

Airlie Small Companies Fund

Product Disclosure Statement

Magellan Asset Management Limited ABN 31 120 593 946, AFSL 304 301 trading as Magellan Investment Partners (**Responsible Entity, our, us, we**) is the responsible entity of the Airlie Small Companies Fund (**Fund**) and the issuer of this Product Disclosure Statement (**PDS**).

Contents

1.	Key features at a glance.....	2
2.	About Magellan Investment Partners.....	3
3.	About the Airlie Small Companies Fund and Units.....	4
4.	Benefits of investing in the Airlie Small Companies Fund.....	10
5.	Risks of investing in the Fund.....	11
6.	The investment objective and strategy.....	12
7.	Fees and other costs.....	16
8.	Taxation.....	22
9.	Additional information.....	23
10.	Glossary.....	28
11.	Contact details.....	30

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Important Information

This PDS provides a summary of significant information relating to the Fund. The information in this PDS is general information only and does not take into account your personal financial situation, objectives or needs. Before making an investment decision based on this PDS, you should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

The information in this PDS is subject to change from time-to-time. Information that is not materially adverse information can be updated by us. Updated information can be obtained by going to our website airlifundsmangement.com.au, by calling us, by contacting your licensed financial adviser or by contacting your master trust or wrap account operator (for indirect investors). You may request a paper copy of any updated information at any time, free of charge.

The Responsible Entity and its employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. An investor's investment does not represent deposits or other liabilities of the Responsible Entity.

An investment in the Fund is subject to investment risk, which may include possible delays in repayment and loss of income and principal invested. For more information on the risks associated with an investment in the Fund, refer to **Section 5**.

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

Capitalised terms have the meanings given to them in the Glossary (refer to **Section 10**).

Unless otherwise stated, in this PDS all monetary amounts referred to are in Australian dollars, all phone numbers are Australian numbers and all times are Sydney time.

Target Market Determination: The Target Market Determination for the Fund can be found at airlifundsmangement.com.au and includes a description of the class of investors for which the Fund is likely to be appropriate.

1. Key features at a glance

Airlie Small Companies Fund		For further information									
Fund name	Airlie Small Companies Fund										
ARSN	665 882 673										
Responsible Entity and Investment Manager	Magellan Asset Management Limited ABN 31 120 593 946, AFSL 304 301 trading as Magellan Investment Partners.	Section 2									
About the Fund	<p>The Fund is a registered managed investment scheme.</p> <p>The Fund is primarily invested in companies listed on an Australian securities exchange which, at the time they are first invested, are not included in the S&P/ASX 100 Index and have a minimum market capitalisation of \$50 million (Australian Small Companies). The Fund typically holds 20-40 stocks and will also have some exposure to cash and cash equivalents.</p> <p>We may use exchange traded derivatives, in a limited manner, for risk management purposes.</p>	Section 3 & 6									
Investment objective	The Fund aims to provide long-term capital growth, after fees, and income through investment in Australian small companies.	Section 6									
Asset classes and allocation ranges	<p>The Fund's assets are typically invested within the following asset allocation ranges:</p> <table border="1"> <thead> <tr> <th>Asset class</th> <th>Minimum %</th> <th>Maximum %</th> </tr> </thead> <tbody> <tr> <td>Australian small companies</td> <td>90</td> <td>100</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>0</td> <td>10</td> </tr> </tbody> </table>	Asset class	Minimum %	Maximum %	Australian small companies	90	100	Cash and cash equivalents	0	10	Section 6
Asset class	Minimum %	Maximum %									
Australian small companies	90	100									
Cash and cash equivalents	0	10									
Investment guidelines	<p>Australian small companies Australian small companies exposure is primarily to companies listed on an Australian securities exchange which, at the time they are first invested, are not included in the S&P/ASX 100 Index and have a minimum market capitalisation of \$50 million. The Fund may, due to market movements, have some exposure to companies included in the S&P/ASX 100 Index and such exposure will typically not be greater than 20% of the net asset value of the Fund in aggregate.</p> <p>Exposure may be to equity and equity-like securities listed (or expected to be listed within six months from the date of investment) on an Australian securities exchange and dual-listed securities (where a security is listed in Australia and on a recognised foreign securities exchange).</p> <p>Investments in dual-listed securities may result in exposure to companies with a total combined market capitalisation that exceeds the market capitalisation criteria for Australian Small Companies.</p>										

Airlie Small Companies Fund		For further information
	Cash and cash equivalents	Cash exposure may be to cash and cash equivalents including at call cash accounts, term deposits and bank bills.
Risk level	High to Very High.	Section 6
Net asset value	The net asset value (NAV) of the Fund is calculated by deducting the liabilities (including any accrued fees) of the Fund from the aggregate value of assets. Unit prices are calculated by dividing the NAV by the number of Units on issue.	Section 3
Applying for Units and withdrawing Units in the Fund	Investors can enter the Fund by applying for Units directly with us using an Application Form. Investors can exit the Fund by making a withdrawal request to us using a Withdrawal Form.	Section 3
Distributions	Distributions will generally be made semi-annually although may be made more or less frequently at our discretion.	Section 3
Fees and costs	Refer to Section 7 for a detailed explanation of fees and costs.	Section 7
Risks	All investments are subject to risk. The significant risks associated with the Fund are described in this PDS.	Section 5
Cooling-off and complaints	A 14-day 'cooling-off period' may apply to your initial investment in the Fund in certain circumstances. If, during the 14-day cooling-off period, you decide that the investment does not meet your needs, then you should immediately notify us. If you exercise your cooling-off rights we will return your money to you. However, the amount returned may be lower than your original investment due to adverse market movements, any tax or duty deductions incurred, and any reasonable amounts for transaction and administration costs. A complaints handling process has been established.	Section 9
General information and updates	Further information, including any updates issued by us and other statutory reports, can be found at airlifundsmangement.com.au .	Section 9
Annual tax reporting	Annual tax statements will be made available in respect of the Fund.	Section 8

2. About Magellan Investment Partners

Magellan Investment Partners is a dedicated distribution partner with nearly 20 years of expertise, focused on understanding client needs and delivering specialist investment solutions. We bring to market active investment solutions managed by Magellan Global Equities, Magellan Global Listed Infrastructure, Airlie Funds Management (Australian equities) and Vinva Investment Management (global and Australian equities). Magellan Investment Partners is headquartered in Australia and has around \$40 billion in assets under management, as at 30 September 2025.

Magellan Investment Partners is a trading name of Magellan Asset Management Limited, which is a wholly owned operating subsidiary of the ASX listed Magellan Financial Group Ltd (ASX: MFG).

As Responsible Entity, we are responsible for overseeing the operations of the Fund and ensuring compliance with the Fund's Constitution (**Constitution**) and relevant legislation as well as establishing, implementing and monitoring the Fund's investment objective and strategy. We have the power to delegate certain duties and appoint other entities to perform tasks and provide services to the Fund in accordance

with the Constitution and the Corporations Act 2001 (Cth) (**Corporations Act**). We have appointed The Northern Trust Company as the custodian for the Fund (**Custodian**) and Apex Fund Services Pty Ltd as the unit registry and administrator for the Fund.

3. About the Airlie Small Companies Fund and Units

The Fund is structured as a unitised registered managed investment scheme. When you invest your money in the Fund, your money is pooled together with other investors' money. We use this pool to buy investments and manage them on behalf of all investors in the Fund in accordance with the Fund's investment strategy.

Units and unit prices

Unit prices are calculated by dividing the NAV of the Fund by the number of Units on issue. Unit prices fluctuate each day as the market value of the Fund's assets rise or fall. The NAV unit price applicable to a given Business Day reflects the value of the net assets of the Fund at the close of trading in Australia. Unit prices are usually calculated by the end of the Business Day following the day to which they are applicable and are usually published on our website by 7pm on the day of calculation.

When you make an investment in the Fund, we will allocate Units to you based on the entry unit price for the Business day on which we receive your valid application and cleared funds, subject to the applicable cut-off time. The entry unit price is the NAV unit price for that day plus an allowance for transaction costs incurred by the Fund. When you withdraw some or all of your investment, we will withdraw

your Units based on the exit unit price for the Business Day on which we receive your withdrawal request, subject to the applicable cut-off time. The exit unit price is the NAV unit price less an allowance for transaction costs. Further information about transaction costs can be found in **Section 7**.

Applications

Applications will be processed and Units in the Fund will be issued only following the:

- acceptance of a valid Application Form including investor identification documents; and
- receipt of your application monies in cleared funds.

Application monies are held in the Fund's application bank account until Units are issued. Any interest earned on the Fund's application bank account is retained by us.

You can make an additional application into an existing account at any time. The easiest means to make an additional application is by BPAY®. There is no requirement to send in an Additional Application Form if you are making an additional application by BPAY®.

If you intend to make an additional application by electronic funds transfer (**EFT**) or cheque, you can complete the Additional Application Form available on our website or you can fax, email or write to Investor Services.

BPAY® is registered to BPAY Pty Ltd ABN 69 079 137 518.

Minimum initial application amount	Minimum additional application amount (EFT or cheque)	Minimum additional application amount (BPAY®)	Application cut-off time
\$25,000	\$5,000	\$500	2pm on any Business Day

Valid applications accepted by Investor Services:

- before 2pm on any Business Day – will be processed using the entry unit price calculated for that Business Day;
- after 2pm on any Business Day or at any time on a non-Business Day – will be processed using the entry unit price calculated for the next Business Day.

Application monies in cleared funds can be received at any time on a Business Day to be processed using the entry unit price calculated for that Business Day where a valid application is accepted by Investor Services before the cut-off time.

Withdrawals

Withdrawals are only processed following the acceptance of a valid Withdrawal Form or by notifying Investor Services otherwise in writing.

Minimum withdrawal amount	Minimum balance amount ¹	Withdrawal cut-off time
\$5,000	\$5,000	2pm on any Business Day

¹ If your balance falls below the minimum balance, we may compulsorily withdraw your remaining unitholding in the Fund and pay the balance to you.

Valid withdrawals received by Investor Services:

- before 2pm on any Business Day – will be processed using the exit unit price calculated for that Business Day;
- after 2pm on any Business Day or at any time on a non-Business Day – will be processed using the exit unit price calculated for the next Business Day.

You will generally receive your withdrawal amount within seven Business Days of our receipt and acceptance of your withdrawal request.

In certain circumstances such as during distribution processing periods including January and July of each year, payment of your withdrawal may be delayed by up to 21 days. Withdrawal proceeds are paid into your nominated Australian or New Zealand bank account, which must be in the name of your investment account. We cannot pay withdrawal proceeds to a third party. For withdrawal proceeds paid to New Zealand bank accounts, the conversion of your Australian dollar proceeds to New Zealand dollars will be processed by the Funds' bank at the exchange rate prevailing at the processing time.

In certain circumstances such as when there is a freeze on withdrawals, we may not be able to process withdrawals within the usual period.

Switches

A switch is a withdrawal from one fund and an application into another. You are able to switch all or part of your investment to another fund where switches are permitted us. If we receive your switch instruction before 2pm on a Business Day, we will usually process the switch using the entry and exit unit prices applicable to that Business Day. If we receive your request after 2pm, we will usually process it using the following Business Day's unit prices. In circumstances where the calculation of unit prices is delayed for any reason, including while we are determining and processing distributions, we have the discretion to defer the processing of switches until unit pricing has resumed.

Making applications, withdrawals or switches

All our forms are available at airlifundsmangement.com.au or can be obtained by contacting Investor Services.

Investor Services – Apex Fund Services Pty Ltd	
Phone	1300 127 780 (or +61 2 8259 8566) or 0800 787 621 (NZ)
Fax	+61 2 9247 2822
Email	magellanfunds@apexgroup.com
Address	GPO Box 143, Sydney NSW 2001

How to apply

Before making an application, you should read the PDS to ensure the Fund meets your needs.

Are you a new investor to Magellan Investment Partners?

- Apply online.
 - Complete the **online application**. The online application is available at airlifundsmangement.com.au, or
- Use the Application Form.
 - Complete all relevant sections of the [Application Form](#) and submit this and all required investor identification documents to Investor Services. The paper Application Form cannot be accepted by email, it must be mailed as an original to Investor Services.

Already an investor in a Magellan Investment Partners fund?

- Make a BPAY® payment using the instructions below; or
- For other payment methods, complete all relevant sections of the [Additional Application Form](#) and submit this to Investor Services by fax, mail or email.

We may also accept applications by other electronic means, which will be outlined on our website.

Payment options are set out below.

How to withdraw

To make a withdrawal of some or all of your investment in the Fund,

- Complete all relevant sections of the [Withdrawal Form](#) and return this to Investor Services by fax, mail or email; or
- Notify Investor Services in writing indicating your account name, investor number and the withdrawal amount or number of Units.

Proceeds will be paid to the bank account we have on file or the bank account nominated in your withdrawal request. Bank accounts must be in the name(s) of the investor(s). We cannot pay withdrawal proceeds to a third party.

Withdrawal instructions should be signed by the nominated authorised signatory(ies). Under some circumstances, we may need to contact you to request further documentation to confirm the validity of your instruction. This may delay processing of the withdrawal request.

How to switch

To switch some or all of your investment in the Fund to another fund where switches are permitted by us, complete all relevant sections of the [Switching Form](#) and return this to Investor Services by fax, mail or email.

Switch instructions should be signed by the nominated authorised signatory(ies). Under some circumstances, we may need to contact you to request further documentation to confirm the validity of your instruction. This may delay processing of the switch request. We are unable to process switches out of the Fund whilst restrictions on withdrawals apply.

Payment options

We can accept payment of your application monies by BPAY® (additional applications only), Australian Dollar cheque, EFT, or direct debit (initial investments only). Direct debit requests can only be made from an Australian bank account.

1. BPAY (additional applications only)

You can make a BPAY® payment using telephone or internet banking. You will need:

- an Australian bank account,
- the Fund biller code, and
- your unique 12-digit Customer Reference Number (**CRN**). Note that this is different from your investor number. Contact Investor Services to obtain your CRN or refer to the investor portal or your latest transaction confirmation. Use your CRN as the reference number on your BPAY® transaction.

BPAY® provides you with the flexibility to make regular recurring additional applications at the frequency and amount of your choosing. The minimum for an additional application using BPAY® is \$500.

Applications made by BPAY® will be processed once we receive your funds. Although your BPAY® transaction is processed from your financial institution account immediately, your funds may take some time to be transferred to us from your financial institution.

Fund	Biller Code
Airlie Small Companies Fund	407049

2. Electronic funds transfer

The details to transfer funds by EFT are as follows:

Fund	Bank	Account Name	BSB	Account Number
Airlie Small Companies Fund	National Australia Bank	Magellan Asset Management Limited ARE Airlie Small Companies Fund	082-001	33-334-7707

Use the name of the investor or your current investor number as the reference on your EFT payment. If you make an additional application by EFT, you should also ensure that you notify Investor Services by submitting an Additional Application Form or by sending an email to them. Otherwise, there may be a delay in issuing you with Units.

3. Cheque

If you wish to pay by cheque, use the following details, and mail the cheque with your Application Form to Investor Services.

Fund	Cheque payable to
Airlie Small Companies Fund	Magellan Asset Management Limited ARE Airlie Small Companies Fund

4. Direct debit (initial applications only)

If you wish to pay by direct debit, complete the direct debit section of the Application Form. This will give us the authority to debit the monies from the account you nominate. Direct debit requests can only be made from an Australian bank account. Ensure you have read the terms of the Direct Debit Service Agreement, refer to the Application Form.

If you invest by cheque or request us to process a direct debit, it may take up to two Business Days (in the case of a cheque) and three Business Days (in the case of a direct debit) for your application monies to clear from the date we bank the cheque or issue a direct debit request to your bank. If we receive your cheque or direct debit request before 2pm on a Business Day we will action these on the day we receive them. If they are received after 2pm on a Business Day we will action them the following Business Day. We will not issue Units until your application monies have cleared.

If your cheque, direct debit or EFT is dishonoured by your financial institution, we will not process your application. We will not re-present a dishonoured payment unless you first contact us to discuss your application. We may deduct any fees incurred as a result of the dishonoured payment from your application amount before we issue you with Units.

Restrictions on withdrawals and switches

Withdrawals, issuances or switching of Units may be suspended by us for up to 28 days including but not limited to, where:

- it is impracticable for us to calculate the net asset value of the Fund, for example, because of an inability to value the assets of the Fund or due to the closure of or trading restrictions or suspensions of securities exchanges on which any significant portion of the investments of the Fund is listed, quoted or traded;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in our opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage including a material diminution of the value of the Fund's assets or departure from the investment strategy of the Fund;
- we reasonably consider it would be in the interests of investors;
- it is otherwise permitted by law; or
- where we receive withdrawal requests of an aggregate value that in our reasonable estimate would require the sale of 5% or more of the Fund's assets.

The withdrawal process, including the calculation of the exit unit price, applies only when the Fund is "liquid" (within the meaning given to that term in the Corporations Act). Where the Fund ceases to be liquid, Units may only be withdrawn pursuant to a withdrawal offer made to all investors in the Fund in accordance with the Fund's Constitution and the Corporations Act. We are not obliged to make such offers.

Compulsory withdrawals

We may withdraw some or all of an investor's Units without asking them in accordance with the Fund's Constitution or as permitted by law. As an example, this may occur when an investor breaches their obligations to us (for example, where we believe that the Units are held in breach of prohibitions contained within the Fund's Constitution) or where we believe that the Units are held in circumstances which might result in a violation of an applicable law or regulation (for example, to cover for withholding tax applicable to distributions) or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect.

Indirect Investors

We authorise the use of this PDS as disclosure to persons who wish to access the Fund indirectly through an Investor Directed Portfolio Service (**IDPS**), IDPS-like scheme (commonly referred to as a master trust or wrap account) or a nominee or custody service. These investors are referred to as "**Indirect Investors**".

Indirect Investors do not become registered investors in the Fund, nor do they acquire the rights of a registered investor. Instead, as the master trust or wrap account operator is investing on your behalf, it acquires the rights of investors. In most cases, references to "you" or "your" in the PDS (for example, receiving distribution income, reinvestment distribution income and withdrawals) is a reference to the master trust or wrap account operator and accordingly their arrangements with you will set out your rights. We do not keep personal information about Indirect Investors.

Further, some provisions of the Fund's Constitution will not be relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the master trust or wrap account operator, not us. The master trust or wrap account operator can exercise (or decline to exercise) those rights in accordance with the arrangements governing the operation of the master trust or wrap account.

Enquiries about the Fund should be directed to your licensed financial adviser, master trust or wrap account operator.

Distributions

We intend to make distributions semi-annually (for the periods ending 30 June and 31 December of each year). We may make distributions more or less frequently at our discretion. There may be periods where no distribution is made.

The distribution may comprise an amount attributed to you from income (such as dividends received from shares and interest) less expenses incurred by the Fund (such as management fees and costs) plus net capital gains made on the sale of shares or other investments held. In some circumstances, we may distribute capital in addition to net income or net capital gain amounts.

The distribution amount per unit in the Fund is calculated by dividing the total distribution by the number of Units on issue at the nominated record date.

To be eligible to receive a distribution in respect of a unit for a distribution period, you must:

- hold that unit on the last day of the distribution period; or
- have applied for that unit on or before the last day of the distribution period, having submitted a valid Application Form and ensuring receipt of your application monies in cleared funds by us.

You will not be eligible to receive a distribution in respect of a distribution period on a unit you have withdrawn on or before the last day of the distribution period. The distribution is not calculated on a pro-rata basis according to the time that Fund investors have held their Units.

Under the Attribution Managed Investment Trust (**AMIT**) rules, investors will be assessed for tax on the income of the Fund attributed to them. Where the income of the Fund exceeds the amount of the distribution

paid to investors (**Excess**), we may, in a particular year, retain or accumulate in the Fund the amount of the Excess. In this scenario, the income of the Fund that is attributed to you (and that must be included in your income tax return) will be more than the cash distribution paid to you. The tax cost base of your Units will increase to the extent of the Excess. For more details, see **Section 8**.

We will send you an AMIT Member Annual Statement (**AMMA Statement**) after the end of each financial year detailing the amounts attributed to you to assist in the preparation of your tax return.

You can choose to have your distributions directly credited to your Australian or New Zealand bank account or automatically reinvested as additional Units in the Fund. No fees or transaction costs will be payable in respect of distributions that are automatically reinvested. Distributions are automatically reinvested unless you nominate to have your distribution paid into your nominated bank account.

If you have provided a New Zealand bank account, the conversion of your Australian dollar distribution to New Zealand dollars will be processed by the Fund's bank at the exchange rate prevailing at the processing time.

Details in relation to each distribution will be published on the Fund's website at airlifundsmmanagement.com.au. The distribution policy of the Fund is current as at the date of this PDS and may be subject to change from time to time.

The Fund's Constitution permits us to require that your distributions be reinvested as additional Units in the Fund. We will provide a notification on our website if, in relation to a particular distribution, we have elected to require the reinvestment of the distribution.

4. Benefits of investing in the Airlie Small Companies Fund

Significant features and benefits

Investing in the Fund offers investors a range of features and benefits, including:

- **Long-term capital growth** – potential for compounding capital appreciation over the long term.
- **Style agnostic approach** – the opportunity to access a concentrated portfolio, constructed of our highest conviction ideas, typically with 20–40 stocks. We focus on companies where their quality is underappreciated by the market.
- **Process-driven and long-term investment philosophy** – our investment philosophy is grounded in the belief that long-term outperformance is driven by owning quality businesses trading at attractive valuations. Each investment is selected through a disciplined process that prioritises financial strength, business quality and management quality.
- **Fundamental research** – we undertake rigorous bottom-up analysis to identify attractive investment opportunities. We use a wide range of resources in our analysis including company filings, meetings with company management, competitors and industry experts.
- **Investment expertise** – the Fund is actively managed by a team specialising in Australian small companies. Drawing on our extensive experience, we seek to identify quality investment opportunities and effectively manage a broad range of risks.

5. Risks of investing in the Fund

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

There are significant risks associated with managed investment schemes generally. Before making an investment decision, it's important to understand the risks that can affect the value of your investment. Your appropriate level of risk will depend on a range of factors, including your age, investment timeframe, other investments you hold and your overall risk tolerance.

The value of your investment and level of returns will vary over time. Past performance is not an indicator of future performance, returns are not guaranteed and you may lose money on your investment. Laws affecting managed investment schemes (such as the Fund) may change in the future.

We do not guarantee that the investment objective will be achieved, that you will earn any return on your investment or that your investment will gain in value or retain its value.

The significant risks of investing in the Fund are:

Risk	Description of risk
Active management risk	The Fund will be exposed to a smaller range of securities than are in a broad benchmark and therefore the Fund's unit price may be more sensitive to fluctuations in the share prices of those securities. The performance of the Fund may vary significantly from the performance of any benchmark.
Market risk	The market price of the Fund's assets may fluctuate as a result of factors such as inflation, interest rates or market sentiment, as well as geopolitical or economic events. These fluctuations may affect the value of the investments in the Fund which may negatively impact the performance of the Fund.
Small companies risk	Investing in small companies can involve more risk than investing in larger, more established companies. Smaller companies may trade less frequently and in lower volumes and may experience greater price volatility than shares in larger companies. Smaller companies may also have more limited operating histories, markets, product lines or financial resources than larger companies and they may also depend heavily on key personnel. Exposure to smaller companies may result in higher unit price volatility which may reduce the unit price of the Fund.
Company specific risk	Investments in a company's securities will be subject to many of the risks to which that particular company is itself exposed. These risks include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends. These risks may impact the value of the securities of that company, which may negatively impact the performance of the Fund.
Concentration risk	As the Fund will hold a concentrated portfolio, returns of the Fund may be dependent on the performance of a smaller number of individual companies. The concentrated exposure may lead to increased volatility in the unit price of the Fund.
Investment manager risk	Our skill and performance can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources may also have a material impact on investment returns of the Fund.
Fund risk	Specific changes to the Fund, such as termination, changes to policies relating to the Fund, amendments to fees and expenses or a change in tax status of the Fund may have a negative impact on the investment return of the Fund.

Risk	Description of risk
Dual-listed securities risk	Investments in companies listed on a foreign stock exchange are denominated in foreign currencies and involve the risk of loss caused by foreign currency movements. Investments in dual-listed securities may result in exposure to companies with a total combined market capitalisation that exceeds the market capitalisation criteria for an Australian Small Company.
Liquidity risk	Where investments cannot be readily converted into cash or sold at what we consider to be a reasonable price, the Fund may be unable to liquidate sufficient assets to meet its obligations. This may have an impact on the ability to process withdrawals within the required timeframes, or the Fund may be forced to sell assets at a significant loss to do so.
Operational risk	The operation of the Fund will require us, the custodian, the unit registry, the administrator and other service providers to implement systems and procedures. Inadequacies with these systems, human error, or external events such as natural disasters may lead to a problem with the Fund's operation and result in a decrease in the value of units.
Regulatory risk	A change in laws and regulations governing a security, sector or financial market could have an adverse impact on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and change the competitive landscape. This may impact the value of the companies held in the Fund, which may reduce the unit price of the Fund.
Counterparty risk	Counterparties involved in the operations of the Fund, such as brokers, clearing parties, issuers or guarantors of a security or custodians may fail to perform or meet their contractual obligations, which can result in a loss to the Fund.

6. The investment objective and strategy

Warning: Before making a decision to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

Airlie Small Companies Fund	
Investment objective	The Fund aims to provide long-term capital growth, after fees, and income through investment in Australian small companies.
Investment strategy	The Fund offers investors the opportunity to invest in a focused Australian small companies fund. Our broad investment philosophy is to build portfolios using a bottom-up investment approach with a belief that active management can produce significant wealth accumulation relative to passive management over the long-term. We assess companies in our investment universe on four key criteria: financial strength, management quality, business quality and valuation. The Fund typically holds 20-40 stocks. We may use exchange traded derivatives, in a limited manner, for risk management purposes.
Minimum suggested investment timeframe	Five years.

Airlie Small Companies Fund		
Asset allocation ranges¹	The Fund's assets are typically invested within the following asset allocation ranges:	
	Asset class	Minimum % Maximum %
	Australian small companies	90 100
	Cash and cash equivalents	0 10
Investment guidelines	Australian small companies	<p>Australian small companies exposure is primarily to companies listed on an Australian securities exchange which, at the time they are first invested, are not included in the S&P/ASX 100 Index and have a minimum market capitalisation of \$50 million. The Fund may, due to market movements, have some exposure to companies included in the S&P/ASX 100 Index and such exposure will typically not be greater than 20% of the net asset value of the Fund in aggregate.</p> <p>Exposure may be to equity and equity-like securities listed (or expected to be listed within six months from the date of investment) on an Australian securities exchange and dual-listed securities (where a security is listed in Australia and on a recognised foreign securities exchange).</p> <p>Investments in dual-listed securities may result in exposure to companies with a total combined market capitalisation that exceeds the market capitalisation criteria for Australian Small Companies.</p>
	Cash and cash equivalents	Cash exposure may be to cash and cash equivalents including at call cash accounts, term deposits and bank bills.
Risk level²	High to Very High.	
Investor profile	The Fund is likely to be appropriate for a range of investors, including investors seeking capital growth, who have a minimum investment timeframe of five years and a high to very high risk tolerance, and are comfortable with the risks associated with investing in small companies. Refer to the Fund's Target Market Determination available at airlifundsmangement.com.au for further information about the classes of investors whose objectives, financial situation and needs are likely to align with the Fund's key attributes.	

¹ The actual asset allocation of the Fund may temporarily move outside these ranges in certain circumstances including, but not limited to, market movements, or due to applications into or withdrawals from the Fund.

² The risk level is not a complete assessment of all forms of investment risks. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than the return an investor may expect to meet their objectives.

Derivatives and other investments

The Fund may use derivatives in limited circumstances on a temporary basis to gain exposure to the underlying reference assets of those derivatives. The Fund does not intend to engage in short selling or enter securities lending arrangements.

Borrowing restrictions

The Fund may borrow against all or part of its investment portfolio provided that, at the time any new borrowing is entered into, the aggregate of those new borrowings and any pre-existing borrowings does not exceed 5% of the Fund's gross asset value.

Changes to the Fund

We have the right to close or terminate the Fund and change the Fund's investment objective, asset classes, asset allocation ranges and distribution policy. In some cases, such changes can be made without prior notice. We will inform investors of any material changes to the Fund's details on our website at airlifundsmangement.com.au, in its next regular communication or as otherwise required by law.

Labour standards and environmental, social or ethical considerations

We take labour standards and environmental, social, and ethical considerations into account as part of the risk assessment conducted when evaluating whether to invest in a company. These factors are considered when selecting, retaining or realising investments to the extent that such considerations may affect the business outcomes and investment performance of a company.

We are committed to responsible investment by actively considering the risks and opportunities related to environmental, social and governance (**ESG**) factors that may influence the cash flows and valuations of companies over our investment time horizon.

We are a signatory to industry initiatives and associations, including the Principles of Responsible Investment and the Investor Group on Climate Change, that support our commitment to responsible investment.

ESG integration

The consideration of ESG factors forms part of our investment analysis process, as gaining a robust understanding of these factors is a key part of assessing business quality, management quality, and valuation during company research. ESG factors are considered to the extent that such considerations have an impact on investment fundamentals and valuation.

ESG factors include:

- environmental factors, such as climate change, waste disposal, reuse and recycling of materials and other issues that can impact the environment;
- social and ethical factors, such as human rights and adherence to labour standards including supply chain labour standards and standards relating to workers' rights, health and safety and labour relations; and
- corporate governance factors including board structure and remuneration.

Analysis of ESG factors uses publicly available company disclosures to assess the company's specific practices, for example environmental initiatives such as emissions reduction strategies and targets; social metrics related to workplace health and safety practices and human rights; and governance measures such as remuneration metrics, cyber security and ethical conduct.

As part of the ongoing analysis of companies, ESG factors will be reviewed at least annually. The analysis will focus on how ESG factors affect the investment fundamentals. We may deem a company to be ineligible for inclusion in the Fund if we assess these ESG factors adversely impact the company's investment fundamentals. If an investment is no longer eligible for inclusion in the Fund, it will be sold as soon as reasonably practicable after that assessment has been made.

Stewardship

Engagement

We engage with companies on ESG risks and opportunities, with the aim of strengthening our conviction in portfolio risk management and improving investment outcomes. Our engagement with companies typically

involves direct, constructive dialogue, conducted through meetings and written correspondence, between members of our investment team and the senior management or boards of portfolio companies.

Our long-term investment horizon gives us the opportunity to engage with companies over an extended period of time on factors that are important to protecting and creating shareholder value.

Proxy Voting

At Annual and Extraordinary General Meetings, as specified in our Proxy Voting Policy, we vote on all proxy resolutions for investments that we directly hold on behalf of our investors other than in the exceptional circumstance where we believe it is in the best interests of the investor to abstain from voting. We have a principles-based proprietary proxy voting policy that requires us to make voting decisions that are intended to maximise long-term investor value. The proxy voting process and implementation is conducted in line with our Proxy Voting Policy available at airlifundsmmanagement.com.au/about/#esg.

Excluded business activities

In select circumstances, we will exclude certain industries from our investment universe. Assessment of these activities is grounded in a combination of international norms, stakeholder expectations, and risk management practices, and reflect our belief that such industries are incompatible with sustainable long-term value creation.

As at the date of this PDS, investment is prohibited in companies which derive any revenue¹ from the production of tobacco² products (including e-cigarettes) or the manufacture of controversial weapons³ (including nuclear weapons⁴).

Each potential investment is assessed to ensure it does not derive any revenue from excluded business activities prior to investing, and then assessed thereafter on a quarterly basis. If an existing investment is found to derive any revenue from an excluded business activity, we will seek an orderly sale of that investment within three months of the assessment.

The Fund may hold an investment in a company that does not comply with the tolerance guidance beyond this three-month period where we are prevented from exiting the position due to circumstances outside of our control, such as where trading in the security is restricted.

¹ Business involvement in the listed industries is determined by reference to the revenue of the company using data provided by a third-party provider. Revenue from a business activity is assessed by the third-party provider by reference to the gross revenue from the activity where reported by the company. Where gross revenue is not reported, revenue is assessed by reference to the net revenue from the activity where reported by the company. Where no revenue from the activity is reported, the third-party provider estimates either net or gross revenue from the activity depending on publicly available information. There are limitations of relying on public information where no revenue is reported in the instance where the third-party provider estimates net or gross revenue. The type of revenue used to determine business involvement in the listed industries is not specified, since reporting practices generally vary by industry and by company, and a company's reporting practices may change over time. Where exposure to any of these business activities is indirect, via an interposed vehicle, revenue from subsidiaries and related corporate entities is including in the third-party provider's screening assessments when those entities are majority-owned.

² Tobacco production is defined as companies that produce tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

³ Controversial weapons are defined as cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

⁴ Nuclear weapons are defined as companies with revenue from nuclear weapons, intended and dual-use components for such products, delivery platforms capable of deploying nuclear weapons, essential components for such delivery platforms, and support services for such products.

7. 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 (moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

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

Taxes are set out in another part of this document. Taxation information is set out in **Section 8**.

You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs with those of other investment funds.

Airlie Small Companies Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs¹ The fees and costs for managing your investment	0.98% per annum ²	Management fees are calculated monthly based on the Fund's NAV (before fees) at the end of each month. Estimated fees are reflected in the daily unit price and are payable monthly in arrears from the assets of the Fund.
Performance fees¹ Amounts deducted from your investment in relation to the performance of the product	1.11% per annum ³	Performance fees are 20% of the excess return of the Units of the Fund above the S&P/ASX Small Ordinaries Accumulation Index over each 6 monthly period ending 30 June and 31 December (each a Calculation Period). Performance fees are estimated daily and accrued in the unit price. Calculation of the fee is finalised and payable at the end of each Calculation Period from the assets of the Fund.
Transaction costs The costs incurred by the scheme when buying or selling assets	Nil	Transaction costs such as brokerage and transactional taxes are incurred by the Fund when the Fund acquires and disposes of securities and are paid out of the assets of the Fund as and when incurred. This transaction costs amount is net of any amounts recovered by the buy/sell spread (see 'Buy- sell spread' below).

Fees and costs summary

Airlie Small Companies Fund		
Type of fee or cost	Amount	How and when paid
Member activity related fees and costs (fees for services or when your money moves in or out of the product)		
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 An amount deducted from your investment representing costs incurred in transactions by the scheme	0.25% buy spread ⁴ 0.25% sell spread ⁴	The buy/sell spread is an allowance to cover the transaction costs that arise from investments and withdrawals from the Fund. It represents an additional cost to investors applying and withdrawing directly from the Fund. The entry and exit unit prices for the Fund include an allowance for the buy/sell spread.
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

¹ These fees may be individually negotiated if you are a wholesale client (as defined in the Corporations Act). For further information refer to 'Differential fees' in the 'Additional explanation of fees and costs' section of this PDS.

² Management fees and costs described above are inclusive of the net effect of Goods and Services Tax (GST) (i.e. inclusive of GST, less any reduced input tax credits). For more information about GST, see "Management fees and costs" under the heading "Additional explanation of fees and costs".

³ The estimated performance fee has been calculated as the simple average of the actual annualised performance fees of the Fund since its inception date of 4 April 2023 up to and including 30 June 2025. The estimated performance fee is inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits). Past performance is not necessarily indicative of future performance. The actual performance fee payable (if any) will depend on the performance of the Fund over the relevant period. For more information about performance fees, see "Performance fees" under the heading "Additional explanation of fees and costs".

⁴ For further information refer to "Buy and sell spreads" in the "Additional explanation of fees and costs" section of this PDS.

Warning: If you use the services of a financial adviser they may also charge for the services they provide. You should refer to your Statement of Advice provided to you by your financial adviser which sets out the fees payable to them.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for this 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 ¹ – Airlie Small Companies Fund	Balance of \$50,000 with a contribution of \$5,000 during year ²	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	0.98% per annum	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$490 each year.
PLUS Performance fees	1.11% per annum	And , you will be charged or have deducted from your investment \$555 in performance fees each year.
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS Cost of the Airlie Small Companies Fund	2.09% ³ per annum	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: \$1,045⁴ . What it costs you will depend on the fees you negotiate.

¹ This is an example only and does not take into account any movements in the value of an investor's Units that may occur over the course of the year or any abnormal costs.

² This example assumes the \$5,000 contribution occurs at the end of the first year. Fees and costs are calculated using the \$50,000 balance only.

³ Fees and costs are inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits).

⁴ This example does not capture all the fees and costs that may apply to you, such as the buy/sell spread. See the "Additional explanation of fees and costs" section below for more details.

Additional explanation of fees and costs

Management fees and costs

The Fund pays a management fee of 0.98% per annum of the Fund's NAV (before fees) (**NAV Before Fees**) to us for managing the assets of the Fund and overseeing the operations of the Fund. Ordinary costs incurred in connection with the Fund (such as administration and accounting costs, unit registry fees, audit and tax fees, and investor reporting expenses) are paid by us out of the management fee. Management fees are calculated each Business Day based on the NAV Before Fees of the Fund at the end of each Business Day. Estimated management fees are reflected in the daily unit price of the Fund and are payable monthly from the assets of the Fund.

Under the Fund's Constitution, we are entitled to receive maximum management fees of 0.95% per annum (excluding GST) of the NAV Before Fees. The management fees stated in this PDS are inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits). To the extent the GST impact changes, (for example, due to changes in the size of the Fund), the actual management fees may vary from the rates stated above.

In addition to the management fee, where the Fund incurs extraordinary expenses and outgoings, we may pay for these from the Fund's assets. We may pay extraordinary expenses and outgoings from the Fund's assets because, under the Constitution of the Fund, in addition to the management fee, we are entitled to be indemnified from the assets of the Fund for any liability properly incurred by us in performing properly any of our duties or exercising any of our powers in relation to the Fund or attempting to do so.

Performance fees

Depending on how well the Fund performs, we may be entitled to a performance fee, paid out of the assets of the Fund. Performance fees are calculated with reference to a performance hurdle. The details of the calculation methodology and the hurdle are set out below.

The daily unit price includes a performance fee accrual equal to the amount that would be payable if it were the end of a Calculation Period.

Calculation Methodology

The Fund's "total return" per unit (**Total Return**) is the dollar movement in its unit price (without transaction costs) during the Calculation Period (adjusted for any income or capital distributions and before any accrued performance fees during that Calculation Period). Adjustments will be made for any capital re-organisations such as unit divisions or consolidations. Calculation Periods are 6 months in duration, ending on 30 June and 31 December of each year.

The Fund's "excess return" per unit (**Excess Return**) is its Total Return less the hurdle return. The Fund is subject to an "index relative" performance hurdle, being the S&P / ASX Small Ordinaries Accumulation Index. If this index ceases to be published, we will nominate an equivalent replacement index.

Under the Fund's Constitution, the Performance Fee per unit is 20%¹ of the Excess Return. The total performance fee is the performance fee per unit multiplied by the number of Units on issue at the end of the Calculation Period, less the Equalisation Reserve described below.

A performance fee will only be payable if the Fund's Excess Return is positive (i.e. the Fund's Total Return is greater than the hurdle return) at the end of a Calculation Period (or at the end of a notional Calculation Period with respect to withdrawn Units as outlined below) and noting that a Calculation Period may be extended for a further six months if the Fund's Excess Return is negative on 30 June or 31 December. Any underperformance by the Fund relative to the performance hurdle will need to be recovered prior to a performance fee becoming payable to us.

It is possible for us to be entitled to a performance fee where the Fund has experienced negative absolute performance over a Calculation Period, provided that the Fund has outperformed the index relative hurdle return over the same period.

Equalisation Reserve and Units issued during a Calculation Period

Performance fees are paid on the Excess Return of each unit on issue at the end of a Calculation Period, less an equalisation reserve (**Equalisation Reserve**). The effect of the Equalisation Reserve is that we will only receive a performance fee in respect of a specific Unit on performance generated after that Unit is issued. On each Business Day where there is a creation of Units, the Equalisation Reserve is increased by an amount that represents the performance fee per unit calculated immediately prior to the creation of those Units multiplied by the number of Units created (**Equalisation Adjustment**). If the accrued performance fee per Unit on a

¹ The performance fee described in this PDS is inclusive of the estimated net effect of GST (i.e., inclusive of GST, less any reduced input tax credits). To the extent the GST impact changes, the actual performance fees may vary from the rate stated above.

particular day is nil, there will be no Equalisation Adjustment made to the Equalisation Reserve. The Equalisation Reserve accumulates over a Calculation Period.

The Equalisation Reserve is subject to a ceiling such that the total Equalisation Reserve is the lesser of:

- (a) the total of the Equalisation Adjustments calculated on each day of the Calculation Period; and
- (b) the total of the Units created during the Calculation Period multiplied by the prevailing performance fee per unit.

The ceiling on the Equalisation Reserve ensures that our performance fee entitlement is not less than it would have been had no Units been created during the Calculation Period.

The exact impact of the performance fee on a particular investor will depend on the number of new Units issued during a Calculation Period, the excess return achieved from the start of the Calculation Period to the date of issue of new Units and the subsequent movement in the unit price to the end of the Calculation Period.

Units withdrawn during a Calculation Period

For Units that are withdrawn during the Calculation Period, the day of withdrawal will be treated as the end of the Calculation Period with respect to those Units and the performance fee will become payable to us.

The withdrawal proceeds will be net of any performance fees accrued on the day of withdrawal. Any switches will also be treated as if they were withdrawals for the purposes of calculating the performance fees.

Transaction costs

Transaction costs such as brokerage and transactional taxes are incurred when the Fund acquires and disposes of securities. The transaction costs for the Fund are provided in the “Fees and costs summary” above. These are based on the actual transaction costs incurred by the Fund for the year ended 30 June 2025 and are shown net of any amount recovered by the buy/sell spread charged by us.

The gross and net transaction costs incurred by the Fund for the year ended 30 June 2025 are provided in the table below.

Total gross transaction costs (% per annum)	Recovery through buy/sell spread (% per annum)	Net transaction costs (% per annum)	For every \$50,000 you have in the Fund you will likely incur approximately
0.08%	0.08%	0.00%	\$0

The amount of such costs will vary from year to year depending on the volume and value of the trading activity in the Fund, and the value of applications and withdrawals processed.

Transaction costs are paid out of the assets of the Fund as and when incurred and are not paid to us.

Transaction costs are an additional cost to the investor where they have not already been recovered by the buy/sell spread charged by us.

In accordance with applicable laws, the Fund may enter into soft dollar arrangements with brokers. Part of the brokerage fee paid to brokers may be used to provide third party research to support the Fund’s trading activity and the investment decision making process.

Buy and sell spreads

A portion of the total transaction costs are recovered from investors applying to and withdrawing from the Fund. New applications into the Fund or withdrawals from the Fund will typically cause the Fund to incur transaction costs. So that existing investors in the Fund do not bear the transaction costs that arise from these applications and withdrawals, the entry and exit unit prices include an allowance to cover these costs. This allowance to cover transaction costs (sometimes called the 'buy spread' and the 'sell spread') represent an additional cost to investors applying and withdrawing from the Fund, and are not fees paid to us.

The current buy spread is 0.25% and sell spread for the Fund is 0.25%. For example, if you invested \$50,000 in the Fund the cost of the buy spread would be \$125, or if you withdrew \$50,000 from your investment the cost of the sell spread would be \$125. We may vary the buy and sell spreads from time to time and prior notice will not ordinarily be provided. Updated information on the buy and sell spreads is available at airlifundsmangement.com.au.

Fees for Indirect Investors

For investors accessing the Fund through an IDPS, IDPS-like scheme or a nominee or custody service (collectively referred to as a master trust or wrap account), additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator. These are not fees paid to us.

Payments to platforms

Some master trusts, wrap accounts or other investment administration services (**Platforms**) charge product access payments fees (as a flat dollar amount each year) for having the Fund included on their investment menus. We may, therefore, pay amounts from the fees we receive to any Platform through which the Fund is made available. As these amounts are paid by us out of our own resources, they are not an additional cost to you.

Financial adviser fees

If you use the services of a financial adviser they may also charge for the services they provide. You should refer to your Statement of Advice provided by your financial adviser which sets out the fees payable to them. We pay no commissions related to your investments to financial advisers.

Differential fees

A rebate or reduction of the management fees and performance fees may, at our discretion, be negotiated with investors who are wholesale clients for the purposes of the Corporations Act. Further information can be obtained by contacting us.

Our employees or employees of a related entity that invest in the Fund may, at our discretion, be subject to lower fees than the fees stipulated in this **Section 7**.

Changes in fees

Fees may increase or decrease for a number of reasons including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees without your consent, however we will provide you with at least 30 days written notice of any fee increase.

Taxation

Your investment may be subject to tax. Taxation information is set out in **Section 8** of this document.

8. Taxation

Warning: Investing in the Fund is likely to have tax consequences. Before investing in the Fund you are strongly recommended to seek your own professional tax advice about the applicable Australian tax consequences and, if appropriate, foreign tax consequences that may apply to you based on your particular circumstances.

The taxation information contained in this PDS reflects the Australian income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts, as at the date of issue of this PDS. Taxation laws are subject to continual change and there are reviews in progress that may impact the taxation of trusts and investors.

Attribution Managed Investment Trust regime

The Fund has elected to become an AMIT. Accordingly, investors will be subject to tax on the income of the Fund that is attributed to them under the AMIT rules each year ending 30 June. If there is income of the Fund that is not attributed to an investor, the Fund will be subject to tax at the highest marginal rate (plus the Medicare levy) on that non-attributed income.

The AMIT rules also allow the Fund to reinvest part or all of your distribution and/or accumulate part or all of the Fund's income in the Fund, in which case the income of the Fund that is attributed to you (and which must be included in your income tax return) will be more than the total cash distribution you receive (**Excess**). The tax cost base of your Units will increase to the extent of the Excess.

Investors will be assessed for tax on the net income and net capital gains generated by the Fund that is attributed to them under the AMIT rules. Investors will receive an AMMA Statement after the end of each financial year which will provide them with details of the amounts that have been attributed to them by the Fund to assist them in the preparation of their tax return. The Fund may attribute an estimate of net capital gains generated as a result of withdrawals from the Fund.

If the Fund was to incur a tax loss for a year then the Fund could not attribute that loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such a loss against taxable income of the Fund in subsequent income years.

Depending on an investor's particular circumstances, they may also be liable to pay capital gains tax (or income tax if they hold their Units on revenue account) when they withdraw Units.

Taxation of non-resident investors

If a non-resident investor is entitled to taxable income of the Fund, the investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by us in respect of your tax liability.

Taxation reforms

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact to their investment.

Quoting your Tax File Number or an Australian Business Number

It is not compulsory for investors to quote their Tax File Number (**TFN**), Australian Business Number (**ABN**), or exemption details. Should an investor choose to, the TFN/ABN must be provided to Investor Services by the Record Date. However, should an investor choose not to provide TFN/ABN details or provide after this date, we are required to deduct tax from an investor's distributions. The withholding tax amount is calculated on the amount attributed to you. Collection of TFNs is permitted by taxation and privacy legislation.

GST

Your investment in the Fund will not be subject to goods and services tax.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act (**FATCA**), we are required to collect and report information about certain investors identified as U.S. tax residents or citizens. In order to comply with our FATCA obligations, we may request investors to provide certain information (**FATCA Information**).

To the extent that all FATCA Information is obtained, the imposition of U.S. withholding tax on payments of U.S. income or gross proceeds from the sale of particular U.S. securities shall not apply. Although we attempt to take all reasonable steps to comply with our FATCA obligations and to avoid the imposition of the withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the U.S. and Australian governments, we may provide FATCA Information to the Australian Taxation Office (**ATO**). We may use an investor's personal information to comply with FATCA and may contact an investor if additional information is required.

Common Reporting Standard

The Common Reporting Standard (**CRS**) requires us to collect certain information about an investor's tax residence. If an investor is a tax resident of any country outside Australia, we may be required to pass certain information about the investor (including account-related information) to the ATO. The ATO may then exchange this information with the tax authorities of another jurisdiction or jurisdictions, pursuant to intergovernmental agreements to exchange financial account information.

Although the CRS does not involve any withholding tax obligations, we may use an investor's personal information to comply with the CRS obligations, and may contact an investor if additional information is required. For investors who apply for Units directly with us, the account opening process cannot be completed until all requested information has been provided.

9. Additional information

Additional disclosure information

The Fund 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. Investors can also call us to obtain copies of the following documents, free of charge:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half year financial report lodged with ASIC; and
- Any continuous disclosure notices we place online at airlifundmanagement.com.au or lodge with ASIC.

Constitution

The operation of the Fund is governed under the law and the Constitution of the Fund which addresses matters such as NAV per Unit, withdrawals, the issue and transfer of Units, investor meetings, investors' rights, our powers to invest, borrow and generally manage the Fund and our fee entitlement and right to be indemnified from the Fund's assets.

The Constitution states that an investor's liability is limited to the amount the investor paid for their Units, although the courts are yet to determine the effectiveness of provisions of this kind.

We may alter the Constitution if it reasonably considers the amendments will not adversely affect investors' rights. Otherwise, we must obtain investors' approval at a meeting of investors. We may retire or be required to retire as Responsible Entity (if investors vote for its removal). No Units may be issued after the 80th anniversary of the date of the Constitution. We may exercise its right to terminate the Fund earlier. Investors' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

Investors can inspect a copy of the Constitution at our head office or we will provide a copy free of charge.

NAV Permitted Discretions Policy

Our NAV Permitted Discretions Policy provides further information about how we calculate unit prices. Investors can request a copy of the policy from us free of charge.

Classes of Units in the Fund

Additional unit classes in the Fund may be issued by us in the future with the same or different terms to any existing unit classes of the Fund.

Change of details

From time to time, you may need to advise us of changes relating to your investment. You may advise us by email, fax or mail of changes relating to:

- your mailing address;
- Tax File Number (TFN) / Australian Business Number (ABN);
- your bank account details;
- contact details and communication preferences;
- your licensed financial adviser, if you have nominated one; or
- your election to receive distributions as cash or to reinvest them.

We require your instructions to be signed by the nominated signatory on your account. If you have nominated joint signatories for the account, both should sign notifications of changes in any of your details.

Cooling-off period

If you are a retail investor, a 14-day "cooling-off period" may apply to your initial investment in the Fund in certain circumstances. If, during the 14-day cooling-off period, you decide that the investment does not meet your needs, then you should immediately notify us. If you exercise your cooling-off rights we will return your money to you. However, the amount you receive will reflect any market movement up or down which means there may be taxation implications for you. The buy/sell spread will also apply to each transaction, as it does for applications and withdrawals. As a result, the amount returned to you may be less than your original investment.

The 14-day cooling-off period starts on the earlier of the date when you receive confirmation of your transaction or the end of the 5th Business Day after the day we issue the Units to you. The cooling-off period will lapse if you transact on your account within the 14 days. Under normal circumstances refunds will be made within seven Business Days of you notifying us. For more information, call Investor Services on 1300 127 780 (or +61 2 8259 8566) or 0800 787 621 (NZ).

Complaints resolution

Should investors have any concerns or complaints, as a first step they should contact our Complaints Officer on +61 2 9235 4888 and we will do our best to resolve this concern quickly and fairly. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You can contact AFCA on 1800 931 678, by writing to AFCA at GPO Box 3, Melbourne VIC 3001 or by emailing info@afca.org.au.

Custodian

The Northern Trust Company (acting through its Australian branch) (**Northern Trust**) has been appointed to hold the assets of the Fund under a Custody Agreement. As Custodian, Northern Trust will safe-keep the assets of the Fund, collect the income of the Fund's assets and act on our directions to settle the Fund's trades. Northern Trust does not make investment decisions in respect of the Fund's assets that it holds.

Unit registry

Apex Fund Services Pty Ltd (**Apex**) has been appointed as the unit registry of the Fund under a Registry Services Agreement. The Registry Services Agreement sets out the services provided by the unit registry on an ongoing basis together with the service standards.

The role of the unit registry is to keep a record of investors in the Fund. This includes information such as the quantity of Units held, TFNs (if provided), bank account details and details of distribution reinvestment plan participation to the extent we offer such a plan.

Contact details for Apex can be found in **Section 11**.

Consents

The following parties have given written consent (which has not been withdrawn at the date of this PDS) to being named in the form and context in which they are named, in this PDS:

- Apex Fund Services Pty Ltd; and
- The Northern Trust Company.

Each party named above who has consented to be named in the PDS:

- has not authorised or caused the issue of this PDS;
- does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based) other than as specified; and

to the maximum extent permitted by law, takes no responsibility for any part of the PDS other than the reference to their name in a statement included in the PDS with their consent as specified.

Anti-money laundering and counter terrorism financing

Australia's anti-money laundering and counter terrorism financing (**AML/CTF**) laws require us to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that we know certain information about investors in the Fund. To meet this legal requirement, we need to collect certain identification information and documentation (**KYC Documents**) from you if you are a new investor. We may also ask an existing investor to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or withdrawals will be delayed or refused if you do not provide the KYC Documents when requested.

Under the AML/CTF laws, we may be required to submit reports to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). This may include the disclosure of your personal information. We may not be able to tell you when this occurs and, as a result, AUSTRAC may require us to deny you (on a temporary or permanent basis) access to your investment.

This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment. We are not liable for any loss you may suffer because of compliance with the AML/CTF laws.

Privacy policy

As required by law, we have adopted a privacy policy that governs the collection, storage, use and disclosure of personal information. This includes using an investor's personal information to manage their investment, process any distributions that may be payable and comply with relevant laws.

For example, an investor's personal information may be used to:

- ensure compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, the ATO, AUSTRAC, and other regulatory bodies including the requirements of the superannuation law; and
- ensure compliance with the AML/CTF Act, FATCA and with CRS.

As noted in the AML/CTF section above, the processing of applications or withdrawals may be delayed or refused if you do not provide the personal information requested from us to comply with legal requirements

We may be required to disclose some or all of an investor's personal information, for certain purposes (as described under the Privacy Act 1988 (Cth)) to:

- the Fund's service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as Investor Services, the Custodian or auditor of the Fund and certain software providers related to the operational management and settlement of the units; or
- related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration.

We may also disclose an investor's personal information to:

- market products and services to them; and
- improve customer service by providing their personal details to other external service providers (including companies conducting market research).

If any of the disclosures in the previous bullet points require transfer of an investor's personal information outside of Australia, the investor consents to such transfer.

All personal information collected by us will be collected, used, disclosed and stored by us in accordance with our privacy policy available at airlifundsmangement.com.au or you can obtain a copy free of charge by contacting us. The privacy policy also contains information about:

- how to access and correct information that we hold about you; and
- how to make a complaint about a breach of the Australian Privacy Principles.

Additional information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this

is subpart 6 of Part 9 the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act sets out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, contact the Financial Markets Authority, New Zealand (fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

10. Glossary

Defined terms and other terms used in the PDS	Definition
\$, A\$ or dollar	The lawful currency of Australia.
Australian Small Company	A company listed on an Australian Securities Exchange which, at the time they are first invested, is not included in the S&P/ASX 100 Index and has a minimum market capitalisation of \$50 million.
AFCA	Australian Financial Complaints Authority.
AFSL	Australian financial services licence.
AMIT	Attribution Managed Investment Trust.
AML/CTF Act	The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
AMMA Statement	AMIT Member Annual Statement.
Apex	Apex Fund Services Pty Ltd.
Application Form	The application form for the Fund.
Additional Application Form	The form for application for additional Units in the Fund.
ASIC	Australian Securities and Investments Commission.
ATO	Australian Taxation Office.
Business Day(s)	A weekday on which banks are open for business in NSW Australia other than a Saturday, Sunday, or public holiday. For the purposes of calculating Fees and Costs only, Business Day includes a day on which the primary securities exchange for any security that forms part of the Fund's property is open for trading.
Constitution	The Constitution of the Fund.
Corporations Act	Corporations Act 2001 (Cth).
CRS	Common Reporting Standard.
Custodian	Northern Trust.
Custody Agreement	The Master Custody Agreement in respect of the assets of the Fund between the Custodian and us.
EFT	Electronic Funds Transfer.
FATCA	Foreign Account Tax Compliance Act.
Fees and Costs	The fees and costs of the Fund as described in Section 7 .

Defined terms and other terms used in the PDS	Definition
Fund	Airlie Small Companies Fund (ARSN 665 882 673).
GST	Goods and Services Tax.
IDPS	Investor Directed Portfolio Service.
Indirect Investors	Persons who wish to access Units in the Fund indirectly through an IDPS or IDPS-like scheme (commonly referred to as a master trust or wrap account).
Investor Services or Apex	Apex Fund Services Pty Ltd, who operates the unit registry for the Fund.
NAV	Net asset value.
NAV Permitted Discretions Policy	Our policy detailing the discretions exercised in the calculation of NAV per Unit.
Northern Trust	The Northern Trust Company (acting through its Australian branch).
PDS	This product disclosure statement as amended or supplemented from time to time.
Record Date	The date used in determining who is entitled to a distribution. Those investors on the register on the Record Date are eligible for the distribution.
Registry Services Agreement	The Fund Administration Services Agreement in respect of the Fund between us and Apex.
Responsible Entity or Our or We or Us	Magellan Asset Management Limited trading as Magellan Investment Partners ABN 31 120 593 946, AFSL 304 301.
Units	Units in the Fund.
Withdrawal Form	The form for withdrawal of Units in the Fund.

11. Contact details

Responsible Entity and Investment Manager

Magellan Asset Management Limited trading as Magellan Investment Partners

Address Level 36, 25 Martin Place Sydney NSW 2000

Phone +61 2 9235 4888

Website airlifundsmangement.com.au

Email adviserservices@airlifm.com.au

Unit registry

Investor Services - Apex Fund Services Pty Ltd

Address GPO Box 143, Sydney NSW 2001

Phone 1300 127 780 (or +61 2 8259 8566) or 0800 787 621 (NZ)

Fax +61 2 9247 2822

Email magellanfunds@apexgroup.com

Custodian

The Northern Trust Company

Address Level 12, 120 Collins Street, Melbourne Victoria 3000

Phone +61 3 9947 9300