

# Product Disclosure Statement (PDS) for the Hamilton Investment Fund Permanent Portfolio Units

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### Please note:

- this PDS is a summary of significant information and contains a number of references (marked with the symbol “\$”) to important additional information contained in the Information Booklet which forms part of the PDS
  - you should consider the information contained in this PDS before making a decision about the Fund
  - the information provided in this PDS is general information only and does not take account of your personal financial situation or needs
  - you should obtain financial advice tailored to your personal circumstances.

Hamilton Asset Management Limited (**Hamilton, we** or **us**) is the responsible entity of the Hamilton Investment Fund (**Fund**) and the issuer of this PDS. The PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required to be lodged. ASIC takes no responsibility for the contents of this PDS.

If you received this PDS electronically we will provide you, free of charge, with a paper copy of the PDS (together with the application form) and any information it incorporates by reference upon request. If you make this PDS available to another person, you must give them the entire PDS, including the application form.

This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make the offer or invitation. All references to \$ amounts are to Australian dollars.

This PDS is current as at 7 January 2020. Information in the PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by Hamilton posting a notice of the change on its website at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments). Hamilton will provide investors, free of charge with a paper copy of the updated information upon request. If the change is materially adverse to investors, Hamilton will notify affected investors and replace this PDS.

Hamilton does not guarantee that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Hamilton makes any statement or representation in this PDS.

Responsible Entity		Fund Administrator	
<b>Mail</b>	Hamilton Asset Management Limited Level 1, 10 Murray Street Hamilton NSW 2303	<b>Mail</b>	Rees Pritchard Investor Services Pty Limited Level 1, 10 Murray Street Hamilton NSW 2303
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<b>Email</b>	<a href="mailto:client_services@hamiltonam.com.au">client_services@hamiltonam.com.au</a>	<b>Email</b>	<a href="mailto:investor_services@reespritchard.com.au">investor_services@reespritchard.com.au</a>
<b>Website</b>	<a href="http://www.hamiltonam.com.au">www.hamiltonam.com.au</a>	<b>Website</b>	<a href="http://www.reespritchard.com.au">www.reespritchard.com.au</a>

Existing investors should contact the Fund Administrator for information about their investments.

## 1. About Hamilton Asset Management Limited

Hamilton is a boutique investment manager providing a different approach to how your money is managed. Hamilton does not attempt to be all things to all people and instead pursues a contrarian value approach to investment management.

Hamilton was incorporated on 18 September 2009, with the aim of providing investors with access to a range of innovative investment solutions. Hamilton was issued with an AFSL by ASIC on 25 June 2010, authorising us to act as a responsible entity of registered managed investment schemes. We are responsible for the day-to-day operations of the Fund and also manage the assets of the Fund.

The directors of Hamilton are collectively experienced in accounting, corporate advisory services, investment management and stockbroking. The directors and their families invest alongside our clients and have investments in our funds.

## 2. How the Fund works

### Mechanics

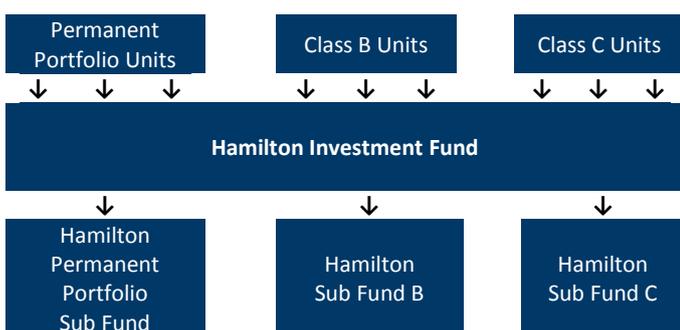
When you invest in the Fund your money (together with other investors' monies) is gathered in the one place and invested in assets. We manage the Fund using our resources, experience and expertise to make investment decisions. The Fund is an Australian unit trust and a registered managed investment scheme under the Corporations Act.

We have appointed Perpetual Corporate Trust Limited (ABN 99 000 341 533, AFSL 392673) (**the Custodian**) as the independent custodian to hold the assets of the Fund. The Custodian's role as custodian is limited to holding the assets of the Fund as Hamilton's agent. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

### Units

The Fund is a "unit trust". This means your interests in the Fund are represented by "units". Certain rights (such as a right to any income and a right to vote) attach to your units. You may also have obligations in respect of your units.

The Fund is designed to enable investors to obtain exposure to a particular portfolio of asset classes or investment strategies by investing in a particular class of units. Each class of units is associated with investments held in a corresponding sub-fund which is wholly owned by the Fund.



The units offered under this PDS are Permanent Portfolio Units, which correspond to the investments held in the Permanent Portfolio Sub Fund (**Portfolio**).

§ Each unit has a value which we calculate. When you invest, we issue you with a number of units depending on the amount you invest. Similarly, when you withdraw from the Fund, we calculate your withdrawal proceeds by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Portfolio rises or falls.

## § Investing and withdrawing

To invest in the Permanent Portfolio units, you must use the application form accompanying this PDS. The following minimum transactions, balance requirements and processing rules generally apply (although we may vary or waive them at our discretion and without notice):

<b>Minimum initial investment</b>	\$5,000 \$50,000 for Money for Living
<b>Minimum additional investment</b>	\$1,000
<b>Minimum withdrawal</b>	\$1,000
<b>Minimum balance</b>	\$5,000
<b>Unit pricing frequency</b>	Monthly
<b>Applications</b>	Applications must be received by 4.00 pm on the last Newcastle business day of a month to receive that month's unit price (subject to any processing delays).
<b>Withdrawals</b>	You must give us 30 days' notice of a withdrawal. Withdrawals are processed on the 10th business day of the month following the end of the notice period (subject to any delays).
<b>Savings plan</b>	Minimum initial investment of \$5,000. Minimum monthly contribution of \$250.

You can increase your holding of units by reinvesting distributions in full (this will be done automatically unless you tell us otherwise), by making an additional investment (use the application form to do this) or by making regular contributions with our savings plan (use the application form to do this). Regular savings plan contributions will be debited from your bank account on the 25th day of each month (or the next business day). Your first direct debit will occur on the 25th day of the month following the date we accept your application.

You can decrease your holding of units by simply contacting us in writing and telling us how much you need to withdraw. We accept scanned or faxed withdrawal requests on certain conditions. You must give us 30 days' notice of a withdrawal (**notice period**).

If you require a regular monthly payment to assist you to manage your living expenses, you have the option of receiving a fixed monthly payment from the Fund with our Money for Living plan.

## § Delays

Normally, once we decide you can withdraw your money, we process the request on the 10<sup>th</sup> business day of the month following the end of the notice period (although the constitution for the Fund allows us to delay withdrawals in certain circumstances, which could be significantly longer than the 10<sup>th</sup> business day of the month following the end of the notice period, and then pay funds to your account. Once the funds are available, we must pay the funds to your account within 21 days.

In certain circumstances, such as a freeze on withdrawals or where the Portfolio is illiquid (as defined in the Corporations Act), you may have to wait a longer period of time before you can withdraw your investment.

If the Portfolio is not sufficiently liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the constitution of the Fund and the Corporations Act.

### § Compulsory redemptions

In some circumstances we may also compulsorily redeem your units, for example, if we suspect that a law prohibits you from being an investor in the Fund.

### Distributions

The Fund aims to pay income distributions semi-annually (as at 30 June and 31 December each year). The distributions can be reinvested in full back into the Fund or they can be paid out entirely to the financial institution account nominated on your application form and you can indicate your choice on the application form. If you do not make a choice, then distributions will be reinvested in the Fund, at the ex-distribution mid-price.

Distribution payments are typically made within 60 days after the end of the distribution period. Distributions will not be paid by cheque.

§ We generally calculate income distributions based on the Portfolio's net income at the end of the distribution period divided by the number of units on issue.

We distribute all taxable income to investors each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits.

**You should read the important information about Investing and withdrawing from the Fund in Part A of the Information Booklet which is available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

## 3. Benefits of investing in the Fund

### § Significant features

The Portfolio aims to preserve and increase the purchasing power of investors' capital over the long term, regardless of current or future market or economic conditions, by holding a diversified portfolio of investments in a broad range of different asset classes. The Portfolio aims to provide returns over the medium to long term (5 to 7 years) which exceed the Australian inflation rate by 3% pa (after management costs). The investment objective is not a forecast. Returns are not guaranteed. See Section 5 "How we invest your money" for more information.

### Significant benefits

There are many benefits of investing in Permanent Portfolio Units. Some of the significant benefits include:

- Investing in a portfolio of cash, fixed interest, equities, gold and silver in one fund.
- The potential to generate capital growth and income over the long term.
- Access to the investment expertise of Hamilton.
- Managed funds can often invest for less cost than individual investors.
- Generally, you can add to or withdraw from your investment monthly.
- The right to receive any distributions we make from the Fund.
- Clear legal rights through a robust corporate governance structure.

**You should read the important information about the Benefits and features of the Fund in Part B of the Information Booklet which is available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

## 4. Risks of managed investment schemes

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

### Significant risks

The significant risks of the Fund include:

- **Individual investment risk:** Investments to which the Fund is exposed, like shares on a stock exchange, can (and do) fall in value for many reasons, such as changes in a company's internal operations or management, or in its business environment. These factors may cause the return on an investment to differ from that of the broader market. The Fund may underperform the market and/or its peers due to its security specific exposures.
- **Market risk:** Economic, technological, political or legal factors, interest rates and even market sentiment can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund.
- **Manager risk:** There is a risk that Hamilton will not perform to expectation. Hamilton has only a small number of key investment professionals responsible for managing the Fund and changes to these key persons may affect the performance of Fund.
- **Fund risk:** The Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing as an individual because of accrued income or capital gains and the consequences of others investing and withdrawing. The Fund also has a 30 day notice period for withdrawals (see Section 2 "How the Fund works" and "Investing and withdrawing"), so that you may not be able to redeem your investment in the Fund immediately. Your investment will continue to be exposed to investment risks during the withdrawal notice period and until your units are redeemed.
- **Cyber risk:** There is a risk of fraud, data loss, business disruption or damage to the information of The Fund or investors' personal information as a result of a threat or failure to protect the information or personal data stored in the IT systems and networks of Hamilton or other service providers.
- **Related party risk:** There is a risk that the interests of a related party may influence the decision-making of Hamilton to the detriment of the interests of investors as a whole when Hamilton is considering whether to enter into a transaction with a related party.
- **Concentration risk:** The Fund may invest a relatively high percentage of its assets in a limited number of assets, or in assets in a limited number of sectors or industries, which may cause the value of the Fund's investments to be more affected by adverse economic, political or regulatory events than the investments of a more diversified fund.
- **Counterparty risk:** Losses can be incurred if a counterparty (such as a broker or other agent of Hamilton) defaults on their contractual obligations or experiences financial difficulty.
- **Credit risk:** The value of the Fund's investments may be sensitive to changes in market perceptions of credit quality, both of individual issuers and of the credit markets in general. The Fund has exposure to credit related securities and takes credit risk in order to achieve its investment objectives. However, the value of those securities, and therefore the Fund's unit price, may be impacted by changes in the market's perception of credit quality.

- **Foreign exchange risk:** Investment in foreign markets may give rise to foreign currency exposure. This means the value of foreign investments will vary as exchange rates change. Fluctuations in foreign currency can have both a positive and negative impact on the investments of the Fund. Hamilton will not actively hedge the Fund against movements in foreign currencies.
- **Interest rate risk:** The capital value or income of a security held by the Fund may be adversely affected by interest rates movements.
- **Liquidity risk:** Access to your money may be delayed (see Section 2 “How the Fund works” and “Delays”). Overall market liquidity may make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker.
- **Valuation risk:** This is the risk that the Fund has valued certain securities at a higher or lower price than the price at which they can be traded.
- **Underlying fund risk:** Where the Fund invests in an underlying fund, the Fund is exposed to the risks of the underlying fund including investment performance, liquidity, management, default and counterparty risk, all of which may affect the value of units in the underlying fund and therefore the value of units in the Fund.
- **Gold and silver risk:** The prices of gold and silver fluctuate constantly, and changes can be large and can happen quickly. The prices of gold and silver may be significantly affected by many factors including supply and demand, developments in the, precious metals mining industry, precious metals retention or sales by governments, central banks and international institutions, investment speculation, hedging activity by producers, currency exchange rates, inflation, interest rates and monetary, economic and other policies of various governments.
- Gold and silver prices are susceptible to political, economic and environmental developments in countries where they are produced and also broader regional and global developments.
- Commodities like gold and silver can be influenced by co-operative or co-ordinated actions by producers or sovereign nations. Governments can exercise substantial influence over prices by changing laws, implementing policies of expropriation, confiscatory taxation, nationalisation, intervention in the market, and imposing foreign investment and exchange controls. Natural disasters such as earthquakes, droughts and floods, and social factors such as strikes, civil unrest and wars can have a significant impact on prices.
- Precious metals generate no interest or dividends, and the return from investments in precious metals will be derived solely from the gains and losses realised when they are sold
- The prices of gold and silver may be significantly affected by factors such as changes in inflation or expectations regarding inflation in various countries, the availability of supplies and demand, changes in industrial and commercial demand, developments in the gold and silver mining industries, gold and silver sales by governments, central banks or international institutions, investment and trading activities of market participants, including hedge funds or speculators, commodity funds and exchange traded funds, hedging activity by producers, currency exchange rates, interest rates, and monetary and other economic policies of various governments. In addition, because the majority of the world’s supply of gold and silver is concentrated in a few countries, the Portfolio’s investments may be particularly susceptible to political, economic and environmental conditions and events in those countries.
- **Small companies risk:** Small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties than larger companies. The securities of small companies may also be less liquid than those of larger companies.
- **Regulatory risk:** The value or tax treatment of the Fund or its investments, or the effectiveness of the Fund’s trading or investment strategy, may be adversely affected by changes in government policies including taxation policies, regulations and laws affecting registered managed investment schemes, or changes in generally accepted accounting policies or valuation methods.

#### § Risks applicable to managed funds generally

There are other significant risks relevant to many managed funds. The value of investments will vary, the level of returns will vary, future returns may differ from past returns and returns are not guaranteed. You may lose some of your money.

The level of risk for each person will vary depending on a range of factors including your age, investment time frames, where other parts of your wealth are invested and your risk tolerance. These risks can be managed but cannot be completely eliminated. You can adopt certain tools to help you manage your own risk.

**You should read the important information about the Risks of managed investment schemes in Part C of the Information Booklet which is available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

## 5. How we invest your money

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

Hamilton Investment Fund – Permanent Portfolio Units																
Investment return objective	<p>The Portfolio aims to preserve and increase the purchasing power of investors capital over the long term, regardless of current or future market conditions, by holding a diversified portfolio of investments in four different asset classes.</p> <p>The Portfolio aims to achieve returns over the medium to long term which exceed the Australian inflation rate by 3% pa (after costs).</p> <p><i>Note the investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the long term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective.</i></p> <p><b>Returns are not guaranteed</b></p> <p>§ Hamilton has developed an investment process to help achieve the investment objective</p>															
Investment philosophy	<p>The investment philosophy of the Portfolio is based upon the premise that nobody can accurately predict the timing of market cycles, the rate of inflation or the occurrence of other future economic or political events. The Portfolio, therefore, does not attempt to out-guess the markets or forecast future economic events, but rather commits a fixed percentage of its assets to four carefully selected, diverse and largely “non-correlated” asset classes. This diversification in a single portfolio seeks to provide investors with a convenient and easy method of investing in a balanced portfolio.</p> <p>Without appropriate diversification, some of the Portfolio’s assets, would be considered highly speculative. However, we believe that the various asset classes are subject to different (and in some cases, contrary) risks, so that the value of the Portfolio’s assets (in aggregate) will be subject to less overall risk, over the longer term, than any one of the assets or asset classes taken by itself.</p>															
Investments and asset allocation	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Target range %</th> <th>Benchmark %</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>22.5 to 27.5</td> <td>25</td> </tr> <tr> <td>Fixed interest</td> <td>22.5 to 27.5</td> <td>25</td> </tr> <tr> <td>Equities</td> <td>22.5 to 27.5</td> <td>25</td> </tr> <tr> <td>Gold and silver</td> <td>22.5 to 27.5</td> <td>25</td> </tr> </tbody> </table> <p>We actively adjust the investment mix within the ranges above. The “target” position is where we aim to have the Portfolio. The percentage of the Portfolio’s assets actually held in each asset class may fall outside the “target” position from time to time due to constantly changing markets and economic circumstances.</p> <p>Remember the investment mix can change within the ranges significantly and sometimes quickly. You can ask your adviser or contact us for the latest investment mix and size of the Fund.</p>	Asset class	Target range %	Benchmark %	Cash and cash equivalents	22.5 to 27.5	25	Fixed interest	22.5 to 27.5	25	Equities	22.5 to 27.5	25	Gold and silver	22.5 to 27.5	25
Asset class	Target range %	Benchmark %														
Cash and cash equivalents	22.5 to 27.5	25														
Fixed interest	22.5 to 27.5	25														
Equities	22.5 to 27.5	25														
Gold and silver	22.5 to 27.5	25														
Recommended minimum investment period	3 years															
Borrowing	The Portfolio will not borrow. Derivatives will not be used to gear the Portfolio.															
Risk	<table border="1"> <tr> <td>Low</td> <td>Low to Medium</td> <td><b>Medium</b></td> <td>Medium to High</td> <td>High</td> </tr> </table>	Low	Low to Medium	<b>Medium</b>	Medium to High	High										
Low	Low to Medium	<b>Medium</b>	Medium to High	High												
Suitability	An investment in Permanent Portfolio Units is generally suited for investors seeking a stable return who can tolerate a medium level of risk.															
Labour and environmental, social or ethical considerations	Hamilton does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.															

Any of the above details could change at any time and without notice. Where we consider the changes are significant, we will notify you of the changes (and where required, give you 30 days’ prior notice where practicable).

**You should read the important information about How we invest your money in Part D of the Information Booklet which are available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

**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 fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

**TO FIND OUT MORE**

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

Information in the following table can be used to compare costs between different funds. Generally, fees and costs are deducted from your account or from investment returns or from the Fund assets as a whole.

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
Establishment fee	Nil	Not applicable
Contribution fee	Nil	Not applicable
Withdrawal fee	Nil	Not applicable
Exit fee	Nil	Not applicable
<b>Fees and costs for managing your money</b>		
<b>Management fee</b> The fee for managing your investment	1.025% <sup>1</sup> per annum of the Portfolio's net asset value.	This fee is calculated and paid to Hamilton monthly. The fee may be negotiated for wholesale clients (as defined by the Corporations Act) only
<b>Expense recovery</b>	0.35% <sup>1</sup> per annum of the Portfolio's net asset value (estimate only).	This is an estimate of the Portfolio's expenses which we will recover from the Fund. Actual expenses which are recovered may be more or less.
<b>Indirect costs</b>	0.2043% <sup>2</sup> per annum of the Portfolio's net asset value (estimate only).	Indirect costs are generally deducted from the Fund's or an underlying fund's assets and reflected in the Fund's unit price. Indirect costs are generally paid when they are incurred.
<b>Service fees</b>		
<b>Investment switching fee</b> The fee for changing investment options	Nil	Not applicable.

<sup>1</sup> All amounts are shown inclusive of GST less any estimated reduced inputs tax credits.

<sup>2</sup> Based on indirect costs incurred during the financial year ended 30 June 2018 and may vary including by material amounts. Past costs may not be a reliable indicator of future costs.

§ For information on fees, please see "Additional explanation of fees and costs".

**Example of annual fees and costs**

This table gives an example of how the fees and costs for this Fund can affect your investment over a 1-year period. You should use this table to compare this Fund with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$Nil
PLUS Management costs	1.025% per annum	and for every \$50,000 you have in the Fund you will be charged \$512.50 each year.
PLUS Expenses	0.35% per annum	and, for every \$50,000 you have in the Fund you will be charged \$175.00 each year
PLUS Indirect Costs	0.2043% per annum	and, for every \$50,000 you have in the Fund you will be charged \$102.15 each year
EQUALS cost of Fund	1.5793% per annum	If you invest \$50,000 at the beginning of the year and you contribute an additional \$5,000 during the year, you would be charged fees of \$789.65*

\* This amount assumes the \$50,000 balance remains constant over a one year period and the unit price does not fluctuate. The example excludes additional management costs of up to \$78.96 in respect of an additional contribution of \$5,000. The example assumes that no abnormal expenses are incurred, no additional service fees are incurred by you, that fees are not individually negotiated with us and that no performance fee is payable to Hamilton. The actual cost of investing depends on how much you invest, your investment balance in the Fund from time to time, and the number and types of transactions you make.

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) and use their managed investment fee calculator.

## § Additional information on fees and costs

### ▪ Management costs

Management costs include Hamilton's management fees, ordinary and abnormal expenses and other indirect costs. Fees payable to Hamilton are calculated and accrued monthly and are based on the net asset value of the Portfolio excluding accrued fees. These fees are paid monthly in arrears. Management costs paid out of Portfolio assets reduce the net asset value of the Portfolio and are reflected in the unit price. Management costs exclude transaction costs (i.e. costs associated with investing in the underlying assets, some of which may be recovered through buy-sell spreads).

Indirect costs form part of management costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Portfolio may invest in) and certain OTC derivative costs. The Fund's indirect costs are based on the financial year ending 30 June 2018 and are estimated to be 0.2043%. Actual indirect costs for future years may differ.

The ordinary expenses for the Fund are estimated to be 0.35% per annum of the net assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund as and when they are incurred. The constitution of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are not limited. We reserve the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include costs of litigation to protect investors' rights, costs of defending claims in relation to the Fund, costs of investor meetings and termination and wind up costs.

### ▪ Transactional and operational costs

Transactional and operational costs include brokerage, settlement costs, bid/offer spreads on investments and currency transactions, and borrowing, clearing and stamp duty costs. When you invest in the Fund, we may buy (and sell) investments and incur these costs. When you withdraw, we may sell investments so we can pay your cash to you and incur these costs. These costs are also incurred in connection with day to day trading within the Fund.

Some of these costs are recovered through the buy/sell spread. A buy/sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/withdrawing units from the Fund. The buy/sell spread is reflected in the buy/sell unit price. Currently, our buy/sell spread is estimated to be +0.25% on the entry price and -0.25% on the exit price). So, if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.25% (up 0.25 cents) and on exit we adjust the unit price down approximately 0.25% (down 0.25 cents). The buy/sell spread is not paid to Hamilton. Because the buy/sell spread is reflected in the buy/sell unit prices, you won't see transaction costs on any account statement we send you.

Transactional and operational costs	Recovery through buy/sell spread	Net transactional and operational costs
0	100%	0

The Fund incurred no transactional and operational costs during the last financial year. We expect these costs to vary from year to year as they will be impacted by the Fund's volume of trading, brokerage arrangements and other factors. We cannot currently reasonably estimate the transactional and operational costs of the Fund over the next financial year. We expect the amount recovered through the buy-sell spread to also vary from year to year as it will be impacted by the volume of applications and withdrawals and any changes in the buy/sell spread for the Fund. The net transactional and operational costs are the difference between the transactional and operational

costs of the Fund and the amount recovered through the buy/sell spreads. All of these amounts are expressed as a percentage of the Fund's average net asset value for the year. Based on an average account balance of \$50,000 over a one-year period, the net transactional and operational costs were \$0 in the last financial year.

### ▪ Adviser fees

Additional fees may be paid to your financial adviser if one is consulted. You should refer to the Statement of Advice they give you, in where details of their fees are set out.

### ▪ Service fees

If you need Hamilton to do something special for you, we may charge you a fee. Special fees vary depending on what you ask us to do.

### ▪ Changes to fees and costs

Fees and costs can change without your consent. Reasons for change might include changing economic conditions and changes in regulation. However, we will give you 30 days' notice of any increase to fees. The constitution for the Fund sets the maximum amount we can charge for all fees. If we wished to raise fees above the amounts allowed for in the constitution of the Fund, we would need the approval of investors.

Please refer to our website for any updates on our estimates of any fees and costs (including indirect costs and transactional and operational costs) which are not considered to be materially adverse from a retail investor's point of view. Remember, past performance is not an indicator of future performance, and any fees or costs for a given year may not be repeated in a future year.

**You should read the important information about Additional explanation of fees and costs in Part E of the Information Booklet available which is at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

## 7. How managed investment schemes are taxed

§ Investing in a registered managed investment scheme (like the Fund) is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes (like the Fund) do not pay tax on behalf of members. Members are assessed for tax on any income and capital gains generated by the Fund.

**You should read the important information about How managed investment schemes are taxed on in Part F of the Information Booklet available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**

## 8. How to apply

### How to invest

You need to invest at least \$5,000 initially. Use the application form accompanying this PDS. The form contains detailed instructions and will ask you to provide the identification documents required under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML CTF Act).

We do not pay you interest on application monies held prior to the time we issue units to you.

Additional investments can be made at any time in writing. Generally, the minimum amount for additional investments is \$1,000.

## Cooling off

If you decide that you do not want the units we have issued you in the Fund, we must repay your money to you.

We are allowed to make and generally do make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$50,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, we may charge you on account of the reduced unit value and you would incur a buy spread of +0.25% and a sell spread of -0.25%. This means that \$49,252.81 would be transferred from the Fund back to you.

If you change your mind, you have 14 days to tell us, starting on the earlier of the date when we send you confirmation that you are invested or the end of the 5th day after the day on which we issue the units to you.

This right terminates immediately if you exercise a right or power under the terms of the product, such as transferring your units or voting on any units held by you. For any subsequent investments made under a distribution reinvestment plan, cooling off rights do not apply.

## Enquiries and complaints

Contact us during business hours (9.00 am to 5.00 pm Newcastle time). Our details are at the beginning of this PDS. It helps us if you have your investor number handy when you contact us.

If you have a complaint, it is better that you make it in writing although you can always call us. Complaints will always be acknowledged and responded to within 45 days.

If you remain unhappy you can contact the independent Australian Financial Complaints Authority (AFCA).

Mail	Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001
Telephone	1800 931 678 (free call)
Email	<a href="mailto:info@afca.gov.au">info@afca.gov.au</a>
Website	<a href="http://www.afca.org.au">www.afca.org.au</a>

AFCA operations are financed by contributions made by its members, including Hamilton. AFCA is free to consumers. For information on the AFCA Rules governing its jurisdiction and processes, please refer to [www.afca.org.au](http://www.afca.org.au).

## 9. More information

### Fund performance and size

If you are interested in:

- up to date Fund performance
- the latest investment mix of the Fund
- current unit prices or
- the current size of the Fund,

then ask your financial adviser or go to [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments).

Don't forget that past returns are historical, and just because they were achieved does not, that they will be achieved again. Returns are volatile and may go up and down significantly and sometimes quickly.

### Keeping you informed

We will:

- confirm every transaction you make (except savings plan transactions)
- soon after June each year send you a report to help you with your tax return
- each year (around September) make the accounts of the Fund available to you on our website
- send you your annual statement and

- notify you of any material changes to this PDS and any other significant event.

If the Fund has 100 investors or more, the Fund will be considered a "disclosing entity" for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from an ASIC office. Investors have a right to obtain a copy, free of charge, of the most recent annual financial report for the Fund and any half year financial report lodged with ASIC after that annual financial report but before the date of this PDS.

Any continuous disclosure obligations we have will be met by following ASIC's good practice guidance via website notices rather than by lodging copies of those notices with ASIC. Accordingly, if Hamilton becomes aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, we will ensure that this information is made available as soon as practicable on our website [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments). If you would like hard copies of this information, call Hamilton on and we will send them to you free of charge.

## § Privacy

We use personal information about you to administer your investment and also to conduct research.

## § AML CTF Act

In order to meet our obligations under the AML CTF Act, taxation or other relevant legislation, we may require further information from you as to your identity, the source of your funds and similar matters. We are required to verify that information by sighting appropriate documentation.

## Consents

The Custodian has given, and as at the date of this PDS has not withdrawn, its consent to inclusion in the PDS of the statements concerning it in the form and context in which they are included.

**You should read the important information about More information in Part G of the Information Booklet which is available at [www.hamiltonam.com.au/investments](http://www.hamiltonam.com.au/investments) prior to making a decision to invest. Note the information may change between the time when you read the PDS and the time when you acquire the product.**