



# Product Disclosure Statement

## Antares High Growth Shares Fund

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Issued by:  
The Responsible Entity, MLC Investments Limited  
ABN 30 002 641 661 AFSL 230705

## Important information

This Product Disclosure Statement (PDS) provides information about the Fund listed on the front cover which is part of the suite of products known as the Antares Professional Selection Investment Funds.

This PDS contains 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. 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 PDS is available at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf) 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, 'IDPS'). The Target Market Determination (TMD) for the Fund can be found at [mlcam.com.au/TMD](http://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 and must meet the eligibility requirements.

The information in this document is up to date at the time of preparation and may change from time to time. If a change is considered materially adverse to investors, we will issue a replacement PDS or supplementary PDS. Information that is not materially adverse can be updated by us and will be published on our website, [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf). 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 this document are in Australian dollars unless stated otherwise.

References in this document to 'MLC', 'we', 'our' or 'us' should be read as references to MLC Investments Limited ABN 30 002 641 661 AFSL 230705 in its capacity as Responsible Entity of the Fund. This document has been prepared on behalf of MLC. References to 'Antares Equities' or 'Antares' should be read as references to Antares Capital Partners Ltd in its capacity as investment manager of the Fund. MLC and Antares are each 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 Insignia Financial Group is ultimately controlled by CC Capital Partners LLC and its affiliates (a New York based private equity firm) and OneIM GP LLC and its affiliates (a London based private equity firm).

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## 1. Fund at a glance

|   |   |
|---|---|
| <b>Fund Name</b>                          | Antares High Growth Shares Fund (Fund)  |
| <b>Responsible entity</b>                 | MLC Investments Limited (MLC, Responsible Entity, we, our or us)  |
| <b>Investment manager</b>                 | Antares Capital Partners Ltd (Antares)  |
| <b>Custodian</b>                          | UBS Nominees Pty Limited (Custodian)  |
| <b>Prime Broker</b>                       | UBS AG, Australia Branch (Prime Broker)   |
| <b>Administrator</b>                      | BNP Paribas S.A (Administrator) performs registry, transactions and unit pricing services (refer to page 8 for outsourcing arrangements).<br>General administration is performed by Oasis Asset Management Limited (OAM).   |
| <b>Unit Registry</b>                      | SS&C Solutions Pty Ltd (Registry Services)  |
| <b>Investment return objective</b>        | To outperform the S&P/ASX 200 Total Return Index (Benchmark) (after fees) over rolling five-year periods.   |
| <b>Investment strategy</b>                | Aims to enhance returns through a range of investment strategies including long/short positions, active trading along with the ability to use exchange traded derivatives.  |
| <b>Asset classes</b>                      | Australian listed companies and trusts (equities), cash equivalent instruments and exchange traded derivatives.   |
| <b>Risk level</b>                         | Very high<br>See 'Risk levels' in section 5 for more information.   |
| <b>Leverage</b>                           | The Fund may become leveraged through borrowing, the use of derivatives and short selling. The net equity market exposure of the Fund cannot exceed 100% of the net asset value (NAV) of the Fund.  |
| <b>Indicative Asset Allocation Ranges</b> | Australian equities (Long): 90 – 125%<br>Australian equities (Short): -25% – 0%<br>Cash and cash equivalents: 0 – 10%<br>The actual asset allocation changes frequently due to market movements, investment activity (primarily buying and selling by investment managers), and investor applications or redemptions. As a result, actual asset allocations are not shown in the PDS. In the event of extreme market movements and/or significant applications or redemptions, actual asset allocations may fall outside the ranges. Where this occurs, asset allocations will be managed back within the ranges as soon as reasonably practicable. |
| <b>Minimum suggested time frame</b>       | 5 years plus  |
| <b>Fees and other costs</b>               | Management fees and costs (including GST net of Reduced Input Tax Credits) equal to:<br><b>Management fee:</b> 1.05% pa of the Fund's NAV<br><b>Indirect costs:</b> 0.00% pa of the Fund's NAV<br><b>Performance fee:</b> Estimated performance fee of 0.10% pa of the Fund's NAV<br><b>Transaction costs:</b> Estimated to be 0.39% pa of the Fund's NAV<br><b>Buy-sell spread:</b> +0.15%/-0.15% of the amount you transact.<br>See more information in the 'Fees and other costs' section.   |
| <b>Unit pricing frequency</b>             | Daily   |
| <b>Minimum investment amounts</b>         | The minimum initial investment (and the minimum balance) is \$20,000. The minimum additional investment amount is \$5,000.  |
| <b>Notice periods</b>                     | Application and withdrawal requests accepted by us before 2:00 pm (Melbourne time) on any business day will normally receive that day's unit price.<br>All references to 'business day' in this PDS mean days other than a Saturday or a Sunday, or a public or bank holiday in Melbourne.  |
| <b>Income distributions</b>               | In general, the income of the Trust is calculated on an effective date in late September, December and March, and on 30 June each year. There may be periods in which no distributions are made or the Fund may make additional distributions.  |

## 2. ASIC's benchmarks and disclosure principles

This section of the PDS addresses the Australian Securities and Investment Commission's (ASIC's) benchmarks and disclosure principles for hedge funds (ASIC Regulatory Guide 240 Hedge funds: Improving disclosure) and provides references to other sections of the PDS where you can find further information. This information is intended to assist you in making an informed decision about investing in the Fund. You should read the entire PDS for full details before deciding whether to invest in the Fund. Please note that in this section, the reference to 'benchmark' represents criteria set by ASIC and is not a reference to the Benchmark against which the Fund's performance will be measured, which is set out in section 1 of this PDS.

### Benchmarks

| ASIC Benchmark                                 | Summary   | Reference                       |
|--|---|---------------------------------|
| <b>ASIC's benchmark 1: Valuation of assets</b> | <p>This benchmark addresses whether valuations of the non-exchange traded assets of the Fund are provided by an independent administrator or an independent valuation service provider.</p> <p>This benchmark does not apply to the Fund as the Fund does not currently hold non-exchange traded assets. The Fund invests into Australian listed equities, cash equivalent instruments and exchange traded derivatives. These securities are exchange traded and market prices are usually readily available.</p> <p>If the Fund invests in assets that are not exchange traded in the future, MLC has in place a policy to ensure valuations will be provided by an independent external provider.</p> | 'Unit pricing', page 21         |
| <b>ASIC's benchmark 2: Periodic reporting</b>  | <p>This benchmark is intended to ensure that investors receive periodic reporting on certain key fund information on a monthly and annual basis.</p> <p>This benchmark is met as MLC provides investors with periodic updates on key Fund information such as net returns, net asset value, asset allocation and any material changes to the Fund's risk profile, strategy, investment team and service providers.</p>  | 'Keeping you informed', page 26 |

### Disclosure Principles

| ASIC Disclosure Principles              | Summary   | Reference   |
|---|---|---|
| <b>Principle 1: Investment strategy</b> | <p>The Fund is an actively managed portfolio of Australian equities listed, or expected to be listed on the Australian share market (and denominated in Australian Dollars). The Fund invests in both long and short positions. The Fund uses active trading, along with the ability to use exchange traded derivatives with the aim of enhancing returns for investors. The Fund may become leveraged through borrowing, the use of derivatives and short selling.</p> <p>The Fund typically invests in 50-70 equities (including short positions). Where we refer to companies or shares in this PDS, it includes trusts and units.</p> <p>The Fund's diversification guidelines specify a maximum 7% weighting to any one security if the Benchmark weighting is less than 5%. If the Benchmark weighting is above 5%, the maximum weighting is 10%. Short position weightings in the portfolio are restricted to a maximum weighting of 2.5%. No sector limits apply to the Fund. The maximum allocation to cash and cash equivalents is 10%.</p> <p>Investors in the Fund are exposed to risks at both the Fund level and market level. The key risks and how they are managed are set out in this PDS. The success of the Fund's strategies will depend on the security selection, asset allocation and market conditions and may be influenced by specific risk factors. MLC may change the investment strategy from time to time, as described in this PDS.</p> | <p>'The Fund's Investment Strategy', page 9.</p> <p>'Changes to the Fund', page 22</p> <p>'Leverage', 'Derivatives' and 'Short Selling' sections in the 'Disclosures Principles' table.</p> <p>'Risks of managed investment schemes', page 13</p> |
| <b>Principle 2: Investment manager</b>  | <p>We've appointed Antares Capital Partners Ltd, a fully owned subsidiary within the Insignia Financial Group, trading as Antares Equities (Antares), as investment manager of the Fund. Antares is a specialist Australian equities manager and is responsible for making investment decisions in relation to the Fund and implementing the Fund's investment strategy.</p> <p>As at the date of this PDS, the Portfolio Manager of the Fund is Nick Pashias. Nick is supported by the Deputy Portfolio Manager Andrew Hamilton.</p>   | 'Investment manager', page 10   |
| <b>Principle 3: Fund structure</b>      | <p>The Fund is an Australian registered managed investment scheme that is registered with ASIC and governed by its constitution (Constitution) and the <i>Corporations Act 2001</i> (Cth).</p> <p>The key service providers are identified in section 3. All of the key service providers are located in Australia. A diagram which shows the key service providers to the Fund and the flow of money through the Fund is in section 3.</p> <p>All arrangements between MLC and its key service providers have been entered into on an arm's length basis and where the key service providers are members of the Insignia Financial Group, are subject to Insignia Financial Group's Conflicts of Interest Policy.</p> <p>The key risks to the Fund's structure are counterparty risk and fund risk. Refer to section 5 'Investment risks' for further information.</p>   | <p>'Responsible parties and relationships', page 7</p> <p>'Fund structure', page 8</p> <p>'Risks of managed investment schemes', page 13</p>  |

|   |  |   |
|---|--|---|
| <b>Principle 4: Valuation, location and custody of assets</b> | <p>The valuation of the assets held in the Fund is undertaken by the Administrator in accordance with our Asset Valuation Policy.</p> <p>The Fund's unit price is usually calculated each business day by dividing the Fund's NAV referable to the relevant class of units by the number of units on issue to all investors in the class at the time the unit price is calculated.</p> <p>The Fund invests in Australian equities listed (or expected to be listed) on the Australian share market and can invest in cash and cash equivalents. The assets are held in Australia by the custodian.</p> | <p>'Fund at a glance', page 4</p> <p>'Units pricing', page 21</p> <p>'The Prime Broker and Custodian' and 'Administrator', pages 7 to 8</p> |
| <b>Principle 5: Liquidity</b>                                 | <p>The Fund is a liquid managed investment scheme. We reasonably expect to be able to realise at least 80% of the Fund's assets within 10 business days, at the value ascribed to those assets in calculating the Fund's latest NAV.</p>   | <p>'Liquidity', page 11</p> <p>'Risks of managed investment schemes', page 13</p>   |
| <b>Principle 6: Leverage</b>                                  | <p>The Fund may become leveraged through borrowing, the use of derivatives and short selling.</p> <p>The Fund has the ability to borrow up to a maximum of 25% of the Fund's NAV. The net equity market exposure of the Fund cannot exceed 100% of the NAV of the Fund. However, the gross equity market exposure limit is 150% of the NAV of the Fund.</p> <p>The Fund may borrow money, via its overdraft facility from the Prime Broker of the Fund, UBS AG, Australia Branch, to increase its long exposure.</p> <p>Refer to 'The Prime Broker and Custodian' section for further information.</p> | <p>'The Prime Broker and Custodian', page 7</p> <p>'Leverage', page 10</p> <p>'Risks of managed investment schemes', pages 13</p>           |
| <b>Principle 7: Derivatives</b>                               | <p>The Fund only deals in exchange traded derivatives listed with the Australian Securities Exchange (ASX). They are mostly used as an alternative to buying or selling assets directly, and can be used for the purpose of generating or indirectly enhancing returns, risk management or portfolio management.</p> <p>The main risks to the Fund as a consequence of dealing in derivatives are counterparty risk and derivative risk.</p>   | <p>'Derivatives', page 9</p> <p>'Risks of managed investment schemes', pages 13</p>   |
| <b>Principle 8: Short selling</b>                             | <p>The Fund engages in short selling as part of its investment strategy. Short selling involves borrowing a security from the Prime Broker and selling it with the expectation of buying it back, at a later time, at a lower price and therefore enhance the return of the Fund.</p> <p>The Fund can hold short positions in securities up to a maximum of 25% of the Fund's NAV.</p> <p>Short selling may expose the Fund to risks such as short position risk, liquidity risk, counterparty risk and borrowing risk.</p>  | <p>'Short selling', page 9</p> <p>'Risks of managed investment schemes', page 13</p>  |
| <b>Principle 9: Withdrawals</b>                               | <p>The Fund processes withdrawals each business day. Withdrawal payments will generally be made within three business days of receipt to your nominated Australian bank account, although the Fund's Constitution allows up to 10 business days. However payment cannot be made until sufficient cash is available and this may require the sale of assets.</p> <p>In certain circumstances, such as when there are adverse market conditions, we may suspend withdrawals for up to one month. Changes to withdrawal rights will be notified to you in writing.</p>                                    | <p>'How the Fund operates', pages 20 to 22</p>  |

### 3. Responsible parties and relationships

#### Responsible Entity, Issuer and Investment Manager

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.

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

MLC has appointed Antares Capital Partners Ltd, a fully owned subsidiary within the Insignia Financial Group, trading as Antares Equities (Antares), as investment manager of the Fund. Antares is a specialist Australian equities manager and is responsible for making investment decisions in relation to the Fund and implementing the Fund's investment strategy.

MLC has both fiduciary obligations and obligations under the Fund's Constitution and the Corporations Act 2001 (Cth) (Corporations Act) to the Fund's unitholders. These include managing all aspects of the Fund including the appointment and ongoing monitoring of Antares.

We are also responsible for ensuring that the Fund is operated in accordance with the Constitution and the Corporations Act. We outsource a number of administrative tasks associated with the operation of the Fund. These arrangements, agreed in writing between the relevant parties, set out the terms and conditions on which services will be provided. We regularly monitor the provision of services by all relevant parties, through the service level agreements, to ensure ongoing compliance with the terms and conditions.

The Fund is part of a suite of products known as the Antares Professional Selection Investment Funds (Funds). For these Funds, MLC is the Responsible Entity and Antares is the investment manager. Antares uses its expertise to actively manage a range of Australian equity portfolios with the aim of achieving each fund's investment objective. For further information on the Funds and their respective PDSs, please refer to [antarescapital.com.au](http://antarescapital.com.au). You will need to read the relevant PDS before making an investment decision in respect of these Funds.

#### The Prime Broker and Custodian

MLC has appointed UBS AG, Australia Branch (ABN 47 088 129 613 and AFSL number 231087) to be the Prime Broker and UBS Nominees Pty Ltd (ABN 32 001 450 522 and AFSL number 231088) as Custodian for the Fund (together, UBS). The appointments were made pursuant to the prime brokerage customer documents (the 'Customer Documents') entered into between MLC and the Prime Broker and the Custodian.

The services of UBS AG, Australia Branch as prime broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. UBS AG, Australia Branch may also provide a cash account which is a ledger for recording the Fund's cash balances under the Customer Documents. UBS Nominees Pty Ltd as Custodian to the Fund will provide custody services for some or all of the Fund's investments.

The Custodian may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the Customer Documents. The Custodian will open an Encumbered Portfolio Account with a related main cash account and an Unencumbered Portfolio

Account with a related cash sub-account. Unless expressly agreed with the Custodian in writing, assets will be held in the Encumbered Portfolio Account, transactions will be settled to and from the Encumbered Portfolio Account, and the amount in the cash sub-account will be minimised. The assets of the Fund held by the Custodian in the Encumbered Portfolio Account will be subject to a security interest to secure the Fund's obligations to UBS and its related entities. The calculation of margin under the Customer Documents will not include the value of any assets held in the Unencumbered Portfolio Account.

Subject to limitations, the Prime Broker may request that the Custodian pay or deliver assets to the Prime Broker. The Prime Broker is entitled to borrow, lend, charge, rehypothecate, dispose of or otherwise use such assets for its own purposes, subject to an obligation to return equivalent assets. In the event of the insolvency of the Prime Broker or the Custodian, the Fund will rank as an unsecured creditor to the value of those assets, and may not be able to recover the equivalent assets in full.

Under the terms of the Customer Documents, MLC may seek to borrow securities from the Prime Broker with a borrowing request. If the Prime Broker accepts MLC's borrowing request, the Prime Broker will deliver the securities borrowed to the Fund or as MLC directs. MLC will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date, or otherwise the Prime Broker may call for the redelivery at any time by giving notice on the terms of the Customer Documents.

Under the Customer Documents, the Prime Broker is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of an executing broker, noncompliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction, amongst other things, (except to the extent that any loss arises directly as a result of the negligence, wilful default or fraud of UBS).

The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

To the extent permitted by law, neither the Prime Broker, the Custodian nor any related entity will be liable for any loss suffered by the Fund under or in connection with the Customer Documents unless such loss results directly from the negligence, wilful default or fraud of the Prime Broker, Custodian or related entity as set out in the terms of the Customer Documents. The Custodian is not liable to MLC for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the Customer Documents (other than related entities), but the Custodian will make available to the Fund, when and to the extent reasonably so requested, any rights that the Custodian may have against such person.

Under the Customer Documents MLC indemnifies UBS and its related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the Customer Documents other than as a result of the negligence, wilful default or fraud of UBS or the relevant related entity.

Neither the Prime Broker nor the Custodian will participate in the investment decision-making process for the Fund. Although UBS will provide reporting and information to the Fund about the assets held by UBS, UBS is not responsible for monitoring the Fund's positions for the purpose of determining their composition or performance.

MLC may remove UBS AG, Australia Branch as the Prime Broker and UBS Nominees Pty Limited as the Custodian by giving written notice.

UBS consents to being named in the PDS and any electronic version of the PDS in the form and context in which we are named in the PDS. UBS is not responsible for the preparation of, and has not authorised or caused the issue of, the PDS, and has not made or purported to make any statement included in or any statement on which a statement in the PDS is based.

To the maximum extent permitted by law, UBS expressly disclaims and takes no responsibility for any statements in, or omissions from, the PDS other than the statements made with its consent. UBS is not responsible for the activities of the Fund, will not participate in the Fund's investment decision-making process and makes no representation in respect of the Fund or the Fund's investments.

UBS AG, Australia Branch is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959 (Cth) and is supervised by the Australian Prudential Regulation Authority. Note that provisions in the Banking Act 1959 for the protection of depositors do not apply to Foreign ADIs, including UBS AG, Australia Branch.

### The Administrator

MLC has appointed BNP Paribas S.A (BNPP) to provide registry (arrangements disclosed below), transactions processing and reporting administration services for the Fund.

BNPP has no supervisory role in relation to the operation of the Fund and is not responsible for protecting the interests of unitholders. BNPP has no liability or responsibility to investors for any act done or omission made in accordance with the terms of the relevant administrative agreement. Neither BNPP, nor any other member of the BNPP group of companies, guarantees the performance of the investment or the underlying assets of the Fund, or provides a guarantee or assurance in respect of the obligations of MLC or its related entities.

MLC may replace BNPP as the Administrator of the Fund by providing not less than 90 days' notice to BNPP.

General administration services are performed by OAM. OAM is a related party of MLC.

### The Unit Registry

BNPP has outsourced registry services to SS&C Solutions Pty Ltd (ABN 75 007 325 779) (Registry Services) to provide unit registry services to the Fund. BNPP and SS&C Solutions have entered into an agreement that sets out SS&C Solutions' responsibilities, which include:

- receiving and processing applications and withdrawals including application monies and withdrawal payments
- maintaining the Fund's register of unitholders, preparation of periodic statements, annual taxation statements, transaction and distribution statements for the Fund in accordance with legislation
- compliance with anti-money laundering and Know Your Customer (KYC) requirements, and
- providing certain other administrative services.

### The Auditor

As at the date of this PDS, EY is the auditor of the Fund. This may change without prior notice to investors.

### Fees paid to related companies

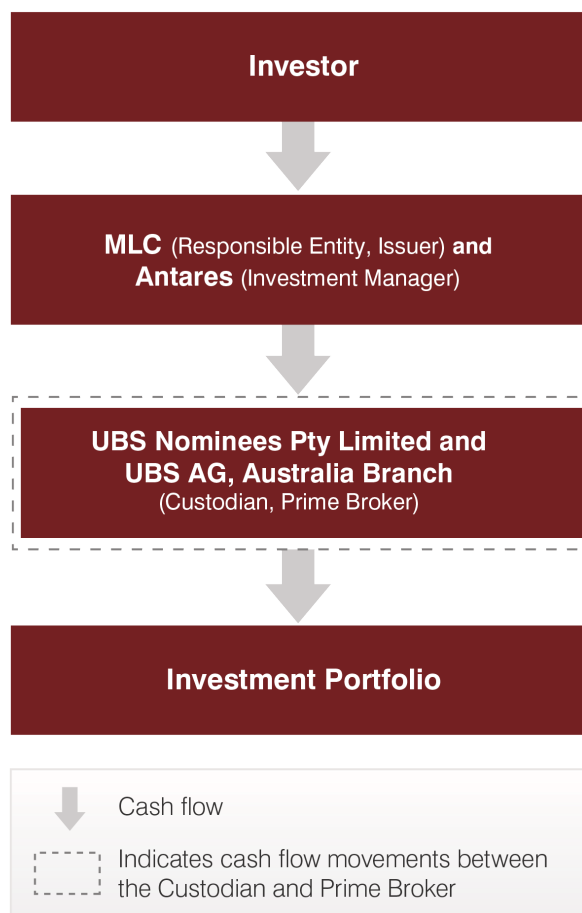
We use the services of related companies where it makes good business sense to do so and will benefit our unitholders.

Amounts paid for these services are always negotiated on an arm's length basis and are, in the Responsible Entity's opinion, reasonable remuneration.

Appointments of these companies are made in accordance with the requirements of the Insignia Financial Group's Conflicts of Interest Policy.

The Responsible Entity regularly monitors the ongoing compliance of such appointments with the Insignia Financial Group's Conflicts of Interest Policy.

### Fund Structure



## 4. About the Antares High Growth Shares Fund

### About the Fund

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.

The Fund is a registered managed investment scheme that is subject to the Corporations Act, its Constitution and other applicable law.

Investing in the Fund offers investors a range of benefits which are:

- access to a diversified portfolio of typically 50-70 equities (including short positions)
- potential for long-term capital growth and income through a range of investment strategies such as short selling, enhanced long positions and active and opportunistic trading such as pairs trading (refer to 'The Fund's Investment Strategy' below for further information)
- access to Antares' investment expertise and active security selection capabilities
- the potential to add value from both rises and falls in individual security prices by taking long and short positions, and
- access to statements on your account through the online investor portal at [antarescapital.com.au](http://antarescapital.com.au)

### The Fund's Investment Strategy

The Fund will invest primarily in Australian equities (listed or expected to be listed) on the ASX and cash equivalent instruments, with exchange traded derivatives used for efficient portfolio management, to hedge market risks and to enhance returns.

The Fund's objective is to outperform the S&P/ASX 200 Total Return Index (after fees) over rolling five-year periods by utilising the following underlying strategies: short selling, enhanced long positions, active trading, along with the use of exchange traded derivatives.

#### Short selling

Short selling involves borrowing a security from the Prime Broker and selling it with the intention of buying it back at a later date at a lower price.

Antares may short sell to:

- generate returns in declining securities/markets
- provide a hedge to a long security or market exposure, and
- increase return potential using leverage.

Being able to short sell means that the Fund's total (gross) equity market exposure to the Australian equity market may exceed 100% of the Fund's NAV. This means the impact of our investment decisions, along with the potential for profit or loss, is greater than traditional long-only funds.

Risks associated with short selling can include:

- if the price of the shorted security increases, then the Fund must pay a greater amount to buy back the security and the potential loss could be significant
- the lender of the relevant security (in the case of individual securities) may request its return which may result in Antares

having to sell at a loss and before the planned timeframe, and

- if the Prime Broker is declared insolvent before the security borrowed by the Fund is repaid, the Fund may be unable to recover the equivalent collateral posted with the Prime Broker. This may result in a loss to the Fund, and in turn to investors.

Antares aims to manage short position risk by having strict controls and risk management processes in place as outlined in the examples below.

The Fund is restricted to holding no more than 25% of the Fund's NAV in short positions. This means, for example, that for every \$100 invested by investors, the Fund can hold no more than \$25 in total short positions. The purchase of additional securities using proceeds from short selling is limited to a further 25% of the Fund's NAV. This means the total (gross) equity market exposure to the Australian equity market is limited to 150% of the Fund's NAV.

#### Enhanced long positions

Enhanced long positions refer to securities in which the Fund holds the largest overweight positions when compared to their Benchmark weighting. Antares seeks to amplify the Fund's return relative to its Benchmark by further overweighting those securities which they believe to be undervalued.

The ability to short sell creates capacity to enhance selected long positions without having the net equity market exposure exceed 100% of the Fund's NAV.

Risks associated with enhanced long positions can include:

- a larger loss if the Australian equity market declines, and
- if the company in which the Fund has an enhanced long position becomes bankrupt, the value of that shareholding may become zero.

Antares aims to manage enhanced long position risk by having internal guidelines for maximum active position restrictions for each security relative to their Benchmark weighting.

#### Active trading

The Fund employs a range of other strategies which incorporate elements of short selling and enhanced long positions. These include active trading, pairs trading and other opportunistic trading to benefit from short term market movements.

Active trading refers to trading in securities where the Fund has held a range of different positions over a relatively short period of time, with a view to fully exploiting all available opportunities to add value as market circumstances change. It may also involve simply managing an overweight or other position held - adding to or reducing the position to benefit from smaller movements in the security price.

Pairs trading is a trading strategy that involves taking a long and short position in different securities in the same sector. It is undertaken with a view to favouring one security in an industry or sector over another, without affecting the Fund's overall exposure to that sector. For example: an overweight position in Security A is balanced by a corresponding short position in Security B which is in the same sector or has similar characteristics.

The risks and risk management process associated with active trading are similar to those outlined under short selling and enhanced long positions.

#### Derivatives

Derivatives are contracts that have a value derived from one or more underlying assets.

The Fund only deals in exchange traded derivatives listed on the ASX, typically Share Price Index (SPI) contracts.

Antares can invest in derivatives to:

- manage the Fund in a more efficient manner
- reduce risk
- reduce transaction costs
- enhance returns
- increase market exposure, and
- reduce market exposure (ie shorting).

Risks associated with derivatives can include the following:

- the value of the derivative does not move in line with the underlying asset or becomes illiquid, and
- the derivative position may be difficult or costly to reverse.

Derivatives are not considered in isolation. Rather, derivatives are dealt with as part of the investment process as a whole and the investment strategy associated with the Fund. In particular, the controls in place over the use of derivatives ensure that:

- no uncovered derivatives positions are held within the Fund
- the Fund's maximum total market exposure of derivative positions, as a proportion of total Fund value, is not exceeded, and
- the use of derivatives within the Fund is conducted in accordance with the MLC Derivatives Policy.

The MLC Derivatives Policy outlines how we manage derivatives and is available at [mlc.com.au/derivatives-policy](http://mlc.com.au/derivatives-policy). The Fund will only enter into transactions with counterparties we assess to be creditworthy.

#### ***Efficient portfolio management***

Investments in derivatives enable the Fund to be managed in a more efficient manner, particularly in relation to the management of cash levels.

With a large cash inflow, a common strategy is to acquire SPI contracts to obtain equity market exposure to ensure that the Fund is not overweight in cash. This also minimises the issue of market impact. Over the following trading days, Antares can reverse the long SPI contract position and use the cash to buy physical securities as opportunities arise.

For large withdrawals, the Fund could unwind current long SPI contract positions, thus releasing cash. This allows the Fund to avoid causing market impact which could negatively affect the Fund's performance. Over the subsequent trading days, Antares could reinstate the SPI contract position while selling down physical securities as selling opportunities arise.

#### ***Reducing asset risk***

Another reason for investing in derivatives is to reduce the risk of the asset class in which the Fund invests declining in value. This is achieved by using derivatives to decrease the Fund's exposure to the underlying asset class (within net equity market exposure limits) thereby acting as a hedge against any decline in value. For example, in falling markets the Fund could sell down derivatives such as SPI contracts to decrease its exposure to the Australian equity market.

#### ***Indirectly enhancing returns***

The Fund engages in short selling as part of its investment strategy. Short selling involves borrowing a security from the Prime Broker and selling it with the expectation of buying it back, at a later time, at a lower price and therefore enhancing the return of the Fund.

The Fund can also take short physical positions to achieve the same result as taking short SPI contract positions.

This can also be used as a part of a return enhancing strategy for the Fund.

## **Investment Manager**

Antares is responsible for the following:

- equity research and security selection
- risk monitoring
- cash flow management, and
- performance monitoring and reporting.

While Antares has responsibility for all of the above functions, it may outsource the execution of some of them to other parts of the Insignia Financial Group or to external parties. Any Insignia Financial Group outsourcing will be conducted on an arm's length basis.

As at the date of this PDS, the key Antares individuals involved in the investment decisions are Nick Pashias, the Portfolio Manager of the Fund and Andrew Hamilton, the Deputy Portfolio Manager. Nick and Andrew are responsible for the investment activities for the Fund and devote a significant proportion of their time to executing the Fund's investment strategy.

Nick Pashias has over 27 years of industry experience and is the Head of Equities at Antares. He is also the Portfolio Manager of the Antares Elite Opportunities Fund and Model Portfolio.

Prior to joining Antares, Nick worked on a number of projects within resource companies while completing his Ph.D in Chemical Engineering at the University of Melbourne. On completion of his Ph.D, Nick worked as a consultant with particular emphasis on efficiency improvement and process streamlining in the mining industry. Nick also holds a Bachelor of Engineering (Hons) from the University of Melbourne and a Masters of Applied Finance from Macquarie University.

Andrew Hamilton has over 28 years of industry experience. He is the Head of Implementation in the Antares investment team and is responsible for managing the institutional Broadcap Australian equities portfolio. Andrew is also the Portfolio Manager of the Dividend Builder Fund and Model Portfolio, Deputy Portfolio Manager of the Elite Opportunities Fund and Model Portfolio, and the Ex-20 Australian Shares Fund and Model Portfolio and has research responsibilities for the Healthcare sector within the Antares investment team.

Prior to joining Antares, Andrew worked in a variety of positions with Salomon Brothers International and Nomura International in London and has also worked as a mechanical engineer in product design and development. Andrew holds a Bachelor of Engineering (Hons) from the University of Melbourne and is a CFA Charterholder.

There have been no adverse findings by regulators against Antares or any staff involved in the investment decisions of the Fund.

## **Leverage**

The Fund may become leveraged through borrowing, the use of derivatives and short selling.

Although the net equity market exposure of the Fund cannot exceed 100% of the NAV of the Fund, the maximum gross equity market exposure of the Fund, taking account of long and short positions, is 150% of the Fund's NAV. For every \$1 of the Fund's NAV, the maximum amount the assets are permitted to be leveraged is \$1.50. This means that assuming the Fund reaches its maximum gross equity market exposure of 150% of Fund's NAV, then:

- a 1% increase in the return on assets of the Fund will result in a 1.5% increase in return to investors, and
- a 1% decrease in the return on assets of the Fund will result in a 1.5% decrease in returns to investors.

The Fund may borrow money, via an overdraft facility from the Prime Broker to increase its long exposure, if the value of long positions above 100% of the Fund's NAV is greater than the

value of short positions. For example, if the Fund's long position is 120% of NAV and short position is 10% of NAV, the additional long position of 10% of NAV will be funded by borrowed money. Antares would then use exchange traded derivatives such as SPI futures to reduce the net equity market exposure from 110% back to 100% of NAV. Refer to 'The Prime Broker and Custodian' section for further information.

The maximum borrowing amount is 25% of the Fund's NAV. However, borrowing to this level is unlikely based on the expectation that the Fund will typically hold short positions.

## Liquidity

We reasonably expect to be able to realise at least 80% of the Fund's assets within 10 business days, at the value ascribed to those assets in calculating the Fund's latest NAV.

The Fund's investment universe consists of Australian listed (or expected to be listed) equities, cash equivalent instruments and exchange traded derivatives, which are considered to be readily traded and in high volumes and as such, liquidity risk is deemed low.

## Our approach to managing risk

Techniques used by Antares with the aim of managing risks include:

- establishing investment guidelines for the Fund which
- are consistent with its investment objective and stated risk characteristics
- having processes in place aimed at ensuring the Fund complies with investment guidelines and other parameters at all times
- undertaking research on companies and securities with a view to understanding their risk characteristics, and
- backing derivatives with cash, cash equivalents or securities.

## How the Fund's Investment Strategy may change

We may make changes to the Fund's investment strategy when we deem it to be in the unitholders' best interests. Changes to the investment strategy may include (but are not limited to) changes to the Fund's investment objective, strategies, performance hurdle, asset allocation ranges and investment processes of the Fund. Where possible, we will give you prior notice of any materially adverse change. Changes that are not materially adverse will be made available on [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf).

For more information refer to the 'Changes to the Fund' section.

## 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.

There are a broad range of ESG or sustainability factors that may impact the risk profile and/or return characteristics of an investment. Some examples include:

### Environmental (E)

- Climate change initiatives like reduction in greenhouse gas emissions
- Waste management
- Energy efficiency
- Water supply
- Pollution
- Biodiversity

### Social (S)

- Human capital management
- Labour standards
- Modern slavery
- Diversity, Equity and Inclusion (DE&I)
- Workplace health and safety
- Integration with local community and earning a social licence to operate
- Indigenous rights
- Employee engagement

### Governance (G)

- Rights, responsibilities and expectations across all stakeholders
- Board structure, diversity and independence
- Executive remuneration (short- and long-term incentives)
- Bribery and corruption
- Anti-competitive behaviour
- Political lobbying and donations
- Shareholder rights
- Tax strategy

Sustainability factors are a broad range of issues that impact a company's ability to generate long-term shareholder value. These factors include, but are not limited to:

- Management as stewards of capital
- The industry within which capital is being stewarded
- Financial and physical capital (financial and manufactured assets on balance sheet)
- Non-financial capital (intangible forms of capital often not reflected on balance sheet such as human capital, social and relationship capital, natural capital and intellectual capital).

The consideration of ESG and sustainability factors in an investment context is evolving. It is expected that issues in addition to those covered above will be recognised over time.

Some investment strategies and asset classes are better suited to consideration of these factors than others. See the 'Responsible investment limitations' section for more detail.

## Responsible investment in the Fund

The Fund is not promoted as a socially responsible or ethical investment.

Except as stated below, the Responsible Entity does not take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments. Antares is a signatory to the Principles of Responsible Investment (PRI).

When making investment decisions, the following responsible investment approaches are used for the Fund (where possible) to improve investment outcomes:

- **ESG Integration** means identifying and considering relevant ESG factors in the investment decision-making process. This allows opportunities and risks related to ESG factors to be recognised and acted upon.
- **Active Stewardship** means being active owners in the companies your money is invested in by using ownership rights, such as proxy voting and engaging with these companies on a range of commercial, strategic and ESG factors. This provides an opportunity to enhance and protect the long-term value of investments.
- **Negative Screening** means excluding certain sectors and companies because they're associated with certain controversial business activities. See the 'What's excluded' section below.

ESG Integration is undertaken by in-depth proprietary research and complemented by additional research of sustainability factors. The relevant insights of both considerations are systematically scored by proprietary frameworks which feed into the investment process (for risk and valuation) and which are also used to monitor the resulting portfolio.

The responsible investment approach can change. For example, this can occur through a change in approach by MLC, a change in approach by the investment manager or a change in the investment manager. We will notify you of any such changes in accordance with our obligations under the law.

## **Responsible investment limitations**

The Fund may invest in derivatives and cash and cash equivalents. Responsible investment approaches are not used for these investments.

Responsible investment approaches for the Fund may not be used for an externally managed investment (an investment not managed by the responsible entity or investment manager) and the exposure to the investment may be small or large.

## **What's excluded**

A negative screen is employed for the Fund to exclude investment in companies which manufacture cigarettes or other tobacco products or generate any revenue from manufacturing cigarettes or other tobacco products (referred to as Tobacco manufacturing in this document). The negative screen will apply to shareholdings or debt instruments applicable to the Fund.

A Tobacco manufacturing company is a company that satisfies the following:

- Tobacco manufacturing, or
- >0% revenue limit from Tobacco manufacturing.

The negative screen applies in respect of manufacturing and no other business activities by a company. Therefore the Fund may have exposure to activities related to the value chain for Tobacco manufacturing eg raw materials, production inputs, distribution, retail sales and the financing of such activities.

The revenue limit is determined as sales or revenue for the company from Tobacco manufacturing as a proportion of the net operating revenues in the most recent year from all ongoing lines of business of the company. For example, a 0% revenue limit would mean that any company with more than 0% of its net operating revenue or sales in the most recent year coming from Tobacco manufacturing would be excluded from the Fund. The sales or revenue amount for the company is determined on appropriate publicly available revenue data. The screen is implemented by using data from a reputable third-party data provider.

## **Practical limitations**

While this negative screen captures most companies, not all companies are required to make full disclosure about their involvement in these activities (or they cannot be identified through indirect ownership structures). There are limitations in the availability, collection and reporting of this information. If a company's revenue mix changes (eg prior non-disclosure, or due to merger or demerger activities) and then exceeds the permitted revenue thresholds, a timely review of that company will be undertaken after it has been identified and its securities will be excluded as required.

The Fund may, from time to time, have a small level of unintended exposure. This could occur where there is a delay in data availability, or an inability to exit an investment. The Fund could have an exposure through the use of cash and cash equivalents, index options, futures, exchange traded funds, or an externally managed investment where the Fund is unable to impose the negative screen for Tobacco manufacturing which

may also result in a small level of unintended exposure.

## 5. Risks of managed investment schemes

### Risks of investing

Before you invest, there are some things you need to consider, including how much risk you're prepared to accept.

All investments carry risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy.

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.

When choosing your investment, it's important to understand that:

- the value of your investment will go up and down
- 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
- the appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and what your risk tolerance is.

### Significant risks

The significant risks of the Fund include:

#### Counterparty risk

All investments, borrowings and transactions (including buying and selling securities) involve a counterparty that is on the other side of the transaction, eg when buying a security, the counterparty is the seller. There is a risk that a counterparty may not be able to meet its obligations. This could include, but is not limited to, failing to make settlement payments or returning margin payments. We seek to mitigate these risks via various measures, including regularly reviewing the creditworthiness of our counterparties.

Because we have a Prime Broker relationship, investors in the Fund should be aware that certain cash which the Prime Broker holds for the Fund will not be segregated from the Prime Broker's own cash or the cash of any other customer of the Prime Broker. Further, this cash may be used by the Prime Broker in the course of its business. In addition, the Prime Broker may appropriate for its own account and deal with certain securities which it holds in respect of the Fund as collateral, and these securities will become the property of the Prime Broker. As a result, such assets will not be held in trust for the Fund, and the Fund will therefore rank as one of the Prime Broker's unsecured creditors if the Prime Broker were to become insolvent.

For more information, please refer to 'The Prime Broker and Custodian' section under 'Responsible parties and relationships' above.

#### Derivatives risk

A derivative is a financial contract where value is derived from another source such as an asset, index or interest rate ('Underlying Asset'). Types of derivatives include warrants, options, futures and swaps. They are a common tool used to manage risk (hedging), efficiently manage a portfolio or generate returns. Risks associated with derivatives include the

risk that the value of a derivative may not move in line with the Underlying Asset, that the counterparty to a derivative contract may not meet payment obligations and that, in times of market stress, derivatives may be difficult or costly to trade or unwind. Investment managers, including MLC, have derivatives policies which outline how derivatives are managed. Information on our Derivatives Policy is available at [mlc.com.au/derivativesforinvestments](http://mlc.com.au/derivativesforinvestments)

For more information, please refer to the 'Derivatives' section under 'The Fund's Investment Strategy' above.

#### Fund risk

Investing via a Fund (managed investment scheme) can lead to different outcomes compared to investing directly, due to how trusts operate.

As an investor in the Fund, your investment may be affected by factors such as:

- trust and tax laws
- income and capital gains generated within the Fund
- the impact of other investors' transactions (investments or withdrawals)
- management fees and other costs deducted from the Fund.

Additionally, there are structural risks to consider. For example, the responsible entity may be replaced, fees and costs may increase, distributions are not guaranteed, and the Fund itself may be terminated.

#### Investment performance risk

No single investment style or strategy consistently outperforms across all market conditions. Consequently, the Fund may underperform relative to other investment funds. Additionally, the investment manager may not achieve the Fund's investment objective due to changes in the investment team, market conditions, or other factors that may affect their performance.

#### Investment specific risk

Internal risks that can affect a specific company include changes to management, profit and loss announcements, legal action and investor sentiment. External market risks may impact a particular company (or industry) more than the wider investment market. From time to time, the Fund may have a small exposure to unlisted companies, companies listed outside of Australia, or companies listed on the ASX that may be foreign-domiciled. These investments may be subject to foreign regulations, foreign listing arrangements and other foreign market risks. These risks can affect the market price and income of a company's shares, as well as its debt securities. As a portfolio of typically 50–70 equities (including short positions), the Fund's returns may be more volatile than those of a more diversified fund. Its exposure to a smaller number of investments means it is more sensitive to changes in the value of those investments.

#### Legal and regulatory risk

There is a risk that the laws and regulations affecting registered managed investment schemes – both in Australia and overseas – may change over time. Such changes could negatively impact the Fund.

These changes may arise from a range of sources, including:

- amendments to existing laws or the introduction of new laws by a government or regulator
- court decisions that alter how laws are interpreted

- changes to the regulatory framework governing the Fund or its underlying assets
- updates to taxation or accounting laws, and professional standards, that apply to the Fund.

If the Fund holds assets located outside Australia, those assets may also be affected by legal and regulatory changes driven by broader economic, social, or political developments in those jurisdictions.

## Leveraging risk

Leverage (or gearing) may involve the use of borrowed money or derivatives to increase the investment amount. Leverage magnifies exposure to potential gains and losses of an investment. As a result, you can expect larger fluctuations (both up and down) in the value of your investment compared to the same investment which is not leveraged. It's important to understand the potential risks of leverage, as well as its potential benefits. When asset values are rising by more than the costs of the leverage, the returns will generally be higher than if the investment wasn't leveraged. When asset values are falling, leveraging can multiply the capital loss.

If the fall is dramatic there can be even more implications for leveraged investments. For example, where money is borrowed and the lender requires the leverage level to be maintained below a predetermined limit, if asset values fall dramatically, the leverage level may rise above the limit, forcing assets to be sold when values may be continuing to fall.

In turn, this could lead to more assets having to be sold and more losses realised. Withdrawals (and applications) may be suspended in such circumstances, preventing you from accessing your investments at a time when values are continuing to fall.

Although this is an extreme example, significant market falls have occurred in the past. Recovering from such falls can take many years and the geared investment's unit price may not return to its previous high.

Other circumstances (such as the lender requiring the loan to be repaid for other reasons) may also prevent a leveraged investment from being managed as planned, leading to losses.

You need to be prepared for all types of environments and understand their impact on your geared investment.

For more information, please refer to the 'Leverage' section above.

## Liquidity risk

There is a risk that the liquidity of the Fund, and the assets it holds, may change over time. This could have a negative impact on your investment.

Liquidity is the ability to sell an asset for cash quickly, without negatively impacting its market value.

An asset is illiquid if it cannot easily be sold at or near its market value in a timely manner. This may be due to difficult market conditions (eg a shortage of buyers), or due to the absence of an established market. Assets which are normally liquid may become illiquid in difficult market conditions. For example, shares in large, listed companies are generally considered liquid, while physical assets like direct property and infrastructure are generally considered illiquid.

If an asset becomes illiquid, it may:

- increase the time it takes us to satisfy a withdrawal request
- require us to undertake a sale at a price below market value
- delay the purchase of assets when processing new applications
- affect the ability to switch between investment options, and
- influence the buy/sell spreads applied to transactions.

For more information, please refer to the 'Liquidity' section above.

## Responsible investment risk

Responsible investment approaches may be used for the Fund's investments, including the consideration of Environmental, Social and Governance (ESG) factors. Inadequately managing ESG risk factors could negatively impact investment returns. Ultimately, to the extent that responsible investment approaches alter the Fund's investments, the net impact on investment returns over a specific time period may be positive, or negative.

## Share market risk

Risks that can affect share markets as a whole include economic conditions, interest rates, inflation, changes in investor sentiment and political, legislative, regulatory, environmental and technological changes. These risks can cause the market price of the Fund's investments – and the income generated by them – to go down, or up.

## Short selling risk

Short selling is used by an investment manager when it has a view that an asset's price will fall. The manager borrows the asset from a lender, usually a broker, and sells it with the intention of buying it back at a lower price. If all goes to plan, a profit is made. The key risk of short selling is that, if the price of the asset increases, the loss could be significant.

There is also the risk that the lender of the security (in the case of individual equities) may request its return which may result in Antares having to liquidate at a loss and not at a time of Antares' choosing.

For more information, please refer to the 'Short selling' section under 'The Fund's Investment Strategy' above.

## Risk levels

Proprietary modelling is used to:

- estimate the likely number of negative annual returns over a 20 year period, and
- assign a 'risk level' to each of our funds

| <b>Risk level</b>     | <b>Estimated number of negative annual returns over a 20 year period</b> |
|-----------------------|--|
| <b>Very low</b>       | Less than 0.5  |
| <b>Low</b>            | 0.5 to less than 1   |
| <b>Low to medium</b>  | 1 to less than 2   |
| <b>Medium</b>         | 2 to less than 3   |
| <b>Medium to high</b> | 3 to less than 4   |
| <b>High</b>           | 4 to less than 6   |
| <b>Very high</b>      | 6 or more  |

We include the risk level for each fund to help you better understand investment risk. Because the risk level is an estimate, the actual number of negative annual returns a fund may experience over a 20 year period may be different.

Importantly, the risk level is not a complete measure of investment risk. It does not:

- indicate the potential size of a negative annual return
- recognise that a positive return could still be less than an investor requires to meet their investment objectives/needs
- capture the risk of the Fund not meeting its investment objective, or
- account for the impact of fees, which may increase the chance of a negative return.

Risk levels may change from time to time for various reasons, such as changes to the risk and return assumptions or changes to asset allocation.

## 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](http://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 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

| Antares High Growth Shares Fund  |   |   |
|--|---|---|
| Type of fee or cost  | Amount  | How and when paid   |
| <b>Ongoing annual fees and costs</b>   |   |   |
| <b>Management fees and costs</b><br>The fees and costs for managing your investment.                           | Estimated to be 1.05% pa of the Fund's net asset value, comprised of:<br>1 A management fee of 1.05% pa of the Fund's net asset value<br>2 Estimated indirect costs of 0.00% pa of the Fund's net asset value | 1 The management fee is calculated on the Fund's net asset value. It is not deducted from your account directly but from the assets of the Fund. It is accrued daily and paid monthly, and the accrued amount is incorporated into the daily unit price of the Fund. The amount of the management fee may be negotiated by wholesale clients. For further information refer to 'Management fee may be negotiated' in the 'Additional explanation of fees and costs'.<br>2 Indirect costs are generally deducted from the assets of the Fund as and when they are incurred.  |
| <b>Performance fees</b><br>Amounts deducted from your investment in relation to the performance of the product | Estimated to be 0.10% pa of the Fund's net asset value.   | The performance fee is only paid to the Responsible Entity if the Fund's return exceeds the performance hurdle over the performance fee period. It is paid from the assets of the Fund and is not required to be paid by you separately.<br>The performance hurdle is the performance of the Fund's Benchmark plus 5%. Where the Fund's return does not exceed the performance hurdle, no performance fee is accrued.<br>The performance fee is calculated as 20% of the Fund's return (after deducting the management fee) in excess of the performance hurdle.<br>Please see the 'Additional explanation of fees and costs' section for further details about the calculation of the performance fee. |
| <b>Transaction costs</b>   | Estimated to be 0.39% pa of the Fund's net asset value.   | These costs are paid from the assets of the Fund as and when they are incurred. These costs are an additional cost to you.  |

|  |   |   |
|--|---|---|
| <b>The costs incurred by the scheme when buying or selling assets</b>  |   |   |
| <b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>           |   |   |
| <b>Establishment fee<br/>The fee to open your investment</b>   | Nil   | Not applicable  |
| <b>Contribution fee<br/>The fee on each amount contributed to your investment</b>  | Nil   | Not applicable  |
| <b>Buy-sell spread<br/>An amount deducted from your investment representing costs incurred in transactions by the scheme</b> | Estimated to be 0.15% of the application amount on investments made in the Fund and 0.15% of the withdrawal amount on withdrawal from the Fund. | 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 a fee and no part of the buy-sell spread is paid to us or to any investment managers. |
| <b>Withdrawal fee<br/>The fee on each amount you take out of your investment</b>   | Nil   | Not applicable  |
| <b>Exit fee<br/>The fee to close your investment</b>   | Nil   | Not applicable  |
| <b>Switching fee<br/>The fee for changing investment options</b>   | 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.

| <b>EXAMPLE:<br/>Antares High Growth Shares Fund</b>       | <b>Balance of \$50,000 with a contribution of \$5,000 during the year<sup>1</sup></b> |   |
|---|---|---|
| <b>Contribution fees</b>                                  | 0.00%   | For every additional \$5,000 you put in, you will be charged \$0.   |
| <b>Plus<br/>Management fees and costs:</b>                |   | <b>And</b> , for every \$50,000 you have in Antares High Growth Shares Fund, you will be charged or have deducted from your investment, \$525 each year.  |
| <b>Management fee</b>                                     | 1.05%   |   |
| <b>Indirect costs</b>                                     | 0.00%   |   |
| <b>Total</b>  | 1.05%   |   |
| <b>Plus<br/>Performance fees</b>                          | 0.10%   | <b>And</b> , you will be charged or have deducted from your investment \$50 in performance fees each year.  |
| <b>Plus<br/>Transaction costs</b>                         | 0.39%   | <b>And</b> , you will be charged or have deducted from your investment \$195 in transaction costs.  |
| <b>Equals<br/>Cost of Antares High Growth Shares Fund</b> |   | 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 \$770*. <b>What it costs you will depend on the fees you negotiate.</b> |

\* 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 \$7.50 and for every \$5,000 you withdraw from the Fund you will incur costs of \$7.50 (buy-sell spread).

<sup>1</sup> This example assumes the \$5,000 additional investment occurs at the end of the year and that the 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

The management fees and costs are fees and costs for investing the Fund's assets. The management fees and costs don't include buy-sell spreads, borrowing costs or transaction 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.

The Responsible Entity will pay out of its management fee any fees and other costs and expenses incurred in operating the Fund ('operational costs') such as custody costs, registry costs, auditing fees and tax return fees. The payment of any fees and other costs and expenses out of the management fee does not extend to the performance fee. This will be a cost to the Fund in addition to the management fee.

We may decide in the future to recover operational costs directly from the Fund in addition to the management fee.

### Indirect costs

The Fund may also incur costs and expenses that won't be charged as a management fee but are expected to reduce the net return of the Fund. These 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 2025 and/or reasonable estimates where information was unavailable at the date this PDS was issued. Amounts may vary from time to time and you will not be given advance notice of any changes to these amounts. Updated amounts will be available at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf)

### Performance fees

The performance fee is charged if the Fund's return (after deducting the management fee) exceeds its performance hurdle during the performance fee period.

The performance fee, performance hurdle and performance fee period are set out below:

- **Performance fee:** 20% of the difference between the Fund's return (after deducting the management fee) and the performance hurdle.
- **Performance hurdle:** S&P/ASX 200 Total Return Index plus 5% pa.
- **Performance fee period:** 1 January to 31 December.

We calculate the performance fees in the following manner:

- each ASX trading day, if the Fund's return (after deducting the management fee) exceeds the performance hurdle (calculated for the period from the start of the performance fee period to the previous day), a performance fee is accrued in the unit price and reduces the unit price at the time of accrual. Where the Fund's return does not exceed the performance hurdle, no performance fee is accrued.

- any performance fee payable is conclusively determined on 31 December and is paid to the Responsible Entity annually in arrears after 31 December.
- any underperformance or over performance relative to the performance hurdle for the performance fee period will not be carried forward to the next year.

Estimated performance fees are 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.

### Management fee may be negotiated

Wholesale clients who invest directly in the Fund may be able to negotiate the management fee by contacting Client Services on **1300 738 355**

Any discount in management fees will be rebated periodically. We suggest that you consult your tax adviser in regards to the tax treatment of any fee rebates.

### Borrowing costs

Borrowing costs (or gearing costs) may be incurred in a number of circumstances, including (but not limited to) where money is borrowed to purchase an asset and where securities are borrowed as part of a fund's investment strategy. Borrowing costs are generally paid to third parties such as banks, providers of a margin lending facility and prime brokers and may include upfront costs to establish the arrangement and ongoing costs like interest payments and stock borrowing fees.

These costs are not included in the management costs but are deducted from the assets of the Fund and reduce the unit price at the time they are incurred. The stock borrowing fee is calculated each day based on the value of short positions held by the Fund. Borrowing costs may rise and fall over time, and will depend on the level of borrowing, the interest amount and other amounts paid to lenders.

The estimated borrowing costs for the financial year to 30 June 2025 were approximately 1.45% of the Fund's NAV.

### 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, settlement costs, clearing costs, custody transaction costs and government charges. Transaction costs may also be incurred when the market process for trading assets causes the price paid or received to be different from the value of the assets immediately after the transaction, for example, where bid/ask spreads are incurred.

The estimated transaction costs for the financial year to 30 June 2025 were approximately 0.43% of the Fund's NAV. Of this amount, we estimate that 0.04% was recovered through buy-sell spreads with the remaining 0.39% being an estimate of the amount of transaction costs that reduced the return of the Fund. Transaction costs disclosed in the 'Fees and costs summary' are net of the amount recovered through the buy-sell spread.

These costs are not included in the management fees and costs and are an additional cost to you. No part of the transaction costs are paid to us or any investment managers.

## Buy-sell spread

You incur the buy-sell spread when you buy or sell units in the Fund. 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 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 to ensure, as far as practicable, that 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 Fund.

As at the date of this PDS, the buy-sell spreads are:

**Buy spread:** 0.15% of each amount you invest into the Fund.

**Sell spread:** 0.15% of each amount you withdraw from the Fund.

This means that for every \$5,000 you contribute to the Fund you will incur costs of \$7.50 and for every \$5,000 you withdraw from the Fund, you will incur costs of \$7.50.

Buy-sell spreads may change from time to time. Increases (and decreases) may be significant. We may waive or reduce the buy and sell spreads at our discretion.

The latest buy-sell spreads can be found at [mlcam.com.au/buy-sell-spreads](http://mlcam.com.au/buy-sell-spreads). Investors may not be notified of changes, and should check current buy-sell spreads before making any investment decision.

## Reimbursable expenses

We are entitled to be reimbursed from the Fund for all costs and expenses incurred in acting as Responsible Entity or in relation to the administration and management of the Fund. The expenses may include, but are not limited to, PDS preparation and printing costs. We currently pay these costs and expenses out of the management fee and do not charge them to you as an additional cost.

## Changes to fees and costs

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

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

**Management fee:** 1.5% pa of the current value of a unit class (as defined under the Constitution).

**Performance fee:** 20% of the Fund's return (net of management fee) above the sum of the Benchmark plus 5%.

**Contribution/Entry fee:** 5% of the contribution amount (currently not charged).

**Administration fee:** 0.75% pa of the current value of a unit class (as defined under the Constitution) (currently not charged).

We may charge other transaction costs as permitted under the Constitution and we may also decide to recover expenses directly from the Fund, rather than pay them out of the management fee.

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, buy-sell spreads or borrowing costs. For updated details go to [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf)

## Payments to IDPS operators

These are commercial payments made by the Responsible Entity to IDPS operators. These payments may be rebated to you or may be retained by the IDPS operator where allowed by law.

How and when these payments are made vary between the Responsible Entity and IDPS operators from time to time. They are paid by the Responsible Entity out of the management fee and are not an additional cost to you.

## 7. How the Fund operates

### Eligibility

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.

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.

If you are invested in the Fund via an IDPS 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.

Under the Constitution, business days are generally days on which banks are open for business in Melbourne (except Saturday, Sunday and public or bank holidays).

### Applications

To invest in the Fund, simply complete the Initial Application Form available at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf) or on request from Client Services on 1300 738 355 and post it to the address shown on the Initial Application Form.

Application monies are payable via direct deposit, direct debit or Bpay®, as provided for on the Initial Application Form.

If you are an existing investor in one of the other Antares Professional Selection Investment Funds (Funds), you can use the Additional Investment Form to invest in the Fund. Please note the minimum initial investment of \$20,000 per fund still applies.

If you are not an existing investor in one of the other Funds, you will also be required to complete the relevant Identification Form.

Application requests accepted by the Fund before 2:00 pm (Melbourne time) on any business day will normally receive that day's unit price.

Application requests accepted after 2:00 pm (Melbourne time) will normally receive the next business day's unit price.

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

Regular Savings Plan if you wish to make regular monthly investments in the Fund.

We have the discretion to accept or refuse any application for an initial investment or any additional investment without explanation.

® Registered to Bpay Pty Limited ABN 69 079 137 518

### Minimum balance

You need to maintain a minimum balance of \$20,000. We may, however, accept lower amounts at our discretion.

### Switching your investment

You can switch your investment between this Fund and the other Funds at any time by completing the Switch Request Form and sending it via post or email to Registry Services.

The Switch Request Form is available at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf) or on request from Client Services on 1300 738 355.

All switches take the form of a withdrawal and an application so the relevant buy-sell spreads are applicable. The minimum switching amount is \$20,000. All switches are subject to maintaining a minimum balance of \$20,000 per fund. The minimum additional investment amount of \$5,000 applies if you are switching into a fund in which you already hold units. Information on the Funds can be found at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf). You will need to read the relevant PDS before making an investment decision in respect of these Funds.

You should be aware that switching your investment between Funds may have tax implications. Please consult your tax adviser for advice as required.

### Withdrawals

The minimum withdrawal amount is \$5,000. If a withdrawal request results in you holding less than the minimum balance of \$20,000 in the Fund, we may treat your withdrawal request as being for the whole of your investment in the Fund.

You can make a withdrawal request at any time by sending the completed Withdrawal Form by post to Registry Services.

The Withdrawal Form is available at [antarescapital.com.au](http://antarescapital.com.au) or on request from Client Services on 1300 738 355.

Alternatively, you can scan and email your Withdrawal Form to Registry Services by using our electronic redemption facility. Refer to page 23 for further information.

Once lodged, withdrawal requests may not be cancelled except with our consent.

If accepted, withdrawal requests received by the Fund before 2:00 pm (Melbourne time) on any business day will normally receive that day's unit price. Requests received after 2:00 pm (Melbourne time) will normally receive the next business day's unit price. Withdrawal payments will generally be made to your nominated Australian bank account within three business days of receipt, although the Fund's Constitution allows up to 10 business days. Refer to 'We may suspend applications or withdrawals' below for information relating to when redeeming from the Fund may not be available. We will notify you in writing of any material changes to the terms on which you may make withdrawals.

### Transacting on your account

For all applications and withdrawal requests we will only act where completed information and communications are received by SS&C Solutions Pty Ltd (Registry Services). This includes all required information, attachments and funds as applicable. Evidence of posted or emailed information will not be sufficient

to prove that information was received by Registry Services. MLC or Registry Services will not be liable for any loss or delay resulting from not acting on an application or withdrawal request due to the non-receipt of all or any information and communications. We will not be responsible for any loss arising in unauthorised or fraudulent requests except where we know, or have reasonable grounds to suspect, that the instruction is not authorised by you or was given in error. The limitation of liability does not apply to losses or delays to the extent that they are caused by MLC or Registry Services fraud, negligence, wilful misconduct or breach of contract.

Application monies will be held in trust in a non-interest bearing account until processed. If Registry Services are unable to process your application within 30 days of receipt we will return your money to you.

## Transfers

You may be able to transfer all or some of your unit holding to another eligible investor. Please contact Client Services on **1300 738 355** for more information.

## We may suspend applications or withdrawals

We may suspend the issue of units or payment of withdrawals for the Fund in certain circumstances as provided in the Constitution.

This may be where it is in the interests of unitholders as a whole or for the protection of the Fund, or if it is impractical for us to calculate the value of the Fund due to circumstances beyond our control including:

- the closure of a securities exchange
- trading restrictions on a securities exchange or market
- an emergency or other state of affairs, or
- the law otherwise permits.

In these situations you may not be able to invest in the Fund or redeem from the Fund while the suspension exists. The suspension period may only be no longer than one month from the first date of suspension. The price applicable at the end of the suspension period will be the price used for applications and withdrawal requests on the first business day after the end of the suspension. In the unlikely event that the Fund becomes illiquid (as defined in the *Corporations Act 2001* (Cth)) you may only withdraw your funds in accordance with any withdrawal offer we make.

## We may deduct amounts or redeem units in certain circumstances

We may deduct from a withdrawal payment any amount owed under the Constitution of the Fund, including taxes.

## Income distributions

In general, the income of the Fund is calculated on an effective date in late September, December and March, and on 30 June each year. We generally aim to pay income distributions within 7 Business Days of the calculation date.

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 for each financial year (including any net capital gains and 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.

To be eligible to receive a distribution you must hold units in the Fund on the distribution calculation date. You can have income distributions:

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

We may, acting reasonably, accept or reject any such request. If you do not make a selection we will reinvest the distribution back into the Fund.

If you elect to have any income distributions reinvested, units will be issued at the unit price applicable at the distribution calculation date. Transactional cost allowances do not currently apply to the issue of these units.

## Unit pricing

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 a Fund, you gain exposure to investments that you may not ordinarily have access to, if you invest on your own. When you invest in a 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. Each unit represents an equal part of the net asset value of the Fund (the value of the underlying assets of the Fund (or class) less any liabilities, including expenses related to that Fund (or class)). The value of a unit is determined by dividing the net asset value of a Fund (or class) by the number of units on issue at the relevant time for that Fund or class).

The price you pay when applying to a Fund (buying units) or receive when withdrawing from a Fund (selling units) is calculated as follows:

- Buy price = net asset value per unit plus the buy spread
- Sell price = net asset value per unit minus the sell spread

The buy/sell spread applicable for a Fund is our reasonable estimate of the transaction costs that the Fund may incur to buy and sell assets when an investor transacts.

The unit price generally changes every business day, reflecting the performance (rises and falls in value) of the underlying assets due to market movements, as well as income earned, fees, expenses and taxes paid and payable.

Where another entity provides the asset valuations, we retain the responsibility to ensure that all asset valuations are determined in accordance with product disclosure statements, trust constitutions and relevant legislation.

We usually calculate the unit price as at the end of each Business Day.

The constitution of the Fund allows us to exercise discretions which may affect unit pricing. Our unit pricing discretion policy sets out, among other things, the principles we adhere to when exercising these discretions. This policy is available free of charge by contacting Client Services on **1300 738 355**.

If there is a unit pricing error that substantially impacts the Fund's performance, an adjustment may be made. This will generally involve assessing the affected transactions using the corrected unit price, and if relevant, applying an adjustment to your account. The value of your investment could be increased or decreased as a result.

You can view the current unit prices at any time at [antarescapital.com.au](http://antarescapital.com.au)

## 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 making material changes to withdrawal rights.

Some changes may be made without prior notice, including but not limited to, closing the Fund to new applications, changes to the investment strategy, asset allocation, specialist managers and service providers.

Where possible we will give direct investors prior written notice of any materially adverse change. If you invest via an IDPS, you can contact your IDPS to obtain copies of these notices. Changes that are not materially adverse will be made available under 'Fund updates' at [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf)

You should check the website for the latest information or you can obtain a paper copy of any updated information free of charge on request.

You should check the website for the latest information or you can obtain a paper copy of any updated information free of charge on request.

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

## Unitholders' liability

The Fund's underlying assets are owned by the Responsible Entity on behalf of investors. The Fund's Constitution limits unitholders' liability to their investment in the Fund.

## Selling restrictions

As at the date of the PDS, no action has been taken to register or qualify the units or offer or otherwise permit the public offering of the units outside Australia. If you come into possession of the PDS outside Australia you should seek advice on and observe any restrictions imposed by local law. Any failure to comply with such restrictions may violate securities laws in that jurisdiction.

The PDS does not constitute an offer or invitation in any jurisdiction in which it would be unlawful to make such an offer or invitation.

We reserve the right to make an offer of units to any institutional investor outside Australia where to do so would not be in breach of the securities law requirements of that jurisdiction.

As at the date of the PDS, the Fund's units are sold predominantly through a public offering outside of the US, which means the Fund is limited in the amount of investment it will accept from "US persons" (as defined under Regulation S of the US Securities Act of 1933).

## Termination of the Fund

The Fund may be terminated:

- if MLC believes the Fund can no longer fulfil its purpose
- if the Fund's unitholders pass an extraordinary resolution to terminate the Fund
- by Court order, or
- as otherwise allowed by the Constitution or the law.

## How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. Because this PDS is not a tax guide 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.

### Tax position of the Fund

The Fund should not be liable for Australian income tax under present income tax legislation.

The Fund holds its investments on revenue account. Therefore, gains which are made by the Fund on the disposal or redemption of its investments are treated as revenue, rather than capital, with no entitlement to the capital gains tax (CGT) discount.

Depending on an investor's circumstances, a capital gain or loss may arise when units in the Fund are sold, switched or redeemed.

## The AMIT regime

The Fund is an Attribution Managed Investment Trust (AMIT).

This means:

- The Fund will be deemed to be a 'fixed trust' for taxation purposes.
- The allocation of taxable income to its investors is based on "attribution" on a "fair and reasonable basis", rather than a present entitlement to the "income of the Fund" for each financial year and the Fund is not liable for tax provided all its taxable income is attributed to investors.
- A Fund may make year-on-year adjustments to reflect under-or-over distributions of the Fund's income.
- Investors may increase or decrease the cost base of their units where taxable income attributed is either greater than or less than (respectively) broadly the cash distribution and tax offsets for an income year, to help alleviate the potential for double taxation.

Under the AMIT regime:

- Australian residents will include their share of the Fund's taxable income in their income tax return, and
- non-residents may have withholding tax deducted from distributions they receive from the Fund.

The Fund may accumulate income which is reflected in the unit price. Taxable income is attributed to investors, even if the Fund doesn't distribute its income.

However, we intend to continue our current practice of distributing all of the Fund's taxable income (including any capital gains) to our investors each financial year. We will notify you if this changes.

The details of the taxable income attributed to you will be set out in an AMIT Member Annual Statement (AMMA Statement), which will contain all necessary tax information. The tax payable (if any) depends on your individual tax profile and applicable tax rate.

If you disagree with our attribution of taxable income, you can object to the Commissioner of Taxation. If you decide to take this course, it is important that you obtain professional tax and legal advice. The constitution of the Fund provides for you to give us notice before making an objection, so please do so and we will work with you to try to resolve the issue.

## Taxation of Financial Arrangements (TOFA) regime

Certain financial arrangements may be taxed under the TOFA regime. The TOFA provisions aim to align the taxation recognition of gains and losses on financial arrangements with commercial recognition of such gains and losses. Under TOFA, the gains and losses on financial arrangements may be recognised on an accruals basis rather than on realisation basis. In some cases, amounts may be recognised for taxation purposes before the relevant gains or losses are realised by the Fund.

## 8. General information for direct investors

The remainder of this PDS provides information that applies to you only if you invest directly in the Fund. It does not apply if you invest via an IDPS.

The Fund is a disclosing entity (as defined under the Corporations Act) 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 [antarescapital.com.au/hgsf](http://antarescapital.com.au/hgsf). You can also call us 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.

### Electronic redemption facility and instructions

The electronic redemption facility allows Registry Services to accept a scanned copy of your completed Withdrawal Form without requiring the original copy of the instruction to release funds. The facility can only be used if the withdrawal proceeds are to be paid to a previously nominated Australian bank account.

If you wish the withdrawal proceeds to be paid to a bank account you have not previously registered with us, we will need to receive the original copy of the Withdrawal Form in the mail before funds can be released. The Withdrawal Form can be posted to Registry Services and is available at [antarescapital.com.au](http://antarescapital.com.au) or on request from Client Services on 1300 738 355.

Email instructions (including applications, withdrawals and switching requests) will be subject to the 'Email Terms and Conditions' outlined on page 23.

### Regular Savings Plan

Our Regular Savings Plan (RSP) helps you start saving regularly to reach your investment goals. It works for you by deducting an amount from your bank, building society or credit union account on a monthly basis and investing this money into the Fund.

You can start your RSP with a minimum \$500 per month for the Fund. To register for the RSP, please complete the relevant sections of the Initial Application Form or the Additional Investment Form if you are an existing investor in the Fund. You can stop using the RSP at any time by notifying Registry Services in writing. Please note to commence an RSP in relation to the Fund, a minimum balance of \$20,000 is required.

The nominated amount for the RSP is debited around the 15th of the month. The direct debit amount will be invested in the Fund.

### Direct debit service agreement

If you wish to invest using direct debit or our RSP, please complete the Initial Application Form or Additional Investment Form if you are an existing investor in the Funds, and read and accept the terms of our Direct Debit Request Service Agreement, which is available at [mlcam.com.au/ddrsa](http://mlcam.com.au/ddrsa) or can be obtained free of charge by contacting Client Services on 1300 738 355.

### Email terms and conditions

If emails are used in operating your account, you should understand that there is potentially a greater risk that a person could fraudulently send us an email and, by pretending to be you, withdraw money from your account.

These terms and conditions apply when we (including our agents) receive email instructions or communications about your account. These terms are in addition to any other requirements relating to you giving us instructions or completing any particular authority. We can change these terms by giving you 14 days' written notice, except where the changes adversely impact you, in which case we'll give you 30 days' written notice.

By investing in the Fund, you agree that we (including our agents) may rely and act on any instructions communicated from your email which reasonably appear to be duly authorised by you and that MLC, Antares and Registry Services are not responsible for any losses you may suffer as a result of any fraudulent communications received by email, except to the extent those losses arise directly from their or their agents' negligence, wilful default or fraud. You agree to release and indemnify MLC, Antares and Registry Services against any claims and demands for any loss that we incur as a result of properly acting on such an instruction, except where we know, or have reasonable grounds to suspect, that the instruction is not authorised by you or was given in error.

MLC, Antares and Registry Services will only act when we receive complete and legible communications from you. MLC, Antares and Registry Services will not be liable for any loss which results from us not receiving your email, or from a delay in us receiving your email. The limitation of liability and indemnity above does not apply to losses or delays to the extent that they are caused by MLC, Antares or Registry Services fraud, negligence, wilful misconduct or breach of contract.

### Margin lending

Investors may fund their application via a margin lending facility. If you are funding part of your application via a margin loan, please record the name of the margin lending provider on the Initial Application Form. MLC will provide account information to the margin lending provider if requested and your transactions will be subject to approval by your margin lending provider.

Please note there are specific rules and requirements in relation to the ability of self-managed superannuation funds to borrow that the trustee must ensure are met before proceeding with a margin lending facility. These are solely your responsibility.

For further details, please consider obtaining financial advice about the suitability of margin lending to your personal circumstances.

### Joint investors

Unless otherwise expressly indicated, in the case of joint applications, units will be held as joint tenants and either investor will be able to operate the account and bind the other investor for future transactions, including additional investments and withdrawals.

### Anti-Money Laundering, Counter-Terrorism Financing and Sanctions Obligations

To comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF) and Sanctions laws, we are required to collect and verify information from you (or anyone acting on your behalf, including any related parties). We may also ask for additional information that is

reasonably required to comply with AML/CTF and Sanctions laws. This could include information about you, or a holder of a beneficial interest in the investment, or the source of funds used in connection with the investment.

We may be required to take necessary actions including delaying, blocking, freezing or refusing to process any transaction related to your investment, if we have reasonable grounds to suspect that the transaction may be in breach of any obligation, or cause us to commit or participate in an offence under any AML/CTF or Sanctions laws. We also reserve the right to report details of accounts or transactions to the relevant authorities where we are legally obliged to do so.

We will incur no liability to you or a related party if your transactions are delayed, blocked, frozen or refused under the above circumstances.

## 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.

## Non-residents

Investment income received may be subject to non-resident withholding tax. The amount of tax deducted will depend on the type of entity from which investment income is earned, the investment income type and your country of residence.

Conduit foreign income (CFI) received will generally be non-assessable, non-exempt income in Australia and not subject to Australian non-resident withholding tax. Broadly, CFI is foreign income earned by a foreign resident through an Australian entity which in most instances is not assessable to that Australian entity.

Generally, Australian Capital Gains Tax on the disposal of investments by a non-resident will not apply where those investments are not taxable Australian property. In addition, non-residents will not be subject to withholding tax on the distribution of capital gains derived from fund assets that are not taxable Australian property.

Taxation and distribution statements are generically prepared from an Australian resident investor perspective.

Investors who are non-residents for Australian tax purposes should seek professional taxation advice to clarify their specific circumstances.

All payments and transactions to, and by, the Fund are in Australian dollars. Payments from/into non-Australian bank accounts may incur currency conversion fees. Non-Australian resident investors should seek advice from their banking institution.

## Australian tax file number

MLC is authorised under the *Income Tax Assessment Act 1936* (Cth) to ask for your Australian tax file number (TFN) when you open an investment account for income distribution purposes. You don't have to provide your TFN and it's not an offence if you decide not to, but if you don't, 'Pay As You Go Withholding Tax' will be deducted at the highest marginal tax rate (plus Medicare Levy) from any income distributions payable to you.

## 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 [investorservices@antaresequities.com.au](mailto:investorservices@antaresequities.com.au) or send a letter to **Attention: MLC Asset Management Client Services, PO Box 200, North Sydney NSW 2059**. We'll conduct a review and provide you with a response in writing. If you are not satisfied with our response or the management of your complaint, or if your complaint has not been resolved within the relevant maximum timeframe (30 days) you may also be able to lodge your complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides an independent financial services complaint resolution process that's free to consumers.

You can contact AFCA in the following ways:

|                |  |
|----------------|--|
| Website:       | <a href="http://afca.org.au">afca.org.au</a>           |
| Email:         | <a href="mailto:info@afca.org.au">info@afca.org.au</a> |
| Telephone:     | 1800 931 678 (free call)                               |
| In writing to: | AFCA<br>GPO Box 3<br>Melbourne VIC 3001                |

For more information on our complaints management policy visit [mlcam.com.au/terms-and-conditions](http://mlcam.com.au/terms-and-conditions)

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.

## 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](http://mlcam.com.au/privacy)

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. You may contact us at any time to let us know that you do not want your personal information to be used or disclosed for marketing purposes. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing you with the products or services you have requested, we may disclose your personal information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas; however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

## 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 to the Responsible Entity. 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 the 'Fees and other costs' section on page 16.

You can obtain information on your account and update your details by contacting our Client Services team.

## Keeping you informed

If you invest directly into the Fund, we will provide you with the information set out in the table below. We may provide this information to you by post, email or by making the information available on [antarescapital.com.au](http://antarescapital.com.au). We'll notify you when information about your investment has been made available online. If you wish to obtain information on your account and update your details (including a preference to receive updates about your account by post), please contact our Client Services team. See 'Contact details for direct investors' section on page 27 for further information.

If you invest in the Fund via an IDPS, you can obtain information on your investment by contacting your IDPS operator. Past performance figures and asset allocation information are updated on a monthly basis and are available free of charge at [antarescapital.com.au](http://antarescapital.com.au) or by contacting Client Services on 1300 738 355. Past performance is not a reliable indicator of future performance.

|   |   |
|---|---|
| <b>Transaction confirmation</b>             | Confirms any investment, switch or withdrawal you make on your account. These statements will also be available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a>   |
| <b>Periodic statement</b>                   | Provides details regarding your account balance, a summary of any transactions on your investment, fees and costs incurred during the period and information about returns on your investment each quarter. A monthly statement outlining your transactions is available upon request by contacting Client Services on 1300 738 355. This is also available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a>   |
| <b>Distribution statement</b>               | Provides details of the distributions paid on your account. This is also available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a>  |
| <b>Annual taxation statement</b>            | You will be provided with an annual taxation statement, referred to as an AMIT Member Annual Statement (AMMA Statement), to assist you in completing your tax return. The AMMA Statement will show the taxable and non-taxable components of the income attributed to you (which includes any distributions received or reinvested). These statements will also be available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a>  |
| <b>Annual financial report</b>              | You can elect to receive, free of charge, a copy of the Funds' annual report as a hard copy or an electronic copy. If you do not make an election, you can access a copy of the Funds' annual report on our website <a href="http://antarescapital.com.au/fixed-income-reports">antarescapital.com.au/fixed-income-reports</a>  |
| <b>Constitution</b>                         |   |
| <b>Performance history</b>                  | This information is available to you free of charge on request by contacting Client Services on 1300 738 355.   |
| <b>Unit Pricing Discretions Policy</b>      |   |
| <b>Derivatives policy</b>                   |   |
| <b>Privacy policy</b>                       |   |
| <b>Product Disclosure statement updates</b> | You can obtain a copy of the latest PDS on request by contacting Client Services on 1300 738 355 or by visiting the website <a href="http://antarescapital.com.au/hgsf">antarescapital.com.au/hgsf</a> . The PDS can be updated or replaced from time to time. Refer to the 'Changes to the Fund' section for further information.  |
| <b>Monthly performance report</b>           | Provides details on the following: <ul style="list-style-type: none"> <li>• Fund's NAV and the unit price</li> <li>• the key service providers if they have changed since the last report given to investors, including any change in their related party status</li> <li>• the net return on the Fund's assets after fees, costs and taxes any material change in the Fund's risk profile</li> <li>• any material change in the Fund's strategy, and</li> <li>• any change in the individuals playing a key role in investment decisions for the Fund.</li> </ul> This report will be available on <a href="http://antarescapital.com.au/hgsf">antarescapital.com.au/hgsf</a><br>This is also available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a>  |
| <b>Annual report</b>                        | Provides details on the following: <ul style="list-style-type: none"> <li>• the strategy allocation to each asset type</li> <li>• the liquidity profile of the assets as at the end of the period</li> <li>• the maturity profile of liabilities as at the end of the period</li> <li>• the leverage ratio as at the end of the period</li> <li>• the derivative counterparties engaged (if any)</li> <li>• the monthly or annual investment returns over at least a five-year period, and</li> <li>• the key service providers if they have changed since the latest report given to investors, including any change in their related party status.</li> </ul> This report will be available on <a href="http://antarescapital.com.au/hgsf">antarescapital.com.au/hgsf</a><br>This is also available via Investor Online at <a href="http://antarescapital.com.au">antarescapital.com.au</a> |

## Contact details for direct investors

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**

**Mail:** GPO Box 804 Melbourne VIC 3001 Australia

**Email:** [antaresequities\\_transactions@unitregistry.com.au](mailto:antaresequities_transactions@unitregistry.com.au)

### **Client Services**

PO Box 200

North Sydney NSW 2059 Australia

Telephone: **1300 738 355**

Email: [investorservices@antaresequities.com.au](mailto:investorservices@antaresequities.com.au)

### **Responsible Entity**

MLC Investments Limited

PO Box 200

North Sydney NSW 2059 Australia

### **Website**

[antarescapital.com.au](http://antarescapital.com.au)

