



ADAMAS
CAPITAL



Adamas Capital Diversified Fund

PRODUCT DISCLOSURE STATEMENT



ADAMAS CAPITAL DIVERSIFIED FUND

ARSN 674 039 402

APIR Code OMF6286AU

RESPONSIBLE ENTITY

One Managed Investment Funds Limited

ACN 117 400 987 AFSL 297042

INVESTMENT MANAGER

Adamas Capital Investment Management Pty Ltd

ACN 666 770 163

20 February 2024



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Important Information

This document is a product disclosure statement (**PDS**) and is dated 20 February 2024. This PDS is issued by One Managed Investment Funds Limited ACN 117 400 987, AFSL 297042 (**Responsible Entity** or **RE**) as responsible entity for the Adamas Capital Diversified Fund ARSN 674 039 402 (**Fund**). This PDS relates to an offer of ordinary units in the Fund (**Units**) which will be issued by the Responsible Entity (**Offer**). The purpose of this PDS is to provide information to prospective or actual investors in the Fund (**Investors**) to assist them in deciding whether they wish to invest in the Fund or adjust their investment in the Fund.

This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required by the *Corporations Act 2001* (Cth) (**Corporations Act**) to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

The Offer is only available to Investors receiving this PDS in Australia. This PDS does not constitute an offer or invitation in any jurisdiction outside of Australia. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, the Units offered under this PDS may not be distributed, directly or indirectly, in or into the United States of America (USA) or to or for the account or benefit of any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended). No action has been taken to register the Fund in any jurisdiction outside Australia. The distribution of this PDS outside Australia may be restricted by law and persons who come into possession of this PDS outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

You should read this PDS and TMD in full before deciding whether to apply for Units pursuant to the Offer. If you are in doubt as to how to interpret or deal with this document, or whether applying for Units is appropriate for you, then you are strongly encouraged to consult your financial or other professional advisers.

Interpretation

In this PDS, a reference to “we”, “our” and “us” are references to the Responsible Entity, and “you” and “your” are references to an Investor. Capitalised terms used in this PDS which have been given a specific meaning are defined throughout this document and are reproduced in the glossary contained in Section 9.

Unless otherwise specified or implied, in this PDS references to currency are to Australian currency, references to times are references to the relevant time in Sydney, New South Wales, and references to years are to financial years.

Pictures in this PDS are included for illustrative purposes only and do not necessarily represent assets of the Fund.

Key appointments

The Responsible Entity has appointed Adamas Capital Investment Management Pty Ltd ACN 666 770 163 (**Adamas** or **Investment Manager**) as the investment manager of the Fund pursuant to an investment management agreement dated 20 February 2024 (**Investment Management Agreement**). Adamas is an authorised representative (number 001 308 065) of One Wholesale Fund Services Ltd ACN 159 624 585, AFSL 426503.

The Responsible Entity has also appointed Unity Fund Services Pty Ltd ACN 146 747 122 (**Administrator**) to provide fund administration services for the Fund pursuant to an administration agreement. The Administrator is an associated company of the Responsible Entity.

The Responsible Entity has also appointed One Registry Services Pty Limited ACN 141 757 360 (**Registrar**) to provide registry services for the Fund pursuant to a registry agreement. The Registrar is a related body corporate of the Responsible Entity.

General information only

This PDS does not contain financial product advice. This PDS contains general information only. It has not been prepared having regard to your objectives, financial situation or specific needs. Because of this, you should, before acting on the information in this PDS, consider the appropriateness of the information having regard to your own objectives, financial situation and needs, and seek professional advice from your financial adviser or other professional advisers. You should read this PDS in full before making any decision about whether to invest in the Fund. You should also carefully consider the Target Market Determination (**TMD**) for the Fund before making an investment decision. The TMD includes a description of who the Fund is appropriate for, and a copy of it is available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf.

Updated information

All information in this PDS is current as at the date of this PDS. Information in this PDS may change from time to time. Information that has changed in relation to the Fund that is not materially adverse will be made available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf. The Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not contained in this PDS in accordance with its obligations under the Corporations Act. Any supplementary product disclosure statement and updated information should be read together with this PDS. A copy of any supplementary product disclosure statement and other information regarding the Fund will be made available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf.

PDS availability

This PDS may be viewed online at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf. If you access the electronic version of this PDS, you should ensure you download and read this PDS in full. A paper copy of this PDS, any supplementary PDS or any updated information is available free of charge to any person by contacting the Responsible Entity.

Reliance on PDS only

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained or taken to be contained in this PDS may not be relied on as having been authorised by the Responsible Entity in connection with the Offer.

Master trust and wrap accounts

The Responsible Entity authorises the use of this PDS as disclosure to persons (**Indirect Investors**) who may access the Fund through an investor directed portfolio service (**IDPS**) or IDPS-like scheme (known commonly as a master trust or wrap account) (**Platform**). Indirect Investors may rely on this PDS. The operator or custodian of the Platform (**Platform Operator**) is recorded as the unitholder and is the person who exercises the rights and receives the benefits in the Fund as a unitholder. Reports and documentation relating to the Fund will be sent to the Platform Operator. Indirect Investors using these services should be aware that they may be subject to different conditions from those set out in this PDS, particularly in relation to arrangements for the application and transfer of Units, fees and expenses, distribution calculation and timing, and reporting.

Indirect Investors should contact their adviser or Platform Operator with any queries relating to an investment in the Fund.

Forward looking statements

This PDS contains forward looking statements. Forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'expect', 'forecast', 'intend', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that imply risks and uncertainties.

You should note these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. Past performance is not a reliable indicator of future performance.

No guarantee and risks

An investment in the Fund is not an investment in, or a deposit with or other liability of, the Responsible Entity or the Investment Manager, or any of their related companies. Neither the Responsible Entity, the Investment Manager, nor any other person makes any representation or gives any guarantee or assurance as to the performance of the Fund, the repayment of capital invested, the payment of income or capital distributions, or any particular rate of capital or income return. As with all investments, an investment in the Fund is subject to risks (including those described in Section 6). You should read this PDS in full before deciding whether to apply for Units pursuant to the Offer and if you are in any doubt as to whether doing so is appropriate for you, then you should consult your financial or other professional advisers.

Continuous disclosure

The Fund is not a disclosing entity as at the date of this PDS. However, if the Fund does become a disclosing entity, then in accordance with ASIC Regulatory Guide 198 *Unlisted disclosing entities: Continuous disclosure obligations*, the Responsible Entity will fulfil its continuous disclosure requirements by way of website disclosures that comply with ASIC's good practice disclosures. All disclosures required under continuous disclosure requirements will be made available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf.

Directory

Investment Manager

Adamas Capital Investment Management Pty Ltd

ACN 666 770 163

Authorised Representative No. 001 308 065

GPO Box 18
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Registrar

One Registry Services Pty Limited

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Level 16, Governor Macquarie Tower
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Email: info@oneregistry.com.au

Website: www.oneregistryservices.com.au

Responsible Entity

One Managed Investment Funds Limited

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Level 16, Governor Macquarie Tower
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Letter from the Investment Manager

Dear Investor

The Adamas Capital Diversified Fund has been created to focus on diversification. It is designed to provide access to a wide variety of investment classes which have many different economic drivers and seeks to balance the impacts of different investment cycles between those investment classes and economic drivers. It provides exposure to growth assets with a higher return and risk profile alongside lower risk and lower return profile assets.

Diversification is the practice of “not sticking all your eggs in one basket”. Investing across a number of asset classes is generally accepted to be a valid risk management strategy. The definition of diversification is reducing risk by investing in a variety of assets within a portfolio. The rationale behind diversification is that a portfolio of different investments will, on average, yield higher returns and pose a lower risk than any individual investment within the portfolio.

The Fund aims to build a diverse portfolio of assets that deliver competitive income and the opportunity for long-term capital growth. As the investment manager, we seek to apply objective and methodical analysis to optimise a portfolio, spread across eleven asset types in five major asset classes in one investment vehicle with the aim to lower risk and volatility while providing access to some investments not typically available to most retail investors and generating competitive returns.

The assets in the Fund aim to provide a mix of –

- low-volatility fixed income investments across government and corporate bonds;
- indirect shareholdings in some of Australia’s and the world’s largest listed companies;
- access to unlisted private equity deals in companies at early stages of growth;
- carefully curated and managed private debt opportunities secured by real estate as collateral;
- direct real estate holdings which may be existing stock or new development; and
- indirect exposure to hand-picked property-based managed investment schemes operated by other managers.

The Fund will remain open for investment and intends to offer both limited monthly redemption opportunities and 5-yearly liquidity events while ever it is Liquid. However, the ability to withdraw from the Fund is dependent on the liquidity of the Fund’s investments from time to time and is not guaranteed. Please see Section 7.3 for further information.

On behalf of the board of directors of the Investment Manager, we look forward to welcoming you as an investor in this exciting investment opportunity.



Gavin McInnes
Director



Matthew Bode
Director



1.0 Key Features

PRODUCT DISCLOSURE STATEMENT

1.0 Key Features

The table below is only a summary of the key features of the Fund. It is not intended to be exhaustive. You must read the whole of this PDS to obtain more detailed information before making a decision to invest in the Fund. Refer to the relevant section for more information on each key feature of the Fund.

ABOUT THE FUND		Section
Fund	Adamas Capital Diversified Fund ARSN 674 039 402.	2
Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.	3.1
Investment Manager	Adamas Capital Investment Management Pty Ltd ACN 666 770 163. Adamas is an authorised representative (001 308 065) of One Wholesale Fund Services Ltd ACN 159 624 585, AFSL 426503.	3.2
Offer	The offer in this PDS is for the acquisition of Units in the Fund. The Offer will remain open until the Responsible Entity withdraws the Offer, which it may do at any time, either for a period of time or indefinitely.	7.1
Application price	The Responsible Entity has adopted a unit pricing policy in relation to the Fund. The Application Price will be calculated weekly. The most recent Application Price can be found at www.adamascapital.com.au/acdf .	7.4
Minimum Application	\$10,000 for an initial investment, and then additional investments in increments of \$10,000. The Responsible Entity may exercise its discretion to accept a lower amount of initial investment or additional investment. The Responsible Entity reserves the right to vary the minimum amounts.	7.2
How to apply	Applications to invest must be validly completed, and the supporting documents and Application Money in cleared funds before they are processed. The Responsible Entity may accept or reject an application in whole or in part, in its discretion. Applications will be processed on a weekly basis.	7.2
Cooling off	A cooling off period applies to an investment in the Fund.	7.2(i)
Suggested minimum investment timeframe	The Responsible Entity considers those looking to invest should have an investment horizon of at least 5 years.	2.4
Investment objective	The objective of the Fund is to provide Investors with positive absolute returns through exposure to a broad range of investments over a medium to long-term horizon with an aim that the portfolio of assets is optimally positioned to weather market downturns and outperform in benign market conditions. At the date of this PDS, the Fund aims to provide Investors with a return (including capital growth and distributions) of 9% p.a. (net of fees and costs but before tax and any performance fee), however the target return rate may be adjusted over time in accordance with market forces. Should the Investment Committee elect to change the target return, a notice will be posted on the website www.adamascapital.com.au/acdf and disclosure will be made to existing Investors in the next Fund update communication following the target rate change. Returns from the Fund are not guaranteed and like any investment, there are risks associated with investing in the Fund (see Section 6).	2.1

ABOUT THE FUND
Section
Investments and allocations

2.3

The Fund aims to achieve its investment objective by investing in a diversified portfolio of assets. It is anticipated the Fund will hold a portfolio of between 20 and 75 investments at any given time. However, some of the Fund's investments will provide the Fund with indirect exposure to a substantial number of underlying investments.

The below indicative allocations are provided as a guide only. At any time, the amount invested in any particular asset class may be less than or exceed the indicative allocations set out below, particularly in the initial Start-up Phase after the Fund is launched as the portfolio is being built and reaches scale. The target maximum allocations may also be exceeded during this time.

Table 1

Sub Sector	Indicative Allocation ¹	Maximum Allocation ¹
Equities		
Domestic Equities	7.5%	20%
International Equities	7.5%	15%
Private Equity	12.5%	30%
Real Estate		
Real Assets – Development	12.5%	20%
Real Assets – Stabilised/Core+ ²	7.5%	15%
Unlisted Property Schemes	7.5%	10%
Fixed Income		
Term Deposits	5.0%	10%
Rated Bonds – Investment Grade	5.0%	10%
Rated Bonds – Non-Investment Grade	12.5%	15%
Mortgage Securities³	17.5%	30%
Cash	5.0%	10%

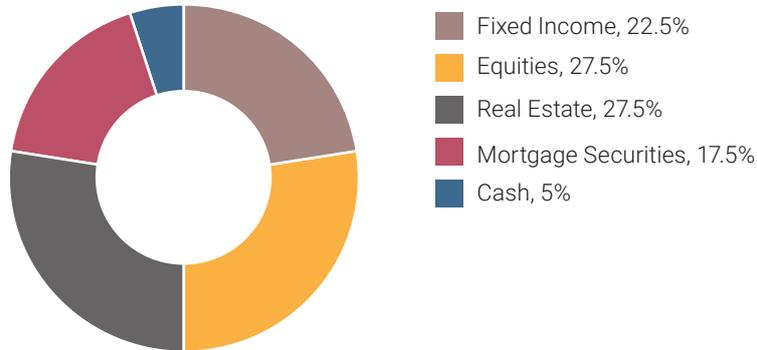
During the Start-up Phase it is likely that these indicative allocations will be skewed (for example the first investment will necessarily represent 100% of the Fund until the second investment is made). During the Start-up Phase the Investment Manager anticipates it may exceed the indicated maximum allocations.

The allocations may change in the future, however the maximum allocation to mortgage securities will not exceed 50% or more of the Fund's non-cash assets at any time. It is also not intended that the allocation to real estate will exceed 50% or more of the Fund's non-cash assets at any time. If a target maximum allocation is exceeded at any time, there is no obligation to rebalance the portfolio at all or within a particular period of time.

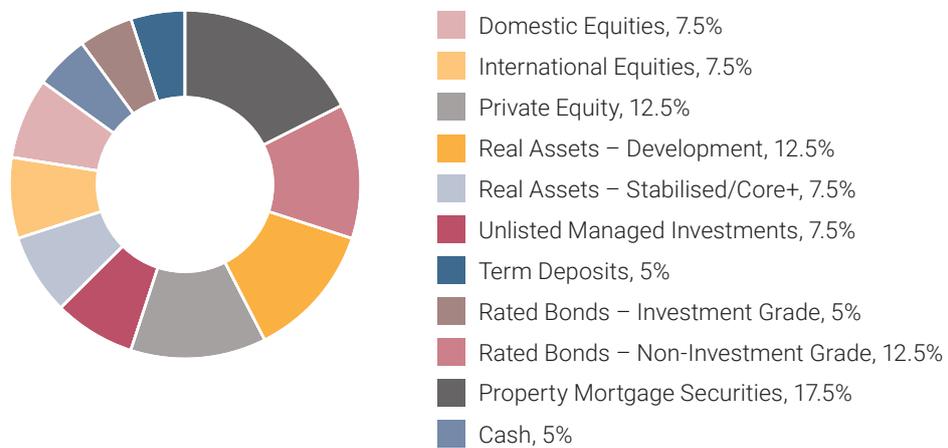
1. The indicative allocations and maximum allocations assume the Fund has achieved scale. The actual allocations of the Fund during the Start-up Phase may exceed or be lower than the indicative allocations and maximum allocations. Refer to Section 2.3 for more information.
2. "Stabilised" property investments are property investments that are held for incoming generating purposes. "Core plus" or "Core+" property investments are property investments that are held with a focus on income yield, however some, but not substantial, capital expenditure as a proportion of value, may be deployed to enhance or support capital value growth.
3. Includes loans secured by a mortgage over real property (including residential, commercial, industrial or retail property, or vacant land), interests in unlisted mortgage schemes.



Asset Allocation by Sector



Indicative Asset Allocation by Sub Sector



Portfolio and performance

Over time, as the Fund acquires and/or sells assets consistent with its investment strategy, the specific assets comprising the Fund’s investment portfolio will change. Up-to-date information about the portfolio of assets held by the Fund from time to time can be found at www.adamascapital.com.au/acdf.

For the latest information on the Fund’s performance since inception, please go to www.adamascapital.com.au/acdf. Please note, past performance is not an indicator of future performance.

2.3

Distributions

The Investment Manager intends to make quarterly distributions (which may include either or both income or capital) to Investors. Distributions are not guaranteed and are subject to receipt of interest, distributions, rental income, and other payments from underlying investments.

2.7

Withdrawals

Investors do not have any right to withdraw from the Fund. However, the Responsible Entity intends to offer limited liquidity to Investors, when the Fund is Liquid, to enable them to redeem their investment in one of two ways, summarised below.

7.3

Limited Monthly Redemption Facility

The Responsible Entity intends to provide Investors with a Limited Monthly Redemption Facility on or around the first day of each calendar month. The amount available to meet withdrawal requests for a calendar month will be up to 3% of the Net Asset Value of the Fund, as calculated in accordance with the Constitution as at the last Business Day before the withdrawals are processed. However, the Responsible Entity may in its discretion increase the amount available in a given month.



ABOUT THE FUND

Section

Withdrawals

Periodic Withdrawal Opportunity

The Responsible Entity intends to offer a Periodic Withdrawal Opportunity, where, subject to its obligations under law, the Responsible Entity will use reasonable endeavours to provide liquidity to Investors wishing to redeem all or some of their investment in the Fund.

The first Periodic Withdrawal Opportunity is scheduled to occur around February 2029 and then every five years thereafter.

Withdrawals not guaranteed

The offer of the Limited Monthly Redemption Facility and the Periodic Withdrawal Opportunity are not guaranteed. Investors do not have a right to withdraw from the Fund. The Responsible Entity may, at its discretion, determine not to offer either a Limited Monthly Redemption Facility or Periodic Withdrawal Opportunity. This may occur in circumstances such as where it is impracticable to offer liquidity or if the Responsible Entity determines it would not be in the best interests of remaining Investors for liquidity to be offered. There is also no guarantee any redemption request will be satisfied in part or in full. The ability of the Responsible Entity to satisfy withdrawal requests is subject to a number of factors including the liquidity of the Fund's portfolio at the time.

Minimum withdrawal amount

When the Fund is Liquid the minimum withdrawal request amount is the lesser of \$10,000 or the value of your investment in the Fund. The Responsible Entity may exercise its discretion to accept a lower minimum withdrawal amount. The Responsible Entity reserves the right to vary the minimum amount.

7.3

Fees

There are fees and costs payable in relation to the management of the Fund.

4

Risks

As with all investments, an investment in the Fund is subject to risks, including the risk capital invested will be lost and distributions will not be paid. You should read this PDS in full and consider the TMD before deciding whether to apply for Units pursuant to the Offer and if you are in any doubt as to whether doing so is appropriate for you, then you are strongly encouraged to consult your financial or other professional advisers.

6

Tax Information

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.

5

Benefits of investing

- Access to the investment management skills and experience of the Investment Manager and its Investment Committee
- Prospect of tax-deferred and competitive real returns
- Access to opportunities not generally available to the investing public
- An investment operated within a regulated framework
- Broad exposure to multiple asset classes combined with a deliberate and carefully considered blend of asset classes and assets designed to optimise investment outcomes
- Significant investment diversification.



ABOUT THE FUND

Section

Benchmarks and disclosure principles

ASIC Regulatory Guide 46 *Unlisted property schemes: Improving disclosure for retail investors (RG 46)* sets out six benchmarks and eight disclosure principles that 'unlisted property schemes' must address to help ensure that you have the information to make an informed investment decision.

Based on the target asset allocations of the Fund it is not anticipated the Fund will be an 'unlisted property scheme' for the purposes of RG 46 having regard to its diversified investment strategy. However, there may be times where the maximum allocations to direct and indirect real property are exceeded, and it may be the Fund constitutes an 'unlisted property scheme' for the purposes of RG 46 from time to time, particularly in the Start-up Phase.

If RG 46 applies to the Fund, then further information on how these apply to the Fund, if and when they apply to the Fund, will be contained in an '*ASIC Benchmarks and Disclosure Principles: Adamas Capital Diversified Fund*' document, which will be available online at www.adamascapital.com.au/acdf, www.oneinvestment.com.au/acdf, or can be obtained free of charge, on request. The information in any such document will be up to date at the time of preparation.

Please review the website and review this PDS in conjunction with the most current '*ASIC Benchmarks and Disclosure Principles: Adamas Capital Diversified Fund*' document (if available).

8.4



2.0 The Fund

PRODUCT DISCLOSURE STATEMENT

2.0 The Fund

2.1 Investment objective and strategy

The Fund is an Australian registered managed investment scheme. The objective of the Fund is to generate positive risk-adjusted absolute returns in both rising and falling markets with the benefit of mitigated volatility based on a broad diversification of eleven asset categories in five major asset classes. At the date of this PDS, the Fund aims to provide Investors with a return (including capital growth and distributions) of 9% p.a. (net of fees and costs but before tax and any performance fee), however the target return rate may be adjusted over time in accordance with market forces. Returns from the Fund are not guaranteed and like any investment, there are risks associated with investing in the Fund (see Section 6).

In managing the Fund, the Investment Manager's approach is an active, benchmark unaware strategy. The Investment Manager will utilise qualitative and quantitative tests combined to build a high conviction portfolio of between 20 and 75 investments, although some investments may be in separately managed investment vehicles with a large number of sub-investments.

The Fund has been deliberately structured to accommodate a broad cross section of asset classes across risk profiles and return models giving exposure to a blend of conservative, moderate, growth and aggressive risk/return configurations with flexibility in allocation tolerances to accommodate both strategic and tactical asset allocation enabling the capture of off-market opportunities. The Investment Manager has sought professional advice with regard to asset allocation from Real Investment Analytics. The advice will assist the Investment Committee to shape the asset allocation targets and tolerances.

The Fund's strategy aims to achieve broad diversification and appropriate asset allocation with investments in a variety of categories that are all accessible via the Fund. Asset availability will influence the timing of acquisitions. An objective and methodical approach to portfolio optimisation is adopted by the Investment Manager with the objective of enhancing risk-adjusted total returns for Investors, with the Investment Manager receiving independent third-party input from Real Investment Analytics. The broad investment menu enables the Investment Manager to pivot between asset classes, tilting to those which are anticipated to outperform and away from any which are expected to underperform relatively or absolutely in both a short-term tactical asset allocation and longer-term strategic asset allocation design.

From a foundation of 11 different buckets of asset categories across five investment classes, the Fund's investments will be exposed to a carefully curated selection of both directly held assets and vehicles managed by carefully vetted and assessed fund managers.

(a) Equities

The conventional equities exposure will take the form of index-tracking exchange traded funds managed by one or some of the world's largest fund managers. The allocations will be split between domestic equities (companies listed on the Australian Securities Exchange) and global equities, potentially giving the Fund exposure to over 3,000 of the world's largest companies listed on exchanges and exposure to what is anticipated to be over 20 different major developed and emerging countries offering diversification across sectors, economies and industries. In addition, the Investment Manager will seek exposure to private equity opportunities not typically available to retail investors. These opportunities will be carefully and deliberately reviewed and assessed over multiple stages and will require formal Investment Committee approval prior to investment. Multiple staged considerations such as capacity of management, risk/return, exit mechanisms and company pricing power/state of target market will be considered.

(b) Fixed income

Fixed income investments will be comprised of conventional term deposits offered typically by authorised deposit-taking institutions (**ADIs**) such as domestic banks regulated by the Australian Prudential Regulatory Authority, investment grade rated corporate and government bonds and bonds which are rated but are sub-investment grade. Sub-investment grade rated bonds will typically attract a higher coupon to compensate for the higher risk profile, but each investment will be carefully considered on its merits prior to investment. Adamas will take some additional external advice from Thesan Asset Management and will typically seek investments which it considers provide reasonable liquidity.

(c) Real estate

The Fund's real estate allocations will come from three distinct underlying investment classes and will include both direct and indirect exposure. The strategy for its directly held real property assets will be either stabilised or core-plus. While stabilised properties focus primarily on income generation, core plus properties are focussed on income but with improvements available from management efficiencies, reconfiguration of the built environment or repositioning of tenancies whilst maintaining some underlying operating income or relatively minor capital works designed to optimise capital value without substantial expenditure. The Fund will also seek to invest into unlisted managed investment schemes that invest in real property offered by other fund managers presenting with sound and robust risk/reward propositions. Finally, the Fund may also seek to undertake its own property development activities to further leverage off its on-board experience and skill sets.

(d) Mortgage Securities

The Fund will also seek exposure to mortgage lending. The Fund may make loans directly or invest in unlisted mortgage schemes. Where the Fund makes loans directly, the loans will be secured by either first or second ranking mortgage, among other forms of security. Loans will typically be for a duration of 12 months or less. Loans may be made to facilitate a bridging position, or to a property developer.

(e) Cash

Finally, the Fund will retain some cash holdings to contribute towards the facilitation of liquidity and to enable the activation of opportunistic investment acquisitions.

The ability of the investment strategy to achieve its investment objective will depend on a number of factors, including without limitation, the ability of the Investment Manager to source appropriate investments. There is no guarantee the Fund will achieve its performance objectives or produce returns that are positive or compare favourably against its peers.

The Investment Manager may recommend changes to the Fund from time-to-time, including to its investment strategy. Where it does so and these are accepted by the Responsible Entity, it will provide notice of those updates on the Fund's website www.adamascapital.com.au/acdf.

2.2 Investment philosophy

The Investment Manager's investment philosophy is based on the proposition that financial markets are inherently inefficient, and that active management within a risk-controlled environment adds value to a portfolio over the medium and long term with a counter-balance of allocations to lower volatility index tracking assets and fixed income securities.

The Investment Manager is focused on generating returns via both income and capital growth by identifying sustainable growth trends it considers are under-appreciated, not well understood or mispriced by the market. The Investment Manager's ideas are generated from a combination of top-down thematic and bottom-up conviction supported by a specific business case where the research process is the vital ingredient. The Investment Manager's team has substantial interaction with corporate management, independent consultants, industry networks, market research and the property and private equity community, all of which contribute to the identification of new areas of interest and new investment opportunities, many of which are unavailable to retail investors.

2.3 Portfolio

The Investment Manager will combine qualitative and quantitative tests and analysis to build a high conviction portfolio of between 20 and 75 investments. However, during the Start-up Phase the Fund will likely hold fewer investments than indicated in the range. It is this same logic that will also skew the target allocations noted below until the Fund is at investment scale. Until the Fund is at investment scale, the Investment Manager will be mindful of the allocations, any liquidity obligations and target returns.

Over time, as the Fund acquires or sells assets consistent with its investment strategy, the specific assets comprising the Fund's investment portfolio will change. The indicative and maximum allocations are set out in Table 1 on page 9. Updated information about the portfolio of assets held by the Fund from time to time can be found at www.adamascapital.com.au/acdf.

Please note, the allocations in Table 1 are provided as a guide only and it may be that during the Start-up Phase, the target maximum allocations are exceeded (except for the maximum allocation to mortgage securities which will not exceed 50% or more of the Fund's non-cash assets at any time) or the indicative allocations provided are not accurate. For example, immediately before the acquisition of a real property asset, and immediately after the sale of a real property asset, the Fund's cash holding may exceed 10%. In addition, the Fund's cash holding may exceed 10% while the Investment Manager is identifying investment opportunities for the Fund and preparing to make an acquisition. It could also be the case that during the Start-up Phase the portfolio might be significantly overweight a particular asset class(es).

(a) Listed Equity Funds

It is intended up to 35% of the Fund's assets will be invested in listed equity funds, with an indicative allocation of 15%. The Fund intends to invest in listed funds that invest in domestic and international equities.

(i) Listed Domestic Equity Funds

The Fund intends to invest in one or more index-tracking funds listed on the Australian Securities Exchange (**ASX**) that provide the Fund with exposure to domestic equities. Index-tracking funds provide and maintain a passive exposure to a selection of a specific group of companies (company shares) by mimicking the combined performance of that specific group of companies relative to a benchmark or 'index' – typically those with the largest weighting in that index. This provides identifiable diversification, is a low-fee option and has a low tracking-error. The Investment Manager will select appropriate fund(s) for investment having regard to the fees charged, past performance and the skill, experience and reputation of the relevant manager. The funds selected will likely invest in the top 50, 100 or 200 companies listed on the ASX.

The Fund's investment in listed domestic equity funds may also provide the Fund with exposure to Australian Real Estate Investment Trusts (**A-REITs**). The Fund's only exposure to A-REITs will be through this medium and as such the Investment Manager does not contemplate the additional acquisition of A-REIT securities outside its exposure to its domestic listed equity fund(s). The Investment Manager considers any exposure to listed A-REITs is accommodated in its listed equities exposure, not its property exposure.

It is intended up to 20% of the Fund's assets will be invested in listed domestic equity funds, with an indicative allocation of 7.5%.

(ii) **Listed International Equity Funds**

The Fund intends to invest in index-tracking funds listed on securities exchanges that provide the Fund with exposure to international (non-Australian) equities. The Investment Manager will select appropriate exchange-traded or managed funds for investment having regard to the fees charged, past performance and the skill, experience and reputation of the relevant manager(s). The funds selected will invest in companies listed on the relevant international exchange or as appropriate for the relevant exchange and options offered by the selected manager(s). The Fund's investment in listed international equity funds may also provide the Fund with exposure to Global Property Securities (**G-REITs**). The Investment Manager will not be seeking to invest directly into G-REITs outside these managed funds. The Investment Manager considers any exposure to listed G-REITs is accommodated in its listed international equities exposure, not its property exposure.

It is intended up to 15% of the Fund's assets will be invested in listed international equity funds, with an indicative allocation of 7.5%.

For example, exposure to the following exchanges could be anticipated, among others:

- A. London Stock Exchange.
- B. New York Stock Exchange.
- C. NASDAQ Stock Exchange.
- D. Tokyo Stock Exchange.
- E. Singapore Stock Exchange
- F. Euronext Stock Exchange.
- G. Hong Kong Stock Exchange.

(b) Private Equity

It is intended up to 30% of the Fund's assets will be invested in private equity investments, with an indicative allocation of 12.5%. The Investment Manager will seek to identify unlisted companies for investment opportunities with scalable products, operating leverage, and management capable of sustainable growth. Regard will be had to, among other things, the disruptive nature of product/service, size of market and pricing elasticity, and competitive market analysis.

(c) Direct Real Property

It is intended up to 35% of the Fund's assets will be invested in direct real property, with an indicative allocation of 20%. The Fund may invest in both established real property assets as well as property development opportunities.

(i) **Development opportunities**

The Investment Manager will seek to identify both "greenfield" (land that has not yet been developed) and "brownfield" (land that has previously been built on) property development opportunities for investment by the Fund. The development opportunities identified may include opportunities that fall within one of the following categories:

- A. Conventional property sub-classes – residential, office, retail, industrial, mixed use, hospitality, land subdivision.
- B. Social infrastructure – childcare, aged care, build to rent, life sciences.
- C. Logistics infrastructure – road/rail/air/maritime related assets.
- D. Physical infrastructure – energy, communications, utilities.

The assets may be located anywhere in Australia.

The target allocation range for development assets is up to 20%, with an indicative allocation of 12.5%.

(ii) **Established assets**

The Investment Manager will seek to identify passive real property investment opportunities, being investment in properties that are already developed, including stabilised and core-plus investments. The types of direct real property assets that may be invested in by the Fund include those in the residential, office, retail, industrial, mixed use, social infrastructure, and hospitality sectors. Some value adding activity may be considered for these assets on the basis of a clearly demonstrated business case and suitable risk mitigation such as pre-leasing and fixed construction costs.

The assets may be located anywhere in Australia, however are more likely to be eastern seaboard assets.

The target allocation range for established real property assets is up to 15%, with an indicative allocation of 7.5%.

The real property assets may be acquired by the Fund directly or via a trust wholly owned by the Fund.

(d) Unlisted Property Schemes

It is intended up to 10% of the Fund's assets will be invested in unlisted property schemes, with an indicative allocation of 7.5%. The property funds may offer a single asset, single sector strategy or may be diversified funds, and may include infrastructure assets. The funds may be structured as managed investment schemes or corporate collective investment vehicles (CCIVs). The funds may be managed by third parties. The funds may also be operated by the Responsible Entity and operated or managed by the Investment Manager, or by their related companies or associates.

(e) Fixed Income

It is intended up to 35% of the Fund's assets be invested in interest earning products, with an indicative allocation of 22.5%. It is intended the Fund invest in interest earning products to provide the Fund with a stable income stream, low volatility and to facilitate withdrawals pursuant to the Limited Monthly Redemption Facility. Refer to Section 5.3 for more information. It is intended the Fund invest in both corporate (investment grade rated and non-investment grade rated) and government bonds and term deposits.

(i) Term deposits

The Fund may invest funds in term deposits offered by an ADI, such an Australian bank. The term of the account may be for a period of up to one year.

The target allocation range for term deposits is up to 10%, with an indicative allocation of 5%.

(ii) Government bonds and corporate bonds

The Fund may invest in sovereign or state government bonds and corporate bonds with a minimum issue credit rating of the equivalent of at least BBB/Baa (as rated by Standard & Poor's, Moody's, Fitch, AM Best, or Australia Ratings) which is what is commonly referred to as 'investment grade'. The term of the bonds will be up to 10 years, with fixed or floating or index interest rates and periodic interest payment terms.

The Fund may also invest in (typically corporate) bonds rated as 'non-investment grade' which are bonds which have a rating which is below BBB/Baa or equivalent (as rated by Standard & Poor's, Moody's, Fitch, AM Best, or Australia Ratings). The Fund may invest in non-investment grade rated bonds if the Investment Manager considers they demonstrate a suitable risk/return proposition along with commensurately higher rate of return than an equivalent investment-grade rated bond. Non-investment grade securities have been independently assessed to offer a higher risk of default than investment grade securities.

The target allocation range for investment grade bonds is up to 10%, with an indicative allocation of 5%. The equivalent allocation to bonds rated non-investment grade is up to 15% with a target allocation of 12.5%.

The Fund may also invest in international bonds of a similar kind, either directly or via a fund listed on the ASX. If the investment is made directly, then the Fund's exposure to currency risk may be hedged. Such an allocation would be considered within the bond allocation.

(f) Mortgage Securities

The Fund may make loans directly or invest in unlisted mortgage schemes. It is intended up to 30% of the Fund's assets will be invested in mortgage securities, with an indicative allocation of 17.5%.

(i) Direct loans

The Fund intends to make loans that are limited-recourse secured by mortgage over real property.

Loans may be made to facilitate a bridging position, or to a property developer. A loan application, which must comply with the Fund's investment policy, must be accompanied by a suitable feasibility and business case summary. If considered appropriate, an indicative and non-binding letter of offer including fees and conditions will be provided to the prospective borrower.

The Investment Manager will consider the impact of any new loan proposal on the liquidity of the Fund. This requires the loan to be reviewed within an appropriate financial analysis model. The performance of all loans will be monitored on high frequency by the Investment Manager for adherence to ongoing reporting requirements and performance to specific loan covenants. All funds drawn down for the purposes of property construction or development will only be advanced after demonstration of satisfactory project progress. Cash flow forecasts will be reviewed and adjusted to reflect project status.

Each loan will be rated internally and classified on the basis of credit risk. The Investment Manager will agree loan covenants specific to the loan and the perceived risk and return.

(ii) Unlisted mortgage schemes

Rather than by making loans, the Fund may invest in unlisted mortgage schemes or CCIVs. The funds may be managed by third parties. The funds may also be operated by the Responsible Entity or operated or managed by the Investment Manager, or by their related companies or associates.

(g) Cash

The Fund will maintain a holding in cash to facilitate the making of identified investments by the Fund from time to time and to manage liquidity and redemptions, including to facilitate withdrawals pursuant to the Limited Monthly Redemption Facility. Refer to Section 5.3 for more information. Cash would typically comprise no more than 10% of the Fund's holding and with an expected stabilised allocation of 5%.

2.4 Investment term

The Fund is 'open-ended' in that the Responsible Entity expects the Fund to be open for investment on an ongoing basis. Subject to the availability of withdrawals (refer to Section 7.3), there is no minimum term during which Investors must retain their Units in the Fund. Equally, there is no maximum term of investment, as the Fund's term will be ongoing, subject to conventional statutory limitations.

The Responsible Entity considers those looking to invest should have an investment horizon of at least five years.

2.5 Gearing

(a) Borrowing policy

The Fund or its sub-trusts may borrow as part of its making of any direct real property investments. Borrowing by the Fund is known as gearing. Repayment of borrowings would rank ahead of Investors' interests in the Fund and payment of interest on borrowings would be funded prior to any distributions being made to Investors. As a result, the borrowing metrics and expiry profile of any borrowing facilities of the Fund are important factors for Investors to consider.

There are risks involved in investing in a geared investment vehicle, as gearing magnifies profits, losses, capital gains and capital losses. See "Borrowing risk" in Section 6.3(h) for further information.

The Investment Manager has, and complies with, a borrowing policy for the Fund and its sub-trusts, which outlines the level of gearing and interest cover expected to be maintained.

From time to time, the Responsible Entity may at its discretion apply some borrowings of the Fund to assist in paying withdrawals, either under the Limited Monthly Redemption Facility or as part of Periodic Withdrawal Opportunities.

(b) Interest rate hedging

Where the Fund borrows against direct real property, the Responsible Entity may enter an interest rate risk management mechanism in order to provide increased certainty in relation to the Fund's interest expense, through hedging the cost of debt for an agreed period.

2.6 Valuation Policy

The Responsible Entity maintains and complies with a written valuation policy for the valuation of the Fund's assets.

The periodic valuation of assets in each sector is materially different. Table A below outlines the basis of valuation adopted by the Investment Manager for reporting purposes both to the Investment Committee and to Investors and other related disclosures. The overriding objective is to assess fair value equivalent to current open market value.

Table A – Valuation Protocols

Sub-Portfolio	Valuation Protocol
Domestic equities	Underlying manager's reported net asset value (based on the point in time share price derived from the actual latest bid price at the close of the relevant day) x number of shares held.
International equities	Underlying manager's reported net asset value (based on the point in time share price derived from the actual latest bid price at the close of the relevant day) x number of shares held.
Non real (corporate) assets – private equity	<p>Adopt an accredited method of ascribing value to a company including using discounted cash flow, comparables and adjusted present value (e.g. Institutional Limited Partners Association, the British Venture Capital Association or European Venture Capital Association) for valuing assets; or where the Investment Manager has special knowledge with regard to the PE/VC vehicle including transactions in the pipeline or recent transactions in the equities, a formula provided by the Investment Manager based on discounted cash flows and other recognised valuation procedures for illiquid assets.</p> <p>Share issue price at latest capital raise, else book value held at cost. External business valuer as appropriate. Wherever possible, readily observable market data is used. The Investment Manager may adopt market prices (or changes in market prices) of similar or economically-related assets.</p>
Real property – development	<p>Land held at current market value based on prevailing sales evidence.</p> <p>Development under construction is held at as-if-complete valuation less cost to complete capital works adjusted for changes to market circumstances.</p> <p>External valuation as appropriate in line with Responsible Entity's valuation policy.</p>



Sub-Portfolio	Valuation Protocol
Real property – stabilised/core plus	<p>Current market value based on API/RICS methodology using prevailing sales evidence and an as-if-complete valuation annex if capital works are underway.</p> <p>External valuation as appropriate in line with Responsible Entity’s valuation policy.</p>
Unlisted property schemes	<p>Underlying manager’s reported net asset value (unit prices) per security x number of securities held. The Investment Manager may adopt historical cost and/or “Market Price” using, wherever possible, readily observable data such as a recent transaction, valuation techniques such as earnings multiple; net assets; discounted cash flow calculations or other industry valuation benchmarks or any appropriate guidelines or standards.</p>
Term Deposits	<p>Yield to maturity – the net present value of expected periodic return based on current market value and assuming held to maturity, any coupons / interest reinvested, and assessed forecast capital gain or loss on maturity.</p>
Bonds (Investment Grade and Non-Investment Grade)	<p>When markets are open for trade and functioning normally, the market price (the last sale price immediately prior to the valuation point or the current price available at the valuation point from a market maker) is adopted using wherever possible, readily observable market data.</p> <p>When market is disrupted and market price is deemed to be unreliable or no market price is available, the market price is the price determined in good faith by the Responsible Entity (or its appointed agent) using, to the extent appropriate observable market inputs and minimising the use of subjective assessments based on the following data points:</p> <ul style="list-style-type: none">• volume-weighted average price of the relevant instrument taken from the previous 5 days of trade before the market disruption;• the market prices (or changes in market prices) of similar or economically-related assets;• any other relevant factors such as whether prices are likely to rise or fall following the market disruption.
Mortgage Securities	<p>Carried at face value plus accrued but unpaid interests or a value derived from discounted future cash flows using prevailing market interest rate unless, in all cases, there is no reasonable prospect of repayment in which case a reasonable estimate will be made of discount to face value – all using, wherever possible, readily observable data.</p> <p>In the absence of a valuation from a reputable, independent third party, the value of unlisted debt instruments will be based on calculations made in good faith based on:</p> <ul style="list-style-type: none">• the face value or amount outstanding in respect of the debt instrument at the valuation time;• an appropriate discount rate where there is a reasonable likelihood the Fund will not receive all amounts outstanding in respect of the debt instrument for example;• where the issuer of the debt instrument is in financial difficulties including where there is observable data indicating that there is a measurable decrease in the issuer’s estimated future cash flows;• where the issuer of the debt instrument is in financial distress including appointing an administrator, appointing a receiver to its assets or taking other insolvency actions;• where the issuer of the debt instrument has breached a material provision of documents constituting debt instrument;• where the debt instrument is secured, the secured assets being damaged or destroyed in circumstances where the insurances may not respond; and• any valuation techniques, industry valuation benchmarks; or other appropriate guidelines or standards issued in respect of valuing unlisted debt instrument. <p>Net Present Value of scheduled interest payments, discounted for any apparent risks to cash flow or capital return</p>
Cash	<p>Face value.</p>

Assets will be marked to market prior to the issue of any Units in the Fund and otherwise as required and at least annually at balance date of 30 June. Each periodic performance report to the Investment Committee will also include an estimate of prevailing sub-portfolio valuation to inform the unit pricing protocol in accordance with the Constitution and the Responsible Entity's unit pricing and discretions policy. A copy of the Responsible Entity's unit pricing and discretions policy is available free of charge by contacting the Responsible Entity.

2.7 Distributions

The Responsible Entity and Investment Manager intend that the Fund will make quarterly distributions (which may comprise either or both income or capital) to Investors. Distributions are not guaranteed and are subject to receipt of interest, distributions, dividends, rental income, and other payments from underlying investments.

2.8 Distribution reinvestment plan (DRP)

The Responsible Entity has in place a DRP which enables Investors to reinvest some or all of their distributions for additional Units. The key features of the DRP are as follows:

- (a) You may apply the DRP to your distribution.
- (b) You may elect to join or withdraw your participation in the DRP at any time. For your election to apply to a particular distribution payment, the election must be received by 5pm Sydney time on the second last Business Day of the relevant distribution period.

- (c) Units issued to you under the DRP will rank equally with existing Units from the date of issue.
- (d) Units issued under the DRP will be issued at the Application Price applicable on the first Business Day after the day the relevant distribution is deemed to be applied in payment for the Units.
- (e) The calculation of the allocation of Units under the DRP may result in a residual amount. This is because your distribution amount is used to acquire a whole number of Units, which may leave a residual amount which is less than the price of one Unit. For each distribution, the value of that residual amount is carried forward, without interest, and added to your next distribution.

You will receive quarterly statements, which set out the details of your distribution amount, the number of Units you have acquired under the DRP, the applicable Application Price and any residual amount retained for you. You can elect to participate in the Fund's DRP by completing the relevant section in the Application Form. You may also vary your participation, or withdraw from participating, in the DRP. You can access relevant forms in this regard at www.adamascapital.com.au/acdf.

The Responsible Entity may discontinue or vary the terms of the DRP at its discretion. Any suspension or variation of the DRP will be communicated to Investors at www.adamascapital.com.au/acdf.



3.0 Management of the Fund

PRODUCT DISCLOSURE STATEMENT

3.0 Management of the Fund

3.1 The Responsible Entity

The Responsible Entity of the Fund is One Managed Investment Funds Limited (**OMIFL**). OMIFL holds Australian financial services licence number 297042. OMIFL has extensive experience as a professional trustee. OMIFL is a member of One Investment Group (**OIG**).

OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee, custody and other services associated with funds management. OIG operates a number of entities that, pursuant to the Corporations Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG is responsible for in excess of 300 funds and \$35 billion across a wide range of underlying asset classes, including fixed income, infrastructure, real estate, equities, private equity and fund of funds. OIG's clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

The Responsible Entity is accountable for the day-to-day operation of the Fund in accordance with its AFSL, the Constitution, the compliance plan for the Fund, the Corporations Act and general trust law. It is responsible, for example, for unit pricing and investor reporting, but it may delegate some of its duties to agents and other service providers. As responsible entity for the Fund and as the holder of an AFSL, the Responsible Entity must –

- (a) act honestly;
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in RE's position;
- (c) act in the best interests of investors and if there is a conflict between investors' interests and its interests, give priority to investors' interests;
- (d) treat investors who hold interests of the same class equally and investors who hold interests of different classes fairly; and
- (e) comply with the Fund's compliance plan.

3.2 The Investment Manager

The investment manager of the Fund is Adamas Capital Investment Management Pty Ltd. Adamas is an authorised representative (number 001 308 065) of One Wholesale Fund Services Ltd ACN 159 624 585. Adamas is responsible for making the investment decisions that affect the performance of the Fund.

The Investment Manager is structured to exploit the skills and experiences of its personnel. As noted in Section 3.3 below, all members of the Investment Committee bring professional experience of between 19 and 35 years, many of whom have worked together on previous projects in related legal, compliance, project management, investment, or investment management capacities. The range of skills and experience encompasses the acquisition, management and divestment of direct real estate; the operation of real estate based managed investment schemes; property debt advisory; asset allocation; investment analysis; property development; build-to-rent operations; acquisition of small-to-medium enterprises (**SMEs**) in a private equity context and operation of a private equity enterprise; syndicated leasing; interest rate derivatives; corporate mergers and acquisitions.

The Investment Manager operates under a dual compliance structure. The compliance of its conduct is governed in its relationship with the Responsible Entity. It operates in accordance with the rules set out by the Constitution which are themselves in accordance with the various rules and regulations set out in the Corporations Act. The Investment Manager has also voluntarily adopted a supplementary set of its own operational guidelines captured in its own set of governance and compliance documents. The Investment Committee intends to meet at least quarterly to review its own investment operations and compliance processes. In addition, the Investment Manager reports monthly to the Responsible Entity on all of its activities.

The Investment Manager will also operate its own internal governance and risk committee.

The Investment Manager's personnel all have experience in operating in a licensed environment with two members themselves being responsible managers on other financial services licences, enabling them to bring additional knowledge and skills.

The Investment Manager anticipates organic growth in personnel numbers over time concomitant with growth in its funds under management.

3.3 Investment Committee

The Investment Manager has formed an Investment Committee. The key responsibilities of the Investment Committee include –

- (a) oversight of the investment process including asset selection, due diligence and acquisition/divestment as appropriate;
- (b) ultimate portfolio management responsibility;
- (c) selection of trading strategies;
- (d) selection and supervision of trading desk operators;
- (e) allocation and approval of risk budget and limits; and
- (f) being the lead portfolio manager for the Fund.

The Investment Committee will be responsible for selecting the Fund's investments, the making of investment decisions (including acquisitions and disposals), and reviewing the Fund's investment policy, among other things. The Investment Committee will meet at least monthly.

The Investment Committee is comprised of the following members:

Mark Wist (Chair)

Mark is a corporate property investment strategist and advisor with 35 years of experience in property funds and investment management, research, asset allocation advisory, investment performance analysis and benchmarking, property acquisitions and divestments, development feasibility and investment advisory, treasury management and has been a registered valuer. He has been the fund manager for many managed investment schemes.

Mark has written 30 post-graduate modules in property markets and property development, and has lectured at universities and conferences in Australasia and Europe. He is engaged as an independent expert witness for Federal Court, Supreme Courts of NSW and QLD and the Administrative Appeals Tribunal.

Mark has operated his own investment advisory practice consulting to fund managers, institutional investors, family offices, high net worth investors, developers and corporates and acts as responsible manager on Australian financial service licences and sits on a number of investment committees and compliance committees.

Mark has worked professionally for between four and ten years in each of Melbourne, Sydney, Brisbane, Auckland, and London. He is an invited Fellow of the Royal Institution of Chartered Surveyors and an invited Fellow of the Applied Property Development Institute.

Gavin McInnes

Gavin is a director of the Investment Manager and an experienced, award winning corporate, commercial, funds management and property lawyer with a diverse interest in business in Australia and around the world.

Gavin is an accredited specialist in business law with the Queensland Law Society and sits on the Specialist Accreditation Committee for the Queensland Law Society.

He sits on a number of boards and is the managing principal of GRM LAW, a boutique legal practice based in Brisbane after having worked in and held partnership roles in some of Brisbane and Australia's most prestigious law firms and practices. He has run firms in Brisbane, Sydney and Singapore and has extensive networks around Australia and throughout Asia.

Gavin's clients include a number of private and listed companies, Australian funds, Asian interests, high net worth individuals and their family offices, leading private equity funds as well as many national brands. He has had extensive industry experience advising clients encompassing health, property, funds management, banking and finance, SME businesses in all sectors, energy and resources, finance, technology, hospitality, retail and the infrastructure sectors.

Gavin has owned and operated Stone Leaf Capital, a private equity company, for more than 15 years in which time it has been instrumental in investments, entries and exits from a number of businesses in the health, automotive and mining sectors.

Matthew Bode

Matthew Bode is a director of the Investment Manager and an experienced senior Banking and Finance lawyer with both in-house and major law firm experience gained from roles in Brisbane, Sydney, London, Cayman Islands and Hong Kong.

He is currently a financial services regulatory partner at Gagens Lawyers Brisbane. Prior to this role he was senior legal counsel at AMP Capital in Sydney having spent 18 months assisting with the demerger and transition to Collimate Capital, and general funds management and investment BAU and heavy involvement with the current sale process of AMP Capital. He sat on the AMP Capital Incident Assessment Committee as legal representative, and was actively engaged with the compliance team in the assessment of reportable incidents for over a year, while providing legal support to the AMP Capital business units in various Asian offices, New York, and London.

Prior to AMP he was senior legal counsel at McMillan Shakespeare Limited – Australia's leading salary packaging operator, as well as supporting plan management services to NDIS customers, and assisting with corporate operations.

He previously held roles as a partner of Colin Biggers & Paisley Lawyers and the senior legal counsel for Think Childcare Limited, where he led its corporate share-stapling transaction and ASX-listing, and subsequent acquisition of over 30 new childcare centres. Other corporate roles have included appointment as chief operating officer at Kanebridge Capital in Sydney for two years from 2018 and as COO of the Kanebridge Property and Finance Group, where he worked on build-to-rent property projects, also holding the dual role as general counsel and company secretary for 1MP Ltd, an unlisted convenience retail REIT.

Matt consults to businesses in the corporate, property and resources sectors structuring bankable projects, advises on debt finance transactions, including risk assessment and other ancillary legal and commercial issues from acquisition, construction, operation, drafting documentation, and advising on regulatory issues for successful project execution.

Ross Williams

Ross brings 33 years' experience in the property industry. Originally a carpenter by trade, Ross has developed and project managed the delivery of approximately \$750m of residential product on 1,600 titles (including land subdivisions) and a further \$250m of industrial developments including work-stores, self-storage and both convenience and non-discretionary retail. Until December 2018 Ross was a 50% owner and joint director of KNR Investments Pty Ltd, the holder of Australian Financial Services Licence (no. 356442). Ross has formally been engaged as the chair of investment committee, capital transactions manager or head of property responsible for the complete life cycle of projects from acquisition through development and disposal. Formally trained as a contracts administrator within the offices of Forrester Parker Group Limited (ASX:FRP), a listed builder. Ross maintains a QBCC licence as a medium rise supervisor.

Ross has won numerous awards as a builder and developer, was awarded second in the BRW Fast100 2006 as the managing director of the fastest growing property developer in Australia. Following this he established a General Partners joint venture with Investec PLC (INVP:London) as

the investment and development manager for a \$400m industrial property fund. He represented Aveo Group (ASX:AOG) as the developer representative and ultimately chaired the principle body corporate for an 1,800 lot master planned community.

His passion lies in identification of opportunity, while his core strengths are cultivating a positive culture, creating strategy, managing risk and working with stakeholders. These skills are supported by relevant qualifications. He has post-graduate qualifications in risk management and sustainable enterprise and been a Fellow of both the Australian Institute of Company Directors and the Australian Institute of Management.

Brad Burns

Brad is an independent member of the Investment Committee and is a finance and commercial executive with 20+ years' international experience gained from roles he has worked in across Australia and the United Kingdom. This has included working with large well-respected organisations including Hastings Deering as part of the Sime Darby Group and HSBC. He has assumed chief financial officer, treasurer and commercial roles that has allowed him to gain a broad range of skills and experiences in financial, commercial and capital management.

During his career he has negotiated and executed more than A\$3bn of multi banked fixed term, working capital and structured leasing facilities, as well as managing the financial risk of a portfolio of more than \$500m of FX and \$300m of interest rate derivatives.

He successfully worked with the board for a startup technology services business within the mining industry that raised approximately \$41m of capital that transitioned the business from pre-revenue to commercialisation.

Brad has also successfully worked with teams completing business acquisitions as well as managing the accounting and tax compliance for multiple companies. He is a member of CPA Australia.

The table below indicates the members of the Investment Committee responsible for the Fund's investments by sector.

Person	Professional Commencement	Committee Role	Portfolio Sector Roles
Mark Wist	1988	Chair	Real Assets, Equities, Private Debt
Gavin McInnes	2005	Member	Private Equity, Equities
Matthew Bode	1992	Member	Private Equity, Real Assets, Cash
Ross Williams	1989	Member	Real Assets, Fixed Income/Private Debt
Brad Burns	1999	Member	Fixed Income, Cash

3.4 The Administrator

The Responsible Entity has appointed Unity Fund Services Pty Ltd to act as administrator for the Fund. In this capacity, the Administrator performs general administrative tasks and fund accounting services for the Fund, including keeping financial books and records, unit pricing and calculating the net asset value and net tangible assets of the Fund.

Unity Fund Services Pty Ltd is an associated company of the Responsible Entity. The Responsible Entity has entered into an administration agreement with the Administrator, on arm's length terms, which governs the services that will be provided by the Administrator.

3.5 The Registrar

The Responsible Entity has appointed One Registry Services Pty Limited to act as the registry services provider for the Fund. In this capacity, the Registrar performs general registry services including the maintenance of the Fund's unit register and the processing of applications and redemptions.

One Registry Services Pty Limited is a related party of the Responsible Entity. The Responsible Entity has entered into a registry services agreement with the Registrar, on arm's length terms, which governs the services that will be provided by the Registrar.

3.6 Monitoring the Fund's key service providers

The service providers engaged by the Responsible Entity may change without notice to Investors. Risks relating to the use of third-party service providers are outlined in Section 6. The relevant fees and costs of the Fund are outlined in Section 4.

The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of the Investment Manager, regularly monitor the performance of the service providers against service standards set out in the relevant agreements. All of the service agreements with service providers are reasonably considered by the Responsible Entity to be on arm's length terms.



4.0 Fees and Other Costs

PRODUCT DISCLOSURE STATEMENT

4.0 Fees and Other Costs

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your 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 fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

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

Taxes are set out in Section 5.

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

4.1 Fees and costs summary

ADAMAS DIVERSIFIED FUND – UNITS

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Management fees and costs The fees and costs for managing your investment ²	Establishment fee One-off fee of \$15,675	Payable to the Responsible Entity from the Fund assets on establishment of the Fund.
	Responsible Entity fee Ongoing fee of 0.06% per annum on the first \$150 million of the gross value of the Fund plus 0.03% per annum of the gross value of the Fund greater than \$150 million, subject to a minimum monthly fee of \$4,180 (indexed by CPI annually)	Calculated and accrued daily and paid to the Responsible Entity monthly in arrears from the Fund assets.
	Custody fee One-off fee of \$3,135 PLUS Ongoing fee of 0.03% per annum of the gross value of the Fund subject to a minimum monthly fee of \$2,050 (indexed by CPI annually)	One-off fee – paid to the Responsible Entity from the Fund assets on establishment of the Fund. Ongoing fee – calculated and accrued daily and paid to the Responsible Entity monthly in arrears from the Fund assets.
	Investment Manager fee 1.04% per annum of the net asset value of the Fund	Calculated and accrued daily and paid to the Investment Manager monthly in arrears from the Fund assets.

ADAMAS DIVERSIFIED FUND – UNITS

Type of fee or cost	Amount	How and when paid
Management fees and costs The fees and costs for managing your investment ²	Operating costs and expenses Estimated to be 0.21% per annum of the Fund's net asset value. ³	Paid from the Fund assets as and when incurred.
	Indirect costs Estimated to be 0.05% per annum of the Fund's net asset value. ³	Paid from the Fund's underlying investments as and when incurred and reflected in the Unit price.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0% per annum of the Fund's net asset value. ³	The Fund's performance fee is calculated and accrued weekly and reflected in the Unit price and is payable within 15 days of the end of each financial year. The first payment (if the out-performance is positive) will occur after completion of the first full financial year and then annually thereafter. Performance fees may also be calculated, accrued and paid from the Fund's underlying investments and reflected in the Unit price.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to 0.95% per annum of the Fund's net asset value. ³	The Fund's transaction costs are paid from the Fund assets as and when incurred. Transaction costs may also be paid from the Fund's underlying investments and reflected in the Unit price. An example of a transaction cost would be stamp duty when the Fund acquires directly held real estate assets. Stamp duty cannot be avoided on direct property transactions.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ⁴	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

1. A removal fee may also be payable to the Responsible Entity if it is removed as the responsible entity of the Fund. Further information is included under the heading 'Additional explanation of fees and costs'.
2. The components of the management fees and costs are discussed in more detail under the heading 'Additional explanation of fees and costs'.
3. As the Fund is newly established, these amounts are based on a reasonable estimate of amounts that will be incurred or accrued for the period the Fund is offered in FY24, adjusted to reflect a 12-month period assuming a net asset value of \$138,000,000. Actual amounts will change over time as the costs of managing the Fund and the Fund's investments change. Updated fees and costs information for the Fund may take the form of a notice on the Fund's website www.admascapital.com.au/acdf. Further information is included under the heading 'Additional explanation of fees and costs'.
4. To be reviewed on or before the first anniversary of the issue of the first Units under this PDS.

4.2 Example of annual fees and costs for the Fund

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

EXAMPLE – ADAMAS CAPITAL DIVERSIFIED FUND – UNITS		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	1.38% ¹	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$688 each year.
PLUS Performance fees	Nil ²	And , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	0.95% ³	And , you will be charged or have deducted from your investment \$477 in transaction costs.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$1,165 to \$1,282⁴ What it costs you will depend on the investment option you choose and the fees you negotiate.

1. This represents the Fund's estimated management fees and costs as a percentage of the Fund's estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period). It comprises the following components: establishment fee, Responsible Entity fee, custody fee, Investment Manager fee and estimated operating costs and expenses and indirect costs. It assumes total average net assets for the period of \$138,000,000 by the end of the period.
2. This represents the Fund's estimated accrued performance fees (including performance fees accrued in the underlying investments) as a percentage of the Fund's estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period). It is not possible to forecast the performance of the Fund and some years there may be negative performance.
3. This represents the Fund's estimated transaction costs as a percentage of the Fund's estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period).
4. Additional fees may apply, such as any additional fees that your financial adviser or IDPS operator may charge you and also a removal fee may be payable to the Responsible Entity if it is removed as the responsible entity of the Fund.

4.3 Additional explanation of fees and costs

(a) Management fees and costs

Management fees and costs represent the total investment and administration related costs of operating the Fund. It includes the management fees, custody fees and may also include the normal operating expenses in relation to the Fund (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) which the Responsible Entity is required to cover. Management fees and costs also include indirect costs (costs that relate to the investment of assets of the Fund).

(i) Fees payable to the Responsible Entity

A. Establishment fee

The Responsible Entity is entitled to receive a one-off establishment fee of \$15,675 for its work in connection with establishing the Fund. This fee is payable out of the Fund assets upon the establishment of the Fund.

B. Responsible Entity fee

The Responsible Entity is entitled to receive an annual fee for acting as responsible entity of the Fund, calculated as follows:

- 0.063% per annum on the gross value of the Fund assets (up to \$150 million), plus

- 0.031% per annum on the gross value of the Fund assets (greater than \$150 million), subject to a minimum monthly fee of \$4,180 per month.

This fee is calculated and accrues daily and is paid to the Responsible Entity monthly in arrears from the assets of the Fund. Assuming a Fund size of \$138 million, the Responsible Entity would receive a fee of \$60,944 for the annual period. The minimum Responsible Entity fee is subject to an annual increase on 1 July each year of the higher of 3% and changes in the CPI.

C. Custody fee

The Responsible Entity is entitled to receive a custody fee in connection with performing the custodial function for the Fund as follows:

- A one-off fee of \$3,135. This fee is payable out of the Fund assets upon the establishment of the Fund. An ongoing fee of up to 0.031% per annum of the gross value of the Fund subject to a minimum monthly fee of \$2,050. This fee is calculated and accrues daily and is paid to the Responsible Entity monthly in arrears out of the Fund assets.



Assuming a Fund size of \$138 million, the Custodian would receive a fee of \$32,295 for the annual period. The minimum custody fee is subject to an annual increase on 1 July each year by the higher of 3% and changes in the CPI.

D. Responsible Entity transaction fees

The Responsible Entity is entitled to receive transaction fees for providing services for the Fund as follows:

- \$5,225 for each target market determination (TMD) after the issue of the first TMD.
- \$10,450 for each revised product disclosure statement after the issue of this first PDS.
- \$5,225 for the issue of any supplementary product disclosure statement.
- \$2,090 for each investment entity established by the Investment Manager for the Fund.
- \$3,135 for each facility entered into a finance arrangement by the Fund including but not limited to a loan advanced by the Fund to a borrower or any refinance of that loan by the Fund.

These fees are payable to the Responsible Entity from the Fund assets as and when the relevant service is provided and are treated as operating costs and expenses (see below).

(ii) Investment Manager fee

The Investment Manager is entitled to receive an ongoing annual fee of 1.04% per annum of the Fund's net asset value of the for managing and overseeing the investments and operations of the Fund.

This fee is calculated and accrues daily and is paid to the Investment Manager monthly in arrears out of the Fund assets. For example, \$518 for every \$50,000 of net assets.

(iii) Operating costs and expenses

Operating costs and expenses include, but are not limited to, the following:

- A. Administrator fees.
- B. Registrar fees.
- C. ASIC fees.
- D. Accounting and audit fees of the Fund.
- E. Responsible Entity transaction fees.

All costs and expenses properly incurred in operating the Fund are payable from the assets of the Fund as and when incurred. The Fund's operating costs and expenses are estimated to be 0.21% per annum of the estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period). For example, \$105 for every \$50,000 of net assets. Actual operating costs and expenses for a financial year may differ from the amount disclosed in this PDS. Updated information about operating costs and expenses may take the form of a notice on the Fund's website www.admascapital.com.au/acdf.

(iv) Indirect costs

Indirect costs are fees, costs, expenses and other amounts paid from, or incurred by the Fund, which (directly or indirectly) reduce the return of the Fund. These include amounts incurred in making direct investments and management fees and costs charged by the underlying investments in which the Fund invests (i.e. the costs of investing in an interposed vehicle), but do not include performance fees or transaction costs charged by the underlying investments.

The Fund's indirect costs are estimated to be 0.05% per annum of the estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period). For example, \$25 for every \$50,000 of net assets.

The indirect costs incurred by the Fund depend on the Fund's portfolio composition and are generally disclosed based on amounts paid in the previous financial year. Actual indirect costs for a financial year may differ from the amount disclosed in this PDS. Updated information about indirect costs may take the form of a notice on the Fund's website www.admascapital.com.au/acdf.

Indirect costs are paid from the Fund assets (or from the assets of the underlying investments) when the cost is incurred and are reflected in the Unit price. Indirect costs are not directly payable by you.

(v) Responsible Entity's retirement or removal fee

The Responsible Entity is entitled to be paid a retirement or removal fee if it is replaced in certain circumstances. This 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 and custodian of the Fund for four years from the date the first Unit is issued pursuant to this PDS if –

- A. it is removed as the responsible entity of the Fund other than for gross negligence or for a material breach of fiduciary duty to investors which causes them substantial loss, or
- B. it retires as the responsible entity of the Fund at the request of the Investment Manager in accordance with the Investment Management Agreement.

The amount of the retirement or removal fee is determined based on the gross value of the Fund's assets at the time the fee becomes payable. If the retirement or removal fee becomes payable, then it will be an expense of the Fund and must be paid out of the Fund assets.

An example of the Responsible Entity's retirement or removal fee is as follows.

In this example it is assumed that –

- A. the retirement or removal fee becomes payable 24 months after February 2024
- B. the minimum Responsible Entity fee has increased by 3% each year from 1 July 2024

- C. the minimum custody fee has increased by 3% each year from 1 July 2024
- D. the RITC rates and availability has not changed since the date of this PDS, and
- E. at the time the retirement or removal fee becomes payable, the gross value of the assets of the Fund is \$150,000,000.

Here, the Responsible Entity would be entitled to a retirement or removal fee of \$252,063 (pre GST) and \$263,406 (gross of GST and net of RITC).

Unless stated otherwise, the example above is calculated gross of GST and net of RITC and is provided for illustrative purposes only and does not represent any actual or prospective retirement or removal fee amount. You should not rely on this example in determining whether to invest in the Fund.

(b) Performance fees

The Performance Fee payable to the Investment Manager is calculated and accrued weekly and reflected in the Unit price and is payable within 15 days of the end of each financial year. The first payment (if the out-performance is positive) will occur after completion of the first full financial year after the launch of the Fund and then annually thereafter. Performance fees may also be calculated, accrued and paid from the Fund's underlying investments and will be reflected in the Unit price.

The Investment Manager is entitled to receive a performance fee of 20% of the total return to Investors above the target return of 9.0% (as updated from time to time - see below) for each financial year. This return includes capital growth and distributions, is net of fees and costs listed in this section of this PDS but before tax and the performance fee. If the return does not exceed 9%, there is no performance fee payable.

The Investment Manager does not need to recover any underperformance from prior financial years to be entitled to a performance fee for the current financial year.

The target return at the date of this PDS is 9% p.a. (net of fees and costs but before tax and any performance fee), however the target return rate may be adjusted over time in accordance with market forces. Should the Investment Committee elect to change the target return, a notice will be posted on the website www.adamascapital.com.au/acdf and disclosure will be made to existing Investors in the next Fund update communication following the target rate change.

As at the date of this PDS, the Investment Manager reasonably estimates the average performance fee calculated and accrued for the Fund and for the Fund's underlying investments is zero for the period from the date of this PDS to 30 June 2024, adjusted to reflect a 12-month period.

Worked Example

- In addition to the management fee, the Investment Manager may be entitled to be paid an annual performance fee, which forms part of the management costs for the Fund.
- The performance fee (if any) is calculated and payable out of the assets of the Fund as described in this PDS.
- The performance fee is equal to 20.9% (inclusive of the net effect of GST) of the amount the Fund provides above the performance fee hurdle
- The performance fee hurdle is a total return benchmark, and as at the date of the PDS, is 9.0% p.a.
- The performance fee hurdle for the Fund is reviewed periodically and is published on both the Investment Manager's and the Responsible Entity's websites.

A calculation of the performance fee by way of example only is included below:

		%	\$	NOTES
	Fund size		\$50,000,000	
	Performance Fee Hurdle	9.0%	\$4,500,000	The total return required to activate a performance fee
	Income	7.0%	\$3,500,000	
PLUS	Capital Growth	4.0%	\$2,000,000	Effectively the change in NAV between measurement periods
EQUALS	TOTAL RETURN	11.0%	\$5,500,000	
	Out Performance	2.0%	\$1,000,000	
	Performance Fee	20.9%	\$209,000	Including the net effect of GST/RITC

In the above example the Investment Manager would be entitled to a performance fee equating to 20.9% of the outperformance being \$209,000 (inclusive of the net effect of GST).

(c) Transaction costs

Transaction costs are costs incurred by the Fund and for dealing with the Fund's assets as a result of changes in the Fund's investment portfolio either in relation to implementing the Fund's investment strategy or Investors entering or exiting the Fund. These costs include brokerage, buy/sell spreads, settlement costs, clearing costs, stamp duty and amounts payable in connection with interest rate hedging products.

We estimate gross transaction costs will be 0.95% per annum of the estimated total average net assets for the period the Fund is offered in FY24 (adjusted to reflect a twelve-month period). For example, \$477 for every \$50,000 of net assets. The Fund's transaction costs are entirely dependent on the investment mix and activity of the Fund. Actual transaction costs for a financial year may differ from the amount disclosed in this PDS. Updated information about transaction costs may take the form of a notice on the Fund's website www.admascapital.com.au/acdf.

The transaction costs shown in the fees and costs summary at Section 4.1 are net of any amount recovered by the buy-sell spread (which is currently zero) and are an additional cost to Investors where they have not already been recovered by the buy-sell spread.

The Fund's transaction costs are paid from the Fund assets as and when incurred. Transaction costs may also be paid from the Fund's underlying investments and reflected in the Unit price.

(d) Member activity related fees and costs

(i) Buy-sell spread

The buy-sell spread reflects an 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. The buy-sell spread affects the Application Price and the Withdrawal Price and its purpose is to ensure those Investors transacting in Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The issue price (the price at which a Unit may be acquired) is calculated by adding the applicable buy spread to the prevailing Application price. The Withdrawal Price (the price at which a Unit may be redeemed) is calculated by subtracting the applicable sell spread from the prevailing Unit Price. The difference between the Application Price and the Withdrawal Price is referred to as the buy-sell spread.

The buy-sell spread is set by the Responsible Entity in consultation with the Investment Manager and may change as a result of changes in the underlying transaction costs incurred by the Fund. The buy-sell spread will be reviewed on a regular basis with the first review to occur on or before the first anniversary of the issue of the first Units under this PDS. While there is no current intention to charge a buy-sell spread, a buy-sell spread may be introduced or varied from time to time and prior notice may not be given. The buy-sell spread, if applicable, is an additional cost to Investors. It is not a fee paid to any party but is instead retained as an asset of the Fund. No buy spread will be charged in respect of Units issued to you under the DRP.

(e) Other fees and costs information

(i) Adviser remuneration

Neither the Responsible Entity nor the Investment Manager will pay any commission to financial advisers or other intermediaries. Investors are able to direct the Responsible Entity to pay an amount on their behalf to their adviser. To do so, please nominate the payment amount on your Application Form, and this amount will be deducted from your Application Money and corresponding number of issued Units.

(ii) Differential fees

The Responsible Entity or the Investment Manager will not ordinarily negotiate fees. However, they may negotiate special fee arrangements with Investors who are "wholesale clients" (within the meaning of section 761G of the Corporations Act) under which it reduces or rebates fees to those Investors. Such special fee arrangements will not adversely impact upon the fees that are paid by other Investors as set out in this section.

(iii) Changes to fees and costs

The Responsible Entity (in limited circumstances) may change the fees and expenses of the Fund referred to in this PDS. The Responsible Entity will provide Investors at least 30 days' notice of any proposed increase in fees or expense recoveries or introduction of new fees.

The maximum fees chargeable by the Responsible Entity as set out in the Constitution and the Investment Manager as set out in the Investment Management Agreement are the same as those outlined in this section.

(iv) Waiver or deferral of fees

The Responsible Entity or the Investment Manager may, in their discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

(v) Taxation

Taxation information is in Section 5. The fees and costs set out at Section 4.1 and Section 4.2 show the total cost to Investors, including the effect of GST (i.e. inclusive of 10% GST less any input tax credits, including RITCs). Unless otherwise stated, all fees and costs in this Section 4.3 are also quoted inclusive of any GST less any input tax credits, including RITCs. Where RITCs are available the Fund may be able to claim a RITC of either 55% or 75% of the GST paid, depending on the precise nature of the services. In the event that legislative amendments to the current GST regime have the effect of reducing the ability of the Fund to claim input tax credits on the fees and costs described in this section, then fees and costs may increase. If the Responsible Entity or Investment Manager becomes liable to pay GST on fees or costs not described in this PDS as GST inclusive, they are entitled to be reimbursed out of the assets of the Fund for the amount of GST. Again, the Responsible Entity will give you at least 30 days' written notice of any change to the fees and costs payable.



5.0 Taxation information

PRODUCT DISCLOSURE STATEMENT

5.0 Taxation information

5.1 Introduction

The following information is provided only as a summary of some of the Australian income tax issues which may affect Investors in the Fund. It is based on Australian taxation laws and administrative and judicial interpretation of those laws, as at the date of this PDS. As Australian taxation law is complex and changes frequently, the Australian tax consequences of investing in the Fund may differ significantly for different investors at different times.

This section considers the Australian income tax issues for Australian tax resident Investors who are individuals, complying superannuation entities and companies holding their investments on capital account and have not made any of the tax timing method elections pursuant to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

We strongly recommend that before making an investment in the Fund that you obtain professional independent tax advice concerning the Australian tax consequences of investing in the Fund that takes into account your particular circumstances. The comments below are premised on the basis that the Fund is not classified as a public trading trust for Australian tax purposes.

5.2 Taxation of Australian-resident Investors

The Fund will not pay tax on the income or gains made by the Fund. Instead, an Investor will include in its assessable income the Investor's share of the taxable income of the Fund as advised by the Fund in each year of income.

Where a distribution from the Fund exceeds the Investor's share of the net income of the Fund for tax purposes, the excess may not be immediately taxable but may, unless it relates to the distribution of a discount capital gain, reduce the cost base, and reduce the cost base of Units held by the Investor in the Fund. This excess is often referred to as the "tax deferred" component of the distributions. Once the Investor's cost base in its Units in the Fund is reduced to nil, any further tax deferred component of distributions will give rise to an immediate capital gain.

In calculating such capital gains, the tax deferred components of all distributions received during an income year are aggregated and the capital gain is taken to arise on the last day of the income year. Certain Investors may be eligible for the capital gains tax (CGT) discount in respect of such capital gains (see below). However, an Investor will not be entitled to the benefit of the CGT discount in respect of tax deferred distributions received in the financial year in which the Investor acquired Units in the Fund.

The Fund will issue you with an annual tax statement which provides details of the taxable income and tax deferred components of income distributions paid or distributed to you.

5.3 Disposal of your Units – Australian-resident Investors

Generally, on the sale of Units, a CGT event will occur and the Investor will need to determine whether a capital gain or capital loss is realised on the sale. An Investor will make a capital gain if the consideration exceeds the cost base of the Unit. An Investor will make a capital loss if the consideration is less than the reduced cost base of the Unit. In broad terms, the cost base of a Unit is the amount the Investor paid for it (including incidental costs of acquisition and disposal) less any reductions for the tax deferred component of distributions received.

If an Investor is an individual, a complying superannuation entity or a trustee and acquired (or is taken to have acquired) for CGT purposes Units at least 12 months prior to the date of their disposal, the amount of the Investor's capital gain is reduced by the relevant CGT discount. If an Investor who is an individual or trustee applies the CGT discount method, the Investor's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous years) will be reduced by one-half (or one third if the Investor is a complying superannuation entity). If the Investor is a company, the CGT discount is not available.

If you are considering disposing of your Units, you should make sure you understand the taxation consequences and, if necessary, consult your tax adviser about the capital gains tax treatment of disposing of your investment.

5.4 Tax File Number (TFN)

The Application Form provides for the notification by Investors of their TFN, TFN exemption or ABN. It is not compulsory to provide your TFN (or exemption) or ABN. However, tax will be required to be deducted from your income distribution, at the highest marginal tax rate, if we are not provided with this information.

5.5 Social Security

An investment in the Fund may have an effect on a social security benefit to which the Investor is entitled and it is recommended that professional advice be sought on the effect of investment on such benefit.

5.6 Distribution reinvestment

Distributions reinvested to acquire further Units under the DRP will attract the same Australian income tax consequences as if the distribution had actually been paid to the Investor. If the Fund makes any investment in which the return includes franking credits (e.g. investments in listed companies who pay partially or fully franked dividends) any franking credits from those returns that would attach to the distribution if paid in cash would also be available to resident Investors participating in the DRP. The Responsible Entity and Investment Manager take no responsibility for the taxation position of Investors and recommend that you obtain professional tax advice about the consequences of participating in the DRP.

Additional units received by resident Investors under the DRP may, depending on the circumstances of the Investor, fall within the capital gains tax provisions of the Income Tax Assessment Act upon disposal. The cost base of Units received under the DRP will be calculated for capital gains tax purposes on the basis that Units are acquired at a cost equal to the cash value of the distribution which is applied in subscribing for or purchasing Units.

Overseas residents are advised to make their own enquiries regarding any tax liability.

The DRP statement will include details of the amount reinvested under the DRP, the franked amount of the distribution, if any and the other components of the distribution for tax reporting purposes.



6.0 RISKS

PRODUCT DISCLOSURE STATEMENT

6.0 Risks

6.1 Overview

Neither the performance of this investment nor the repayment of capital is guaranteed by the Responsible Entity or the Investment Manager or any other person. As with all investments, an investment in the Fund is subject to risks, some of which are outside the control of the Responsible Entity and the Investment Manager. If they eventuate, these risks may reduce or result in a suspension of distributions from the Fund, prevent you from withdrawing from the Fund, or reduce the capital value of your investment. An investment in the Fund may lead to a loss of capital invested.

Before deciding whether to invest in the Fund, you should consider your attitude towards the following, and other potential risks.

The risks summarised below are not an exhaustive list. You should read this PDS in full, as well as the TMD, before deciding whether to invest in the Fund and consider consulting your financial adviser or other professional advisers. As well as considering the risks below, you should also consider how an investment in the Fund fits into your overall investment portfolio.

6.2 Fund risks

These are risks specific to the Fund. These risks include that the Fund could terminate, the fees and expenses of the Fund could change, One Managed Investment Funds Limited may be replaced as responsible entity, the Investment Manager may be replaced as investment manager and the investment team may change. There is also a risk that investing in the Fund may lead to a different result than investing in the market personally because of income or capital gains accrued in the Fund and the consequences of investment by and withdrawal of other Investors. If any of these risks are realised, the returns an Investor receives from the Fund may be reduced.

(a) Investment Manager risk

The Investment Manager is responsible for providing investment management services to the Fund and for managing the Fund's investments on a day-to-day basis. If the Investment Manager fails to do so effectively, then this could negatively affect the Fund's performance. In particular, there is a risk that the Investment Manager may fail to anticipate movements in the market, fail to manage the investment risks appropriately or fail to properly execute the Fund's investment strategy. These factors could have an adverse impact on the financial position and performance of the Fund. Further, the Investment Manager is a newly established business with no operating history (as at the date of this PDS) which exposes it to commercial operational risks which will mitigate as the Fund grows.

(b) Key person risk

This is the risk key individuals (including of the Investment Manager, the Investment Committee and service providers) are no longer able to fulfil their obligations in respect of the investment or administration of the Fund. The performance of the Fund may be dependent on the management skill of one or more individuals. If key personnel are no longer able to fulfil their obligations there is a risk that the Responsible Entity, the Investment Manager or other service providers may not be able to find suitably qualified replacement personnel and the performance of the Fund may suffer as a result.

(c) Limited operating history risk

While the principals have between 18 and 35 years of experience each, the Fund is newly formed with no operating history (as at the date of this PDS) upon which Investors can evaluate its likely performance. Accordingly, there can be no assurance the Fund will achieve its investment objective.

(d) Investment return

Neither the performance of this investment nor the repayment of Investor contributions subscribed is guaranteed.

You may be required to pay tax on income from the Fund even though you have not received payments from the Fund. Investors should seek their own independent taxation advice before deciding to invest in the Fund.

(e) Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to an Investor's personal information because of a threat or failure to protect the information or personal data stored within the Responsible Entity's and the Investment Manager's information technology systems and networks or those of any service providers.

(f) Operational risk

There is a risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology, or infrastructure changes, or through external events such as third-party failures or crisis events. The Responsible Entity has procedures in place to manage these risks and will, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

(g) Liquidity risk

Investors have no right to withdraw from the Fund. However, while the Fund is Liquid, the Responsible Entity intends to offer a Limited Monthly Redemption Facility and a Periodic Withdrawal Opportunity every five years for the life of the Fund, with the first scheduled to occur around February 2029.

In any particular month during which the Limited Monthly Redemption Facility is on offer, the Fund may receive withdrawal requests which exceed the amount available to meet those requests. This means requests may be scaled back and the unmet portion of the withdrawal request will be deemed to be cancelled. It might take several months to pay remaining withdrawal request amounts in full assuming the Limited Monthly Redemption Facility continues to be offered, which is not guaranteed. Since some of the assets invested in by the Fund (including direct real property) are relatively illiquid investments which may take some time to realise, in a prolonged period of volatility and/or reduction in market valuations or activity, it may also be difficult for the Responsible Entity to maintain the Limited Monthly Redemption Facility.

If the Responsible Entity has to sell some or all of its assets to allow withdrawals under a Periodic Withdrawal Opportunity, it may take longer than expected to sell the necessary asset(s) and the asset(s) may not be able to be sold at the best time or for the expected price. This would affect overall returns to Investors.

Notwithstanding the Responsible Entity's current intentions, market conditions may mean it has to suspend the Limited Monthly Redemption Facility and/or the Periodic Withdrawal Opportunities.

(h) Illiquidity Risk

The Fund will be Liquid if the Responsible Entity (based on advice from the Investment Manager) considers at least 80 percent of the Fund's assets can be realised for their market value within 365 days. While the Investment Manager believes it is likely the Fund will be Liquid at the conclusion of the Start-up Phase, there may be occasions when due to the make-up of the Portfolio that the Investment Manager considers the Fund to be Illiquid. In these circumstances the Responsible Entity is prevented by law from offering the Limited Monthly Redemption Facility or Periodic Liquidity Events. An Investor's only right to withdraw is via a withdrawal offer which may be offered by the Responsible Entity at its discretion in accordance with the Corporations Act.

While it is the Responsible Entities intention to continue to make withdrawal requests in the time and manner which operate like the Limited Monthly Redemption Facility, withdrawal offers may be made at the complete discretion of the Responsible Entity and market conditions may mean it is not possible to do so.

Furthermore, if the Fund is Illiquid when a Periodic Withdrawal Opportunity is due, then it will not be possible (at law) for the Responsible Entity to offer the scheduled Periodic Withdrawal Opportunity until such time as the Fund is Liquid.

(i) Underlying manager risk

The Fund intends to invest in other funds, including those operated or managed by third parties or related or associated entities of the Responsible Entity or the Investment Manager. The Fund will therefore be exposed to the risk described in paragraph (a) above with respect to its underlying investments.

6.3 Property investment risks

The Fund will invest in real property, both directly and indirectly (by investing in property funds). As such, Investors will be exposed to the risks associated with holding (and developing) real property.

(a) Property values and sale prices

The ongoing value of a property is influenced by many factors including supply, demand, capitalisation rates, rentals, lease terms, government regulation and legislation, property markets, and economic conditions. There is no guarantee that any property investment will increase in value or that the value of any property investment will not fall nor is there any guarantee that the property may be disposed of within a desired period.

(b) Property revenue

The Fund's income from property investment will be largely dependent upon tenants paying rent in accordance with lease terms. There is a risk that a tenant may default on the terms of the lease or that the Fund does not provide agreed minimum service standards, either of which could result in a reduction in rental income for the Fund, and additional expenses associated with releasing the tenancy or enforcement action. There is also a risk that through agreement or through requirement of government regulation or legislation, the Responsible Entity may provide rental deferral, rental abatement or waiver of rent, to tenants. Vacancy periods or periods of rental deferral, abatement or waiver may have an adverse impact on the Fund's net income and distributions, the Fund's ability to comply with its debt covenants, the capital value of the property and potentially return of capital invested.

(c) Owner's reserve

An owner's reserve may be established to pay unforeseen expenses with respect to direct real property investments. In the event the account is exhausted, the Responsible Entity may be required to reduce or suspend distributions to Investors, raise further equity, or borrow. If this occurs, then returns to Investors may be diminished.

(d) Capital expenditure

There is a risk that capital expenditure required to maintain a property invested in by the Fund could exceed expectations, resulting in increased funding costs and therefore lower distributions. Should expenditure be greater than the amount held in cash reserves, the Responsible Entity may be required to reduce or suspend distributions to Investors, restrict withdrawals, raise further equity, or borrow. If this occurs, then returns to Investors may be diminished and their investment in the Fund adversely affected.

(e) Development risk

The Fund may invest in real property which requires development works. Property development gives rise to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the development may be delayed (including due to unforeseen circumstances, contractor default, limited supply chains and labour and weather), costs associated with the development may be more than anticipated or counterparties involved in the development may default. Any of these circumstances may have an adverse financial impact on the Fund.

(f) Insurance

Any losses incurred due to uninsured risks or breaches of insurance policy conditions may adversely affect the performance of the Fund.

Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur, for example, due to external market factors, or if the Fund claims under any insurance policy for significant losses in respect of the portfolio.

Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the Fund's ability to make claims under its insurance. Also, most insurance policies have a minimum excess.

There are also certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction in Investor returns. An event of this type could also result in an increase in insurance premiums.

(g) Environmental contamination

Property income or valuations of a property could be adversely affected by the discovery of an environmental contamination, or the incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by the Fund or prior owners.

There is a risk that the Fund may be required to remediate a site to comply with environmental laws or building code regulations which may be at significant cost.

(h) Borrowing risk

The Fund may incur borrowings in order to acquire particular direct real property assets for the Fund. These borrowings create leverage, which magnifies the potential or risk of capital gains and losses. The Fund may require financing in the future and there is no certainty that debt funding will be obtained or will be obtained on favourable terms.

A fall in the value of one or more of the real property assets of the Fund or the net income derived from those properties could result in a breach of a borrowing covenants. If there is a default of the debt facility, the financier may enforce its security against the Fund's assets and, amongst other things, sell one or more of the Fund's assets to recover the capital owed.

(i) Interest rate risk

As a leveraged investment, the Fund is subject to the terms and conditions of the Fund's debt facilities, including its key covenants. Breaches of these covenants or any other default of terms may enable the financiers to take action against the Fund. There is also a risk that interest rates may rise, which may increase the interest rate expense applicable to the Fund's debt facilities. As a result of this, distributions to Investors may be adversely affected.

In addition, as the Fund may hold units in unlisted property schemes which may themselves be geared, any default or breach of covenants by those funds or A-REITs in respect of their debt facility or any increases in the interest rates applicable to those underlying debt facilities may have an adverse impact on those funds or A-REITs. This may, in turn, cause the Fund's income and distributions to Investors to be adversely affected. The Fund will not deploy additional gearing into an already geared property investment.

(j) Derivative risk

The Investment Manager, or funds operated by third party managers in which the Fund may invest, may use derivatives, such as interest rate futures or swaps, to hedge interest rate risk or foreign exchange risk arising from the investments in the portfolio. Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset and the risk that a particular derivative may be difficult or costly to trade. Derivatives will only be used for risk management purposes. Derivatives will not be used within the Fund for speculative or gearing purposes.

(k) COVID-19 and pandemics

Although the COVID-19 pandemic has been in the community for some time, the COVID-19 pandemic could still adversely impact the revenue of some of the tenants of any property invested in by the Fund. Other pandemics may also arise. As a result, tenants may fail to generate sufficient revenue to make rental payments. In addition, as a result of reduced revenue, requests may be received from tenants for rent abatements or reductions. If the landowner is required to provide rent reductions or abatements, the income of the Fund may be materially impacted.

Any failure of a tenant to pay rent, rent abatements or a reduction in demand will impact the Fund's revenue. This may have a negative impact on distributions to Investors and the value of a property.

Pandemics, such as COVID-19, and any associated Government response, can have significant disruption to society, the economy and any investment and can prevent businesses from normal operations. It is unknown how long the impact of the COVID-19 pandemic will continue. The revenue of the Fund and the value of the Units may therefore be negatively impacted as a result of the pandemic and the Government response. Many of the other risks in this section may also be exacerbated by the pandemic and the consequential disruption.

6.4 Mortgage investment risk

The Fund will invest in mortgages, directly and/or indirectly (by investing in mortgage funds). As such, Investors will be exposed to the risks associated with making loans secured by mortgages.

(a) Valuation risk

The valuation of a property over which the Fund, or the underlying mortgage fund has security may be inaccurate at the time of the loan and the amount realised on a forced sale may be less than would have been expected had the valuation been correct. There is also the risk that a valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the Responsible Entity relied or that an alternate means of valuation of the relevant property was carried out in accordance with the Responsible Entity's valuation policy (or that of the underlying fund) which does not have access to a professional indemnity insurance.

(b) Interest rate risk

Fluctuations in market interest rates may impact your investment in a Fund. For example, lower market interest rates may impact the ability to originate sufficient loans at such rates to ensure sufficient interest income in the Fund is generated to pay distributions and cover costs and expenses. Similarly, higher interest rates may lead a borrower to default on a loan.

(c) Default and credit risk

A borrower or borrower's guarantor may not be able to meet their financial obligations. This may be for a wide range of reasons, including –

- (i) a change in the financial or other circumstances of the borrower, or
- (ii) a change in the economic climate generally that adversely affects all borrowers.

The above risk will be managed and minimised by the Fund only making loans to borrowers that meet the Fund's lending criteria.

If a property over which the Fund (or the underlying fund) has security is required to be sold to recover a debt, capital of Investors may be diminished or lost if the sale fails to realise sufficient funds to satisfy the loan balance and any capitalised interest and costs. Enforcement costs may not be recoverable in part or in full in these circumstances. All loans and valuations are subject to periodic review.

(d) Security risk

The property over which the Fund (or the underlying fund) has security may be damaged or destroyed and the insurance cover may prove to be insufficient to cover the full amount of the loan. This risk will be managed by ensuring certificates of currency for all insurances are provided by the borrower and that the insured sum is commensurate to asset valuation.

Given that the underlying security is real property which is an illiquid asset, there is also a risk that delays could occur between a loan going into default and the sale of the relevant property. These delays may affect the distribution payments and the ability of Investors to receive their capital invested due to insufficient cash being available.

(e) Term risk

A loan may not be repaid or refinanced in a timely fashion, which may cause a delay or potential loss of capital. Management of this risk will be sought through the initial loan approval process as well as the management of maturing loans in a timely fashion.

(f) Enforcement risk

If a borrower defaults, the Fund (or the underlying fund) may have to enforce its security to recover the loan and any costs and unpaid interest. Consequently, any enforcement delay may result in a Fund temporarily having insufficient money to pay distributions. Enforcement costs will be financed by the relevant fund and shall form part of the amounts recoverable from the enforcement action.

Enforcement costs may not be recoverable in part or in full if the value of any amount recovered from enforcement action are insufficient to fully pay these costs.

(g) Junior lender risk

Loans will be secured by either a first or second ranking mortgage, and, where applicable, guarantees, and general security agreements (GSA) which will allow the Fund to register a security interest on the Personal Property Securities Register. The mortgage may or may not be registered. Where a loan is secured by a second ranking mortgage (or second-ranking GSA) (together the **security**), the Fund's security will rank in priority behind a first ranking security. If an event of a default occurs, then the Fund's ability to enforce its second ranking security may be impacted by the enforcement actions of the first ranking lender. However, the Fund intends to take a subordinated position in a debt stack only when it also holds the senior position.

Generally, the first ranking lender will have the right to take possession of, and deal with, the security property and assets of the borrower (or guarantor) if various covenants of the senior lender's loan facility or security are not met (for example the borrower defaults in repayment of the loan or part thereof). This means that the Responsible Entity (or the Investment Manager in relation to an underlying fund) may not have day-to-day control over the enforcement process (including the management of the borrower's assets) and may not receive repayment of the loan, interest or its costs (or only partial repayment) until the first ranking lender has been paid in full.

6.5 Equities Investment Risks

The Fund will invest in the shares of companies, both directly and indirectly. As such, Investors will be exposed to the conventional risks associated with the operation of commercial enterprise. The Fund will invest into domestic (Australian) and overseas equities and in private equity. Exposure to international equities may include exposure to foreign exchange movements between the Australian dollar and the currency related to the sovereign nations into which funds are invested.

The Fund will invest in companies listed on the ASX. It will not seek to invest directly into the shares of listed companies but will place invested capital with an external fund manager specialising in the operation of funds (for example exchange traded funds) which themselves invest directly in those companies and manage the selection of that investment. The Fund will seek exposure only to index-tracking funds. The Investment Manager will adopt an identical strategy for its global equities' exposure. The Investment Manager will seek bespoke exposure to private equity opportunities which will be identified, researched and analysed at a granular level prior to any commitment.

(a) Valuation Volatility

The value of companies listed on the exchange(s) may vary significantly as the markets may endure periods of relative underperformance, affected by sentiment or economic fundamentals, both of which are outside the control of the Investment Manager and Responsible Entity. The selection of index-tracking funds mitigates this volatility, due to the fact the Fund's exposure is spread across a diversified portfolio of companies which comprise the underlying investment. The Fund's exposure will be spread across all sectors which comprise the relevant index the underlying ETF is tracking which may include all sectors including but not limited to banking and finance, technology, healthcare, consumer staples, industrials, communications, transport and logistics.

(b) Private equity opportunities

With private equity exposure, a higher risk/return proposition is expected as new companies, early in their establishment journey are inherently more unstable than established enterprises with brand value, pricing power, established logistics solutions, market share growth prospects and stable management. Each of these and other factors is reviewed carefully by the Investment Manager for prospects of growth and investments only made when the Investment Manager is satisfied the management of the investee company can satisfactorily demonstrate a sustainable and feasible business model. Nevertheless, the failure of any of these elements may affect the value of any investment. The liquidity of an investment into an early-stage enterprise is also typically limited and therefore it is likely any investments the Fund makes in private equity opportunities will be illiquid and redemption may not be possible for an indeterminate period.

(c) Distributions

Dividends from a commercial enterprise are at the discretion of the board of directors of the relevant company and vary based on the profitability of the enterprise and the degree to which the board of directors deems it necessary to retain surplus cash (profits), although the latter would sometimes be reflected in a higher share price.

6.6 Bond investment risks

The Fund will invest in fixed income investments, including by investing in bonds rated as either investment grade or non-investment grade. As such, Investors will be exposed to the risks associated with investment in bonds.

Investment grade ratings are typically considered to be those with the equivalent of BBB/Baa or above (ratings systems adopted by Standard & Poor's and Moody's respectively). These may be corporate bonds (such as those issued by Coles, BoQ or Telstra) or Government bonds such as those issued by Federal or State Government. Investment grade ratings are considered to have better prospects of fulfilling their financial obligations to investors over time than those without a rating or those with a rating below BBB/Baa. Non-investment grade rated securities have ratings below BBB/Baa or above (ratings systems adopted by Standard & Poor's and Moody's respectively). Non-investment grade rated securities have a higher risk of capital loss than investment grade rated securities due to a relatively higher probability of default by the issuer.

(a) Interest Rates

An investment into a bond is executed at a given coupon rate which may be fixed or variable. Effectively, if interest rates increase, the market value of the bond reduces as rational investors are incentivised to seek other equivalent higher paying bonds. Conversely, if interest rates fall, the market value of the bond increases as subsequently issued bonds will carry a lower coupon interest rate and will therefore be less attractive to a rational investor. The risk with any such investment is that interest rates increase. In theory, if held to maturity, the mark-to-market valuation of a bond is only a theoretical exercise because provided the issuer continues to pay the coupon rate of interest on the bond and repays the principal at maturity the investor will not suffer any capital loss.

(b) Credit worthiness and default

The payment of interest relies on the viability of the issuer, which is the object of the rating. If the issuer is unable or unwilling to make interest payments or defaults on those payments (which are contractual obligations and are not discretionary), the Fund's income is reduced by the amount not paid. Further, if the issuer enters insolvency, it is possible that the value of its bonds reduce significantly and in the worst case, to zero.

6.7 General risk factors

In addition to the specific risks identified above, general risks can affect the value of an investment in the Fund. These include the following:

(a) Economy and market conditions

There is the risk that changes in the economy and market conditions may affect asset returns and values, which in turn, result in reduced distributions and may adversely affect the capital value of your investment. The overall investment performance of the Fund may be affected by changing economic or market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

(b) Counterparties

The Fund may enter into legal agreements in relation to numerous aspects of the Fund's operations, for example, property management arrangements, custody arrangements, debt financing arrangements, property development arrangements and tenancy arrangements. The Fund may be adversely affected where a party fails to perform under these arrangements.

(c) Litigation

In the ordinary course of operations, the Fund may be involved in disputes and possible litigation. It is possible that material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.

(d) Legal and regulatory matters

There is the risk that changes in any law, regulation or government policy affecting the Fund's operations (which may or may not have retrospective effect) will have an effect on the Fund's investments and/or the Fund's performance. It is noted that as at the date of this PDS, Treasury is undertaking a review of the managed investment scheme framework. Any changes to the framework that follow this review may impact the operation and management of the Fund.

(e) Taxation

Changes to taxation law and policy might adversely impact the Fund and Investor returns. Investors are advised to seek professional taxation advice in relation to their own position, however, it is not possible to predict future changes to taxation law or policy.

The performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Investment Manager, or any other person. Investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Fund will not decrease in value and that Investors will not suffer losses.



7.0

Investing and Withdrawing

PRODUCT DISCLOSURE STATEMENT

7.0 Investing and Withdrawing

7.1 Offer

The Offer made in this PDS is an offer for Investors to apply for Units in the Fund. The Offer will remain open until the Responsible Entity withdraws the Offer. The Responsible Entity may withdraw the Offer at any time, either for a period of time, or indefinitely. Investors should read this PDS in its entirety, consider the TMD and make independent enquiries prior to making a decision to invest in the Fund.

7.2 Applications

(a) Applying to invest in the Fund

The Application Price is calculated weekly. The most recent Application Price can be found at www.adamascapital.com.au/acdf.

Units will be issued at the prevailing net asset value of the Fund divided by the number of Units on issue, plus any applicable buy spread on the date they are issued (**Application Price**). There is currently no buy spread, however the Responsible Entity may apply a buy spread to the Application Price if it considers it is in the best interests of Investors, on or after the first anniversary of the issue of the first Units under this PDS.

Please note, an Application will not be considered as being received unless and until cleared Application Monies are received with respect to the Application.

Investors can apply for Units by completing an online Application Form. The Application Form is available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf.

The minimum initial investment is \$10,000 and then additional investments in increments of \$10,000. The Responsible Entity may exercise its discretion to accept a lower amount of initial investment or additional investment.

(b) Before you apply

Before you apply, you should read the PDS, TMD and other important information about how to apply before making a decision to invest with the Fund. The material relating to how to apply may change between the time when you read this PDS and TMD and the day when you acquire Units in the Fund.

Before you apply, please –

- (i) contact your financial advisor to discuss your investment;
- (ii) read this PDS and the TMD;
- (iii) obtain advice from your financial advisor as to whether this investment is suitable to your financial situation and needs, and consider all the risk factors set out in Section 6 of this PDS;
- (iv) consult your professional tax advisor with respect to the tax aspects of an investment in the Fund; and
- (v) refer to the Application Form for details on how to complete the Application Form, how to pay your Application Money, where to lodge the Application Form and any relevant documentation.

Direct Investors

If you are a retail client who is making an application and you have not received personal financial advice from a licensed financial advisor in relation to an investment in the Fund, then you must complete an online application form and as part of that process you will be asked as a series of questions in relation to your investments needs and objectives.

Advised Investors

If you have received personal financial product advice in relation to your investment in the Fund, then you may complete the online application form available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf.

(c) Completed Applications

An application is not considered complete until the Registrar has received the Application Money in cleared funds, a completed Application Form and all information referred to in the Application Form. Please note cash cannot be accepted. Failure to provide a validly completed Application Form and the required information may delay the acceptance and processing of your application.

The Responsible Entity has the sole discretion whether to accept or decline an application. If an applicant's application is declined, wholly or in part, then the Registrar will notify the applicant in writing and arrange for return of its Application Money.

(d) Additional information to be provided with your Application Form

An applicant is requested to provide its Tax File Number (**TFN**), Australian Business Number (**ABN**) or exemption code, and failure to quote an ABN or TFN will result in tax being withheld by the Responsible Entity from distributions paid to an Investor. To the extent that an applicant does not hold a TFN or ABN, certain other withholding taxes may also be withheld. It is not compulsory for an applicant to quote its TFN or ABN.

Applicants are also required to provide information necessary for the Responsible Entity to satisfy its obligations under various laws referred to in Section 8.10. If all the required information is not provided, then your application may not be processed.

(e) Interest earned on Application Money

Unless the Responsible Entity decides otherwise, interest earned on Application Money will be retained by the Responsible Entity and will not form part of the assets of the Fund. Investors should be aware that funds received into the Fund's application account will remain in the application account until Units are issued. Investors will not receive interest on their money while those funds are in the Fund's application account. Investors may wish to take this into account in deciding when to pay cleared funds into the Fund's application account.

(f) Cut-off time for lodging Application Forms

Application Forms for Units must be received before 4pm Sydney time on the last Business Day of each calendar week (**Application Cut-off Time**) in order to be processed on the first Business Day of the next calendar week.

Valid and complete Application Forms received after the Application Cut-off Time will be taken to have been received before the next Application Cut-off Time.

(g) Allotment of Units

Units will be allotted or issued on the next Business Day after the Application Cut-off Time. The Responsible Entity may earn interest on Application Money held prior to the time Units are issued to you. Any such interest will be retained by the Responsible Entity and will not be paid to you and will not form part of the assets of the Fund.

For any queries regarding the application, you can contact the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au. Application Money should be paid in accordance with the instructions set out in the Application Form.

(h) Investing through a Platform

Indirect Investors, being people who may access the Fund through an IDPS or IDPS-like scheme (known commonly as a master trust or wrap account), should use the application form provided by the Platform Operator. You should seek advice from your Platform Operator as cut off times for transacting and processing applications and withdrawals may vary due to the Platform Operator's requirements.

(i) Cooling off period

Investments of less than \$500,000 in the Fund (and that are not otherwise made by a 'wholesale client' as defined by the Corporations Act) give rise to a cooling-off right. This provides Investors with a 14 day cooling-off period to decide if the investment in the Fund is right. The 14-day period commences on the earlier of the date of receiving the transaction confirmation or the end of the fifth Business Day after the Units are issued to an Investor.

A cooling-off right will not arise in certain circumstances, including where units are issued pursuant to an additional investment, or as part of a distribution reinvestment plan. It is also not available to Indirect Investors.

If cooling-off is exercised, the amount repaid will be based on the applicable exit price (meaning the increase or decrease in the value of your investment will be taken into account.)

7.3 Withdrawing from the Fund

To understand how the liquidity mechanism of the Fund are intended to operate it is important to understand the difference between when the Fund is Liquid and when it is Illiquid.

When is the Fund Liquid?

The Fund will be Liquid if the Responsible Entity (based on advice from the Investment Manager) considers at least 80 percent of the Fund's assets can be realised for their market value within 365 days (as permitted under the Constitution). The Fund will be Illiquid if the Responsible Entity (based on advice from the Investment Manager) believes this is not the case.

Until the Fund reaches scale, which the Investment Manager considers will be when the Start-up Phase has concluded, the Investment Manager believes the Fund will be Illiquid. Investors should not expect to be able to withdraw from the Fund in the Start-up Phase.

Investor's right to withdraw from the Fund.

Investors do not have a right to withdraw from the Fund at any time. However, while the Fund is Liquid the Responsible Entity intends to provide Investors with a Limited Monthly Redemption Facility, as well as Periodic Withdrawal Opportunities. The minimum withdrawal request amount is the lesser of \$10,000 or the value of your investment in the Fund. The Responsible Entity may exercise its discretion to accept a lower minimum withdrawal amount. The Responsible Entity reserves the right to vary the minimum amount.

Limited Monthly Redemption Facility

While the Fund is Liquid the Responsible Entity intends to offer a Limited Monthly Redemption Facility to Investors each month. If the Limited Monthly Redemption Facility is offered, the amount available to meet withdrawal requests in any month will be an amount up to 3% of the Fund's net asset value, as calculated in accordance with the Constitution as at the last Business Day before the withdrawals are processed (provided the Responsible Entity believes such an amount is appropriate, given the Fund's future cash requirements and its ability to readily realise assets to the extent necessary to provide the necessary liquidity). The Responsible Entity will offer the Limited Monthly Redemption Facility.

If the Limited Monthly Redemption Facility is being offered in any month, at the start of the month the Responsible Entity will advise investors of the assets that will be used to satisfy withdrawal requests and the estimated amount available to meet withdrawal requests at www.adamascapital.com.au/acdf. If the amount required to meet withdrawal requests in any month exceeds the amount the Responsible Entity determines to be available, withdrawal requests will only be met pro-rata. The unfulfilled part of the withdrawal requests will be treated as cancelled, and will be processed in the following month and treated as if it were part of a new withdrawal request.

For example, if the Fund's net asset value at the relevant time is \$100 million, and the Responsible Entity determines the amount to be available for withdrawal requests is 3%, then \$3 million will be made available to meet withdrawal requests received before the relevant cut off time. If withdrawal requests received totalled \$10 million and an Investor requested a withdrawal of \$50,000, then the Investor would receive a withdrawal payment of \$15,000 (being \$50,000 x \$3 million/\$10 million).

You can make a withdrawal request by completing and submitting the relevant form that is available on the www.adamascapital.com.au/acdf or www.oneregistryservices.com.au. Withdrawal requests lodged after 4.00pm Sydney time on the last Business Day of a month will be deemed received the following month.

The Withdrawal Price will be determined before the redemption is processed, not when the request is lodged or accepted. The Responsible Entity will generally process withdrawal requests within 30 Business Days after the end of the calendar month in which they are received and accepted. However, under the Constitution, the Responsible Entity is allowed up to 365 days in which to meet any withdrawal requests.

Where accepting a withdrawal request would result in the value of any Investor's remaining unitholding being less than \$10,000, the Responsible Entity reserves the right to treat the withdrawal request as applying to the whole of the Investor's unitholding.

Periodic Withdrawal Opportunity

Provided the Fund is Liquid, around February 2029 and after the end of each subsequent five-year period thereafter, the Responsible Entity intends to send a notice to all Investors giving them an opportunity to withdraw from the Fund (a Periodic Withdrawal Opportunity) which means an opportunity to redeem some or all units from the Fund. The Withdrawal Price payable for requests under the Periodic Withdrawal Opportunity will be calculated on the day before the withdrawal payment is made, in accordance with the Fund's Constitution and unit pricing policy. Withdrawal requests must be received within the stated notice period which will be clearly disclosed prior to each Periodic Withdrawal Opportunity. The Responsible Entity will suspend the Limited Monthly Redemption Facility during the notice period.

Unlike the Limited Monthly Redemption Facility so long as withdrawal requests do not total 75% or more of the Fund's units on issue on the first Business Day after the close of the notice period, then the Responsible Entity will seek to satisfy withdrawal requests within 365 days after the end of the notice period. Withdrawal requests may be funded from cash, the sale of assets, the issue of new units, the use of borrowings, or the Responsible Entity may also seek to facilitate unit transfers between investors wishing to withdraw and potential purchasers.

If all withdrawal requests can be satisfied in the stated period, then the Fund will continue and the next withdrawal opportunity will be made available each five years thereafter.

If all withdrawal requests cannot be satisfied in the stated period, the Responsible Entity will act in accordance with the Constitution. If steps are taken to wind up the Fund, the Responsible Entity will distribute net proceeds to Investors.

Withdrawals not guaranteed

Irrespective of whether the Fund is Liquid or Illiquid, the offer of the Limited Monthly Redemption Facility and the Periodic Withdrawal Opportunity are not guaranteed. Investors do not have a right to withdraw from the Fund. The Responsible Entity may, at its discretion, determine not to offer either a Limited Monthly Redemption Facility or Periodic Withdrawal Opportunity. This may occur in circumstances such as where it is impracticable to offer liquidity or if the Responsible Entity determines it would not be in the best interests of remaining Investors for liquidity to be offered.

7.4 Unit pricing

The value of your investment, which is represented by the value of your Units in the Fund, will vary as the market value of the Fund's assets, and its liabilities, rise and fall. The number of Units issued to you when you apply for Units in the Fund and the number of Units redeemed when you withdraw money from the Fund will depend on the relevant price calculated for the relevant day.

Direct investors can obtain current prices online at www.adamascapital.com.au/acdf. Indirect Investors can obtain prices from their Platform Operator.

The price at which Units will be issued is referred to as the "Application Price", and the price at which Units will be redeemed is referred to as the "Withdrawal Price".

The Application Price is calculated weekly and the Withdrawal Price is calculated monthly. The calculations are made in accordance with the Constitution.

To the extent that the Constitution gives the Responsible Entity discretions with regard to Unit pricing, the Responsible Entity has a Unit Pricing Discretions Policy. You can request, free of charge, a copy of that policy and the record of any discretions exercised outside of the policy by contacting the Responsible Entity.

Unit prices are calculated by determining the net asset value of the Fund, calculated by deducting the value of the Fund's liabilities from the value of its assets, and subject to any adjustments the Responsible Entity makes having regard to any acquisition costs incurred in acquiring assets for the Fund. These adjustments may be made to ensure the costs of acquiring assets are shared fairly among unitholders regardless of the timing of their investment. The value of the Fund's assets and liabilities are calculated in accordance with the Constitution and Unit Pricing Discretion Policy and Valuation Policy.

The Application Price is calculated by dividing the net asset value of the Fund (subject to any adjustments) by the number of Units on issue and adjusting for any buy spread. The Withdrawal Price is calculated by dividing the net asset value of the Fund (subject to any adjustments) by the number of Units on issue and adjusting for any sell spread.

The net asset value of the Fund incorporates adjustments with respect to acquisition costs in relation to direct real property investments, which includes acquisition fees, stamp duty, due diligence costs and legal costs. These amounts will be gradually written off on a 'straight line' basis from the time the asset is first acquired until the sooner of five years or the time of the next expected Periodic Withdrawal Opportunity for the asset. In doing this, the Responsible Entity aims to equitably spread the cost of buying and selling real property assets to Investors over time.

Buy/sell spreads

The application price and withdrawal price for managed funds are often adjusted for a buy spread and a sell spread. The buy and sell spreads reflect the amount of transaction costs the responsible entity estimates will be incurred in buying and selling the fund's assets as a result of an application or withdrawal.

The purpose of the buy and sell spreads is to ensure that those investors transacting in a fund's units, at a given time, proportionately bear the fund's costs of buying and selling assets as a result of their transaction.

While there is no current intention to charge a buy-sell spread, a buy-sell spread may be introduced on or after the first anniversary of the issue of the first Units under this PDS or varied from time to time and prior notice may not be given.



8.0 Additional Information and Important Documents

PRODUCT DISCLOSURE STATEMENT

8.0 Additional Information and Important Documents

8.1 Constitution

The Fund was established under the Constitution dated 8 January 2024, as amended from time to time. The Constitution, together with the Corporations Act and general law, determines our relationship with Investors. They set out the legal rights, duties and obligations of the Responsible Entity and Investors and include:

- (a) the rights, interests and liabilities of unitholders;
- (b) the duties and obligations of the Responsible Entity;
- (c) investment, valuation and borrowing powers of the Responsible Entity;
- (d) the indemnity available to the Responsible Entity out of the assets of the Fund;
- (e) fees and recoverable expenses;
- (f) issue of Units (and classes of Units) and withdrawal procedures;
- (g) convening and conducting of unitholder meetings;
- (h) the duration and termination of the Fund;
- (i) when the Responsible Entity can retire or when it is removed as responsible entity of the Fund; and
- (j) the rights of unitholders to distributions.

Each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund subject to liabilities but does not give you an interest in any particular property of the Fund.

We may vary the Constitution if we reasonably believe the variation does not adversely affect Investors' rights. Otherwise, the variation must be approved by 75% of votes cast by Investors entitled to vote on the resolution.

If you invest in the Fund, you agree to be bound by the terms of the Constitution.

This PDS contains only a summary of some of these provisions and should, in this respect, be seen only as a guide. The Constitution has been lodged with ASIC and can be inspected at the business office of the Responsible Entity during business hours. An electronic copy of the Constitution is available on request and free of charge from the Responsible Entity.

8.2 Compliance Plan

The Responsible Entity has a compliance plan for the Fund lodged with ASIC. The compliance plan describes the procedures used by the Responsible Entity to ensure it complies with the Corporations Act and Constitution, in the operation of the Fund.

8.3 Investment Management Agreement

The Investment Management Agreement is an agreement between the Responsible Entity and the Investment Manager, which governs the role of the Investment Manager in administering the Fund and providing other services to us in relation to the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Investment Manager's obligations to report to the Responsible Entity. The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The Agreement can be terminated by the Responsible Entity if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Responsible Entity to terminate if, for example, the Investment Manager becomes insolvent.

8.4 Benchmarks and disclosure principles

ASIC Regulatory Guide 46 *Unlisted property schemes: Improving disclosure for retail investors (RG 46)* sets out six benchmarks and eight disclosure principles that 'unlisted property schemes' must address to help ensure that you have the information to make an informed investment decision. For the purposes of RG 46, an 'unlisted property scheme' is an unlisted managed investment scheme that has or is likely to have at least 50% of its non-cash assets invested in real property and/or in unlisted property schemes.

The Fund is an unlisted managed investment scheme and it is intended the Fund invest in real property and unlisted property schemes. However, it is not anticipated the Fund will be an 'unlisted property scheme' for the purposes of RG 46 having regard to its diversified investment strategy. The maximum allocation for direct real property investments is 35%, and the maximum allocation for unlisted property scheme investment is 10%. However, there may be times where those maximum allocations are exceeded, and it may be the Fund constitutes an 'unlisted property scheme' for the purposes of RG 46 from time to time. For example, if the first non-cash investment made by the Fund is an investment in real property, then at that time the Fund will be an 'unlisted property scheme'. Refer to Section 2 for more information about the Fund's investment strategy and to Section 2.3 specifically for information about the Fund's investment allocations.

The information below provides an overview of the benchmarks and disclosure principles contained in RG 46 (**RG 46 Disclosure**). If the Responsible Entity makes an investment(s) which results in RG 46 applying to the Fund, then the RG 46 Disclosure will be updated and made available online at www.adamascapital.com.au/acdf, www.oneinvestment.com.au/acdf, or can be obtained free of charge, on request. Please review the website and review this PDS in conjunction with the most current RG 46 Disclosure (if available).

- (a) Gearing – this illustrates to what extent an unlisted property scheme is financed by debts (liabilities). Refer to Section 2.5.
- (b) Interest cover – this discloses the ability of an unlisted property scheme to meet its interest payments from its revenue or earnings. Refer to Section 2.5.
- (c) Interest capitalisation – this indicates whether an unlisted property scheme’s interest expenses are capitalised (this means added to the principal amount), or whether the unlisted property scheme meets interest payment obligations from its earnings. Refer to Section 2.5.
- (d) Scheme borrowing – this is information about the credit facilities of an unlisted property scheme, including what type of events will cause a breach of the credit facilities. Refer to Section 2.5(a).
- (e) Portfolio diversification – this addresses an unlisted property scheme’s portfolio of property assets, including how this is diversified. Refer to Section 2.3.
- (f) Valuations – this addresses how an unlisted property scheme obtains valuations for its real property assets, including the frequency of valuations. Refer to Section 2.6.
- (g) Related party transactions – information is provided on transactions that the Responsible Entity (and Investment Manager) has with parties with whom it has a close relationship. Refer to Section 8.6 and 8.7.
- (h) Distribution practices – this addresses an unlisted property scheme’s practices for paying distributions, and the source of funds for the distributions (e.g. cash or debt). Refer to Section 2.7.
- (i) Withdrawal arrangements – this is information on the rights of investors to withdraw from an unlisted property scheme, including any conditions that may be attached to the withdrawal. Refer to Section 5.3.

At the date of this PDS the Responsible Entity is not required to prepare RG 46 Disclosures. However, if the Responsible Entity proposes making an investment in direct real property which would require it to prepare RG 46 Disclosures, then it will do so and make them available on www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf. The information in any RG 46 Disclosure will be up to date at the time of preparation. However, some information can change from time to time. Information that is

not materially adverse may be updated and made available at www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf. A copy of any updated information will be provided by the Responsible Entity free of charge upon request by contacting the Responsible Entity.

8.5 Reporting

As an Investor in the Fund, you will receive the following communications:

- (a) Investment confirmation advice, indicating your initial investment in the Fund, together with details of Application Price and number of Units issued (generally sent within five Business Days of the acceptance of the application).
- (b) On a quarterly basis, an update on the historical and current performance of the Fund.
- (c) Any other information the Responsible Entity or Investment Manager consider relevant to Investors.
- (d) Annual financial reports and tax statements.

Annual taxation statements, detailing all relevant taxation information relating to distributions from the Fund required for Investor taxation returns. An annual report including financial statements and auditor’s report will be made available on (www.adamascapital.com.au/acdf and www.oneinvestment.com.au/acdf) around 30 September each year. These will not be sent to you unless requested.

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. However, this may change in the future. 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.adamascapital.com.au/acdf, www.oneinvestment.com.au/acdf, or by contacting us.

If the Fund is a disclosing entity, then Investors have the right to obtain from the Responsible Entity, free of charge, the following documents (in addition to those provided above):

- (a) Any half-year financial report lodged with ASIC for the Fund.
- (b) Any continuous disclosure notices given by the Fund.

The above documents will be available by going to www.adamascapital.com.au/acdf, www.oneinvestment.com.au/acdf, or by contacting us.

8.6 Related party transactions and conflicts of interest – Responsible Entity

In our position as responsible entity the Fund, we may from time-to-time face conflicts between our duties as responsible entity, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with the Corporations Act, the Constitution, ASIC policy, our conflicts of interest policy, and the law.

The Investment Manager is not a related party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Investment Manager are considered to be on commercial, arms' length terms.

An associated company of the Responsible Entity, Unity Fund Services Pty Ltd ABN 16 146 747 122, acts as Administrator and provides fund accounting services. One Registry Services Pty Limited ABN 69 141 757 360, a related party of the Responsible Entity, acts as the Registrar and provides registry services in respect of the Fund. Each agreement continues until terminated by either party.

We may from time to time enter into other transactions with other related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

The Fund may also invest in other managed investment schemes that are operated by the Responsible Entity as responsible entity or trustee.

We and the Investment Manager have policies on proposed or potential related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Copies of these policies on related party transactions is available on request from the Responsible Entity or the Investment Manager, as relevant.

8.7 Related party transactions and conflicts of interest – Investment Manager

The Fund may make investments in which the Investment Manager or its related companies or associates or members of the Investment Committee have an interest. Both the Responsible Entity and the Investment Manager have policies on how they must manage conflicts of interest and potential related party transactions to ensure that any actual or potential conflicts of interest and related party transactions are identified and appropriately dealt with. Any such transactions will be executed in accordance with these policies. Copies of these policies on related party transactions is available on request from the Responsible Entity or the Investment Manager, as relevant.

8.8 Change of responsible entity

A change of responsible entity for the Fund requires Investors to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by Investors entitled to vote (including Investors who are not present in person or by proxy).

8.9 Indemnity

The Responsible Entity is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Fund. This indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, the Responsible Entity may retain or pay out from the assets of the Fund any sum necessary to effect such an indemnity.

Pursuant to the Investment Management Agreement, the Investment Manager is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Fund. This indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Investment Manager.

8.10 Privacy and collection and disclosure of personal information

(a) Privacy

The *Privacy Act 1998* (Cth) regulates, among other things, the collection, disclosure and access to personal information. A copy of our Privacy Policy is available on our website at www.oneinvestment.com.au and a paper copy will be sent to you free of charge on request.

(b) Collection and mandatory disclosure of personal information

Certain laws require us to collect, store and disclose information about you (including personal information), for example, The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (**AML/CTF Law**), the Corporations Act, the *Foreign Account Tax Compliance Act* (**FATCA**) and the *Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016* (**CRS**). We may be required under the AML/CTF Law to provide information about you (including personal information) to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), the body responsible for regulating the AML/CTF Law. In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office information about you (including personal information) obtained from you (see Section 8.10(c) for further information about FATCA and CRS).

(c) FATCA and CRS

In compliance with the U.S income tax laws commonly referred to as FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to –

- (i) Investors that are US citizens or residents;
- (ii) entities controlled by US persons; and
- (iii) financial institutions that do not comply with FATCA.

The Fund intends to comply with FATCA obligations and to conduct appropriate due diligence (as required). Where Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

The CRS is the single global standard for the collection, reporting and exchange of financial account information on non-residents. Under CRS, the Fund may need to collect and report financial account information on non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

In order for the Fund to comply with its obligations, we will also require that you provide certain information about yourself, including any relevant foreign Taxpayer Identification Number (TIN). We will only use such information for this purpose if we are required to do so.

(d) Failure to provide requisite information with your Application Form

If you do not provide the information requested in our Application Form, we will not be able to process your application (including any application for additional Units) and your application may be delayed or rejected. Where applications are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result. Alternatively, if we accept your application to the Fund when you have not provided all of the requested information, we may provide information about you to the relevant regulator.

(e) Sharing your personal information

We will be required to share information about you (including personal information) with service providers to the Responsible Entity in respect of the Fund (including the Investment Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Fund.

By applying to invest in the Fund, you consent to your information (including your personal information) being collected, used and disclosed by the registry provider and by the Responsible Entity for the purposes disclosed above and in their respective Privacy Policies.

(f) Accessing your personal information

You are entitled to access, correct and update all personal information we hold about you. You can contact us to find out what personal information we hold about you or if you have any concerns about the completeness or accuracy of the information we hold. If you want us to correct any personal information we hold, please contact us using the details in this PDS.

8.11 Ethical considerations, labour standards and environmental impact

Whilst the Responsible Entity and the Investment Manager intend to operate the Fund in an ethical and sound manner, the Fund's investment criteria do not include giving additional weight to labour standards, environmental, social or ethical considerations.

8.12 Complaints

The Responsible Entity takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Responsible Entity immediately using the following contact details:

Address: Level 16, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Post: Complaints Officer
PO Box R1471
Royal Exchange NSW 1225

Phone: Phone: 02 8277 0000

Email: Email: complaints@oneasset.com.au

Once the Responsible Entity receives a complaint, the Responsible Entity will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible in accordance with our policy as amended from time to time. For more information on how we deal with complaints, please go to our website www.oneinvestment.com.au.

If you are a Retail Client (including an Indirect Investor investing through a Platform) and you are not satisfied with the Responsible Entity's response, then you can refer your complaint to the Australian Financial Complaints Authority (AFCA), an external complaints handling body of which we are a member. The role of this body is to provide you a free and independent assessment of your complaint. The Australian Financial Complaints Authority can be contacted as follows:

Post: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678

Fax: +61 3 9613 6399

Email: info@afca.org.au

8.13 Consents

Each of the parties referred to below has given and, at the date of this PDS, has not withdrawn its consent to be named in this PDS in the capacity in which it is named and to the inclusion of the statements made about it in the form and context in which they appear:

- (a) Investment Manager – Adamas Capital Investment Management Pty Ltd.
- (b) Administrator – Unity Fund Services Pty Ltd.
- (c) Registrar – One Registry Services Pty Limited.
- (d) External adviser to the Investment Manager – Real Investment Analytics.
- (e) External adviser to the Investment Manager – Thesan Asset Management.

None of the Administrator, Registrar, Real Investment Analytics or Thesan Asset Management has been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. None of the Administrator, the Registrar, Real Investment Analytics or Thesan Asset Management and their respective employees and officers accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which they have each provided their consent.



9.0 Glossary

PRODUCT DISCLOSURE STATEMENT

9.0 Glossary

Term	Meaning
Administrator	Unity Fund Services Pty Ltd ACN 146 747 122
ABN	Australian Business Number.
Adamas	Adamas Capital Investment Management Pty Ltd ACN 666 770 163.
ADI	Authorised deposit-taking institution.
AFSL	Australian financial services licence.
Applicant	A person who has completed and lodged with the Responsible Entity an Application Form included in or accompanied by this PDS and has paid the Application Money for Units.
Application Cut-Off Time	Before 4pm Sydney time on the last Business Day of each calendar week.
Application Form	An application made by an Applicant on a duly completed application form included in or accompanied by this PDS.
Application Price	Has the meaning given to that term in Section 7.4.
Application Money	The money paid by an Applicant for Units.
A-REITs	Australian Real Estate Investment Trusts.
ASIC	The Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
CCIVs	Corporate collective investment vehicles.
Constitution	The document establishing the Fund dated 8 January 2024, as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations of the Corporations Act.
CGT	Capital gains tax.
CPI	Consumer price index (All Groups) for the city of Sydney.
DRP	Distribution reinvestment plan.
Fund	Adamas Capital Diversified Fund ARSN 674 039 402.
FY	Financial year, ending on 30 June
G-REITs	Global Real Estate Investment Trusts.
GSA	General security agreements.
GST	Goods and services tax.
IDPS	Investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme.
Indirect Investor	An Investor who invests in the Fund via an IDPS.
Investment Committee	The investment committee established by the Investment Manager and as described in Section 3.3.

Term	Meaning
Investment Management Agreement	The investment management agreement between the Responsible Entity and the Investment Manager dated 20 February 2024.
Investment Manager	Adamas Capital Investment Management Pty Ltd ACN 666 770 163.
Investor	A person who has acquired Units.
Limited Monthly Redemption Facility	The redemption facility the Responsible Entity intends to offer from time to time, as described in Section 7.3.
Liquid	Has the meaning given to this term in Section 601KA of the Corporations Act and as summarised in Section 7.3 of this PDS.
Offer	The invitation to subscribe for Units under this PDS.
OMIFL	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.
PDS	This PDS dated 20 February 2024 or any supplementary or replacement PDS or other disclosure document issued in respect of the Fund as defined in the Corporations Act.
Periodic Withdrawal Opportunity	The periodic withdrawal opportunity the Responsible Entity intends to offer from time to time, as described in Section 7.3.
Platform	An investor directed portfolio service (IDPS) or IDPS-like scheme (known commonly as a master trust or wrap account).
Platform Operator	The operator or custodian of a Platform.
Real Investment Analytics	Real Investment Analytics Pty Ltd ACN 616 588 348
Registrar	One Registry Services Pty Limited ACN 141 757 360.
Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.
Retail Client	Has the meaning given to that term in the Corporations Act.
RG 46 Disclosure	The disclosure required by ASIC Regulatory Guide 46 (if applicable).
RITC	Reduced input tax credit.
SMEs	Small-to-medium enterprises.
Start-up Phase	The period between the launch of the Fund and 31 March 2025.
TFN	Tax File Number.
Thesan Asset Management	Thesan Asset Management Pty Ltd ACN 634 179 945 AFSL 528351.
TMD	Target market determination in relation to the Units.
Unit	An ordinary unit in the Fund, being one of the individual parts into which the beneficial interests in the Fund are divided, as provided for in the Constitution.
Unit Pricing Discretions Policy	The Responsible Entity's written policy detailing how it exercises any discretion when calculating the Unit price.
Valuations Policy	The Responsible Entity's written valuation policy for the valuation of the Fund's assets.
Withdrawal Price	The withdrawal price of a Unit calculated in accordance with the Constitution.
Wholesale Client	Investors who qualify as 'Wholesale Clients' as defined in section 761G(7) of the Corporations Act.



10.0 Application Form

PRODUCT DISCLOSURE STATEMENT