

Fairview Equity Partners Emerging Companies Fund

Product Disclosure Statement

ARSN: 133 197 501 APIR code: ANT0002AU

Dated: 30 September 2024



Contents

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

1. About MLC Investments Limited

Responsible Entity

MLC Investments Limited (MLC) is the Responsible Entity of the Fund and the issuer of this PDS and any units offered under it.

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

National Australia Bank Limited provides unit registry services to the Fund via its agreement with SS&C GIDS Transfer Agency (Australia) Pty Ltd (Registry Services).

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

Fairview Equity Partners Pty Ltd

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

Fairview is responsible for making investment decisions in relation to the Fund and implementing the Fund's investment strategy.

Fairview is majority owned by its investment team, with the Insignia Financial Group owning the remaining interest. This strengthens the alignment of interests of the investment team and their aim to maximise returns for investors.

Important information

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

These documents are available from mlcam.com.au/fepecf or you can request a copy free of charge by calling us on **1300 738 355** or by contacting your investor directed portfolio service, IDPS-like scheme, master trust or wrap operator (collectively referred to as an 'IDPS' in this PDS). The Target Market Determination (TMD) for the Fund can be found at mlcam.com.au/TMD and includes a description of who the Fund is appropriate for. To invest directly in the Fund you must have received the PDS (electronically or otherwise) within Australia.

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

This document has been prepared on behalf of MLC Investments Limited ABN 30 002 641 661 AFSL 230705 (MLC) as Responsible Entity of the Fund. MLC is part of the Insignia Financial Group of Companies, comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). The capital value, payment of income and performance of the Fund are not guaranteed. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. This Fund is no longer a complying investment under the rules applicable to significant investor visa holders in the *Migration Act 1958* (Cth) and the *Migration Regulations 1994* (Cth).

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

2. How the Fairview Equity Partners Emerging Companies Fund works

About the Fund

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

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

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

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

The Fund is a registered managed investment scheme that is subject to the *Corporations Act 2001* (Cth) (Corporations Act), its constitution and other applicable law.

The Fund operates like most other managed investment schemes. Your money is pooled together with other investors' money to buy investments which are managed on behalf of all investors. When you invest in a managed investment scheme, such as the Fund, you gain exposure to investments that you may not ordinarily have access to, if you invest on your own.

When you invest in the Fund you acquire an 'interest' in the form of units in the Fund, rather than ownership of the underlying assets of the Fund. Your investment in the Fund is represented by the number of units you hold. We will keep a record of your unit holding.

We usually calculate the unit price for the Fund as at the end of each business day. All references to 'business day' in this PDS and the Product Guide mean days other than a Saturday or a Sunday, or a public or bank holiday in Sydney. We have the discretion to declare any day to be a business day.

For further information, refer to 'Unit pricing' in the Product Guide.

Investing directly

To invest in the Fund you will need to complete an Initial Application Form. The Initial Application Form is available at mlcam.com.au/fepecf or on request from Client Services on **1300 738 355**. Please see section 8 'How to apply' for more information.

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

The following minimum investment amounts and balance apply:

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

If accepted, application requests received by Registry Services before 3:00 pm (Sydney time) on any business day will normally receive that day's unit price. Application requests received after 3:00 pm will normally receive the next business day's unit price. If you invest directly into the Fund then you hold units in the Fund and have the rights of a unitholder, as set out in the Constitution. This applies whether your investment is made using the Initial Application Form or the Additional Investment Form.

Accessing your money

You can request a partial or a full withdrawal at any time by sending a completed Withdrawal Form by post or emailing a scanned copy to Registry Services. The Withdrawal Form is available at mlcam.com.au/fepecf or on request from Client Services on **1300 738 355**.

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

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

Withdrawal payments will generally be made to your nominated Australian bank account within 10 business days. In certain circumstances, withdrawals may be delayed. These circumstances may include where a large number of assets need to be sold, where we believe that it is not in the best interests of unitholders to sell underlying assets or where we are unable to calculate the withdrawal price or realise sufficient assets due to circumstances outside our control, such as restricted or suspended trading in the market for an asset.

We may also process requests in instalments over a period of time where we reasonably believe that doing so is in the best interests of unitholders as a whole. In circumstances where withdrawals are delayed or being paid in instalments, the unit prices used for a withdrawal may be those available on the day the withdrawal takes effect, rather than the day the withdrawal request is received.

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

Income distributions

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

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

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

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

You can request to have income distributions:

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

If you do not make a selection we will reinvest the distribution into the Fund. You can change your distribution selection at any time by sending a completed Change of Details Form by post or emailing a scanned copy to Registry Services at least five business days prior to the end of a distribution period. The Change of Details Form is available at mlcam.com.au/fepecf or on request from Client Services on **1300 738 355**.

Investing via an IDPS

If you invest in the Fund through an IDPS, then you do not hold units in the Fund and you have none of the rights of a unitholder. Instead the IDPS holds units on your behalf, acquires unitholder rights and may exercise these rights as it sees fit without reference to you. We authorise the use of this PDS as disclosure to persons who wish to access the Fund through an IDPS. This PDS must be read together with offer documents provided by the IDPS operator and you can apply to invest or perform other transactions by completing the relevant forms provided by the IDPS operator.

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

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

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

! You should read the important information about **How the Fund works** before making a decision. Go to the Product Guide available at mlcam.com.au/fepecf_pg

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

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

Access to small company opportunities

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

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

Fairview's investment expertise

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

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

Mispricing opportunities may lead to better return outcomes

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

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

4. Risks of managed investment schemes

Investment risk

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

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

While it may seem confronting, investment risk is a normal part of investing. Without it you may not get the returns you need to reach

your investment goals. This is known as the risk/return trade-off.

How much risk you're prepared to accept is determined by various factors, including:

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

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

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

Significant risks

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

These risks include:

- **Market risk:** risks that affect entire share markets including investor sentiment, economic impacts, inflation rates, regulatory conditions, interest rates, and political and catastrophic events.
- **Company specific risk:** a company's share price is affected by events within and outside the company. These events include:
 - changes to management
 - profit and loss announcements
 - the expectations of investors regarding the company
 - competitive pressures
 - legal action against the company

- social and governance issues, and
- climate change and other environmental issues.

- **Small company risk:** shares in small and medium (mid) capitalisation companies trade less frequently and in lower volumes and therefore generally experience greater price volatility than large cap companies. They may also underperform large cap companies for many years.

Compared with larger cap companies, small cap companies may also have:

- limited public information due to shorter operating histories
- smaller markets for their products
- new to market product concepts
- fewer product lines
- heavier dependence on key personnel, and
- less financial resources.

- **Changes in the value of the Australian dollar:** investments in Australian assets may be exposed to changes in the exchange rate if their earnings are derived outside Australia eg Australian companies that export or import goods and services.

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

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

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

5. How we invest your money

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

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

Fairview Equity Partners Emerging Companies Fund	
Fund description	The Fund invests in an actively managed portfolio of mainly small cap equities listed, or expected to be listed, on the Australian share market.
Investment return objective	The Fund aims to earn a return (after fees) which exceeds the Benchmark over rolling five year periods.
Benchmark	S&P/ASX Small Ordinaries Total Return Index
Investment approach	Fairview's investment philosophy is based on the belief that opportunities for identifying mispriced equities are greatest within the small cap segment of the market. This is primarily because many small cap companies tend to be under-researched and therefore have the potential to offer investors significant

upside. Fairview implements this philosophy through a disciplined, multi-faceted strategy of stock selection. This collaborative approach is research-driven, combining high levels of company contact, detailed analysis, a robust peer review process and appropriate risk controls. Fairview's investment process is as follows:



1. Initial stock screens and filters

- Initial investment universe comprises more than 1,500 equities.
- Detailed quantitative and qualitative filters are applied to narrow the investible universe, including an assessment of a company's management, business quality, cashflow and balance sheet strength.

2. Research and modelling

- An investment process that revolves around an intensive program of company visits, industry assessment and detailed financial modelling.

3. Investment conviction

- Potential investments are then subjected to a further layer of review through which Fairview tests the strength of a company's investment case.

4. Peer review

- The peer review process seeks to fully utilise the extensive experience of the investment team.
- Ongoing peer review ensures that the investment case for existing portfolio positions remains valid and any behavioural biases of investment team members are kept in balance.

5. Portfolio construction and risk control

- Risk controls are in place to ensure the Fund is adequately diversified, with sector and style biases controlled.
- The Fund is diversified by selecting the highest conviction stocks from groupings of companies based on investment styles, industry sectors and risk/return profiles.
- Maximum active position size is 5% of the Fund and the typical number of equities is approximately 25 - 70. This ensures adequate diversity and a broad number of equities contributing to performance. The Fund may also invest in equities that Fairview expects to be included in the Benchmark.

Indicative asset allocation ranges

Australian equities: 90% - 100%
Cash and cash equivalents: 0 - 10%

Minimum suggested timeframe

5 years or more

Risk level (expected volatility)

Very high: While the Fund offers investors the potential for higher returns over the long term compared to funds investing in other types of assets such as fixed income or cash, the high level of volatility in the Fund means the likelihood of the value of your investments going down over the short term is relatively very high.
See section 4 'Risks of managed investment schemes' for further information.

The Fund may be suited to you if you:

- believe in the greater long-term wealth creation potential of equities
- want to invest in an actively managed portfolio of Australian small cap companies listed on the Australian share market that is managed by a specialist investment manager
- want to diversify your Australian equity portfolio to include access to a range of small and emerging companies that show strong long-term growth potential, and
- can tolerate fluctuations of income and the risk of capital loss.

Responsible investment

Responsible investment is the practice of considering Environmental, Social and Governance (ESG) factors in the research, analysis, selection and management of investments and the implementation of good stewardship practices. How the responsible investment approaches are applied will vary across investment managers, asset classes and in some cases it's not possible to apply them. For more information refer to section 2, 'Responsible investment', in the Product Guide.

Changes to the Fund

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

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

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

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

For personal use only

6. Fees and other costs

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

TO FIND OUT MORE

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

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

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

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

If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and your financial adviser.

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

The information in this table can be used to compare fees and costs between different simple managed investment schemes.

Taxes are set out under the 'How managed investment schemes are taxed' section of this PDS.

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

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

Fees and costs summary

Fairview Equity Partners Emerging Companies Fund

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment	Estimated to be 1.20% pa of the net asset value of the Fund, comprised of: 1 A management fee of 1.20% pa of the net asset value of the Fund 2 Estimated indirect costs of 0.00% pa of the net asset value of the Fund.	1 The management fee is calculated on the net asset value of the Fund. It is not deducted from your account directly but from the assets of the Fund. It is paid in arrears, generally on a monthly basis, from the assets of the Fund. The amount of the management fee may be negotiated by wholesale clients. Refer to 'Management fee may be negotiated' in the Product Guide. 2 Indirect costs are generally deducted from the assets of the Fund as and when they are incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0.84% pa of the net asset value of the Fund.	The performance fee is calculated as 20.5% of the difference between the Fund's quarterly return (after deducting the management fee and assuming the reinvestment of distributions) and the Benchmark's quarterly return (after recouping any prior periods' underperformance) multiplied by the Fund's average net asset value over the quarter. The performance fee estimate is calculated and accrued in the Fund's daily unit price. If applicable, it is paid from the assets of the Fund quarterly in arrears. Please refer to the 'Additional explanation of fees and costs' for further details about calculation of the performance fee.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.24% pa of the net asset value of the Fund.	These costs are paid from the assets of the Fund as and when they are incurred. These costs are an additional cost to you.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread	Estimated to be 0.30% of the application amount on investments made in the Fund and 0.30% of the	The buy spread is added to the net asset value per unit when you buy units. The sell spread is deducted from the net asset value per unit when you sell units. The buy-sell spread is not

Fairview Equity Partners Emerging Companies Fund

An amount deducted from your investment representing costs incurred in transactions by the scheme	withdrawal amount on withdrawal from the Fund.	a fee and no part of the buy-sell spread is paid to us or to any investment managers.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

Example of annual fees and costs for the Fund

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

EXAMPLE: Fairview Equity Partners Emerging Companies Fund		Balance of \$50,000 with a contribution of \$5,000 during the year ^{1, 2}
Contribution fees	0.00%	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs		And , for every \$50,000 you have in the Fairview Equity Partners Emerging Companies Fund you will be charged or have deducted from your investment, \$600 each year.
Management fee	1.20%	
Indirect costs	0.00%	
Total	1.20%	
PLUS Performance fees	0.84%	And , you will be charged or have deducted from your investment, \$420 in performance fees each year.
PLUS Transaction costs	0.24%	And , you will be charged or have deducted from your investment, \$120 in transaction costs.
EQUALS Cost of the Fairview Equity Partners Emerging Companies Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$1,140. What it costs you will depend on the fees you negotiate.

Additional fees may apply:

Establishment fee \$0.

And, if you leave the managed investment scheme early, you may also be charged **exit fees** of 0% of your total account balance (\$0 for every \$50,000 you withdraw).

And, for every \$5,000 you contribute to the Fund you will incur costs of \$15, and for every \$5,000 you withdraw from the Fund you will incur costs of \$15 (buy-sell spread).

This example assumes the \$5,000 additional investment occurs at the end of the year and that value of the Fund does not change for the entire year. Actual fees and costs are based on the value of the Fund which fluctuates daily.

Additional explanation of fees and costs

Management fees and costs

Management fees and costs are made up of the management fee and indirect costs described below.

Management fee

The Responsible Entity receives the management fee, which consists of underlying investment manager fees and the fee charged by the Responsible Entity for managing the assets of the Fund and overseeing the day-to-day operations of the Fund. The amount of the management fee may be negotiated by wholesale clients. For further information, refer to 'Management fee' in the Product Guide.

Indirect costs

Indirect costs are reflected in the daily unit price and any reporting on the performance of the Fund. Estimated indirect costs are based on actual costs incurred for the financial year to 30 June 2024 and/or reasonable estimates where information was unavailable

at the date this document was issued. For further information, refer to 'Indirect costs' in the Product Guide.

Performance fee

The Responsible Entity may be entitled to a performance fee, which will be paid directly to Fairview. The performance fee is calculated as 20.5% of the difference between the Fund's quarterly return (after deducting the management fee and assuming the reinvestment of distributions) and the Benchmark's quarterly return (after recouping any prior periods' underperformance), multiplied by the Fund's average net asset value over the quarter.

The performance fee period is the calendar quarter ending 31 March, 30 June, 30 September, and 31 December each year.

Daily performance fee

The performance fee payable is calculated each business day and, if applicable, accrued in the Fund's unit price for that day. The daily performance fee accrual during the relevant quarter is added to or subtracted from the performance fee carried forward from prior quarters. If this accumulated amount is:

- positive, it will be accrued in the unit price; or
- negative, no performance fee will be accrued.

Instead, the negative amount will be carried forward and offset against any positive performance fee that has been calculated the next business day. The Fund may outperform the Benchmark and accrue a performance fee but have a negative return during a performance fee period. In this instance, the positive performance fee will still accrue in the unit price but the performance fee will not be payable if the Fund's return over a quarter is negative (see 'Payment at the end of a quarter' for further details).

Payment at the end of a quarter

The accrued performance fee is payable to Fairview from the assets of the Fund after the end of each quarter if the performance fee amount and the Fund's return for that quarter are both positive.

- Where the accrued performance fee is positive but the Fund's return is negative over a quarter, the performance fee will not be paid for that quarter. Instead, this

positive performance fee will be carried forward as an accrual in the unit price to the next quarter.

- Where the accrued performance fee is negative for that quarter, then it will be carried forward to the next quarter and will need to be offset by any future positive performance fee.

Estimated Performance fee

The estimated performance fee is calculated based on the average performance fees of the previous five financial years. Performance fee calculations are based on historical performance and may involve reasonable estimates where information was unavailable. Performance fees are subject to change without prior notice and may be more or less than the figures listed. Past performance fees aren't a reliable indicator of future performance fees.

Any performance fee payable is in addition to the management fee.

Transaction costs

Transaction costs are the costs incurred when assets in the Fund or in underlying investments are bought or sold and includes costs such as brokerage, stamp duty and settlement costs. For further information, refer to 'Transaction costs' in the Product Guide.

Buy-sell spread

You incur the buy-sell spread when you buy or sell units in the Fund. The buy-sell spread is not a fee and no part of the buy-sell spread is paid to us or to any investment managers. The buy-sell spread is retained in the Fund and is designed so that, as far as practicable, the estimated transaction costs incurred as a result of investor applications and withdrawals are borne by that investor and not by other existing investors in the relevant Fund. For further information, refer to 'Buy-sell spread' in the Product Guide.

Changes to fees and costs

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

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

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

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

! You should read the important information about **Fees and other costs** before making a decision. Go to the Product Guide available at mlcam.com.au/fepecf_pg

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

7. How managed investment schemes are taxed

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

Australian taxation information

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

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

! You should read the important information about **How managed investment schemes are taxed** before making a decision. Go to the Product Guide available at mlcam.com.au/fepecf_pg

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

8. How to apply

Investing directly

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

The Initial Application Form is available at mlcam.com.au/fepecf or on request from Client Services on 1300 738 355.

Investing via an IDPS

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

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

Cooling-off right

Unless you are a 'wholesale client' (as defined in the *Corporations Act 2001* (Cth)), you have a 'cooling-off right' whereby you can change your mind about your initial investment in the Fund and ask for your money to be repaid.

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

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

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

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

Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our Privacy Policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of our Privacy Policy, please contact Client Services on **1300 738 355** or visit mlcam.com.au/privacy

For further information, refer to 'Your privacy' in the Product Guide.

Anti-Money Laundering/Counter-Terrorism Financing and Sanctions

We are required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF) and Sanctions laws. As such we are required to collect and verify information from you or anyone acting on your behalf, including any related parties, to comply with our obligations. For further information, please refer to the 'Anti-Money Laundering/Counter-Terrorism Financing and Sanctions' section in the Product Guide.

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

We are required to collect information about your tax residency status, including whether you are a US citizen or resident for US tax purposes, and other relevant information to determine your reporting status under the FATCA and the CRS rules. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities.

Resolving complaints

If you invest via an IDPS and you wish to make a complaint, you should contact your IDPS operator.

If you are a direct investor and you have a complaint, we can usually resolve it quickly over the phone on **1300 738 355**. If you'd prefer to put your complaint in writing, you can email us at client.services@mlcam.com.au or send a letter to **PO Box 200, North Sydney NSW 2059**. We'll conduct a review and provide you with a response in writing. You have the option of lodging a complaint with the Australian Financial Complaints Authority (AFCA) directly, rather than lodging a complaint with us. You can also lodge a complaint with AFCA if you're not satisfied with our response or if your complaint has not been resolved within 30 days. AFCA provides an independent financial services complaint resolution process that's free to consumers. You can contact AFCA in the following ways:

Website: afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: AFCA
GPO Box 3
Melbourne VIC 3001

For more information on our complaints management policy visit mlcam.com.au/terms-and-conditions

mlcam.com.au

You should read this important information before making a decision as details regarding complaints and dispute resolution may change between the time when you read this PDS and the day when you sign the application form.

9. Other information

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

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

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

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

Contact details

If you invest via an IDPS you should contact your IDPS operator for all enquiries. If you invest directly, the contact details are:

Registry Services

Fairview Equity Partners Emerging Companies Fund
GPO Box 804
Melbourne VIC 3001 Australia
Email: mlc_transactions@unitregistry.com.au

Client Services

PO Box 200
North Sydney NSW 2059 Australia
Telephone: 1300 738 355
Email: client.services@mlcam.com.au

Responsible Entity

MLC Investments Limited
PO Box 200
North Sydney NSW 2059 Australia

Website