



## IMPORTANT INFORMATION

This PDS contains a summary of significant information in relation to the PE Capital Y Fund ARSN 613 288 967 (Fund). It also includes references to additional important information (all of which forms part of this PDS) contained in the document titled 'Additional Information Booklet' that can be obtained at no cost by calling One Managed Investment Funds Limited on (02) 8277 0000 or by downloading it from the website [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY). You should read both the PDS and the Additional Information Booklet before making a decision about whether to invest in the Fund.

The information provided in this PDS and the Additional Information Booklet is general in nature and does not take into account your personal financial situation or needs. You should seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. Applications from outside Australia will not be accepted through this PDS. For the avoidance of doubt, Units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

None of One Managed Investment Funds Limited, PE Capital Funds Management Ltd or any of their related entities, directors or officers guarantee the repayment of capital, the receipt of distributions or the performance of the Fund.

## UPDATED INFORMATION

Information in this PDS is subject to change from time to time and may be updated by us if it is not materially adverse to you. Updated information can be obtained at any time from the website [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY). A copy of updated information will also be provided to you free of charge upon request by contacting One Managed Investment Funds Limited with the details provided above.

## PE CAPITAL Y FUND ARSN 613 288 967

APIR OMF0024AU (Ordinary Units)  
APIR OMF0025AU (Wholesale Units)

### ISSUED

29 September 2017

### ISSUED BY RESPONSIBLE ENTITY

One Managed Investment Funds Limited ACN 117 400 987  
AFS licence number 297042

### INVESTMENT MANAGER

PE Capital Funds Management Ltd ACN 605 157 248  
Corporate authorised representative number 001245743 of  
One Investment Administration Ltd ACN 072 899 060  
AFS licence number 225064

### MFUND

PEY01

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## 1. ABOUT ONE MANAGED INVESTMENT FUNDS LIMITED

One Managed Investment Funds Limited (we, us or our) is the issuer of this PDS and of Units in the Fund. We are the responsible entity for the Fund (Responsible Entity) and have appointed PE Capital Funds Management Ltd ACN 605 157 248 as the investment manager of the Fund (Investment Manager). As responsible entity of the Fund, our role is to ensure the operation of the Fund is in accordance with the Corporations Act. We will also hold title to the Fund's assets.

### 1.1 About One Investment Group

The Responsible Entity is part of One Investment Group (OIG). OIG is an independent Australian funds management business established to provide responsible entity, trustee, corporate trust and administration services. OIG specialises in a range of asset classes including real estate, private equity, fixed income, credit and equities.

### 1.2 About the Investment Manager

The Investment Manager is a boutique investment management company, and is part of the PE Capital group of companies. The Investment Manager is focused on the Australian investment landscape to produce value for investors. The business is supported by an experienced and motivated team who engage leading edge systems and technology, undertake thorough research and are guided by proven and tested business processes.

## 2. HOW THE FUND WORKS

You should read the important information about how the Fund works in the Additional Information Booklet before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 5 'Distributions' and Section 6 'Investing in the Fund'. The material relating to how the Fund works may change between the time when you read this PDS and the day when you acquire the product.

The Fund is structured as a unit trust and is registered as a managed investment scheme under the Corporations Act. Unit trusts enable investors to pool their money with that of other investors and this pooled money is then managed by an investment manager. As an Investor you have a fixed beneficial interest in the assets of the Fund calculated as the proportion your Unit holding bears to all of the Units in the Fund which have been issued. You do not, however, have a right to demand any particular assets of the Fund be transferred to you. Investing in the Fund allows Investors to access what they may otherwise not be able to access independently, including the services of an investment manager. The price of Units will vary as the market value of assets in the Fund rises or falls.

### UNIT PRICES

Unit pricing will be undertaken daily (each Business Day) and will be determined by dividing the net asset value of the Fund by the number of Units on issue. Therefore, the Unit price will vary as the value of the Fund's assets and liabilities vary. The calculation of the Unit price is governed by a unit pricing policy, which is available to Investors from us upon request. The net asset value of the Fund is the value of the Fund's assets less the liabilities of the Fund at the time it is calculated. The application price of Units will be the Unit price plus the buy spread of +0.15%, while the withdrawal price of Units will be the Unit price minus the sell spread of -0.15%. The buy/sell spread is explained further in Section 3.6 'Fees and costs' of the 'Additional Information Booklet'.

### UNIT CLASSES

The Fund offers two classes of Units under this PDS: Ordinary Units and Wholesale Units. Wholesale Units and Ordinary Units will rank equally, and have the same rights, restrictions, obligations, terms and conditions, except for the following:

- (a) Wholesale Units are only able to be applied for by Wholesale Clients and be issued by us to Wholesale Clients.

- (b) A different management fee will be charged in respect of each class of Units (see Section 6 'Fees and costs' for further information).
- (c) If Wholesale Units are transferred to a Retail Client, the Transferred Units will automatically be reclassified as, or converted to, Ordinary Units by us (at the next relevant valuation time) pursuant to our reclassification and conversion power under the Constitution. See Section 7.5 'Transferred Units' of the 'Additional Information Booklet' for more information.

### 2.1 Transacting via mFund

The Ordinary Units of the Fund have been admitted as an mFund product under the ASX Operating Rules. mFund is a managed fund settlement service that uses CHESS, the ASX's electronic settlement service, which allows automated applications and withdrawals of Ordinary Units through your ASX Broker. You may apply for Ordinary Units and make withdrawal requests for Ordinary Units through mFund using your ASX Broker. mFund does not facilitate on-market buying and selling between investors. The Ordinary Units settled through mFund are issued and redeemed by us and forwarded by CHESS to your ASX Broker. See Section 9 'mFund Investors' of the 'Additional Information Booklet' for more information. Investors investing through mFund should read this PDS and the 'Additional Information Booklet' in their entirety. The 'Additional Information Booklet' is available at [www.asx.com.au/mfund/fund-information.htm](http://www.asx.com.au/mfund/fund-information.htm) or [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY) or by calling (02) 8277 0000.

### 2.2 Applications

You can apply for Ordinary Units and Wholesale Units in any of the following ways:

- (a) Ordinary Units – through mFund using your ASX Broker or by completing the Application Form.
- (b) Wholesale Units – by completing the Wholesale Application Form.

You can also apply for Units through an IDPS operator. Please see Section 8 'How to apply' for more information. The cut-off time is 11am AEST on each Business Day for receiving applications for Ordinary Units or Wholesale Units. The cut-off times for other administration platforms or certain ASX Brokers may be earlier or later. Applications accepted by the Registrar on behalf of the Responsible Entity will be processed using the application price calculated on that Business Day. Applications received after the cut-off time will be taken to be received on the next Business Day the application is accepted and will be processed using that day's application price. Confirmation of an investment will normally be issued within five Business Days of your application being processed. Interest will not be paid on your application money. You can add to your investment at any time by completing and sending us an additional investment form which is attached at the end of the Application Form or Wholesale Application Form (as applicable), together with your investment amount, or by contacting your ASX Broker to increase your investment through mFund.

### MINIMUM INVESTMENT AMOUNTS

TABLE 1

	Minimum investment amount (\$)*	Minimum additional investment amount (\$)*
Ordinary Units	5,000	250
Wholesale Units	500,000	5,000

\*The Responsible Entity reserves the right to accept lower minimum investment amounts in its absolute discretion.

We may decline to extend, or may withdraw, an invitation to invest in the Fund at any time. Neither the Responsible Entity, the Investment Manager nor any other person accepts any liability to any recipient of this PDS for costs incurred or losses suffered if an invitation is withdrawn for any reason or if an application is refused in whole or in part. The Responsible Entity reserves the right to accept or reject any applications in its absolute discretion. The number of Units of

the relevant class issued to you when you make an application will be calculated by dividing the amount you agree to invest by the applicable application price.

## 2.3 Withdrawals

When the Fund is liquid (as defined in the Corporations Act) you can withdraw all or some of your Ordinary Units or Wholesale Units by completing a redemption request form and submitting your form to us. Redemption request forms are available at [www.oneregistryservices.com.au/investors/](http://www.oneregistryservices.com.au/investors/). You may make a withdrawal request for Ordinary Units using your ASX Broker through mFund. The minimum withdrawal amount is \$5,000. However, should your withdrawal request result in your investment balance falling below the relevant minimum investment amounts shown in Table 1 or, where the Responsible Entity has exercised its discretion to accept a lower minimum investment amount, the Responsible Entity may either –

- (a) redeem your investment balance in the Fund, or that lower amount, in full and have it paid to you, less any applicable fees, or
- (b) for Wholesale Units, reclassify or convert your remaining Wholesale Units to Ordinary Units.

The cut-off time for receiving withdrawal requests for Units is 11am AEST on each Business Day. However, the cut-off times for other administration platforms or certain ASX Brokers may be earlier or later. Withdrawal requests received before the cut-off time will be processed using the withdrawal price calculated on that Business Day. Withdrawal requests received after the cut-off time will be taken to be received on the next Business Day and will be processed using that day's withdrawal price. Withdrawal proceeds are usually paid within five Business Days following the day on which your withdrawal request is processed, although the Constitution allows up to 21 days. If, on any Business Day, prior to the cut-off time, the aggregate value of all withdrawal requests for Units received by us or through mFund exceeds 5% of the net asset value of the Fund, then we may (at our discretion) reduce each withdrawal request on a pro-rata basis so that only Units equal to 5% of the net asset value of the Fund are redeemed. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next Business Day and each subsequent Business Day on the same pro-rata basis until such Units are able to be redeemed in the manner above. In addition, in certain circumstances, such as a freeze on withdrawals or where the Fund is not liquid (as defined in the Corporations Act) you may not be able to withdraw your investment during the usual period. The Fund will not be liquid (as defined in the Corporations Act) if less than 80% of its assets can be reasonably considered liquid. At the date of this PDS, the Fund is liquid and we believe the Fund will continue to be liquid. If the Fund becomes illiquid, then we will notify you in writing.

## 2.4 Income distributions

A Unit entitles you to participate in any income generated from the assets of the Fund. All income distributions will be reinvested on your behalf, unless you choose to receive income distributions by completing the relevant section of the Application Form or Wholesale Application Form (as applicable). Please note there may be tax implications for you on distributions reinvested on your behalf. If you wish to change your election after submitting your Application Form or Wholesale Application Form (as applicable), a payment election form can be obtained by contacting the Registrar on (02) 8188 1510 or downloading a form from [www.oneregistryservices.com.au/investors/](http://www.oneregistryservices.com.au/investors/).

## FREQUENCY OF DISTRIBUTIONS

The Fund expects to make distributions on a six monthly basis. Subject to the Constitution, distributions (if any) will generally be paid within 15 Business Days after 31 December and generally within two months after 30 June. Distributions are expected but not guaranteed and may not be payable for a number of reasons, such as market volatility and losses being incurred by the Fund.

## HOW DISTRIBUTIONS ARE CALCULATED

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of Units on issue. We generally distribute all taxable income to Investors each year, including the net capital gains of the Fund. Net realised capital gains are typically distributed in the final distribution of the financial year.

## 3. BENEFITS OF INVESTING IN THE FUND

**SIGNIFICANT FEATURES:** The Fund's significant features include access to the Investment Manager's distinctive investment approach, which involves investment in liquid investments and in a fixed return fund with limited liquidity and exposure to development projects. The Fund aims to provide Investors with twice-yearly distributions through investment in a portfolio of income producing assets, while affording flexibility to Investors who wish to withdraw from the Fund.

**SIGNIFICANT BENEFITS:** Investing in the Fund offers a number of benefits, including:

- (a) Unique investment opportunities and diversified investment mandate.
- (b) Structured pre-investment due diligence process.
- (c) Exceptional team, project and network capacity.

You should read the important information about the benefits of investing and the features of the Fund before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 1 'Features and benefits'. The material relating to the benefits and features may change between the time when you read this PDS and the day when you sign and submit the Application Form or Wholesale Application Form (as applicable).

## 4. RISKS

You should read the important information about the risks of managed investment schemes before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 2 'Risks of managed investment schemes'. The material relating to risks of investing may change between the time when you read this PDS and the day when you sign and submit the Application Form or Wholesale Application Form (as applicable).

All investments carry risk. The likely investment return and the level of risk of losing money differs among managed investment schemes depending on the underlying mix of assets. Generally, the higher the level of risk you are prepared to accept, the higher potential returns or losses. Assets with the highest long term returns may also carry the highest level of short term risk. Growth assets, such as shares and property, are generally considered the most volatile assets, as they are likely to experience greater fluctuations in value than defensive assets, such as fixed income and cash. When considering investing in any managed investment scheme, it is important to understand that –

- (a) the value of investments will vary
- (b) the level of returns will vary, and future returns may differ from past returns
- (c) returns are not guaranteed, and you may lose some or all of your money
- (d) laws affecting your investment in a managed investment scheme may change
- (e) the appropriate level of risk for you will depend on a range of factors including your age, investment time frames, where other parts of your wealth are invested and how tolerant you are to the possibility of losing some or all of your money in some years, and
- (f) past performance is not an accurate predictor of future performance.

The significant risks for the Fund are as follows:

**MARKET RISK:** Investment returns are influenced by the performance of the market as a whole. Economic, technological, political and legal factors and market sentiment can change. These changes may affect the value of investment markets, the Fund's investments and the value of the Units.

**STRATEGY RISK:** The Fund seeks to deliver returns using a distinctive investment approach, which involves investment in a fixed return fund with limited liquidity and exposure to development projects balanced by investment in liquid investments. The nature of the strategy is such that loss could be incurred by virtue of errant asset sector allocation decisions or through errant investment selection.

**LIQUIDITY RISK:** Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments for Investors without a potentially significant delay. In addition, an allocation of the Fund's assets will be invested in the P1 Fund, which is a fixed return fund managed by PE Capital. The P1 Fund gains exposure to development projects being undertaken by the PE Capital group of companies by subscribing for redeemable preference units in the special purpose vehicles undertaking those development projects. The Fund is only able to redeem its investment in the P1 Fund on a monthly basis. Therefore, if the Fund receives a large number of withdrawal requests over a short period of time, then this could affect its liquidity and we may need to suspend withdrawals from the Fund. In those circumstances, you would only be able to withdraw from the Fund if the Fund is considered liquid or in response to any withdrawal offer we may make. Because of the unique nature of the Fund's investment in the P1 Fund, the risk of the Fund becoming illiquid or withdrawals being suspended is generally higher than for other retail bond funds that invest a higher proportion of their assets in liquid assets.

**INVESTMENT SPECIFIC RISK:** The price of a specific investment of the Fund may be affected by market risk (above) but also by factors which are specific to that investment; for example, a circumstance or change impacting a particular company, sector, region or type of product in which the Fund has invested. An allocation of up to 20% of the Fund will be made in the P1 Fund and the risks specific to this investment include that the development projects in which the P1 Fund gains exposure to will not progress through the development approval process and that there will be no tenants to occupy the premises upon completion of the projects. In addition, if, because of the nature of its investments, the Fund does not qualify as a simple managed investment scheme, then the ASX may suspend or revoke the admission of the Ordinary Units to mFund.

**DEFAULT OR DELAY RISK:** The P1 Fund is exposed to development projects through its holding of redeemable preference units in special purpose vehicles, and there are specific risks associated with such investments which may impact the performance of the P1 Fund and cause it to default or delay on the payment of coupons, or the repayment of capital, to the Fund. This in turn may impact the returns payable by the Fund to Investors. The risk of default or delay can occur as a result of underlying construction or development costs exceeding budgeted costs and the developer being unable to complete the project without obtaining further funds, failure to obtain or delays in obtaining development approvals, the funds kept in reserve by the developer to complete the project being insufficient to meet the cost of completion, and a change in market conditions could result in the project's value on completion being worth less than anticipated, or in lower sale rates and prices than expected.

**INVESTMENT MANAGER RISK:** Like other investment managers, the Investment Manager's approach directly impacts the value of the Fund's performance. There is no guarantee the Fund will achieve its performance objective or produce results that are positive. Changes in key personnel within the Investment Manager may also impact on the Fund's future return. In addition, the Investment Manager has been appointed as a corporate authorised representative of One Investment Administration Ltd. If the Investment Manager loses its authorised representative appointment, then there is a risk that it will no longer be able to manage the Fund's assets. This could result in the Fund suffering losses.

**FUND RISK:** Risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs payable by the Fund could change. There is also a risk that investing in the Fund may give different results than investing individually in the underlying assets because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other Investors.

**INTEREST RATE RISK:** The yield and face value of securities can be affected by interest rate movement. In instances where interest rates rise, the face value of certain fixed rate securities may decline. Equally, in circumstances where interest rates decline, the yield of certain floating rate securities will drop to reflect the floating rate nature of the yield. Additionally, longer term interest rate expectations have the ability to impact the value of longer maturity fixed rate securities. Changes in interest rate movement may have a negative impact on the value of your investment and distributions received from the Fund.

**COUNTERPARTY RISK:** Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. The risk to the Fund here is the counterparty to Government securities, corporate debt, notes and securities and hybrid securities in which the Fund invests may breach its contractual obligations. To mitigate against counterparty risk, Government securities, corporate debt, notes and securities and hybrid securities in which the Fund invests (either directly, or indirectly through another fund) must be rated as investment grade, which means their credit rating is BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. In addition, investing through mFund brings some risk that the ASX may suspend or revoke the admission of the Ordinary Units to mFund, that the ASX's systems could fail, or there could be errors in connection with the system.

**RECLASSIFICATION/CONVERSION RISK:** If your Units are reclassified or converted to a different class, there may be an adverse impact on your investment in the Fund, including adverse tax consequences or different terms of issue of that class (for example, higher fees).

## 5. HOW WE INVEST YOUR MONEY

You should read the important information about how we invest your money before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 1 'Features and benefits'. The material relating to how we invest your money may change between the time when you read this PDS and the day when you sign and submit the Application Form or Wholesale Application Form (as applicable).

You should consider the likely investment return, the risk and your investment timeframe when choosing to invest in the Fund.

### 5.1 Investment strategy

The Fund's focus will be on liquid assets, which may include at-call and term deposits with Australian ADIs, Government securities, corporate debt, notes and securities and hybrid securities which are rated as investment grade, which means their credit rating is BBB – or higher by Standard & Poors, or Baa3 or higher by Moody's. The Fund may also invest in other funds that invest in these types of assets. The Fund will maintain a minimum investment of 80% of its assets in liquid assets. In addition, the Fund may invest up to a maximum of 20% of its assets in the P1 Fund, which is a fixed return fund that intends to pay semi annual coupons to the Fund. The P1 Fund has exposure to development projects being undertaken by the PE Capital group of companies through holding redeemable preference units in the special purpose vehicles undertaking those development projects. The Investment Manager has established a multi-layered assessment and compliance structure which utilises an investment screening strategy to manage risk while cautiously optimising returns from quality investment opportunities. This approach is balanced by consideration of the investment opportunities presented to the Fund within its investment mandate. The Investment Manager will analyse investment opportunities on the basis of a pre-investment screening template developed by the Investment Manager. The screening is a blended approach and is both qualitative and quantitative, with a rigorously applied, pre-investment screening template. The Investment Manager's main role is to screen, monitor, assess and manage Fund assets, and

on occasion may engage an asset consultant to provide general advice on the approved product list for the liquid asset component of the Fund's portfolio.

## 5.2 Asset classes

At-call and term deposits with Australian ADIs (directly or indirectly)	0% – 100%
Government securities	0% – 70%
Corporate debt, notes and securities	0% – 70%
Hybrid securities	0% – 70%
Fixed return investments*	0% – 20%

\*The Fund will hold these investments indirectly through the P1 Fund. Currently, the Fund may only redeem its investment in the P1 Fund on a monthly basis.

## 5.3 Investment return objective

The Fund aims to provide Investors with twice-yearly distributions through investment in a portfolio of income producing assets, while affording flexibility to Investors who wish to withdraw from the Fund.

Please note, this objective is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium term on the assumption that credit markets remain relatively stable throughout the minimum suggested investment timeframe. The Fund may not be successful in meeting its investment return objective. Returns are not guaranteed.

## 5.4 Other key features

Minimum suggested investment time frame: 2 to 4 years.

Risk level: Medium risk.

## 6. FEES AND COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. 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) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

Table 2 shows fees and other costs that you may be charged and can be used to compare costs between different simple managed investment schemes. These fees and costs may be paid directly from the money you invest or deducted from investment returns or the Fund's assets as a whole. The fees set out in the table below are inclusive of GST and less any reduced input tax credits expected to be available. You should read all the information about fees and costs as it is important to understand their impact on your investment.

TABLE 2

Type of fee or cost	Amount applicable to Ordinary Units	Amount applicable to Wholesale Units
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>		
Establishment fee	Nil	Nil
Contribution fee	Nil	Nil
Withdrawal fee	Nil	Nil

Type of fee or cost	Amount applicable to Ordinary Units	Amount applicable to Wholesale Units
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>		
Termination fee	Nil	Nil
<b>MANAGEMENT COSTS</b>		
The fees and costs for managing your investment		
Management fee	1.025% per annum of the gross value of the Fund's assets referable to Ordinary Units. This fee is payable to the Investment Manager who will use it to cover the relevant portion of the Responsible Entity fee and Custody fee described below.	0.5125% per annum of the gross value of the Fund's assets referable to Wholesale Units. This fee is payable to the Investment Manager who will use it to cover the relevant portion of the Responsible Entity fee and Custody fee described below.
Expenses	Expenses capped at a maximum of 0.5225% per annum of the gross value of the Fund's assets (excluding Abnormal Expenses).	
Indirect costs	Expected to be 0% per annum of the gross value of the Fund's assets.	

You should read the important information about fees and costs before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 3 'Fees and costs'. The material relating to fees and costs may change between the time when you read this PDS and the day when you sign and submit the Application Form or Wholesale Application Form (as applicable).

### Important

Additional fees may be payable to your ASX Broker for accessing the Fund through mFund (please refer to the financial services guide or statement of advice, as relevant, provided by your ASX Broker).

### 6.1 Management fee

**ORDINARY UNITS:** The Investment Manager is entitled to a management fee of 1.025% per annum of the gross value of the Fund's assets referable to Ordinary Units. If the gross value of the Fund attributable to Ordinary Units is \$40,000,000 then the Investment Manager is entitled to a monthly management fee of \$34,167 in respect of Ordinary Units.

**WHOLESALE UNITS:** The Investment Manager is entitled to a management fee of 0.5125% per annum of the gross value of the Fund's assets referable to Wholesale Units. If the gross value of the Fund attributable to Wholesale Units is \$60,000,000 then the Investment Manager is entitled to a monthly management fee of \$25,625 in respect of Wholesale Units.

The management fee is accrued daily and is payable to the Investment Manager monthly in arrears out of the Fund's assets.

### 6.2 Responsible Entity fee

For acting as the responsible entity of the Fund, the Responsible Entity is entitled to a fee equal to the greater of –

- \$74,759 per annum with annual CPI increases, or
- 0.0836% per annum of the gross value of the Fund's assets.

If the gross value of the Fund's assets is \$100,000,000 then the Responsible Entity is entitled to a Responsible Entity fee of \$6,967 per month. The Responsible Entity fee is accrued daily and paid monthly in arrears to the Responsible Entity out of the Fund's assets. The Investment Manager will pay this Responsible Entity fee from its management fee.

### 6.3 Custody fee

For performing the custodial services for the Fund, the Responsible Entity is entitled to a fee equal to the greater of –

- (a) \$25,141 per annum with annual CPI increases, or
- (b) 0.03075% per annum of the gross value of the Fund's assets.

If the gross value of the Fund's assets is \$100,000,000 then the Responsible Entity is entitled to a custody fee of \$2,563 per month. The custody fee is accrued daily and paid monthly in arrears to the Responsible Entity out of the Fund's assets. The Investment Manager will pay this custody fee from its management fee.

### 6.4 Removal fees

The Investment Manager is entitled to be paid a removal fee equating to three years' of management fees if the Investment Manager's appointment is terminated by the Responsible Entity in certain circumstances. The Responsible Entity is also entitled to be paid a removal fee if it is replaced in certain circumstances. The Responsible Entity's removal fee equates to the amount of the balance of the Responsible Entity fee and the balance of the custody fee it would have received if it had remained the responsible entity of the Fund for four years from 28 November 2016. The removal fees are contingent fees and may never be paid.

### 6.5 Operating costs and expenses and Expense Cap

The expenses of the Fund are subject to the Expense Cap of 0.5225% per annum of the gross value of the Fund's assets. The expenses in the Expense Cap include, but are not limited to, the Fund's administration fees, registry fees, fees for audit of the Fund, mFund clearing and settlement service expenses, any asset consultant's fees and expenses properly incurred in connection with the Responsible Entity and the Investment Manager performing their duties and obligations in the day-to-day operation of the Fund. The Investment Manager has agreed to pay any operating costs and expenses of the Fund that exceed the Expense Cap. To the extent necessary, the Investment Manager will use its fees or waive its entitlement to its fees or reimbursement of expenses, or will pay additional amounts to the Responsible Entity, to ensure that any excess expenses are met. However, if the Investment Manager is unable to meet any excess expenses, then all the expenses incurred in running the Fund will be charged to the Fund itself. The Constitution allows the Responsible Entity to charge all costs and expenses properly incurred in running the Fund to the Fund itself. Investors should be aware that in such circumstances the expenses charged to the Fund will be higher than disclosed above. The Investment Manager will begin seeking reimbursement of its expenses it has paid in excess of the Expense Cap once the gross value of the assets of the Fund reach a sufficient level to cover the reimbursement of those expenses. However, the Investment Manager is not entitled to be reimbursed for these expenses in any year where the Expense Cap has already been exceeded, or if the reimbursement of these would result in the Expense Cap being exceeded in that year. Generally, operating costs and expenses are paid as and when incurred or reimbursed to the Responsible Entity or the Investment Manager, as appropriate.

### 6.6 Abnormal Expenses

Abnormal Expenses are expenses not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. These expenses are due to abnormal events and include (but are not limited to) the cost of convening and hosting a meeting of Investors, preparing a new offer document for the Fund, legal expenses incurred by changes to the Constitution or commencing or defending legal proceedings. Abnormal Expenses are not included within the Expense Cap, which means they will be paid from the assets of the Fund as and when they are incurred, and not by the Investment Manager.

### 6.7 Changes to fees

The Constitution allows for higher fees to be charged than those detailed in this PDS (see Section 3.1 'Maximum fees' in the 'Additional Information Booklet') and specifies circumstances where additional fees may be charged. We will give Investors 30 days' notice of any

proposed increase in fees. If you are investing through an IDPS, your IDPS operator will be given 30 days' notice of any increase in fees.

### 6.8 Fees paid to a financial adviser

Additional fees may be paid to a financial adviser if a financial adviser is consulted.

Details of those fees should be set out in the statement of advice given to you by your adviser.

### 6.9 Indirect costs

Management costs are required to include all indirect costs. It is not anticipated that there will be any indirect costs for this Fund.

### 6.10 Transactional and operational costs

When buying or selling Units of the Fund through mFund Investors will incur ordinary brokerage costs charged by their ASX Broker. Transactional costs incurred by the Fund will be brokerage on all purchases and sales of securities held by the Fund. Transaction costs will differ depending on the type of assets and investment activity of the Fund, and will be paid out of the Fund's assets. We estimate that the Fund's total transactional and operational costs will be approximately 0.15% of the net asset value of the Fund and during the Fund's start-up phase, we anticipate that all transactional and operational costs will be borne by the current buy-sell spread of +0.15% / -0.15% (see Section 2 'How the Fund works'). Any transactional and operational costs not covered by the buy-sell spread will be borne by the Fund. See Section 3.7 'Transactional and operational costs' of the Additional Information Booklet for more information.

### 6.11 Example of annual fees and costs

Table 3 below gives an example of how the fees and costs for this Fund can affect your investment over a one-year period if you only hold Ordinary Units. You should use this table to compare this product with other managed investment products.

TABLE 3 – ORDINARY UNITS

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management costs	1.5475% per annum <sup>1</sup>	And, for every \$50,000 you have invested in the Fund, you will be charged \$774 per year.
Equals cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees from \$774 to \$851 (depending on the time during the year when you make the additional contribution).  Additional charges will depend on the transaction costs of the year (the buy/sell spread) and any adviser service fee you negotiate with your financial adviser.

- This is the Fund's indirect costs ratio ("ICR") for Ordinary Units. It represents a reasonable estimate of the ratio of the Fund's management costs to the Fund's total average net assets referable to Ordinary Units for the previous financial year (annualised). The ICR includes any management costs incurred in the Fund's underlying investments. The ICR may change over time to reflect changes in the nature of the Fund's investments and the size of the Fund.

Table 4 below gives an example of how the fees and costs for this Fund can affect your investment over a one-year period if you only hold Wholesale Units. You should use this table to compare this product with other managed investment products.

TABLE 4 – WHOLESALE UNITS

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management costs	1.035% per annum <sup>1</sup>	And, for every \$50,000 you have invested in the Fund, you will be charged \$518 per year.
Equals cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees from \$518 to \$569 (depending on the time during the year when you make the additional contribution).  Additional charges will depend on the transaction costs of the year (the buy/sell spread) and any adviser service fee you negotiate with your financial adviser.

1. This is the Fund's ICR for Wholesale Units. It represents a reasonable estimate of the ratio of the Fund's management costs to the Fund's total average net assets referable to Wholesale Units for the previous financial year (annualised). The ICR includes any management costs incurred in the Fund's underlying investments. The ICR may change over time to reflect changes in the nature of the Fund's investments and the size of the Fund.

## 6.12 Goods and Services Tax

Unless otherwise stated, all fees and costs in this section of the PDS are quoted inclusive of any GST and net of any input tax credits or reduced input tax credits that are expected to be available to the Fund. Further information about the GST treatment of fees and costs is contained in the 'Additional Information Booklet' in Section 3 'Fees and costs'.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

You should read the important information about tax before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); in particular, Section 4 'Tax'. The material relating to tax may change between the time when you read this PDS and the day when you sign and submit the Application Form or Wholesale Application Form (as applicable).

Investing in a managed investment scheme, such as the Fund, is likely to have tax consequences for investors. You are strongly advised to seek professional taxation advice before you invest or deal with your investment.

The Fund does not pay tax on behalf of investors, and investors are assessed for tax on any income and capital gains generated by the Fund. We will send you the information you need each year to help you to complete your tax return. We will distribute income and capital gains, if any, within two months after 30 June each year. Distributions could comprise income (e.g. dividends and interest), net taxable capital gains (from the sale of the Fund's investments) and tax credits.

## 8. HOW TO APPLY

- Read, in their entirety, this PDS and the 'Additional Information Booklet', which is available at [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY), or by calling (02) 8277 0000.
- Consider whether this investment is suitable to your financial situation and needs, and consider all the risk factors set out in Section 4 'Risks' for more information.

- The minimum investment is \$5,000 for Ordinary Units and \$500,000 for Wholesale Units, and then in multiples of \$250 for Ordinary Units and \$5,000 for Wholesale Units for subsequent investments, or such other amount agreed by us.
- If you are not investing through mFund, complete the Application Form (for Ordinary Units) or Wholesale Application Form (for Wholesale Units) which are available from [www.oneinvestment.com.au/PECapitalY](http://www.oneinvestment.com.au/PECapitalY); or by calling (02) 8277 0000. Payment may be made by electronic funds transfer or direct deposit (please refer to the applicable Application Form or Wholesale Application Form for details) or by cheques. Cheques should be crossed "Not negotiable" and made payable to "One Managed Investment Funds Limited Application Account 7". Mail your completed Application Form or Wholesale Application Form (as applicable) (including all relevant documentation and information) and cheque (if applicable) to: PE Capital Y Fund Unit Registry, PO Box R1479 Royal Exchange NSW 1225. See Section 2.2 'Applications' for more information.
- If you are investing through mFund, you will need to apply via your ASX Broker (broker-sponsored units) and all application money should be paid directly to your ASX Broker. Your holding of the broker-sponsored units is linked to your individual HIN, which is used to hold your other investments transacted through the ASX. If you do not have a HIN then you will be issued with one by your ASX Broker. See Section 2.2 'Applications' for more information.

### 8.1 Investing in the Fund through an IDPS operator

We have authorised the use of this PDS as disclosure to direct investors and investors of an IDPS (commonly known as a master trust or wrap account). If you invest through an IDPS operator, your rights and liabilities will be governed by the terms and conditions of the disclosure document provided by them. Indirect investors should carefully read these terms and conditions before investing.

If you are gaining exposure to the Fund through an IDPS operator, then you will need to give a direction to the IDPS operator to invest in or withdraw from the IDPS and complete the documents provided by them.

### 8.2 Cooling-off

A 14-day cooling-off period applies to Retail Clients who invest in the Fund. Your cooling-off period commences on the earlier of –

- the date you receive confirmation of your transaction, and
- the end of the fifth Business Day after we issue your Units to you.

If you tell us in writing you want to withdraw your investment during your cooling-off period, then we will return your money to you and no fees will apply. However, if your Units have already been issued to you, then they will be redeemed at the Unit price on the day of the redemption which may be different (higher or lower) to the price at which they were issued less any non-refundable tax or duty paid or payable and any reasonable administration costs. Tax consequences may also arise during the holding period (however brief).

### 8.3 Complaints

The Responsible Entity has procedures in place to properly consider and deal with any complaints received in accordance with clause 24 of the Constitution. The Responsible Entity will acknowledge a complaint, investigate it and decide what action needs to be taken. The Responsible Entity will notify a complainant of its decision together with any remedies that are available under the Constitution or other avenues of redress or appeal. If you have a complaint in relation to the Fund, please contact the Complaints Officer of the Responsible Entity at PO Box R1471 Royal Exchange NSW 1225 (Phone: (02) 8277 0000 Email: [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au)). The Responsible Entity will ensure that the complaint receives proper consideration and will communicate with the complainant as soon as possible (and in any event, within 45 days after receipt of the complaint). If your complaint is not dealt with within 45 days or you are unsatisfied with the Responsible Entity's determination, then you may have the right to complain to the Financial Ombudsman Service at GPO Box 3, Melbourne, Victoria 3001 or by calling 1800 367 287. ASIC also has an infoline (1300 300 630) to obtain further information about your rights.

## 9. ADDITIONAL INFORMATION

### 9.1 Related party transactions and conflicts of interest

In our position as responsible entity of the Fund we may from time to time face conflicts between our duties to the Fund, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law. We may from time to time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act (see Section 7.7 'Related party transactions and conflicts of interest' of the 'Additional Information Booklet').

The Investment Manager manages the P1 Fund (in which the Fund may invest up to 20 percent of its assets) and parties related to the Investment Manager will also undertake the development projects to which the P1 Fund is exposed. These relationships may cause conflicts of interest to arise and the Investment Manager will manage any conflicts in accordance with its conflicts of interest policy.

### 9.2 Glossary

Abnormal Expenses	Expenses which are not generally incurred during the day-to-day operation of the Fund.
ADI	Authorised deposit-taking institution.
AEST	Australian Eastern Standard Time.
AFS licence	Australian financial services licence.
Application Form	The application form for Ordinary Units accompanying this PDS, which is available at <a href="http://www.oneinvestment.com.au/PECapitalY">www.oneinvestment.com.au/PECapitalY</a> , or by calling (02) 8277 0000.
ASIC	The Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
ASX Broker	An mFund participating ASX broker or financial adviser who uses a stockbroking service on your behalf.
ASX Operating Rules	The operating rules issued by the ASX, as amended from time to time.
Business Day	A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
CHESS	(Clearing House Electronic Subregister System) is the computer system used by the ASX to record holdings and manage the settlement of transactions.
Constitution	The constitution of the Fund dated 27 June 2016, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time together with the regulations of the Corporations Act.
CPI	The consumer price index as defined in the Constitution.
Direct Debit Request Service Agreement	The direct debit request service agreement accompanying this PDS, which is available at <a href="http://www.oneinvestment.com.au/PECapitalY">www.oneinvestment.com.au/PECapitalY</a> , or by calling (02) 8277 0000.
Expense Cap	An aggregate amount of day-to-day fees or expenses of the Fund which have been capped or fixed per annum.

Fund	PE Capital Y Fund ARSN 613 288 967.
HIN	Holder Identification Number.
IDPS	Investor directed portfolio service.
Indirect Investor	An applicant that applies for Units through an administration service, such as an IDPS, a master trust, wrap account or nominee and custody service.
Investment Management Agreement	The investment management agreement between the Responsible Entity and the Investment Manager as amended from time to time.
Investment Manager	PE Capital Funds Management Ltd ACN 605 157 248, corporate authorised representative number 001245743 of One Investment Administration Ltd ACN 072 899 060, AFS licence number 225064.
Investor	A person (including a company or corporation) who holds one or more Units.
mFund	A settlement service that enables the automation of settlement of purchases (applications) and sales (withdrawals) for unlisted managed funds on ASX, using CHESS.
Ordinary Unit	A Unit issued under this PDS with an APIR Code of OMF0024AU.
PDS	This product disclosure statement dated 29 September 2017.
PE Capital	PE Capital Funds Management Ltd ACN 605 157 248, the investment manager of the Fund.
P1 Fund	The PE Capital P1 Fund, a fixed return fund with limited liquidity in which the Fund may invest up to 20% of its assets. One AR Pty Ltd ACN 602 601 776 is the trustee and PE Capital Funds Management Ltd is the investment manager of the PE Capital P1 Fund.
Registrar	One Registry Services Pty Limited ACN 141 757 360.
Retail Client	An Investor who is a retail client for the purposes of sections 761G and 761GA of the Corporations Act.
Transferred Unit	A Wholesale Unit that is transferred to a Retail Client.
Unit	A unit of the Fund (including Ordinary Units and Wholesale Units).
Wholesale Application Form	The application form for Wholesale Units accompanying this PDS, which is available at <a href="http://www.oneinvestment.com.au/PECapitalY">www.oneinvestment.com.au/PECapitalY</a> , or by calling (02) 8277 0000.
Wholesale Client	An Investor who is a wholesale client for the purposes of sections 761G or 761GA of the Corporations Act or who invests a minimum of \$500,000 into the Fund, subject to the Responsible Entity exercising its discretion to accept a lower minimum amount.
Wholesale Unit	A Unit issued under this PDS with an APIR Code of OMF0025AU.
we, us and our or Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987, AFS licence 297042.