financial products permitted by the Constitution to be an asset of the Fund.
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<b>Compliance Plan</b>	The Compliance Plan for the Fund lodged with ASIC.
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<b>Constitution</b>	The constitution of the Fund lodged with ASIC, which sets out the rules for the way the Fund is managed. A copy of this document is available free of charge on request.
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<b>Corporations Act</b>	Corporations Act 2001 (Commonwealth).
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<b>Designated Time</b>	Designated Time means, in respect of an: i. application for Units is 11:00 a.m. AEST on the 25 of the calendar Month; or ii. a withdrawal request is 11:00 a.m. AEST on the 25 of the calendar Month.
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<b>Fund</b>	Walker Capital Australia Alternative Fund ARSN 646 309 631.
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<b>GST</b>	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999.
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<b>Income Distribution Date</b>	The Income Distribution Date is the last day of each financial year being 30 June each year and such other date or dates in a financial year as may be specified by the Responsible Entity from time to time.
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<b>Income Distribution Period</b>	The Income Distribution Period is the period beginning on the date of commencement of the Fund and ending on the first Income Distribution Date and, after that, the period which begins on the day after the preceding Income Distribution Date to the next occurring Income Distribution Date except that the last Income Distribution Period is the period commencing on the day after the preceding Income Distribution Date and ending on the date of final distribution on winding up of the Fund.
<b>Indirect Investor</b>	Individuals who invest in the Portfolio through an IDPS.
<b>Investment Instructions</b>	Investment Instructions are instructions given by or on behalf of an Applicant and, later, as a Member, relating to applications and withdrawals from the Fund itself resulting in a payment of withdrawal proceeds.
<b>Investment Manager or Walker Capital</b>	Walker Consulting (Australia) Pty Ltd (ACN: 602952116)
<b>Member</b>	A person whose name is entered in the register as the holder of a Unit (including persons jointly registered) or who remains a participant in the Fund pending reinvestment of funds.
<b>Month or Monthly</b>	A calendar Month, ending on the Valuation Date of that month
<b>NAV</b>	Net Asset Value of the Fund, being the value of all assets of the Fund less the total value of the liabilities of the Fund, divided by the number of Units on issue, referable to the relevant Class, in accordance with the all of provisions in the Constitution.
<b>Offer</b>	The offer to issue Units made pursuant to this PDS relating to the Walker Capital Australia Alternative Fund.
<b>PDS</b>	This Product Disclosure Statement, as supplemented from time to time.
<b>Responsible Entity</b>	Gleneagle Asset Management Limited ACN 103 162 278, AFSL 226199.
<b>Subscription Date</b>	This is the date the Units are issued. Ordinarily it is a calendar day by reference to Australian Eastern Standard Time (AEST) corresponding with the first Trading Day following a Valuation Date and in any case it may be such other date as determined by the Responsible Entity.
<b>Trading Day</b>	This is a day the markets are open for execution of the financial products being traded.
<b>Unit</b>	A fully paid unit in the Fund issued under the Constitution and offered pursuant to this PDS relating to the Walker Capital Australia Alternative Fund.
<b>Unit price</b>	Refers to the "Initial Price" of a Unit, with "Initial Price" being the term used in the Constitution which sets out how the calculations are to be made from time to time.
<b>Unitholder</b>	The holder of a Unit issued in the Fund (as recorded in the register of Members).
<b>Valuation Date</b>	This is the date when the NAV of the assets are calculated for determining the Unit price for the Fund , referable to the relevant Class. This is the calendar day by reference to the AEST corresponding with the closing time of the last Trading Day of each Month (i.e., monthly valuation).