



# Clima Australian Value Fund Product Disclosure Statement



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# Important Information

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Total Fund Services Limited (**TFS** or **we, our**) is the responsible entity of the Clime Australian Value Fund ARSN 126 118 189 (**the Fund**) and issuer of this Product Disclosure Statement (**PDS**). Clime Asset Management Pty Limited (**Clime**) is the investment manager of the Fund. TFS is owned by Clime Investment Management Limited and Business Operations and Compliance Systems Pty Ltd (**BOCS**). None of BOCS, Clime nor any other companies in the Clime Investment Group (except for TFS) is responsible for any statements or representations made in this PDS. None of TFS, BOCS, nor any other company in the Clime Investment Group assumes any liability to investors in connection with investment in the Fund or guarantees the performance of the Fund or any particular rate of return. The repayment of capital is not guaranteed. Investments in the Fund are not deposits or liabilities of TFS, BOCS or any company in the Clime Investment Group. The Fund is subject to investment risks, which could include delays in repayment, and loss of income and capital invested (see “Risks associated with the Fund” page 13 for more details). Neither BOCS nor any other company in the Clime Investment Group guarantees the performance of TFS’s obligations to investors.

Where the Fund has, or is expected to have, more than 100 unit holders, it is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents issued by us disclosing information that may have a material effect on the price or value of units in the Fund to unit holders can be obtained from our website [www.totalfundservices.com.au/funds/](http://www.totalfundservices.com.au/funds/) or can be obtained by contacting TFS on +61 2 8233 6111 or Clime Investment Management on 1300 788 568. These documents may include:

- the Fund’s annual financial report most recently lodged with ASIC;
- any half year financial statements for the Fund lodged with ASIC; and
- any continuous disclosure notices given by the Fund (after lodgement of the annual financial report and before the date of this PDS).

In satisfying our continuous disclosure obligations via website notices we will follow the Australian Securities and Investment Commission’s good practice guidance for website disclosure.

We will confirm every transaction you make in accordance with the law.

An investment in the Fund is not a deposit with or other liability of ANZ or any other ANZ Group company, and is subject to investment risk including possible delays in repayment and loss of income or principal invested. Neither ANZ, nor any other ANZ Group company guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.

This offer is available only to persons receiving this PDS (including electronically). This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the units or otherwise permit an offering of the units in any jurisdiction outside Australia. Persons who come into possession of this PDS who are not in Australia should seek advice on and observe any such restrictions.

We cannot accept cash. This offer is subject to the terms and conditions described in this PDS. We reserve the right to change these terms and conditions (see “Investor information” on page 26 for more details). We reserve the right to refuse or reject an application. The information contained in this PDS is of a general nature only and is not based on your personal objectives, financial situation and needs. You should read the PDS in its entirety before making a decision to invest. You are encouraged to consult a financial adviser before investing, to consider how appropriate the Fund is to your objectives, financial situation and needs.

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# About this Product Disclosure Statement (PDS)

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This PDS is dated 27 August 2010 and contains important information about investing in the Fund, including costs and investment risks. Information in this PDS can help you decide if the Fund meets your investment needs, and can help you compare the Fund to other funds you may be considering. It is important that you read this PDS and consult your financial adviser before investing in the Fund.

If you have received this PDS electronically, we will provide a paper copy if you ask.

Fees and expenses include Goods and Services Tax (GST) net of reduced input tax credits (where applicable) unless we state otherwise, and are current unless we advise you they will change.

Updated information relating to this PDS will be made available promptly. You can access this information at [www.clime.com.au](http://www.clime.com.au). Alternatively, you can request a paper copy of this information free of charge from your financial adviser, by contacting Clime on 1300 788 568 or emailing us at [cavf@clime.com.au](mailto:cavf@clime.com.au). The information that will be made available by way of updates is subject to change from time to time and will not be information which is materially adverse to you. If the change is materially adverse to you, TFS will replace this PDS or issue a supplementary PDS.

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# The Fund at a glance

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This page highlights important information about the Fund. You should read the entire PDS before deciding to invest.

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Fund Commencement Date	28 August 2006
Fund Type	Australian Equities
ARSN	126 118 189
APIR Codes	Retail Unit: CRE0001AU Wholesale Unit: CRE0005AU
Investment Manager	Clime Asset Management Pty Limited (Clime) AFSL 221146
Responsible Entity/Issuer	Total Fund Services Limited (TFS) AFSL 308868
Custodian	Australia and New Zealand Banking Group (ANZ)
Administrator & Registry	FundBPO Pty Limited
Investment Objectives	The objective of the Fund is to provide consistent capital growth and a growing level of income over the medium term (3-5 years) by investing in securities listed on the Australian Securities Exchange. The Fund may not achieve its investment objective. Returns are not guaranteed.
Investment Philosophy	The Clime Australian Value Fund seeks to achieve its objective through its adherence to its three fundamental beliefs: <ol style="list-style-type: none"><li>1. The preservation of capital is critical to maximise the investment return.</li><li>2. The sustainable return on equity of a company determines the value of the company.</li><li>3. The value of the company will be reflected in the company's share price in the medium term.</li></ol>
Unit classes	Class A – Retail Unit Class B – Wholesale Unit
Distributions Paid	Half yearly, as at 31 December and 30 June.
Unit Pricing	Unit prices are calculated on the last business day of the week.
Minimum Initial Investment: Retail Units	\$10,000
Minimum Initial Investment: Wholesale Units	\$500,000
Minimum Additional Investment	\$1,000
Minimum Redemption: Retail Units	\$1,000 (provided that the unitholder maintains a minimum balance of \$10,000)

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Minimum Redemption: Wholesale Units	\$1,000 (provided that the unitholder maintains a minimum balance of \$500,000).
Entry Fee	Nil
Contribution Fee	Nil
Withdrawal Fee	Nil
Management Costs: Retail Units	1.03% per annum of the gross asset value of the Fund. Calculated weekly and paid monthly in arrears on the last Business Day of the month. For worked examples of the calculation of Management Costs see "Examples of Annual Fees and Costs" on page 22 to 25.
Management Costs: Wholesale Units	0.87% per annum of the gross asset value of the Fund. Calculated weekly and paid monthly in arrears on the last Business Day of the month. For worked examples of the calculation of Management Costs see "Examples of Annual Fees and Costs" on page 22 to 25.
Performance Fee and High Water Mark: Retail and Wholesale Units	15.38% of outperformance above a benchmark of 12% per annum, after recoverable expenses. A high water mark is in place ensuring that previous losses must be recouped before a performance fee is paid to the Investment Manager. For worked examples of the calculation of Management Costs see "Examples of Annual Fees and Costs" on page 22 to 25.
Recoverable Expenses	A maximum of 0.52% per annum of the value of the gross assets of the Fund. This fee is applied to pay all ongoing administration, responsible entity and other Fund expenses except for transaction costs, government charges and abnormal expenses. As the Fund size grows, the amount of operating expenses paid from the Fund are expected to be less than 0.52% per annum, as relevant fixed costs will be spread over more funds. For worked examples of the calculation of Management Costs including Recoverable Expenses see "Examples of Annual Fees and Costs" on page 22 to 25.
Buy and Sell Spreads	0.25% of the value of the net assets of the Fund per unit added to the value of the net assets of the Fund per unit on each application. 0.25% of the value of the net assets of the Fund per unit subtracted from the value of the net assets of the Fund per unit on each redemption. Total difference between the application price and the redemption price is 0.50% of the value of the net assets of the Fund per unit.
Reporting: Frequency	Investors in the Fund will receive an annual report, half yearly distribution statements, quarterly holding statements and annual taxation reports. Monthly and quarterly investment reports are available on Clime's web site <a href="http://www.clime.com.au">www.clime.com.au</a> .

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# Who is Clime?

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Clime's parent, Clime Investment Management Limited, is listed on the Australian Securities Exchange (ASX:CIW) and has two operating divisions, Clime Asset Management and MyClime.

Clime is an independent Australian fund manager specialising in value investing. We value individual companies using our proprietary valuation methodology, and invest in companies that are trading at a discount to what we believe they are worth.

Clime provides discrete share portfolio management services to institutional investors and private clients. You can access that same investment expertise by investing in the Clime Australian Value Fund.

The responsible entity for the Fund, TFS, has appointed Clime as the investment manager of the Fund.

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# How Clime invests

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*Clime buys shares in a company when its share price is lower than Clime's assessment of the intrinsic value of the company and Clime considers it has attractive company characteristics.*

Clime applies a disciplined investment approach, through good times and bad.

As a value investor, Clime firmly believes that price and value are entirely different. Price is what we pay but value is what we receive. As the Fund's investment manager, Clime's role is to pay a lower price for shares in a company than the value we receive. But, while the share price of a company is freely observable, the value of a company is not.

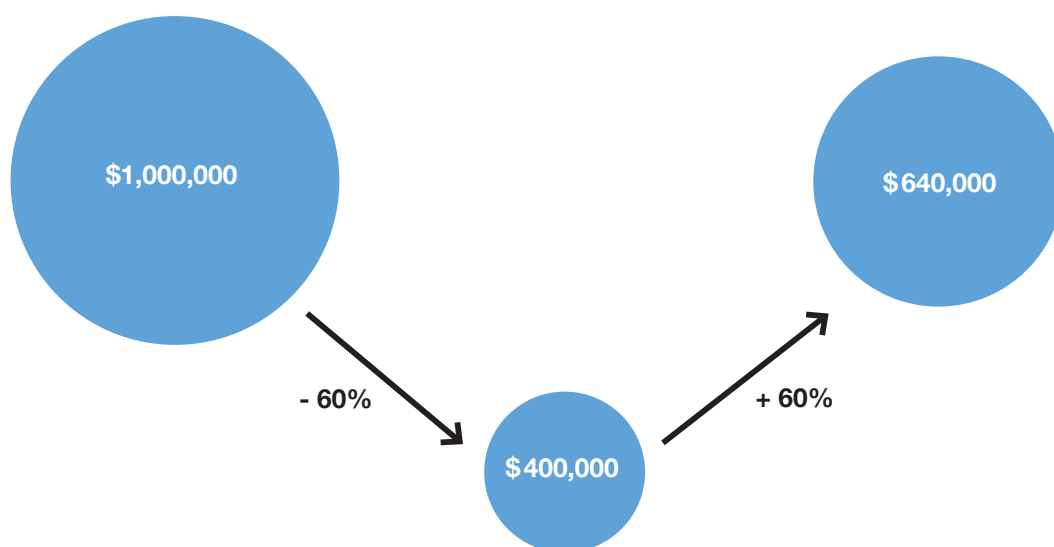
Clime's investment process is underpinned by three fundamental beliefs:

1. The preservation of capital is critical to maximise the investment return.
2. The sustainable return on equity of a company determines the value of the company.
3. The value of a company will be reflected in the company's share price in the medium term.

## Capital Preservation

The importance of capital preservation has never been more apparent than during the Global Financial Crisis, as demonstrated by the following example:

Say you invested \$1 million in November 2007. By March 2009, the market index had fallen by approximately 60%, leaving you with just \$400,000. Even though the market rose by 60% by the end of 2009, your investment would then be worth only \$640,000. You would have lost 36% of your original \$1 million investment. Once you have lost capital, it is very difficult to recoup.



## **Sustainable Return on Equity**

*The profit of a company can be easily manipulated. The long term profitability, as measured by Return on Equity, is far more important.*

We distinguish between profit and profitability. While the profit of a company is important, the profitability, as measured by Return on Equity, is absolutely critical.

Return on Equity allows us to understand the financial resources that have been applied to create the company's profit.

Put simply, it makes a difference to a company's value if a profit of \$100,000 was generated from equity of \$1 million or \$10 million – that is, a Return on Equity of either 10% or 1%.

## **Value and share price convergence**

*The share price of a company is not the value of the company, and the share market is not always an efficient mechanism for valuing companies.*

In the short term, share price swings can be driven by many factors unrelated to value. Over time, a company's share price is likely to be reflective of its economic performance.

The movements in a company's share price create opportunities for the Fund to purchase a concentrated portfolio of attractive companies at prices below Clime's assessment of their real value.

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# The Fund

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*The Clime Asset Management investment approach aims to identify attractive companies by a transparent process of methodical research and applies a highly disciplined investment and valuation methodology.*

## **What does the Fund invest in?**

The Fund's goal is to create a concentrated portfolio of ASX listed securities that generate a high return on equity, that are run by honest and capable management and can be purchased at a fair price. When attractive opportunities are not available the Fund may remain invested in cash or cash equivalents.

Subject to suitable investment opportunities, the Fund may be fully invested. However, at all times, a percentage of the investment funds is likely to be retained in cash or cash equivalents in order to meet redemptions and income distributions.

## **Investment objectives of the Fund**

The investment objective of the Fund is to provide consistent capital growth and a growing level of income over the medium term (3 - 5 years) by investing in securities listed on the Australian Securities Exchange.

The Fund's aims are:

- to achieve long term growth of capital and income, without taking excessive or unnecessary risks to achieve that growth;
- active management, with protection of capital being a major consideration.

There can be no assurance that this objective will be achieved. Returns are not guaranteed, and investment results may vary substantially over time and can be negative.

## **What is the Fund's investment timeframe?**

The investment objective of the Clime Australian Value Fund is to provide consistent capital growth and a growing level of income over the medium term (3 - 5 years). Clime believes the share market can be inefficient in any given short term period and that short-term gyrations in the share price of a company do not necessarily reflect the value of a company.

Company share prices may move for a variety of reasons that have little to do with value. We believe that the value of the company will be reflected in the company's share price in the medium term. The short term pricing inefficiency of a company's shares is the opportunity for Clime to create a value portfolio of companies.

For up-to-date information on performance, invested position and unit prices please visit our website at [www.clime.com.au](http://www.clime.com.au) or contact Clime on 1300 788 568 to request a paper copy, free of charge.

## **Environmental, social and ethical considerations and labour standards**

Clime does not screen for labour standards or environmental, social or ethical considerations in the selection, retention or realisation of any investment for the Fund.

In making investment decisions, Clime does not have predetermined views on labour standards or environmental, social or ethical considerations or in relation to how any such considerations should be taken into account.

Clime therefore considers these factors only where they are expected to have a material financial impact on an individual investment.

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# Investment Process

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## Investment strategy and approach of the Fund

*A company identified by Clime's disciplined valuation methodology must also be scrutinised against Clime's qualitative criteria. Clime spends time understanding what drives a business and then looks at the sustainability of the company's earnings in establishing its value. These include factors such as management's capability and integrity, gearing and the company's prospects. Clime looks for companies with a record of strong profitability, an ability to transform profits into high returns to shareholders, a strong balance sheet and evidence of the proper treatment of ordinary shareholders as owners of the business. Clime avoids companies where management appears to have acted irrationally with regard to capital allocation and dividend policy.*

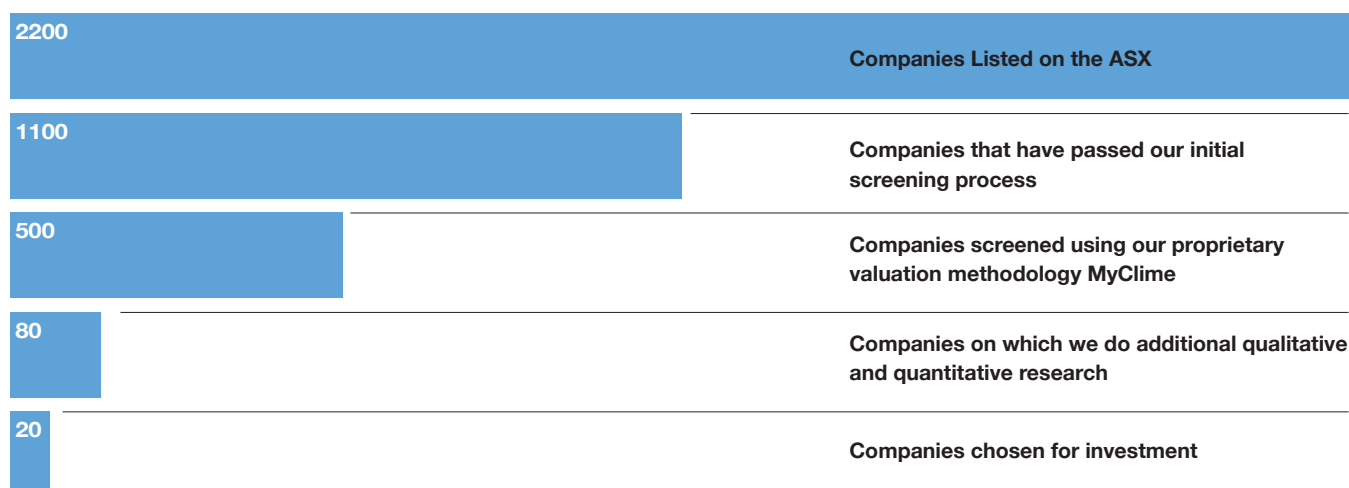
Clime firmly believes that price and value are entirely different. Price is what we pay but value is what we receive. Clime's role is simply to pay a lower price for a company than the value received. But while the share price of a company is freely observable, the value of the company is not. Clime conducts bottom up research into each company. Clime's investment process identifies companies that have the requisite attractive company characteristics. Clime then applies its consistent valuation methodology, calculates a valuation for each company and identifies those attractive companies whose share price is below its assessment of the company's real value.

Clime takes a great deal of care in choosing the companies that make up the Fund's investment universe.

Companies do not exist in isolation, and the macro environment is likely to be a major factor in the success of a business. Assessing the global, national, regional and local macro influences is essential when valuing individual companies. Clime takes a view on the economic, political, regulatory and social environment in which a company operates, as these factors will likely have a significant impact on the future prospects of the company.

Clime's investment team has broad experience in managing business and financial risk, encompassing both the equity and debt capital markets. They have a deep understanding of the economic influences that affect the environment within which companies operate.

The following schematic illustrates Clime's portfolio selection process.



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# Investing in quality companies

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Before investing, Clime assesses each company against its 'attractive investment' criteria.

## **Business Model**

Clime chooses companies with business models that are easy to understand. Clime must be able to identify the critical elements of a how a company generates its revenue.

## **Profitability**

Distinguishing between profit and profitability is fundamental to our investment process. Understanding the financial resources required to generate the profit is essential to valuing the company. We define profitability as Return on Equity.

## **Profit**

Clime looks for companies that can increase their profit year after year. Ideally, they operate in growth industries, are able to grow their market share and can improve their operating efficiency.

## **Cash Flow**

Clime likes companies whose earnings come from operating activities and where the dividend is franked. Clime views with caution companies where earnings are generated largely by financing or investing activities.

## **Debt**

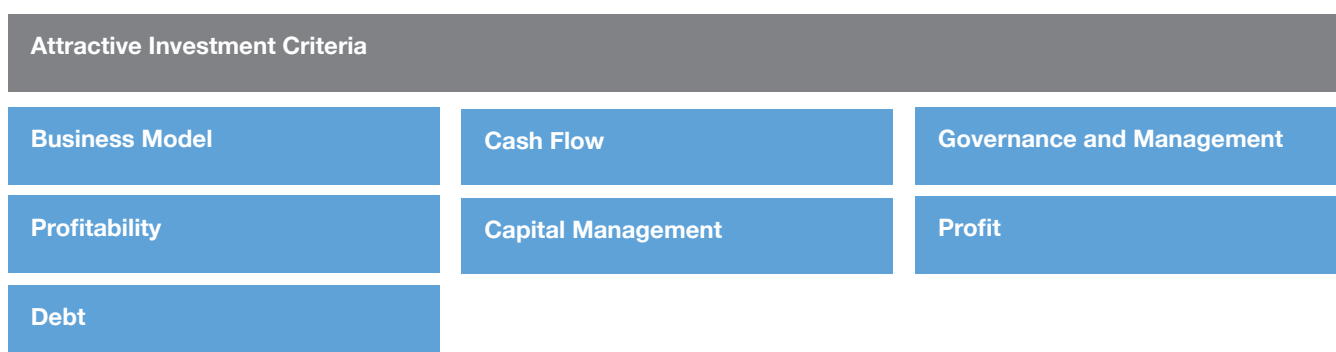
Clime likes companies that have a sound balance sheet with debt levels consistent with their business model and market position.

## **Capital Management**

Clime seeks to invest in companies that have a history of sensible capital management of both debt and equity.

## **Governance and Management**

Clime looks for companies that have strong governance structures and management teams that have a track record of operating with transparency and integrity.



## **Margin of Safety**

Clime will only make an investment if there is a sufficient margin of safety between the current share price and its valuation of the business. Clime aims to purchase shares when the margin of safety is 20% or greater. This may vary depending on the quality of the company and the macro-environment.

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# Risks associated with the Fund

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All investments are subject to risk. Before you decide to invest in the Fund it is important that you understand how significant risk factors may affect the value of your investment.

Some of the ways in which investment risks can impact on your financial circumstances:

- Your investment may decrease in value, which means you may ultimately receive less than you expected, or even less than you invested;
- The amount of income you receive may vary in amount, become irregular or cease altogether which could have an adverse impact if you depend on regular and consistent income to meet your financial commitments;
- The stated aims and objectives of the Fund are not able to be achieved. Your investment may not keep pace with inflation, which would reduce the future purchasing power of your money.

You should consult a financial adviser before making a decision to invest.

Generally, the higher the expected return of an investment, the higher the risk. While the Fund is managed with the aim of providing you with competitive returns and minimising the risk to your investment, you should be aware that there are certain risks that affect the value of your investment in the Fund. These factors include the state of the Australian and world economies, interest rates, consumer confidence, a company's performance, exchange rate fluctuations, the supply and demand for various investments, changes in government monetary and fiscal policy, taxation and regulatory change and changes in laws. There are also investment risks related to how and where the Fund invests and these risks are managed according to the objectives and investment style of the Fund.

While it is not possible to identify every risk factor, we have set out in this section those risk factors that are most likely to affect the performance of the Fund. Clearly, some of these are outside the control of Clime. However where possible, Clime will take steps to manage risks by following prudent investment guidelines.

The Fund is not closely related to any particular index and therefore the performance is likely to be different from the performance of the Australian Securities Exchange (and its closest proxy, the All Ordinaries Index).

There can be no guarantee that the Fund's objectives will be achieved. Investment results may vary substantially over time and may be negative as well as positive.

The risks to which investors may be exposed through an investment in this Fund include the following:

## **Market Risk**

The Fund's investment returns are influenced by the performance of the stock market as a whole. This means that your investment may be affected by factors such as general market and economic conditions, interest rates, investor sentiment, global events and changes to social, technological, taxation and regulatory environments.

Clime forms a view on these factors and then adjusts the investments of the Fund to reduce the negative impact of these risks.

## **Sector Risk**

The Clime Australian Value Fund is sector unaware and as a result the Fund may have a concentrated or no exposure to a specific sector.

## **Interest Rate Risk**

Prices may decline over the short or long term, due to changes in the level of interest rates.

Clime forms a view on these factors and then adjusts the investments of the Fund to reduce the negative impact of these risks.

## **Manager Risk**

Manager risk is the risk that Clime makes an error of judgment in selecting securities. The Clime team has extensive experience in portfolio management.

## **Credit Risk**

Credit risk is the risk that the security issuer in respect of fixed income products, notes and certain hybrid securities will default on payment of interest or principal. The potential returns offered by financial products in this sector contain compensation for the higher credit risk.

Clime forms a view on these factors and then adjusts the investments of the Fund to reduce the negative impact of these risks.

## **Liquidity Risk**

Clime may be unable to sell shares in a timely manner or at a reasonable price due to a lack of buyers in the market.

Clime forms a view on these factors and then adjusts the investments of the Fund to reduce the negative impact of these risks.

## **Derivatives Risk**

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the Fund or TFS not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). The Fund will only employ derivatives for hedging in order to implement its investment strategy.

In extreme market conditions, any derivative positions could lead to the Fund being leveraged. On these occasions Clime will endeavour to reduce the leverage to zero as soon as possible.

## **Fund Risk**

All managed funds have some inherent risks arising from their structure. For example, the Fund could be terminated, TFS could be replaced as its responsible entity, Clime could cease to be the investment manager, and our (or their) investment and management team or key relationships could change.

There is a risk that investing in the Fund may give different results than investing directly in the underlying investments of the Fund because of the tax treatment of the Fund and the consequences of investment and withdrawal by other investors.

Fund risk is addressed by diligently managing the Fund and its investments and hiring and retaining experienced staff for the long term. However, investment decisions are not always successful.

## **Borrowing Risk**

Borrowing for investment has special risks. Borrowing is sometimes called gearing or leverage.

Clime only intends to borrow for short terms, generally to meet redemptions, distributions, or short-term portfolio obligations, and then only if we consider borrowing to be prudent and in the best interests of all investors. Credit markets can change, and if Clime could not borrow, this could affect the Fund in that we might need to sell assets at prices lower than we would like.

There is also a risk that our lender could suffer financial difficulty. To minimise this risk we will only borrow through reputable and reliable funding facilities.

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# About TFS and Clime

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TFS is owned by Clime Investment Management Limited ABN 37 067 185 899, an Australian Securities Exchange listed company (ASX code CIW), which operates in the funds management industry and provides investment services and Business Operations and Compliance Systems Pty Ltd ABN 43 121 101 773 which provides compliance and risk management services to Australian financial services licensees.

Clime Asset Management Pty Limited (Investment Manager) has been appointed by TFS as the investment manager for the Fund and will act in accordance with the Investment Management Agreement.

Clime Asset Management Pty Limited is a wholly owned subsidiary of Clime Investment Management Limited.

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# Fees and other costs

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## **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 where applicable. Ask your financial adviser. Clime does not negotiate lower management costs.

## **TO FIND OUT MORE**

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

This section documents fees and other costs that you may be charged. These fees and other costs may be deducted from your account balance, from the returns on your investment, or from the Fund's assets as a whole.

These fees are inclusive of GST (if applicable) and any reduced input tax credits (RITC) unless otherwise stated. Taxes are set out in the "Taxation Information" section of this PDS (see page 29).

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund <sup>1</sup></b>		
<i>Establishment Fee:</i> The fee to open your investment	Nil	Not applicable
<i>Contribution Fee:</i> The fee for each amount contributed to your investment	0% - 4.4%	We will deduct the applicable contribution fee from your initial investment and any additional investments. The contribution fee you pay is negotiated between you and your adviser, up to a maximum of 4.4%. If you don't use an adviser, the contribution fee will be nil.
<i>Withdrawal Fee:</i> The fee for each amount you take out of your investment	Nil	Not applicable
<i>Termination Fee:</i> The fee to close your investment	Nil	Not applicable

**Management Costs - The fees and costs for managing your investment**

<i>Investment Management Fee</i>	<u>Retail Units</u> 1.03% per annum of the gross asset value of the Fund.	These fees are deducted from the Fund before each unit price is determined and are paid monthly in arrears.
	<u>Wholesale Units</u> 0.87% per annum of the gross asset value of the Fund.	The amount of this fee is not negotiable.
<i>Recoverable Expenses Fee</i>	0.52% per annum of the gross asset value of the Fund.	This fee is applied to pay all ongoing administration, responsible entity and other Fund expenses except for transaction costs, government charges and abnormal expenses. <sup>2</sup>  The amount of this fee is not negotiable.
<i>Performance Fee</i>	15.38% of the net outperformance in excess of 12% per annum (after Fund expenses and adding back distributions). <sup>3</sup>	This fee is charged only when we satisfy a specified performance level for the Fund. The performance fee is calculated and accrued weekly. The fee is deducted directly from the Fund and reflected in the unit price. It is payable at the end of the relevant twelve month period. <sup>4</sup>  The amount of this fee is not negotiable.

For a worked dollar examples of the Management Costs (both inclusive and exclusive of performance fees), please refer to the "Examples of Annual Fees and Costs" on pages 22 to 25.

**Service Fees<sup>5</sup>**

<i>Investment Switching Fee</i> The fee for changing investment options	Not applicable	Not applicable
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<sup>1</sup> You may also incur a buy or sell spread when your money moves in or out of the Fund. For an explanation of buy and sell spreads, see page 20.

<sup>2</sup> For an explanation of the expenses, see "Recoverable Expenses" on page 19.

<sup>3</sup> For an explanation of the Performance Fee, see "Performance Fee and High Water Mark" on page 19.

<sup>4</sup> For more information on the Performance Fee, see "Performance fee and High Water Mark" on page 19.

<sup>5</sup> For information on the Adviser Service Fee, see page 20.

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# Additional Explanation of Fees and Costs

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## Performance Fee and High Water Mark

The Investment Manager will be paid a performance fee shown under “Management Costs” on page 18.

The performance fee is 15.38% of the amount by which the return of the Fund (after the deduction of Investment management fee and expenses) exceeds the benchmark of 12% per annum for the relevant financial year. The return of the Fund includes distributions paid as well as increases in the net asset value of the Fund reflected in the unit price.

The performance fee (if any) is calculated and accrued weekly based on the net asset value of the Fund, and is payable at the end of each financial year. The fee is deducted directly from the Fund and reflected in the unit price.

If the Fund has negative performance in the twelve months of a financial year period, after adjusting for capital contributions and withdrawals, that negative performance must be recovered before a performance fee is payable. Therefore there is no entitlement to a performance fee if the Fund:

- fails to outperform the benchmark; or
- outperforms the benchmark in the relevant financial year, but the outperformance is not sufficient to offset prior negative performance.

For a worked dollar example, please refer to the “Examples of Annual Fees and Costs” on page 23 and 25. (Please note that the fees which are net of RITC have been rounded to 2 decimal places.)

## Recoverable Expenses

The Constitution allows for all ongoing operating expenses to be paid by TFS and recovered from the Fund. These represent the reasonable operating expenses and outgoings in connection with the day-to-day operation of the Fund, and include, but are not limited to:

- legal, accounting and audit fees;
- costs of responsible entity, registry, administration and custody services;
- bank fees; and
- printing and postage costs.

TFS will limit the amount of ongoing operating expenses (that is, excluding unusual expenses) that are paid from the Fund to 0.52% per annum of the then current value of the gross assets of the Fund. The total ongoing operating expenses paid from the Fund will not exceed this amount.

The ongoing operating expenses will be deducted before each unit price is determined and paid monthly in arrears.

In addition to the ongoing operating expenses, TFS may pay unusual expenses (such as investor meetings, Fund termination costs or expenses arising from any dispute management) from the Fund. The unusual expenses are not subject to the 0.52% per annum limit.

The operating expenses paid from the Fund are expected to be 0.52% per annum. As the Fund size grows, the amount of operating expenses paid from the Fund are expected to be less than 0.52% per annum, as relevant fixed costs will be spread over more funds.

For worked examples of management costs including recoverable expenses, see pages 22 to 25.

## Transaction Costs

Transaction costs incurred by the Fund include brokerage costs and government charges associated with the buying and selling of the Fund's investments.

Our estimate of the average transaction costs associated with buying and selling investments is reflected in the buy and sell spreads as discussed below. However, the actual transaction costs may be higher than this (for example, if government or bank charges significantly increased).

## Buy and Sell Spreads

The buy spread is a cost charged when you enter the Fund and the sell spread is a cost charged when you withdraw from the Fund. These are called the buy and sell spreads respectively. The buy and sell spreads are designed to cover the transaction costs of either buying or selling the Fund's investments.

Currently, the buy and sell spreads are each set at 0.25% of the unit price of the Fund. In practice, money is not deducted from your investment or any amounts you redeem. Instead, the entry price is made 0.25% higher and the exit price is made 0.25% lower than the unit price. So, for example if you invested \$10,000 in the Fund and the unit price was \$1, the price per unit you will pay is \$1.0025. Therefore the additional cost of buying 10,000 units of the Fund will be \$25. If you then later redeem \$10,000 and the unit price was \$1, the unit price you will receive is \$0.9975. Therefore the additional cost of selling 10,000 units of the Fund will be \$25. The buy and sell spreads are paid to the Fund and not to TFS or Clime.

## Adviser Service Fees

The Adviser Service Fee is between 0% and 1.65% per annum of the value of your investment in the Fund after deduction of other fees. This fee is negotiable. It is agreed between you and your financial adviser for the advice provided relating to the Fund. The fee must be a multiple of 0.11% (inclusive of GST) per annum, for example: 0.55%, 1.1% or 1.65% per annum.

This is an ongoing fee deducted from your investment in the Fund monthly in arrears and is paid to your adviser, not to Clime or to TFS.

If you do not use an adviser, the adviser service fee will be nil.

### For example:

If you agree, an Adviser Service Fee of 1.65% per annum and your investment in the Fund is \$50,000, the Adviser Service Fee deducted from your investment would be:

$$1.65\% \times \$50,000 = \$825.00 \text{ per annum.}$$

For detail of the remuneration paid to your financial adviser see the Financial Services Guide, provided by your financial adviser.

## **Change in fees and costs**

It is possible for the fees, charges and costs to change. If TFS changes them, because of (amongst other things) changing economic conditions and changes in regulation, TFS will give you at least 30 days prior notice or otherwise notify you as the law requires. TFS cannot charge more than the Constitution allows.

If TFS intends to change fees and costs, because of (amongst other things) changing economic conditions and changes in regulation, TFS will give you at least 30 days prior notice or otherwise notify you as the law requires.

## **Commissions**

At the date of issue of this PDS neither Clime nor TFS pay commissions to financial planners in respect of investments in the Fund.

## **Payment to IDPS operators**

TFS and/or Clime may choose to pay third parties, including Investor Directed Portfolio Services (IDPS) operators monies from the fees it receives. These payments will not be an additional expense of the Fund and will not affect the management costs for the Fund or the return on your investment.

## **Can fees be different for different investors?**

Management costs are lower for wholesale units, as set out in this PDS. Management costs are not negotiable.

## **Tax**

The fees in the table on page 18 include the net effect of GST adjusted for the benefits of any reduced input tax credits. For some expenses, a reduced input tax credit of 75% of the GST paid can be reclaimed. For more information on tax, see page 29 of this PDS.

## **How do I compare products?**

If you want to work out your own fee structure and the impact this has, then ask your financial adviser for help or visit [www.fido.asic.gov.au](http://www.fido.asic.gov.au) and use the Managed Funds calculator to compare the fees of different products.

# Examples of Annual Fees and Costs

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

## **Example 1 - Retail Units where no performance fee is payable**

Balance of \$50,000 with a contribution of \$5,000 during the year

Contribution Fee	0% to 4.4%	For every \$5,000 you put in, you will be charged between \$0 and \$220. <sup>1</sup>
<b>PLUS</b> Management Costs <sup>2</sup>	1.55% per annum of gross assets	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$775 each year
<b>PLUS</b> Performance Fee <sup>3</sup>	15.38% of the amount of outperformance of 12% p.a. benchmark.	If the requirements for a performance fee to be paid are not met no performance fee will be paid.  If this occurs you will be charged \$0.
<b>EQUALS</b> 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 from:  <b>\$775 to \$995</b>  <b>What it costs you will depend on the fees you negotiate with your financial adviser.</b>

<sup>1</sup> Assuming a unit price of \$1.00 and an entry price of \$1.0025, you will incur a \$12.50 buy spread which is not paid to us, but retained by the Fund to offset against costs associated with purchasing securities.

<sup>2</sup> See 'Management Costs' on page 18 for a more detailed description of how the management costs are calculated.

<sup>3</sup> See 'Performance Fee' on page 18 for a more detailed description of how the performance fee is calculated.

### **Example 1 assumes that:**

- fees are applied to the average balance over the year and assume you have an average balance of \$50,000 in the Fund over the course of the year (i.e. after distributions and market movements);
- performance is less than 12% per annum, so no performance fee is payable;
- no transaction costs or bank or government charges apply, which would increase the costs of the Fund;
- no unusual expenses are incurred, which would increase the costs of the Fund; and
- the Fund has not borrowed during the relevant period.

**Example 2 - Retail Units where a performance fee is payable**

Balance of \$50,000 with a contribution of \$5,000 during the year

Contribution Fee	0% to 4.4%	For every \$5,000 you put in, you will be charged between \$0 and \$220. <sup>1</sup>
<b>PLUS</b> Management Costs <sup>2</sup>	1.55% per annum of gross assets	<b>And</b> , for every \$50,000 you have in the Fund Retail Units you will be charged \$775 each year
<b>PLUS</b> Performance Fee <sup>3</sup>	15.38% of the amount of outperformance of 12% p.a. benchmark.	<b>And</b> , If the Fund produces a net return of 14% p.a. and the benchmark return is 12% p.a., you will be charged \$153.80 calculated as follows:  a) $15.38\% \times (14\% - 12\%) = 0.3076\%$ b) $0.3076\% \times \$50,000$ is \$153.80.
<b>EQUALS</b> 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 from:  <b>\$928.80 to \$1,148.80</b>  <b>What it costs you will depend on the fees you negotiate with your financial adviser.</b>

<sup>1</sup> Assuming a unit price of \$1.00 and an entry price of \$1.0025, you will incur a \$12.50 buy spread which is not paid to us, but retained by the Fund to offset against costs associated with purchasing securities.

<sup>2</sup> See 'Management Costs' on page 18 for a more detailed description of how the management costs are calculated.

<sup>3</sup> See 'Performance Fee' on page 18 for a more detailed description of how the performance fee is calculated.

**Example 2 assumes that:**

- fees are applied to the average balance over the year and assume you have an average balance of \$50,000 in the Fund over the course of the year (i.e. after distributions and market movements);
- performance is 14% per annum, therefore performance fee is payable (this performance fee illustration is provided as an example only and does not represent any actual or prospective performance of the Fund. Investors should not rely on this in determining whether to invest in the Fund);
- The Fund achieves a positive return (after adding back distributions) of 14% per annum and there is no prior period negative performance to be recovered, so that a performance fee is payable;
- no transaction costs or bank or government charges apply, which would increase the costs of the Fund;
- no unusual expenses are incurred, which would increase the costs of the Fund; and
- the Fund has not borrowed during the relevant period.

**Example 3 - Wholesale Units where no performance fee is payable**

Balance of \$500,000 with a contribution of \$5,000 during the year

Contribution Fee	0% to 4.4%	For every \$5,000 you put in, you will be charged \$0 and \$220. <sup>1</sup>
<b>PLUS</b> Management Costs <sup>2</sup>	1.39% per annum of gross assets	For every \$500,000 you have in the Fund you will be charged \$6,950 each year.
<b>PLUS</b> Performance Fee <sup>3</sup>	15.38% of outperformance of 12% p.a. benchmark .	If the requirements for a performance fee to be paid are not met no performance fee will be paid.  If this occurs you will be charged \$0.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged from:  <b>\$6,950 to \$7,170</b>  <b>What it costs you will depend on the fees you negotiate with your financial adviser.</b>

<sup>1</sup> Assuming a unit price of \$1.00 and an entry price of \$1.0025, you will incur a \$12.50 buy spread which is not paid to us, but retained by the Fund to offset against costs associated with purchasing securities.

<sup>2</sup> See 'Management Costs ' on page 18 for a more detailed description of how the management costs are calculated.

<sup>3</sup> See 'Performance Fee' on page 18 for a more detailed description of how the performance fee is calculated.

**Example 3 assumes that:**

- fees are applied to the average balance over the year and assume you have an average balance of \$500,000 in the Fund over the course of the year (i.e. after distributions and market movements);
- performance is less than 12% per annum, so no performance fee is payable;
- no transaction costs or bank or government charges apply, which would increase the costs of the Fund;
- no unusual expenses are incurred, which would increase the costs of the Fund; and
- the Fund has not borrowed during the relevant period.

**Example 4 - Wholesale Units where a performance fee is payable**

Balance of \$500,000 with a contribution of \$5,000 during the year

Contribution Fee	Nil	For every \$5,000 you put in, you will be charged between \$0 and \$220. <sup>1</sup>
<b>PLUS</b> Management Costs <sup>2</sup>	1.39% per annum of gross assets	For every \$500,000 you have in the Fund you will be charged \$6,950 each year
<b>PLUS</b> Performance Fee <sup>3</sup>	15.38% of the amount of outperformance of 12% p.a. benchmark.	<p><b>And</b>, if the Fund produces a net return of 14% p.a. and the benchmark return is 12% p.a., you will be charged \$1,538 calculated as follows:</p> <p>a) <math>15.38\% \times (14\% - 12\%) = 0.3076\%</math>  b) <math>0.3076\% \times \\$500,000</math> is \$1,538.</p>
<b>EQUALS</b> Cost of Fund		<p>If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged from:</p> <p><b>\$8,488 to \$8,708</b></p> <p><b>What it costs you will depend on the fees you negotiate with your financial adviser.</b></p>

<sup>1</sup> Assuming a unit price of \$1.00 and an entry price of \$1.0025, you will incur a \$12.50 buy spread which is not paid to us, but retained by the Fund to offset against costs associated with purchasing securities.

<sup>2</sup> See 'Management Costs' on page 18 for a more detailed description of how the management costs are calculated.

<sup>3</sup> See 'Performance Fee' on page 18 for a more detailed description of how the performance fee is calculated.

**Example 4 assumes that:**

- fees are applied to the average balance over the year and assume you have an average balance of \$500,000 in the Fund over the course of the year (i.e. after distributions and market movements);
- performance is 14% per annum, therefore performance fee is payable (this performance fee illustration is provided as an example only and does not represent any actual or prospective performance of the Fund. Investors should not rely on this in determining whether to invest in the Fund);
- The Fund achieves a positive return (after adding back distributions) of 14% per annum and there is no prior period negative performance to be recovered, so that a performance fee is payable;
- no transaction costs or bank or government charges apply, which would increase the costs of the Fund;
- no unusual expenses are incurred, which would increase the costs of the Fund; and
- the Fund has not borrowed during the relevant period.

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# Investor Information

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## Investing in the Fund

To invest in the Fund, you must complete and sign the application form attached to this PDS and return it to us at the address shown on the application form.

There are two options for payment.

### 1. Cheque

- a. The application form should be accompanied by a cheque payable in Australian Dollars crossed “Not Negotiable” and made out to: ***Clime Australian Value Fund – Application A/C.***
- b. For Retail Units (Class A), you will need a minimum of \$10,000 and for Wholesale Units (Class B) you will need a minimum of \$500,000 to establish your investment. You will need to maintain a minimum of \$10,000 invested for Retail Units and \$500,000 for Wholesale Units.

### 2. Direct Deposit (EFT)

Application money should be deposited directly into the following account:

Bank: National Australia Bank (NAB)

BSB: 082 401

Account Number: 175 435 858

Account Name: Clime Australian Value Fund – Application A/C

Reference: [Applicant(s) Name]

Where funds are electronically transferred into the above account, details of the deposit must accompany the application form.

Approved applications that have application monies cleared prior to the second last Business Day of the week will be issued units at the price calculated on the last Business Day of that week (unless otherwise notified by TFS), assuming that the applications are completed correctly.

By applying for units an investor agrees to be bound by the terms of the Constitution and this PDS both the Constitution and the PDS may be amended from time to time.

TFS has a policy in place which sets out the guidelines and relevant factors and discretions for calculating unit prices (including buy and sell spreads). A copy of the unit pricing policy (and records of any departures from it) is available at no charge on request.

TFS has the right to accept or reject an application to invest in the Fund and is not obliged to give reasons for rejecting an application.

Any interest on application monies will be credited to the Fund.

## **Additional Investments**

To invest more at a later date, you can use another application form, or just write to the Administrator. Do not forget to include your investor details (such as name, address, contact telephone number and client number) on all communications with the Administrator. The minimum additional investment is \$1,000 and payment can be forwarded to the Administrator in accordance with the above payment options. Further investments are made on the basis of the current PDS.

The Administrator will accept and process valid applications for additional units on the same basis as discussed under "Investing in the Fund".

## **Redemptions**

Units may be redeemed at the option of the unitholder.

Original written notice of a redemption request must be received before 12pm on the last Business Day of the week. Proceeds of redemption requests will be paid within 7 days of confirmation of the unit price that the particular redemption request is processed at (or such shorter period at TFS's discretion).

The Administrator will not accept telephone requests for redemptions from the Fund.

The minimum redemption amount is \$1,000, with a remaining minimum balance required of \$10,000 for Retail Units and \$500,000 for Wholesale Units. If such a withdrawal causes your minimum balance to fall below \$10,000 or \$500,000 respectively then the Administrator will, at their sole discretion redeem the entire balance on your behalf.

The amount payable to an investor on the redemption of Units is the net asset value of the Fund, divided by the number of Units on issue on the last Business Day of the following week, after the receipt of a written redemption request. This price is then adjusted for the sell spread.

Sometimes TFS can delay payment of redemptions in accordance with the Constitution and the Corporations Act including where TFS is unable, due to circumstances outside its control, to realise sufficient Fund assets to satisfy the redemption request.

If the Fund is illiquid (as defined in the Corporation Act – broadly this means 80% of the Fund's assets cannot be readily converted into cash), TFS may determine to make only some cash available for redemptions. The Corporation Act requires TFS to allocate it on a pro-rata basis amongst those wanting to withdraw. We do not anticipate the Fund will ever become illiquid.

## **Income Distributions**

The Fund intends to make distributions half-yearly for the six month periods ending 31 December and 30 June in proportion to the investor's unit holdings as at the end of the distribution period.

Unless a unitholder elects to receive a cash distribution by making the appropriate election on the application form, distributions will be automatically reinvested in additional units in the Fund at the application price on the next Business Day after the half yearly distributions are determined. If you do elect to reinvest your distribution you will receive an annual tax statement at year end.

Cash distributions will be deposited to your nominated bank account by completing the relevant section of the application form.

## How are distributions calculated?

Distributions are calculated on a per unit basis of your of distributable income of the Fund for the entire distribution period and not just for the period your investment is held.

Unit prices fall after the end of the distribution period to reflect the distributions that are likely to be paid. If you invest just before the end of a distribution period, you may find that you get an immediate return of some of your investment capital as income and this may, depending on your individual circumstances, give rise to a tax liability.

Therefore, you should carefully consider the timing of your investment in the Fund. Similarly, if you withdraw your investment before the last day of the distribution period, you will receive your share of any accrued income as capital.

We recommend you seek independent advice from a financial adviser or tax adviser to determine your own situation. A distribution statement will be dispatched to all unitholders detailing the taxable income and available credits, as soon as possible after the financial year-end.

## Reporting

As an investor in the Fund you will receive monthly and quarterly investment and performance reports which are available on the Clime website: [www.clime.com.au](http://www.clime.com.au).

You will also receive regular reports from the Administrator, including:

- a transaction statement each time you make any additional investment or withdrawal;
- an income distribution statement after each distribution;
- a quarterly holding statement;
- an annual taxation statement; and
- an annual report (including audited Fund accounts).

## Further information about the Fund

Further information about the Fund is available online at [www.clime.com.au](http://www.clime.com.au). This online information includes the current PDS, any updated information (including information required to be disclosed by us if we become a disclosing entity), the size of the Fund, performance history and unit prices. This information can also be obtained by contacting Investor Services on 1300 788 568 from Monday to Friday between 8.30am and 5.30pm, Sydney time.

When reading Fund performance information, please note that past performance is no guarantee of future performance. Fund performance may vary over time and should not be relied upon when deciding to invest in the Fund.

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# Taxation Information

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Neither TFS nor Clime purports to offer any tax advice. The tax information provided is a brief guide only and is based on current laws and interpretation at the date of this PDS. The effects of taxation on managed funds can be complex and may change over time. It is recommended that investors seek their own professional tax advice in this regard.

All net income, including net realised investment gains derived by the Fund, is distributed to investors for tax purposes each financial year. Currently this means that the Fund is not liable for income tax and hence the tax liability rests with each investor.

## **Do I have to provide a Tax File Number (TFN) and/or Australian Business Number (ABN)?**

You are not required to give us your Tax File Number (TFN) or Australian Business Number (ABN). An ABN may be used as an alternative to a TFN if the investment is undertaken in the course of carrying on an enterprise. However, if you do not quote either of them, we are required to withhold tax (at the highest marginal rate plus Medicare levy) from any income distribution payable to you from the Fund.

## **How will my investment be taxed?**

No tax will be payable by the Fund. In accordance with the Constitution the net income of the Fund is required to be distributed to unitholders. This net taxable income, whether paid to you or reinvested, is to be included in your assessable income for tax purposes. You will be advised of the components of your distribution, including franking credits and other relevant tax and accounting information after the Fund's year end.

If you are not an Australian resident, tax will be withheld at the prescribed rates. You may be subject to tax laws within the country you are resident and should consult your tax adviser before investing.

## **Will I be liable to pay tax when I withdraw units?**

If you redeem units, any profits arising from the disposal of units will generally be assessable as capital gains for tax purposes. You may also qualify for a discount on taxable capital gains if you held your units for at least 12 months.

TFS and Clime recommend that investors seek their own professional tax advice in this regard.

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# Other Information

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## Cooling-off period

If you decide that you do not want the units that TFS have issued you in the Fund you must notify TFS in writing during the 14 day period starting on the earlier of:

- when TFS sends you confirmation that you are invested; or
- the end of the fifth Business Day after the day on which TFS issues the units to you.

TFS must return your funds after making adjustments for market movements up or down, any distributions paid, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$50,000 and the value of your units falls (allowing for the buy and sell spreads) by 1% between the time you invest and the time TFS receives notification that you wish to withdraw your investment, TFS may charge you \$500 on account of the reduced unit value and an administration fee which will in any case not exceed \$100. If you change your mind, do not delay.

For investors acquiring units through a master trust or wrap account, you may not have the cooling-off right. Investors should refer to the agreement with the operator for their policy on cooling-off.

## Complaints

If you have any queries or complaints, you can either call TFS during business hours (9am to 5pm Monday to Friday) or write to us at PO Box R1999, Royal Exchange, NSW 1225.

TFS will acknowledge your query or complaint in writing within 14 days. TFS will give proper consideration to the complaint and advise you of the outcome within 45 days of the receipt of the complaint.

If, after following the above procedure, you are still not satisfied with how your complaint has been handled, you can refer your complaint directly to the Financial Ombudsman Service (FOS). In order for a complaint to be considered by FOS, the claim involved must be under \$500,000 unless TFS and you agree otherwise in writing. FOS is only able to make a determination of up to \$150,000 per managed investment claim (excluding compensation for costs and interest payments) lodged up to 31 December 2011. For claims lodged from 1 January 2012, the amount per claim will increase to \$280,000.

You can contact FOS toll free on 1300 780 808 or write to:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

If you are investing through a master trust or wrap account then enquiries and complaints should be directed to the operator of that service, and not to TFS.

## **Master trust and wrap account investors**

Potential investors may invest in the Fund by directing an IDPS operator to acquire units in the Fund on their behalf. We authorise the use of this PDS as disclosure for investors and potential investors who wish to access the Fund through an IDPS or IDPS-like scheme (commonly known as a master trust or wrap account) ("IDPS") or a nominee or custody service, where the operator has provided TFS with a written undertaking in accordance with ASIC requirements.

To make an investment through an IDPS, complete an application form provided by the operator of the IDPS. Do not complete the application form that accompanies this PDS.

For IDPS investors, the minimum initial and additional investment amounts shall be those specified by that particular IDPS. If your initial investment is made through an IDPS, any additional investment should also be made through the same IDPS.

If you invest through an IDPS, you can only withdraw through the operator of the IDPS.

IDPS investors do not become unitholders in the Fund by directing the IDPS operator to acquire units on their behalf. Accordingly, they do not acquire the rights of a unitholder of the Fund. The IDPS operator acquires these rights and may exercise or decline to exercise them, on behalf of IDPS investors, according to the arrangements governing the IDPS.

Some provisions of the Constitution are not relevant for IDPS investors. For example, IDPS investors cannot attend meetings or transfer units. IDPS investors should ignore information in the PDS relevant only for direct investors.

## **Service providers**

### **Administrator and Unit Registry**

FundBPO Pty Ltd will be responsible for the administration and unit registry of the Fund. This includes maintenance of the register of unitholders, determining the value of the assets, and arranging the issue and redemption of units. FundBPO Pty Ltd has not been involved in any way in the preparation of this PDS and has consented to be named in the PDS and has not withdrawn such consent as at the date of this PDS. If you have any questions regarding your statements or you wish to change your personal details, contact FundBPO by writing to them at:

FundBPO Pty Ltd  
GPO Box 4968  
Sydney NSW 2001

### **Custodian**

As at the date of this PDS, Australia and New Zealand Banking Group (ANZ) was the appointed Custodian for the Fund.

On December 18, 2009, ANZ completed the sale of its custodian services business in Australia and New Zealand to J.P.Morgan Chase Bank, National Association (J.P.Morgan). J.P.Morgan is a leading global securities servicing provider with US\$14.9 trillion in assets under custody and US\$5.1 trillion in assets under administration. During the course of 2010, ANZ will transfer its existing custody arrangements, including its custody arrangements in respect of the Fund, to J.P.Morgan. Once this transfer has been completed for the Fund, J.P.Morgan will then be responsible for providing custodian services (as outlined above) to the Fund. J.P.Morgan will provide these services in their capacity as the Custodian of the Fund and ANZ's appointment as the Custodian of the Fund will cease at that time.

The Custodian holds Fund monies on trust and all securities in safe custody in accordance with the terms of the custody agreement. The Custodian has not been involved in any way in the preparation of this PDS, has not authorised or caused the issue of this PDS and takes no responsibility for the contents of this PDS. The Custodian does not guarantee the return of any investment, any tax deduction availability or performance of any investment in the Fund. The rights and obligations of the Custodian are set out in a custody agreement that includes a clause limiting its liability. ANZ and J.P.Morgan have consented to be named in the PDS and have not withdrawn such consent as at the date of this PDS.

## **TFS's legal relationship with you**

### **Constitution**

The Constitution of the Fund governs your rights and obligations as a unitholder. Unitholders are bound by the provisions of the Constitution that set out the rights and liabilities of unitholders and the responsibilities and duties of TFS. A copy of the Constitution will be made available to you free of charge upon request.

The Constitution includes provisions relating to:

- the times when access to money can be delayed, such as if the Fund is illiquid i.e. realising assets is not possible, or it is not in the best interests of unitholders;
- where taxes or other amounts can be deducted from payments to unitholders;
- how transfers, applications and redemptions may be refused;
- the times when TFS is not liable to unitholders;
- TFS's rights to fees and to be indemnified from the Fund;
- changing the Constitution;
- when TFS can terminate the Fund or retire from its role as responsible entity, and what happens if either of these events occur; and
- voting rights.

This PDS contains only a summary of the provisions of the Constitution and should only be used as a guide.

### **Compliance Plan**

In accordance with the Corporations Act, a compliance plan has been prepared for the Fund and lodged with ASIC. The compliance plan, among other things, sets out the measures that TFS will apply to ensure that the Fund is operated in accordance with the Constitution and the Corporations Act. The compliance plan will be audited at least once a year by an external auditor who will report on their findings to TFS. A compliance committee, with a majority of external members, has been established for the purpose of monitoring TFS's adherence to the compliance plan.

### **Your Privacy**

TFS respects the importance of maintaining the privacy of any personal information that you are required to provide as part of your application to invest in the Fund.

Personal information for each investor is held and used for the purposes of administering the Fund. The information collected may also be used for providing investors with ongoing information about a range of financial services. Please let TFS know if you prefer not to receive this information. Each of TFS and Clime discloses personal information to financial advisers where applicable, and to external service suppliers who supply administrative, financial or other services that assist us in providing services to you.

If you have concerns about the completeness or accuracy of the information TFS or Clime holds about you, or would like to access or amend the information, simply call TFS during business hours (9am to 5pm Monday to Friday) on +61 2 8233 6111, or write to:

Total Fund Services Limited  
PO Box R1999  
Royal Exchange, NSW 1225

The TFS Privacy Policy is available on our website: [www.totalfundservices.com.au](http://www.totalfundservices.com.au). The Privacy Policy for Clime is available on the website: [www.clime.com.au](http://www.clime.com.au).

## **Anti-Money Laundering**

TFS must comply with all applicable anti-money laundering legislation, including the Anti-Money Laundering and Counter Terrorism Financing Act 2006 ('AML Legislation').

AML Legislation requires TFS to take all reasonable steps to identify and verify all investors, including requesting relevant identification documents.

By applying to invest in the Fund you are taken to agree to the following terms:

1. you warrant that you will comply with AML Legislation;
2. you are not aware and have no reason to suspect that:
  - a. the monies used to fund your investment in the Fund have been or will be derived from or related to any money laundering and other activities deemed illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activity'); and
  - b. the proceeds of your investment in the Fund will be used to finance illegal activities.
3. you agree to provide TFS promptly with all information that TFS reasonably requests in order to comply with AML Legislation. Failure to provide such information may result in your application for units being delayed or rejected;
4. you understand TFS, or its agents, are able to disclose your personal details to appropriate law enforcement agencies, including AUSTRAC, if TFS or its agents believe it is necessary to do so in order to comply with their obligations under AML Legislation.

## **About this PDS and the figures in it**

If you have received this PDS electronically we will provide a paper copy, free of charge, if you ask. Fees and expenses include GST (if applicable) and are current unless we advise you of any change.

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# Glossary

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**AFSL**

means Australian Financial Services Licence

**ASIC**

means the Australian Securities and Investment Commission

**Business Day**

means the day other than a Saturday or Sunday on which banks are open for general banking business in Sydney

**Clime** or the **Investment Manager**

means Clime Asset Management Pty Limited (ABN 72 098 420 770)

**Clime Investment Group**

means Clime Investment Management Limited (ABN 37 067 185 899) and all its subsidiaries including Clime Asset Management Pty Limited (ABN 72 098 420 770)

**Fund**

means the Clime Australian Value Fund described in this PDS

**Constitution**

means the constitution for the Fund dated 11 August 2006, as amended from time to time

**PDS**

means the Product Disclosure Statement as modified or varied by any supplementary Product Disclosure Statement which may be issued from time to time

**TFS** or **Responsible Entity**

means Total Fund Services Limited (ABN 70 120 380 627)

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# Contact us

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## Investment Manager

### Clime Asset Management Pty Ltd

AFSL 221146 ABN 72 098 420 770

Level 5,  
352 Kent Street Sydney  
NSW 2000 Australia

PO Box Q1286,  
Queen Victoria Building  
Sydney NSW 1230

**P** 1300 788 568

**F** +61 2 8917 2155

**E** cavf@clime.com.au

**W** www.clime.com.au

## Administrator & Registry

### FundBPO Pty Limited

ABN 81 118 902 891

Level 1,  
51-57 Pitt Street Sydney  
NSW 2000 Australia

**P** 1300 133 451 (within Australia);

**P** +61 2 9247 3326 (outside Australia)

**F** +61 2 9251 3525

## Responsible Entity

### Total Fund Services Limited

AFSL 308868 ABN 70 120 380 627

Level 12,  
37 Bligh Street Sydney  
NSW 2000 Australia

**P** +61 2 8233 6111

**F** +61 2 8233 6199

## Custodian

### J.P.Morgan Chase Bank, N.A. (Sydney Branch)

Level 32, Grosvenor Place,  
225 George Street Sydney  
NSW 2000 Australia



**Clime Australian Value Fund**  
Application Form

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# How to Complete the Application Form

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## Procedure

1. Complete the information required in the Application Form on pages A1 - A9 of this PDS. Please read General Instructions commencing on this page.
2. Identification and verification documents are required under Australia's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) regulations. To identify the documents you need to provide, see "Anti-Money Laundering and Counter-Terrorism Financing Instructions" on page 40.
3. The Application Form, your payment as set out in Section D of the Application Form and certified copies of the documents required to verify your identity should be sent to:

FundBPO Pty Limited  
GPO Box 4968  
Sydney NS W 2001

If you need assistance in completing the form, please contact Clime Asset Management on 1300 788 568.

## General Instructions

- Please use CAPITAL LETTERS and a black ball point pen when completing the forms.
- For joint investors we require the usual residential address of each investor. You may only elect one postal address for all notices and correspondence.
- Your usual residential address cannot be your financial adviser's address or a post office box.
- Company applications should include a contact name and ACN, ABN, or ARBN as applicable.
- For company applications we require the full address of the registered office, plus principal place of business.
- Individual applicants should be 18 years of age or over.
- You can invest on a minor's behalf by putting their name in the account designation box. The unitholder will not, however, be the minor.
- If you have an existing account and would like to add to the account, please note your existing account number.

## Tax File Number (TFN)

You are not obliged to provide your TFN, ABN or claim an exemption. However, if you do not do so we are required to deduct tax from distributions of income made to you at the highest marginal rate, plus Medicare Levy (if you are an Australian resident). Tax File Numbers for minors will not be accepted.

## Application Instructions

The minimum application for Class A units in the Fund is \$10,000 and Class B is \$500,000. Please cross your cheque "not negotiable" and make it payable to "Clime Australian Value Fund - Application A/C". The cheque must be payable in Australian dollars. Cash is not accepted. If payment is made by EFT, the application money should be sent to the bank account as provided in Section D of the Application Form.

## Account Operation Instructions

Please indicate how you wish your account to be operated. In the case of joint accounts, you may request joint signatures or allow either signatory to sign. For a company or trustee, please indicate your operation instructions by ticking the appropriate box. See Section G of the Application Form.

### Examples of Correct Names & Account Designations

TYPE OF INVESTOR	CORRECT NAMES	INCORRECT NAMES	SIGNATURE(S) REQUIRED
<b>Individual / Joint Investors</b>			
Use full name of each applicant	Alex John Barden Laura Sue Barden	Alex J Barden Laura S Barden	Each Applicant
<b>Company</b>			
Use full company title	Portal Pty Ltd	Portal P/L Portal Co Portal Inc.	Two directors; or Director & Secretary; or if there is only one director, by that director
<b>Trusts / Minors</b>			
Use trustee(s)/individual(s) name(s)	Name: Paul Ryan Prunty	Name: Paul Prunty Family Trust	Each Trustee
Use trust/minor name as designation	A/C Designation: <Prunty Family Trust> <Joel Prunty>		If trustee is a company, see above
<b>Superannuation Fund</b>			
Use trustee(s)/individual(s) name(s)	Name: Amy Rachel Wood	Name: AR Wood Super Fund	Each Trustee
Use superannuation fund name as designation	A/C Designation: <Amy Wood Super Fund>		If trustee is a company, see above

## Distributions & Redemptions

Distributions will be reinvested unless you elect to have them paid into your bank account specified in Section F. Please ensure that you complete all details of the institution in full. We will also use these bank account details to pay your redemption proceeds.

### Request for Information

The annual report for the Fund (including audited Fund accounts) will be published on Clime's website ([www.clime.com.au](http://www.clime.com.au)). It can also be sent to you, free of charge, by email (PDF file attachment) or by post (printed copy).

TFS encourages you to elect in the application form (Section H) to receive a copy by email or view on the website, as this saves on paper and expenses for the Fund and has environmental benefits. Your election can be changed at any time by contacting the Administrator, FundBPO.

### Signatures

Please ensure you have signed in Section K of the Application Form. You should ensure that you have read the attached Product Disclosure Statement in full before signing the application. Joint applications must be signed by all persons.

If the application is being signed under Power of Attorney please enclose a certified copy of the Power of Attorney and appropriate photo identification of the attorney.

## **Lodging the Application Form**

Please mail the completed Application Form, along with your payment and documents that verify your identity to:

FundBPO Pty Limited  
GPO Box 4968  
Sydney NSW 2001

Please ensure payment is made in full.

Please note that units in the Fund will only be issued on receipt of a properly completed Application Form, issued together with the Product Disclosure Statement dated 27 August 2010, identification documents and cleared funds.

If you have any queries please call your financial adviser or contact Clime on:

PO Box Q1286, Queen Victoria Building NSW 1230

**P** 1300 788 568

**F** +61 (0)2 8917 2155

**E** [cavf@clime.com.au](mailto:cavf@clime.com.au)

**W** [www.clime.com.au](http://www.clime.com.au)

# Anti-Money Laundering & Counter-Terrorism Financing Instructions

## Identification Requirements

Under Australian Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Legislation, certain due diligence must be conducted on any prospective investor before units in the Fund may be issued to that investor. The due diligence includes verifying a prospective investor's identity. Applications that do not provide the required information cannot be processed. AML/CTF compliance will also include ongoing customer due diligence which may require the Responsible Entity (TFS) to collect further information.

## Requirements for Individuals / Sole Traders

If you are an individual investor or sole trader, you will need to give us certified copies of one document from column [1] OR one document from each of column [2] AND [3]:

Please note that for Trusts, Partnerships, Associations and Co-Operative Applicants, if you are required to complete the individual section of the application then you must also provide the documents required for an individual applicant.

### Reliable and Independent Documentation

Do not send originals; certified copies only

Column [1] <i>Primary Photographic</i>	OR	Column [2] <i>Primary Non - Photographic</i>	AND	Column [3] <i>Secondary Identification</i>
<input type="checkbox"/> Australian Drivers Licences		<input type="checkbox"/> Birth Certificate		<input type="checkbox"/> Commonwealth, State and Territory financial benefits notice (less than 12 months old)
<input type="checkbox"/> Valid Australian Passport#		<input type="checkbox"/> Commonwealth Citizenship Certificate		<input type="checkbox"/> Tax Invoice (less than 12 months old)
<input type="checkbox"/> State or Territory Proof of Age Card		<input type="checkbox"/> Pension Card		<input type="checkbox"/> Local utilities provider notice (less than 3 months old)
<input type="checkbox"/> Foreign Passport*		<input type="checkbox"/> Health Care Card issued by Centrelink		
<input type="checkbox"/> National ID Card issued by a foreign government containing a photograph and signature*		<input type="checkbox"/> Foreign Citizenship Certificate or Birth Certificate*		
<input type="checkbox"/> Foreign Driver's Licence with photograoh and date of birth*				

# A passport that expired within the two years prior to submitting the application form will be accepted.

\* Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

### WHO MAY CERTIFY YOUR DOCUMENTS AS BEING A TRUE AND CORRECT COPY OF THE ORIGINAL

<input type="checkbox"/> Judge	<input type="checkbox"/> Justice of Peace	<input type="checkbox"/> Full-time employee of a post office
<input type="checkbox"/> Lawyer	<input type="checkbox"/> Finance Company Officer*	<input type="checkbox"/> Authorised representative of a holder of an Australian Financial Services Licence*
<input type="checkbox"/> Notary Public	<input type="checkbox"/> Full-time employee of the bank*	<input type="checkbox"/> Australian Consular Officer or Diplomatic Officer
<input type="checkbox"/> Magistrate	<input type="checkbox"/> A member of the Institute of Chartered Accountants in Australia, CPA or NIA membership	
<input type="checkbox"/> Police Officer		
<input type="checkbox"/> A Registrar or Deputy Registrar of a court		

\* Those persons marked with an asterik are required to have two or more continuous service or membership.

The eligible certifier must include the following information:

- Their full name
- Telephone Number
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable
- Address
- The date of certifying

The certified copy must include the statement, **"I certify this is a true copy of the original document"**.

For photographic documents, the certified copy must include the statement, **"I certify this is a true copy of the original document and the photograph is a true likeness"**.

## Non - Individual Investors

Different identification and verification requirements apply to prospective investors who are not individuals, such as companies, other bodies corporate, trusts; including superannuation trusts, partnerships, associations and registered co-operatives.

### Australian Companies

Any one of the following documents:

- a certified copy of the certification of registration or licence or other records of the relevant commonwealth, state or territory statutory regulator;
- a public document issued by the relevant company.

### Trusts & Trustees

If the trust is a:

**Registered managed investment scheme, regulated trust, superannuation fund or government superannuation fund** - a certified copy or relevant extract from the relevant regulator's website showing the full name of the trust, and that the trust is a registered scheme, regulated trust, superannuation fund or government superannuation fund.

#### Other trust type:

- a certified copy or extract of the Trust Deed showing the name of the trust
- a letter from a solicitor or qualified accountant that confirms the name of the trust
- a notice issued by the ATO within the last 12 months (eg Notice of Assessment).

**Individual Trustee** - verification of the Trustee's full name, and either date of birth OR residential address is required by providing the identification requirements for an Individual.

**Australian Company Trustee** - a certified copy of the certification of registration.

**Australian Listed Company or majority owned subsidiary of an Australian Listed Company or a regulated company** - a certified copy of a public document issued by the relevant company.

### Important

Current Australian Anti-Money Laundering requirements, as well as prospective changes to legislation, may in the future impose other due diligence procedures or require the collection of further information from investors.

This page is intentionally left blank

 Attach cheque here

Units in the Clime Australian Value Fund are only issued on receipt of:

- this application form;
- verification of the applicant's identity, AND
- payment in full.

For instructions on completing this application form, see pages 37 to 41. Please use CAPITAL LETTERS and a black ballpoint pen. This is an application form for units in the Clime Australian Value Fund ARSN 126 118 189 issued by Total Fund Services Limited - AFSL 308868 offered under the PDS dated 27 August 2010. This application form must not be distributed unless in, or accompanied by, the PDS dated 27 August 2010 (including any supplementary PDS). It is important you read in full the PDS and declarations in this application form (Section K) before applying.

The Issuer will provide you with a paper copy of the PDS including any supplemental PDS and the application form, on request without charge. A person who gives another person access to the application form must at the same time and by the same means give the other person access to the PDS including any supplementary PDS.

## SECTION A – Do you have an existing investment in the Clime Australian Value Fund?

Please tick one box ONLY.

**Yes:** My / Our Investor Number is

Name

Phone Number  **Go to Section D**

**No: This is a new investment (go to Section B)**

## SECTION B - Investor Details

What type of entity is applying? Please tick one box ONLY.

Individual, joint or sole trader – complete B1

Partnership – complete B1 & B2

Company – complete B1 (Directors) & B2

Trust / Super Fund with Individual/s as Trustee – complete B1 (Trustees) & B3

Trust / Super Fund with Corporate Trustee – complete B1 (Directors), B2 (Corporation) & B3 (Trust or Super Fund)

Other

**Note: In the case of Partnership, Company or Trust/Super Fund investors, if all partners, directors or trustees respectively do not sign the Application Form, a Power of Attorney or appropriate documentation showing the signatories have authority to make the investment is to be provided with the Application Form.**

**B1 INDIVIDUAL INVESTOR DETAILS (including individuals acting as Trustee and Corporate Directors)**

**INVESTOR 1 (Your name MUST match exactly to the name on your identification documents)**

Title  Given name(s) in full

Surname

Date of Birth  /  /  Occupation

Australian Tax File Number or Tax Reference Number in country of residence

Australian Business Number (ABN) or Foreign Company ID Number

Residential Address

Suburb  State  Postcode

Country

**INVESTOR 2 (Your name MUST match exactly to the name on your identification documents)**

Title  Given name(s) in full

Surname

Date of Birth  /  /  Occupation

Australian Tax File Number or Tax Reference Number in country of residence

Australian Business Number (ABN) or Foreign Company ID Number

Residential Address

Suburb  State  Postcode

Country

## B2 CORPORATION, CORPORATE TRUSTEES & PARTNERSHIP DETAILS

Name

Name of Contact Person

Registered Office Address:

Principal Place of Business:

Type of Company:

Public

Private

Country of Registration

Australian Business Number (ABN) or  
Foreign Company ID Number

Australian Tax File Number or  
Tax Reference Number in country of residence

### For a private company

(1) How many directors are there?

Directors' Full Names (IN CAPITALS)

(1)

(2)

(3)

(4)

(5)

(6)



If there are more than 6 directors, please provide all their names on a separate page and include it with your application form

Tick if you have provided names and details of additional directors.

**(2) Provide the following details for all individuals who beneficially own 25% or more of the company's issue capital.**

Same as Investor 1 (See B1 or B2 for details)

Same as Investor 2 (See B1 or B2 for details)

**Additional Individuals**

Name

Residential Address

Name

Residential Address

Name

Residential Address

**B3 TRUSTS or SUPER FUND DETAILS**

Name of Trust or Fund

Country of Establishment

Australian Business Number (ABN) or Foreign Company ID Number

Australian Tax File Number or Tax Reference Number in country of residence



A certified copy of the Trust Deed is attached to this application (please tick if applicable)

NOTE: As the Responsible Entity only recognises the Trustee(s) as the investor and not the beneficiary, the Trustee(s) details must be given above. However the Responsible Entity is also required to record the beneficiary details.

**BENEFICIARY 1** Same as Investor 1 (See B1 or B2 for details)

Name

Residential Address

Australian Business Number (ABN) or Foreign Company ID Number

Australian Tax File Number or Tax Reference Number in country of residence

**BENEFICIARY 2** Same as Investor 2 (See B1 or B2 for details)

Name

Residential Address

Australian Business Number (ABN) or  
Foreign Company ID Number

Australian Tax File Number or  
Tax Reference Number in country of residence



If there are more than 2 beneficiaries, please provide full details for each on a separate page and include it with your application form.

Tick if you have provided names and details of additional beneficiaries.

## SECTION C - Account Contact Details

Joint investors with different residential addresses must elect one postal address in this section. We will not accept your financial adviser's address.

Account Designation (optional)

Main Contact

Residential Address

Suburb

State

Postcode

Country

Email Address

Home Phone

Work Phone

Fax

Mobile

## SECTION D - Investment Details

I/we apply to invest \$  in Clime Australian Value Fund **Class A Retail Units**.

I/we apply to invest \$  in Clime Australian Value Fund **Class B Wholesale Units**.

Please tick the box to advise how your payment will be made:

### Cheque

Please make cheque payable to: Clime Australian Value Fund – Application A/C

### Direct Deposit (EFT)

Bank: National Australia Bank (NAB)

BSB: 082 401

Account Number: 175 435 858

Account Name: Clime Australian Value Fund – Application A/C

Reference: [Applicant(s) Name]

For EFT payments, proof of payment should be faxed to: **Fund BPO on +61 2 9251 3525**.

Please Note: For both cheque and EFT payments, funds must be transferred from a bank account in the name of the registered unitholder(s). No third party payments will be permitted.

## SECTION E - Distribution Election

You can elect to have distributions reinvested, or paid into your account. Please note that if no election is made, your distributions will be reinvested.

Yes, please reinvest my distributions as additional Units

No, please pay my distributions directly into my account in Section F below

## SECTION F - Bank Account Details

All investors must complete this section with an Australian banking institution, for distributions and redemptions.

Bank Name/Institution

Branch Name and Address

BSB

Account Number

Account Name

## SECTION G - Operating Authority

When giving instructions to us about your investment please indicate who has authority to operate your account:

**INDIVIDUAL/JOINT ACCOUNTS** (if no box is ticked we will assume all to sign)

any one to sign

both to sign

**COMPANY, TRUST AND OTHER ACCOUNTS** (if no box is ticked, all future written instructions must be signed by two directors/trustees, director and secretary, or the sole director)

any one to sign

any two to sign

all to sign

other

## SECTION H - Request for Annual Report (optional)

The accounts for the Fund are available to investors on our website [www.clime.com.au](http://www.clime.com.au) each year.

Leave both boxes blank if you wish to receive a copy by post. TFS requests that you tick one of the boxes as it is costly for the Fund to print and mail out the Annual accounts. If you change your mind, contact the administrator.

Receive as an Email Attachment (you must provide your email address in Section C)

View the report on the website

## SECTION I - Privacy

Clime may wish to contact you about future investment opportunities that may be of interest. Please tick the box if you do NOT wish to be contacted for this purpose.

I/we do not wish to receive information from Clime regarding future investment opportunities.

## SECTION J - Providing Identification - New Investors Only

I/we confirm I/we have attached certified copies of the required proof of identification with this application form for each investor/applicant.

## SECTION K - Declarations & Signatures

**PLEASE READ THE PDS IN FULL BEFORE SIGNING THIS APPLICATION FORM.**

By completing the application form you:

1. Declare that you have read and understood this Product Disclosure Statement (PDS).
2. Agree to the collection, use and disclosure of your personal information provided in the application form.
3. Declare that you have received this PDS personally, or a printout of it, accompanied by or attached to the application form before signing the form.
4. Declare that all information provided in the application and/or any other information provided in support of the application is true and correct.
5. Agree to give further information or personal details to TFS, the Administrator and/or Clime if it reasonably believes that it is required to meet its obligations under anti-money laundering, counter-terrorism or taxation legislation.
6. Represent and covenant that the funds you are investing are not the proceeds of crime, money laundering, nor connected with the financing of terrorism.
7. Agree that the Issuer may in its absolute discretion determine not to issue units to you and may cancel or may redeem any units issued to you if TFS believes such action to be necessary or desirable in the light of its obligations under the AML/CTF Act or any related legislation.
8. Declare if you have received the PDS from the internet or other electronic means, that it was either received personally or that a printout accompanied the application form before making an application for units in the Clime Australian Value Fund.
9. Acknowledge that neither Clime or TFS (AFSL No. 308868), the custodian nor any member of their respective groups nor any of their directors nor associates nor any other entity guarantees the performance of the Fund or the repayment of capital invested in the Fund, or income from the Fund.
10. Declare that if the application is signed under power of attorney, you have no knowledge of the revocation of that power of attorney.
11. Declare that you have the power to make an investment in accordance with the application.
12. Declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company.
13. Acknowledge that an investment in the Fund is subject to risks including possible delays in repayment and possible loss of capital invested
14. Agree to be bound by the provisions of the Constitution governing the Clime Australian Value Fund referred to in the PDS and as amended from time to time.
15. Agree to be bound by the terms of the PDS as amended from time to time.
16. Acknowledge that this PDS does not constitute an offer in any jurisdiction in which, or to any person of whom it would be unlawful to make the offer.
17. Declare that if investing as a trustee on behalf of a superannuation fund or trust you are acting in accordance with your designated powers and authority under the trust deed. In the case of a superannuation fund, you also confirm that the fund is a complying superannuation fund under the Superannuation Industry (Supervision) Act.
18. Acknowledge that all information relating to this application for investment or any subsequent information relating to this investment may be disclosed to any service provider to the Fund and to your adviser. You understand this will not include disclosure of your TFN, ABN or any information in relation to it to your adviser.
19. If you use the facsimile or email facility you:
  - (a) Release, discharge and agree to indemnify TFS and its agents, including the registrar and their respective officers from and against all losses, liabilities, actions, proceedings, accounts, claims and demand arising from instructions received under the facility.
  - (b) Agree that a payment made in accordance with the conditions of the facility shall be in complete satisfaction of all obligations to you for a payment, notwithstanding it was requested, made or received without your knowledge or authority.

Signature of Investor 1

Name of Investor 1  Date

Tick Role (Companies only)  Sole Director  Director  Secretary

Signature of Investor 2

Name of Investor 2  Date

Tick Role (Companies only)  Sole Director  Director  Secretary

**POST APPLICATION, ID DOCUMENTS (& CHEQUE) TO FUNDBPO PTY LTD: GPO BOX 4968 SYDNEY NSW 2001**

### Adviser Use Only

Adviser Name (in full) \_\_\_\_\_

Adviser Postal Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Adviser Phone (BH) \_\_\_\_\_ Adviser Email \_\_\_\_\_

Adviser Code with Clime (if known) \_\_\_\_\_

Dealer Group Name \_\_\_\_\_

Dealer Group Brandh (Suburb, State) \_\_\_\_\_

Dealer Group Postal Address \_\_\_\_\_

Dealer Group Phone (B.H) \_\_\_\_\_ Dealer Group Email \_\_\_\_\_

Dealer Group Code with Clime (if known) \_\_\_\_\_

Adviser AFSL Number \_\_\_\_\_ Adviser ABN \_\_\_\_\_

**ADVISER STAMP**

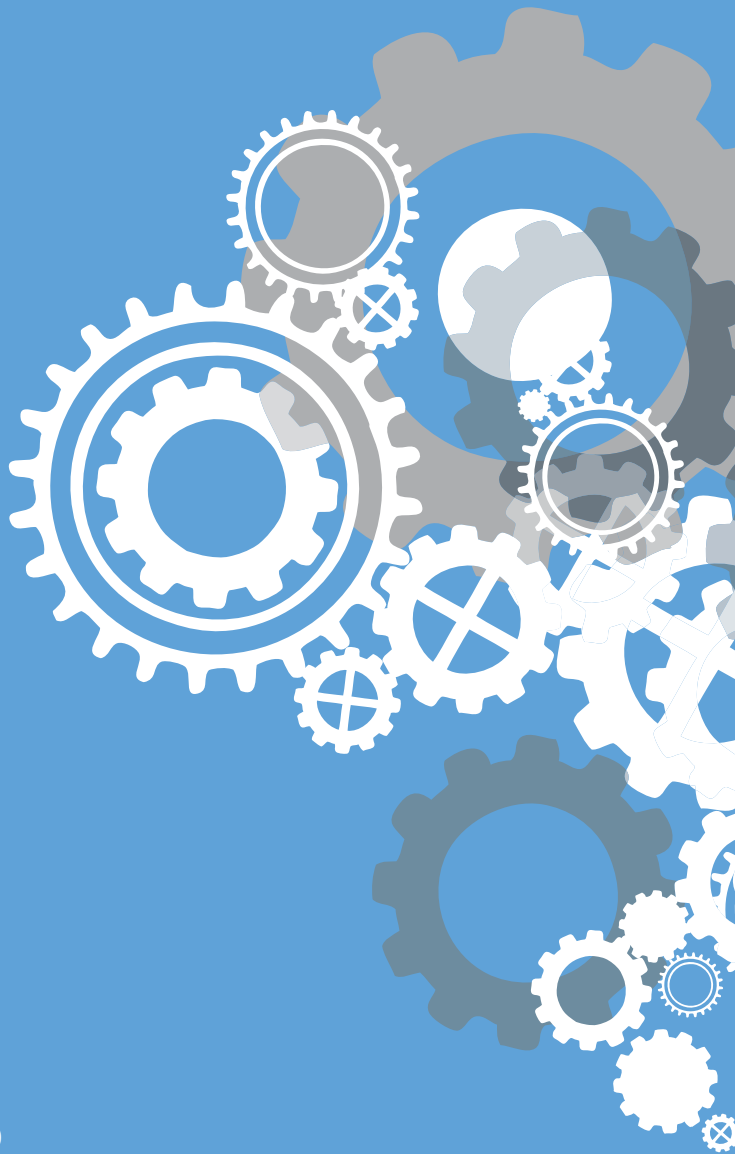
**ADVISER FEES**

**Contribution Fee**  .  %

**Adviser Service Fee**  .  %

Please refer to Fee Schedule (pg 18)

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**clime**

**Clime Asset Management Pty Ltd** ABN 72 098 420 770  
Level 5, 352 Kent Street Sydney NSW 2000 Australia | PO Box Q1286 Queen Victoria Building NSW 1230 Australia  
**P** 1300 788 568 **F** +61 2 8917 2155 **W** [www.clime.com.au](http://www.clime.com.au)