

Product Disclosure Statement

LAKEHOUSE SMALL COMPANIES FUND

15 November 2016

IMPORTANT INFORMATION

This PDS contains a summary of the information in relation to the Lakehouse Small Companies Fund ARSN 615 265 864 (**Fund**). It also includes references to additional important information (all of which forms part of this PDS) contained in the document titled 'Additional PDS Disclosure' that can be obtained at no cost by calling One Managed Investment Funds Limited on (02) 8277 0000 or by downloading it from either www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS. You should read both the PDS and the Additional PDS Disclosure before making a decision about whether to invest in the Fund.

The information provided in this PDS and the Additional PDS Disclosure 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 and New Zealand. The offer under this PDS may only be accepted in Australia and New Zealand. Applications from outside Australia or New Zealand will not be accepted through this PDS. 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, Lakehouse Capital Pty Ltd or any of their related entities, directors or officers guarantee the repayment of capital 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/lakehouse or www.lakehousecapital.com.au/PDS. A paper copy of updated information will also be provided to you free of charge upon request by contacting One Managed Investment Funds Limited using our details provided above.

Lakehouse Small Companies Fund

ARSN 615 265 864

Issued

15 November 2016

Version

One

Issued By

One Managed Investment Funds Limited ACN 117 400 987
AFS licence 297042 (**Responsible Entity**)

Investment Manager

Lakehouse Capital Pty Ltd
ACN 614 957 603 (**Investment Manager**)

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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 Lakehouse Capital Pty Ltd as the investment manager of the Fund (Lakehouse Capital or Investment Manager). One Investment Administration Limited (ACN 072 899 060) has appointed Lakehouse Capital as an authorised representative (number 225064). Lakehouse Capital is also an authorised representative of The Motley Fool Australia Pty Ltd (number 400691). Further information about the Responsible Entity is set out in section 1.2 below.

1.1 The Investment Manager

Lakehouse Capital is the funds management arm of The Motley Fool Australia Pty Ltd ACN 146 988 052.

The Motley Fool, which has hundreds of thousands of members worldwide, launched in the USA in 1993 and in Australia in 2011.

Joseph (Joe) Magyer is the Chief Investment Officer of Lakehouse Capital and Portfolio Manager of the Lakehouse Small Companies Fund. Joe joined The Motley Fool in 2007 and has held senior investing roles in both the USA and Australia, including as a Portfolio Manager and the Director of Research at The Motley Fool Australia. He holds a Bachelor of Business Administration from the University of Georgia and a Master of Science in Finance from Georgia State University, as well as being a CFA charterholder.

1.2 The Responsible Entity

We are part of the One Investment Group (OIG). We will also hold title to the Fund's assets on trust for members. OIG is an independent Australian funds management business established to provide responsible entity, trustee and custody and administration services. OIG specialises in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. As responsible entity of the Fund, our role is to ensure the operation of the Fund is in accordance with the Corporations Act.

2. How the Fund works

You should read the important information about how the Fund works in the Additional PDS Disclosure before making a decision to invest. Go to the 'Additional PDS Disclosure' available from www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS; in particular, Section 5 titled 'Distributions' and Section 6 titled '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 interests in the Fund will vary as the market value of assets in the Fund rises or falls.

Unit prices

The Unit price is the price at which Units are issued and redeemed (and before the application of the buy/sell spread (as applicable)). Unit pricing will be undertaken on a weekly basis on the Wednesday of each week (that is a Business Day)¹ 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 varies. 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, while the redemption price of Units will be the Unit price minus the sell spread. The buy/sell spread is explained further in Section 6.2.1.

2.1 Applications

To invest in the Fund, you will need to complete an Application Form (see Section 8 'How to apply' for more information). You can add to your investment at any time by completing and sending us an additional investment form, together with your investment amount.

Minimum investment

The minimum initial investment amount is \$250,000. However, we may accept lesser application amounts at our discretion.

The number of Units issued to you when you make an investment will be calculated by dividing the amount you invest by the applicable application price.

We may decline to extend, or may withdraw, an invitation to invest (including adding to your investment) 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.

Processing applications

The cut-off time for receiving applications is 2 pm (Sydney time) on each Wednesday (that is a Business Day). Completed applications received before the cut-off time will be processed using the application price applicable for that week. Completed applications received after this time will be taken to have been received before the cut-off time on the next Wednesday (that is a Business Day) and will be processed on that day. Confirmation of an investment will normally be issued within five Business Days of the investment being processed.

Applications will not be considered "completed applications" and will not be processed until all required documentation is received (including any requested AML/CTF documentation). Completed applications will be processed using the Unit price that applies on the Wednesday after the correct documentation is received. Interest will not be paid on your application money.

¹ Where a Wednesday in any week is not a Business Day, Unit pricing will occur on the next Business Day.

Investing in the Fund through an IDPS provider

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 provider, your rights and liabilities will be governed by the terms and conditions of the disclosure document provided by them. Investors should carefully read those terms and conditions before investing.

2.2 Withdrawals

When the Fund is liquid (as defined in the Corporations Act) you can withdraw all or part of your investment by completing a redemption request form and submitting your form to us. Redemption request forms are available at www.oneregistryservices.com.au/investors.

Minimum withdrawal

The minimum withdrawal amount is \$1,000. If your withdrawal request results in your investment balance falling below \$100,000, we may redeem your investment balance in the Fund in full and have it paid to you, less any applicable fees. We may accept smaller minimum holding amounts for investors or types of investors at our discretion.

Processing withdrawals

The Fund's processing cut-off time is 2 pm (Sydney time) on each Wednesday (that is a Business Day).

Withdrawal requests received before 2 pm (Sydney time) on a Wednesday (that is a Business Day) will generally be processed using the withdrawal price applicable for that week. Withdrawal requests received after this time will generally be processed using the withdrawal price applicable for the following week calculated on the following Wednesday (that is a Business Day).

Withdrawal proceeds are usually paid within 10 Business Days following the Wednesday (that is a Business Day) on which your withdrawal request is processed, although the Fund's constitution allows up to 60 days. In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act), you may not be able to withdraw your investment during the usual period.

If, in a week, we receive requests for withdrawals for an aggregate value of more than 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro-rata basis so that only Units equal to 10% of the net asset value of the Fund are redeemed on the relevant withdrawal date. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next week's withdrawal date until all units the subject of your withdrawal request are redeemed.

Withdrawing from the Fund through an IDPS provider

If you gain exposure to the Fund through an IDPS Provider, then you will need to complete the documents which the IDPS Provider requires for a withdrawal.

You should read the important information about adding to your investment and withdrawing from your investment in the Additional PDS Disclosure before making a decision.

The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you acquire the product.

2.3 Income distributions

A Unit entitles you to participate in any income generated from the assets of the Fund. All income distributions will be automatically reinvested in additional Units unless Investors

opt to have distributions paid to their nominated account in Section 5 of the Application Form. No buy spread is applied to reinvested distributions. Please note there may be tax implications for you on distributions reinvested on your behalf.

Frequency of distributions

The Fund expects to make distributions on a semi-annual basis. Subject to the Constitution, distributions (if any) will generally be paid within 14 Business Days of 31 December and within three months of 30 June.

Distributions are expected but not guaranteed.

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.

Investors should be aware that an investment in the Fund carries the risk that you may lose some or all of your investment (see Section 4).

3. Benefits of investing in the Fund

Significant features

The Fund's investment objective is to outperform the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) over rolling five year periods (after fees and expenses but before taxes) by focusing on listed shares of smaller companies in Australia and New Zealand. Up to 10 percent of the Fund may be invested in unlisted companies expecting to IPO within 12 months.

The Fund will not invest in derivatives, sell-short or borrow money to invest.

Significant benefits

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

- (a) Access to investment opportunities and diversification that individual investors usually cannot achieve on their own.
- (b) A disciplined risk management process that manages different levels of investment risk relative to anticipated investment returns.
- (c) An experienced, competent investment management team, with a broad and multi-faceted base of knowledge and experience.
- (d) Participation in any income distributions from the Fund.

4. Risks

You should read the important information about the risk of managed investment schemes before making a decision. Go to the 'Additional PDS Disclosure' available from www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS; in particular, Section 2 titled '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.

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 the following:

- (a) The value of your investment will go up and down.
- (b) Returns are not guaranteed and the level of return will vary.
- (c) You may lose some or all of your money.
- (d) Past performance is not an accurate predictor of future performance.
- (e) The laws affecting your investment in a managed investment scheme may change.
- (f) 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.

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.

Investment specific risk

The price of a specific investment of the Fund may be affected by market risk (above) but also factors which are specific to that investment. For example, if key individuals responsible for the operation of the companies the Fund invests in are no longer able to fulfil their roles and suitable replacements cannot be found, then this may impact the performance of those companies, and indirectly, the Fund's returns.

Smaller capitalisation companies risk

The Fund will be exposed to companies with smaller capitalisation. These companies may, from time to time and especially in falling markets, become less liquid and experience short-term price volatility. They may also be less financially secure than larger, more established companies, and depend on a smaller number of key personnel, which increases the risk of the company's failure if a product fails, management changes or if there are other adverse developments.

Portfolio concentration risk

The Fund typically invests in 15 to 30 high conviction investments. This means the Fund may invest a relatively high percentage of its assets in a limited number of stocks, or in stocks in a limited number of sectors or industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than its benchmark.

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 because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors.

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.

Currency risk

The Fund invests in companies which are listed and hold underlying investments in New Zealand. If the values of New Zealand's currency changes relative to the Australian dollar, the value of the investments of the Fund may change. The Fund is managed on an unhedged basis so it is fully exposed to currency movements. A significant majority of the Fund's assets will be priced in Australian dollars.

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 investment return objective or produce results that are positive. Changes in key personnel within the Investment Manager may also impact on the Fund's future return.

5. How we invest your money

5.1 Investment strategy

The Investment Manager's strategy for the Fund is to invest in a high conviction portfolio of 15 to 30 companies listed in Australia and New Zealand that have smaller capitalisation compared to other entities listed on the relevant stock exchange. The Fund will typically hold 5% to 15% of its capital in cash, depending on the Investment Manager's opinion of the prevailing opportunity set, and may hold up to 10% of its capital in unlisted companies expected to IPO within 12 months.

There may be periods when the number of investee companies or the percentage of the Fund's assets comprising cash or pre-IPO companies may be different from those disclosed above but it is the intention to return to these ranges within as short a time as is reasonable to achieve the investment return objective.

Investee companies typically hold the following attributes:

- (a) Strong positions in growing markets.
- (b) Pricing power with customers and suppliers.
- (c) Durable competitive advantages grounded in; scale, strong brands, network effects, or high customer switching costs.
- (d) Aligned and experienced management teams with strong track records of capital allocation.
- (e) Conservative balance sheets.
- (f) Attractive valuations that afford upside to the Investment Manager's estimate of fair value.

The Fund will not automatically sell an investment that has grown into inclusion in the S&P/ASX 100 provided the investee company continues to meet the criteria above as the long-term holding of successful investments is part of the Investment Manager's strategy.

The Investment Manager filters potential investments through a checklist of qualitative and quantitative factors

before proceeding with a deeper exploration of the company's history, business model, leadership, supply chain, competition, financials, risks, and valuation.

5.2 Other key features

Suggested minimum investment timeframe

Five years.

Investment return objective

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling five year periods (after fees and expenses but before taxes).

Please note this objective is not a forecast. There is a risk that the Fund will not meet this objective. Distributions are not guaranteed.

Risk level

High, meaning there is a risk of between 4 and 6 periods (on average) of negative annual returns over any 20 year period (See FSC's Standard Risk Measure Guidance Paper for Trustees).

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 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 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) has a managed funds fee calculator to help you check out different fee options.

Table 1 shows fees and other costs that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from the Fund's assets as a whole and may be used to compare costs between different simple managed investment schemes.

The fees set out in this section 6 are inclusive of GST and less any reduced input tax credits expected to be available.

Table 1

Unless otherwise specified, all dollar amounts are Australian dollars.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil

Management costs

The fees and costs for managing your investment

Management fee 1.3% per annum of the gross value of the Fund's assets. This fee is payable to the Investment Manager who will use it to cover all expenses of the Fund including the RE Fee and the Custody Fee described below.

Performance fee 15% of the amount by which the Fund's returns (after fees and expenses but before taxes) exceed the higher of the Benchmark and high watermark. This fee is payable to the Investment Manager.

Expenses Expected to be covered by the management fee payable to the Investment Manager.

Indirect costs Expected to be 0.00% per annum of the gross value of the Fund's assets.

6.1 Additional explanation of Fees and Costs

You should read the important information about fees and costs before making a decision to invest in the Fund. Go to the 'Additional PDS Disclosure' available from www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS; in particular, Section 3 titled '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.

6.1.1 Fees payable to the Investment Manager

The management fee is the fee charged by the Investment Manager to provide investment management services to the Fund. The fee will accrue as frequently as unit pricing occurs and is payable monthly in arrears out of the assets of the Fund. For example, if the value of the Fund is constant at \$10 million for a year, then the Investment Manager will be entitled to a fee of \$130,000 for that year.

The Investment Manager may also be entitled to receive a performance fee. The performance fee (if any) is calculated and payable in respect of each period of 12 months (or shorter period in the Fund's first and last year) ending on 30 June in each year during the continuance of the Investment Management Agreement (Performance Period) out of the assets of the Fund.

The performance fee amount will be calculated as 15% of the lower of:

- the amount by which the percentage change in the net asset value per Unit in the Fund (including any distributions paid during the Performance Period) exceeds the percentage change in the Benchmark over the Performance Period, multiplied by the net asset value per Unit, and
- the amount by which the net asset value per Unit (including any distributions paid during the Performance Period) as at the last Valuation Time of the relevant Performance Period exceeds the high watermark,

multiplied by the number of Units on issue as at the last Valuation Time of the relevant Performance Period.

Where:

- (c) the high watermark for a Unit means the amount which is the greater of the Application Price and the highest net asset value of a Unit (adjusted for any performance fee and distributions paid in respect of the Unit) at the end of the Performance Period where a performance fee has been paid or become payable, and
- (d) the Benchmark is the daily S&P/ASX Small Ordinaries Accumulation Index.

A performance fee will be payable to the Investment Manager if:

- (e) movements in the net asset value per Unit (including any distributions paid during the Performance Period) outperform the Performance Fee Benchmark during the Performance Period, and
- (f) the return per Unit over the Performance Period is positive (that is, the performance exceeds the prior high watermark).

6.1.2 Fees payable to the Responsible Entity

We are entitled to receive the following fees from the Investment Manager:

- (a) An ongoing responsible entity fee equivalent to the greater of \$5,747.50 per month (with annual CPI increases) or 0.07315% per annum of the gross value of the Fund's assets. The fee accrues daily and is payable monthly in arrears. For example, this fee will be \$68,970 per annum until the gross value of the Fund's assets exceeds \$94.3 million (RE Fee).
- (b) A custody fee equivalent to the greater of \$1,845 per month (with annual CPI increases) or 0.0205% per annum of the gross value of the Fund's assets. For example, this fee will be \$22,140 per annum until the gross value of the Fund's assets exceeds \$108 million (Custody Fee).
- (c) A removal fee equal to the balance of the responsible entity fee plus the balance of the custody fee we would have received had we remained the responsible entity of the Fund for four years from the issue of the first Unit under the PDS if –
 - (i) we are removed as responsible entity of the Fund within four years of the issue of the first Unit under the PDS, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
 - (ii) we retire as responsible entity of the Fund within four years of the issue of the first Unit under the PDS at the request of the Investment Manager in accordance with the Investment Management Agreement.

6.1.3 Operating costs and expenses

It is intended the 1.3% management fee payable to the Investment Manager will cover the day-to-day fees and expenses of the Fund, being the fees payable to the responsible entity, including the custody fee, administration fees, costs of preparation of annual tax statements, registry fees and fees for the audit of Fund's financial reports and compliance plan (Ordinary Expenses). To the extent the management fee is insufficient to cover the Fund's Ordinary Expenses, then the Investment Manager will cover any Ordinary Expenses out of its own funds.

However, if the Investment Manager does not pay any Ordinary Expenses, then under the Constitution we are entitled to, and we will, collect them from the assets of the Fund. We will be entitled to be reimbursed out of the

assets of the Fund for all other miscellaneous Fund-related expenses, for example legal fees, taxation advice and costs of members' meetings. We do not envisage the Fund will incur any of these fees in its first year of operation.

Investors should be aware that in such circumstances the expenses charged to the Fund may fluctuate from time to time. Generally, operating costs and expenses are paid as and when incurred or reimbursed to the Responsible Entity or the Investment Manager, as appropriate.

6.1.4 Indirect costs

Management costs include all indirect costs. ASIC Class Order [CO 14/1252] applies to this PDS.

6.2 Transaction costs

Transactional costs incurred by the Fund will be brokerage on all purchases and sales of securities held by the Fund. The Responsible Entity and Investment Manager have engaged a selection of brokers and will elect which broker to use on a range of factors including costs. Each broker charges fees differently but we expect the average brokerage fees to be in the range of 0.25% and 0.29% of the value of the securities acquired or disposed (as applicable).

Transaction costs will differ depending on the type of assets and will be paid out of the Fund's assets. We estimate the Fund's transactional costs will be approximately 0.286 % of the net asset value of the Fund. However, during the first financial year of the Fund, we mostly expect to acquire or dispose of securities as Investors join or leave the Fund and in that way the majority of the transactional costs will be covered by the buy-sell spread. The Investment Manager may, however, review the Fund's portfolio of investments and recommend it be rebalanced to secure the best return for Investors. While the Investment Manager and Responsible Entity may align the purchase and sale of portfolio investments with investor applications and redemptions it is likely that a proportion of the transaction costs incurred by the Fund in these circumstances will not be covered by the buy-sell spread. We anticipate that in the first financial year of the Fund, these costs will be approximately 0.042% of the net asset value. We will provide notification of the current net transaction costs for the Fund on our website at www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS.

6.2.1 Buy/sell spread

The buy/sell spread reflects our estimate of the transaction costs expected to be incurred in buying and selling underlying financial products as a result of investments in, and withdrawals from, the Fund. As at the date of this PDS, the maximum buy/sell spread is 0.25%. No buy spread is applied to reinvested distributions. We will provide notification of the current buy/sell spread for the Fund on our website at www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS.

The Fund is newly formed with no operating history therefore the transaction costs disclosed in this section are based on reasonable estimates at the date of this PDS. Please refer to www.oneinvestment.com.au/lakehouse for any updates which are not materially adverse from time to time.

6.3 Example of annual fees and costs

Table 2 gives an example of how the fees and costs for this Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

The Fund is newly formed with no operating history therefore the amounts below are based on reasonable estimates at the date of this PDS. Please refer to www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS for any updates which are not materially adverse from time to time.

Table 2

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	
Plus Management costs²	1.71% per annum of the gross value of the Fund's assets.	For every \$50,000 you have invested in the Fund, you will be charged \$855 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 \$855 to \$941 (depending on the time during the year when you make the additional contribution). Additional charges will depend on the performance of the Fund, the transaction costs of the year (the buy/sell spread) and any adviser service fee you negotiate with your financial adviser.	

2. Management costs are based on the net assets of the Fund and comprise the following: management fee (which for the Fund includes expenses) of 1.3% pa, performance fee of 15% pa (calculated on the basis of the Fund achieving a 4% outperformance of the Benchmark over a Performance Period) and indirect costs of 0% pa.

7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences for investors. Specifically, managed investment schemes do not pay tax on behalf of investors in the scheme, and investors are assessed for tax on any income and capital gains generated by the scheme.

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, as soon as possible 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 (e.g. franking credits attached to dividend income and credits for tax paid on foreign income).

You should read the important information about the taxation treatment of your investment before making a decision. Go to the 'Additional PDS Disclosure' available from www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS; in particular, Section 4 titled 'Tax'.

You are strongly advised to seek professional taxation advice before you invest or deal with your investment, as the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

8. How to apply

- Read this PDS and the 'Additional PDS Disclosure' in their entirety. The 'Additional PDS Disclosure' is available at www.oneinvestment.com.au/lakehouse, www.lakehousecapital.com.au/PDS 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.
- Complete the Application Form available from www.oneinvestment.com.au/lakehouse, www.lakehousecapital.com.au/PDS or by calling 02 8277 0000. The minimum investment is \$250,000 or such other amount agreed with us. Cheques should be crossed "Not negotiable" and made payable to "One Managed Investment Funds Limited Application and Redemption Account".
- Mail your completed Application Form and cheque to: One Managed Investment Funds Limited as responsible entity of the Lakehouse Small Companies Fund, PO Box R1471 Royal Exchange NSW 1225.

8.1 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 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. Tax consequences may also arise during the holding period (however brief).

8.2 Complaints

We take complaints seriously and aim to resolve them as quickly as possible. In the first instance, if you have a complaint, then you should notify us immediately using the following contact details:

Address	Level 11, 20, Hunter Street Sydney NSW 2000
Post	Complaints Officer PO Box 1471 Royal Exchange NSW 2000
Phone	02 8277 0000
Email	complaints@oneasset.com.au

Once we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

If you are not satisfied with our response, then you can refer your complaint to the Financial Ombudsman Service, an external complaints handling body of which we are a member. The role of this body is to provide an independent assessment of your complaint. The Financial Ombudsman Service can be contacted on 1300 780 808 or by writing to GPO Box 3, Melbourne Victoria 3001 or by fax on 03 9613 6399.

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.

Entities related to the Responsible Entity will be providing custody administration, registry, fund accounting and taxation services and other services relevant to the operation of the Fund.

9.2 Continuous disclosure

If the Fund has 100 or more Investors, it becomes a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. As at the date of this PDS, the Fund is not a disclosing entity. We will follow ASIC's good practice guidance in satisfying our continuous disclosure obligations via website notices. Information and continuous disclosure notices for the Fund will be available by going to www.oneinvestment.com.au/lakehouse or www.lakehousecapital.com.au/PDS or by calling 02 8277 0000 during business hours.

9.3 New Zealand Investors

General

- (a) This offer to New Zealand Investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conducts Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- (b) This offer and the content of this PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) sets out how the offer must be made.
- (c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime to the New Zealand regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand Investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- (e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

- (h) The offer may involve a currency exchange risk.

Currency exchange

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

If you expect the financial products to pay any amounts in a currency that is in New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Dispute resolution

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

9.4 Glossary

AFS licence	Australian financial services licence.
Application Form	The application form for the Fund which is available on our website – www.oneinvestment.com.au/lakehouse , or www.lakehousecapital.com.au/PDS .
ASIC	The Australian Securities and Investments Commission.
Benchmark	S&P/ASX Small Ordinaries Accumulation Index.
Business Day	A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
Constitution	The constitution of the Fund dated 7 October 2016, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Fund	Lakehouse Small Companies Fund ARSN 615 265 864.
Investor	A holder of Units in the Fund.
Investment Manager or Lakehouse Capital	Lakehouse Capital Pty Ltd ACN 614 957 603.
PDS	Product disclosure statement.
Retail Client	An investor who is a retail client for the purposes of section 761G and 761GA of the Corporations Act.
Unit	A unit of the unit trust comprising the Fund.
Unit Pricing Policy	The unit pricing policy applicable to the Fund dated 18 September 2015, as amended from time to time.
Wholesale Client	An investor who is a wholesale client for the purposes of sections 761G or 761GA of the Corporations Act.
we, us and our or Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987, AFS licence 297042.