

Alpha Alternatives Fund

Produce Disclosure Statement

ARSN 155 001 013
APIR ETL0318AU
Issue Date 28 September 2017



Contents

1. Fund at a glance	3
2. ASIC Benchmarks	4
3. Disclosure Principles	5
4. Who is Managing the Fund?	6
5. How the Fund Invests	8
6. Managing Risk	15
7. Investing and Withdrawing	18
8. Keeping Track of Your Investment	21
9. Fees and Other Costs	22
10. Taxation	26
11. Other Important Information	28
12. Glossary of Important Terms	31

Investment Manager

Alpha Fund Managers Pty Ltd.
ACN 124 085 883
Ph: +61 3 8652 3854
enquiries@alphafundmanagers.com.au
www.alphafundmanagers.com.au

Responsible Entity

Equity Trustees Limited
ABN 46 004 031 298, AFSL 240975
GPO Box 2307
Melbourne VIC 3001
Ph: +61 3 8623 5000
Web: www.eqt.com.au/insto

Administrator

Mainstream Fund Services PTY Ltd
ACN 118 902 891
Lvl 1, 51-57 Pitt Street
Sydney NSW 2000
Ph: 1300 133 451
Web: www.mainstreambpo.com

Administrator

State Street Australia Limited
Level 14, 420 George Street,
Sydney NSW 2000
Phone: +61 2 9323 6000
Fax: +61 2 9323 6666

This is the Product Disclosure Statement ("PDS") for Units ("Units") in the Alpha Alternatives Fund (the "Fund") and was issued on 28 September 2017. This PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975) in its capacity as the responsible entity of the Fund (referred to throughout this PDS as the 'Responsible

Entity', 'Equity Trustees', 'us' or 'we'). The investment manager of the Fund is Alpha Fund Managers Pty Ltd ("Alpha Fund Managers") and is referred to throughout this PDS as the 'Investment Manager', 'Alpha Fund Managers' or 'Manager'. State Street Australia Limited provides administration and accounting services for the Fund and is referred to throughout this PDS as 'the Administrator'. Mainstream Fund Services is the Client Service Administrator of the Fund and provides unit registrar and transfer agency services.

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, Portfolio Manager or any associate, employee, agent or officer of the Responsible Entity, Investment Manager, Portfolio Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider the suitability of the Fund in view of your personal financial circumstances, investment objectives and needs. You may want to seek advice before making an investment decision.

Equity Trustees, the Investment Manager, Portfolio Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager, Portfolio Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety.

The offer made in this PDS is only available to persons receiving this PDS in Australia (electronically or otherwise). This PDS is not to be treated as an offer to sell, or a solicitation of an offer to buy, any Units in any jurisdiction in which it is unlawful to make such an offer or solicitation or to any person to whom it is unlawful to make such an offer or solicitation. If you received this PDS electronically a paper copy will be provided free upon request during the life of this PDS. Please call Alpha on +61 3 8652 3854 for a copy.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager, the Portfolio Manager and their officers, employees, agents or associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

There are references to past performance in this PDS. Past performance is no guarantee of future performance.

In particular, in considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in section 6.

Unless otherwise stated, all fees quoted in the PDS are inclusive of Goods and Services Tax ("GST") after allowing for an estimate for Reduced Input Tax Credits ("RITCs"), and all amounts are in Australian dollars.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- by calling Alpha Fund Managers on +61 3 8652 3854; or
- by visiting the Alpha website at www.alphafundmanagers.com.au

A paper copy of the updated information will be provided free of charge on request.

1. Fund at a glance

	Summary	For further information
Name of the Fund	Alpha Alternatives Fund	Section 5
ARSN	155 001 013	Section 5
Fund Benchmark	Cash + 1% (i.e Bloomberg AusBond Band Bill Index +1.0%)	
APIR	ETL0318AU	Section 5
Investment objective	The Fund aims to outperform the Benchmark over rolling 3 to 5 year periods	Section 5
Investment strategy and investments held	<p>The Fund generally gains its investment exposure by investing in underlying funds that provide exposure to a well diversified portfolio of specialist absolute return investment managers.</p> <p>The underlying funds in which the Fund invests may invest in any derivative or physical instrument or asset from any asset class and/or currency subject to consistency with its risk budgets. The underlying funds in which the Fund invests may be physically invested in cash and short-term fixed interest securities with derivative overlays utilised to achieve exposures to desired positions in markets, but at times physical assets or instruments may be utilised to give effect to the underlying funds' strategies.</p>	Section 5
Fund type	Unlisted registered managed investment scheme.	Section 5
The type(s) of investors for whom the Fund would be suitable	Suited to medium to long-term investors who seek the potential for alternative absolute returns strategies.	Section 5
Recommended investment timeframe	<p>The minimum suggested investment timeframe for the Fund is 5 years.</p> <p>We recommend that you consider, with your financial adviser, the suggested investment period for the Fund having regard to your own investment timeframe.</p> <p>You should review your investment regularly to ensure that the Fund continues to meet your investment needs.</p>	Section 5
Minimum initial investment	\$25,000	Section 7
Minimum additional investment	\$10,000	Section 7
Minimum withdrawal amount	\$10,000	Section 7
Minimum balance	\$25,000	Section 7
Cut off time for applications	2pm (Australian Eastern Standard Time) on a Business Day	Section 7
Cut off time for withdrawals	2pm (Australian Eastern Standard Time) on a Business Day	Section 7
Cooling Off	Yes	Section 7
Valuation of underlying investments and unit pricing	Daily	Section 7
Applications	Accepted each Business Day.	Section 7
Withdrawals	Accepted each Business Day. Withdrawal requests are generally processed and paid within 7 days of a receipt of a withdrawal request although a longer period of time is permitted under the Constitution.	Section 7
Income distribution	<p>Determined annually at the end of June and normally paid to investors within 14 days of the period end.</p> <p>You may elect to have your distribution reinvested or directly credited to an account in your name held at a branch of an Australian domiciled bank.</p>	Section 7
Management costs	Approximately 1.435% p.a. of the NAV (including GST less RITCs)	Section 9
Entry fee/ exit fee	None	Section 9
Performance fee	20.5% (net of GST and RITC) of the investment return above the Benchmark.	Section 9

2. ASIC Benchmarks

The information summarised in this table and explained in detail in the identified section reference is intended to assist investors with analysing the risks of investing in the Fund. Investors should consider this information together with the detailed explanation of various benchmarks and principles referenced throughout this PDS and the key risks of investing in the Fund highlighted in section 6 of this PDS.

ASIC Benchmark	Is the benchmark satisfied?	Summary	For further information
Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes		Please refer to page 12 of this PDS for further information.
Periodic reporting			
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information on an annual and monthly basis.	Yes	(The latest investment report is available on Alpha Fund Managers website at www.alphafundmanagers.com.au or can be emailed upon request).	Please refer to page 21 of this PDS for further information.

3. Disclosure Principles

	Summary	Section (for further information)
Investment strategy	<p>The Fund generally gains its investment exposure by investing in underlying funds that provide exposure to a well-diversified portfolio of specialist absolute return investment managers.</p> <p>Diversification guidelines for the Fund are set out in section 5.2. The specific risks of investing in the Fund are described in section 6.</p>	Section 5.2
Investment manager	<p>Alpha Fund Managers is the investment manager of the Fund.</p> <p>Further details in relation to the expertise of the Investment Manager and the investment management agreement are set out in section 4.</p>	Section 4
Fund structure	<p>The responsible entity of the Fund is Equity Trustees Limited who has appointed Alpha Fund Managers as investment manager of the Fund. The Fund's underlying funds are H2O Force 10 Global Macro and AQR Wholesale Managed Futures Fund.</p> <p>See section 5.3 for further information on other key service providers, Equity Trustees' role in monitoring the performance of service providers and a diagram of flow of funds through the Fund.</p> <p>When an Investor invests in the Fund, Equity Trustees Limited issues units in the Fund (i.e. Units) to the Investors. Each Unit represents an equal share in the net assets of the Fund; however Units do not entitle its holder ownership of any particular underlying asset of the Fund.</p> <p>No other classes of shares have been issued or are contemplated to be issued by the Fund at this stage.</p>	Section 5.3
Valuation, location and custody of assets	<p>For the Fund:</p> <p>State Street Australia Limited has been contracted to provide custodial services for the Fund's assets.</p> <p>State Street Australia Limited is the administrator of the Fund ("Administrator") and provides administrative and accounting services. The Administrator is responsible for calculating the Fund's Net Asset Value.</p> <p>For the Underlying Funds:</p> <p>The valuation and fund accounting services for the Underlying Funds are provided by their respective custodians. The Custodian for the underlying Fund H2O Force 10 Global Macro is BNY Mellon Fund Services (Ireland) Limited and for the AQR Wholesale Managed Futures Fund is State Street Australia Limited.</p>	Section 5.3
Liquidity	<p>The Fund invests predominately in liquid assets and is expected to be liquid for the purpose of the Corporations Act.</p>	Section 5.5
Leverage	<p>The Fund's underlying Funds involve the use of financial assets such as derivatives which have the effect of economic financial leverage.</p>	Section 5.6
Derivatives	<p>The Fund's underlying Funds utilise derivatives to gain exposure to underlying equities, currencies, commodities and interest rate securities.</p>	Section 5.8
Short Selling	<p>The Fund's underlying Funds may take short positions in order to benefit from the falling price of associated securities or instruments. The use of short selling is a fundamental element of the underlying Fund's investment strategy.</p>	Section 5.7
Withdrawals	<p>Withdrawals are available on each Business Day. Withdrawal applications must be received by 2.00pm (AEST) on a Business Day to receive the Withdrawal Price applicable for that Business Day.</p> <p>Risks and limitations on withdrawals are set out in section 5.9.</p>	Section 5.9

4. Who is Managing the Fund?

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 ("Equity Trustees"), a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's Responsible Entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's Responsible Entity are governed by the Fund's Constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Alpha Fund Managers as the Investment Manager of the Fund. Equity Trustees has appointed a Custodian to hold the assets of the Fund. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

Alpha Fund Managers Pty Ltd

Alpha Fund Managers is a boutique fund manager established in 2007 with the specific purpose of establishing the Alpha Fund Series. Alpha Fund Managers is a corporate authorised representative of Infocus Securities Australia Pty Ltd (AFSL 236523) ABN 47 097 797 049. Both of these companies are wholly owned subsidiaries of Infocus Wealth Management Limited ABN 28 103 551 015.

The Alpha Fund Series provides investors with access to sector-specific multimanager funds in the following asset classes: large market capitalisation Australian shares, small to mid-market capitalisation Australian shares, global shares, fixed interest securities, property securities, infrastructure assets and alternative assets.

Alpha Fund Managers' Investment Philosophy

Alpha Fund Managers' investment philosophy is based on the premise that there are particular investment managers that have the ability to consistently generate 'alpha' over the medium to long-term and through all financial market cycles irrespective of any style bias (growth, value, growth at reasonable price (GARP), neutral etc). 'Alpha' in this context is defined as an investment manager's ability to select a portfolio of securities that differs from and outperforms its benchmark, after factoring in an allowance for risk. In other words, it is an investment manager's ability to beat the index.

The Alpha Fund Series Investment Objective

The Alpha Fund Series is designed specifically to provide investors with access to strong performing investment opportunities in each of the major asset classes over the long-term and through any financial market cycle, with no increase in total risk compared to their benchmark indices. Alpha Fund Managers seeks to achieve this objective in each of the Alpha Funds Series by investing in underlying funds with a range of investment managers, each with a different investment process.

William Wang is the Head of Funds Management for the Alpha Fund Managers portfolio and is supported in this role by Dr Ron Bewley, Senior Investment Analyst Julien Brodie and Investment Analyst Elaine Xu. William is a senior investment professional with extensive experience in investment consulting and multi-manager and multi-asset portfolio management. He has in-depth knowledge of a broad range of asset classes, investment managers and strategies. Prior to joining Infocus Wealth Management in 2010, William worked as a Senior

Analyst Portfolio Manager for United Funds Management in Melbourne, where he was also a member of United's Investment Policy Committee. He also spent over 5 Years as a Senior Analyst with Mercer Investment Consulting in New Zealand. William is a CFA Chartholder and holds an MBA from Melbourne Business School (1998).

Dr Ron Bewley currently acts as advisor to the Alpha Fund Managers' investment decision making process. Ron was Professor of Econometrics at UNSW when he was invited to join the Commonwealth Bank to found a Quantitative Research & Investment Strategy team. After researching across most asset classes in global markets, risk and strategy, he was appointed as the foundation Chief Investment Officer in CBA's Private Client Services division. He retired from the bank in 2009 and formed Woodhall Investment Research in the following year. Ron has published over 50 academic papers on a variety of theoretical and applied econometric topics and has held a number of visiting academic positions in the US, UK and Europe. Ron was elected Fellow of the Academy of Social Sciences in 1995 and has also consulted to a number of major companies and government departments. Ron has combined his academic and markets experiences to produce cutting-edge solutions for implementing investment strategies in equities and other asset classes. Ron is also an independent member of the Research and Investment Committee of the Infocus Wealth Management Limited board of directors.

Julien Brodie is responsible for assisting the Head of Funds Management with manager selection including qualitative and quantitative analysis, asset class and macro-economic research. In addition he performs portfolio analytics and performance reporting for the Alpha Fund Managers' range of funds. Prior to joining Alpha Fund Managers Julien worked as an analyst at Deloitte and spent 5 years in London in Investment Banking with positions in Structured Credit and Treasury at BAML, RBS, HSBC and more recently at CBA in Corporate Banking. Julien has a CPA and is a level 1 CFA candidate.

Elaine Xu is responsible for supporting the investment team in reporting and analytics, portfolio construction, manager selection and other related fund activities. During her career, Elaine has worked as an analyst at Morgan Stanley Wealth Management and more recently at the Myer Family Office. She has a Bachelor in Commerce (Honours) from Monash University, Diploma in Financial Planning and has successfully passed all three levels of the CFA program.

Under the Investment Management Agreement between the Investment Manager and Equity Trustees, Equity Trustees can terminate the Investment Manager's appointment where the Investment Manager becomes insolvent, materially breaches the agreement or ceases to carry on its business. In the event that Equity Trustees terminates the Investment Manager following one of these events, the Investment Manager's appointment would cease upon any termination date specified in the notice, and the Investment Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination. The Investment Management Agreement may also be terminated by 20 Business Days written notice by either Equity Trustees or the Investment Manager.

Other than the management fees and expenses the other material potential liability which may accrue on the Responsible Entity under the Investment Management Agreement is as follows: the Responsible Entity indemnifies the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of or in connection with and any costs, charges and expenses incurred by it in connection with the Investment Management Agreement or on account of

its bona fide investment decision except in so far as where the loss, charge, costs, expenses or liabilities is caused by negligence, fraud or dishonesty of its officers or supervised agents.

The Administrator

State Street Australia Limited (“State Street”)

State Street provides administration and accounting services for the Fund.

The Unit Registry

Mainstream Fund Services Pty Ltd (“Mainstream”)

Mainstream Fund Services Pty Ltd is the unit registry of the Fund and provides unit registry services.

5. How the Fund Invests

5.1 Investment objective

The Fund aims to outperform the Benchmark (before taxes and expenses) over rolling 3 to 5 year periods. The Fund's investment objective is to maximise total returns by gaining access to a diverse range of alternative investment strategies within a flexible but disciplined risk management framework.

5.2 Investment strategy

(a) The Definition of Alternative Investment Strategies

The Fund utilises an Alternative Investment Strategy. The Alternative Investment Sector is highly diverse and there is no all-encompassing definition as to what constitutes an alternative investment strategy. Typically, when talking about alternative investments, people are referring to the following two groups of investments:

1. Type 1: Alternative approaches in Traditional markets (Hedge Funds); and
2. Type 2: Traditional approaches in Alternative markets (Private Equity, Venture Capital, Infrastructure).

Much of the type 2 alternative investments are characterised with low liquidity and high entry and exit costs, such as private equity, venture capital or unlisted infrastructure investments. Type 2 alternative investments may possess specific characteristics that lead to different return profiles than other equities; however they still represent equity ownership of an asset. As such, they provide the same rights to the residual cashflows as for any other type of equity holder, as well as similar potential risks and returns. In Alpha Fund Managers' opinion, the potential differences of their return and risk profile has more to do with the unlisted and illiquid nature of such investments rather than the nature of the investments themselves. Therefore Alpha Fund Managers considers the more appropriate definition of alternative investments is type 1 investments, i.e. alternative approaches in traditional markets. These investment strategies possess the following characteristics:

- Alternatives vehicles typically implement investment approaches using mainstream asset classes such as equities, bonds, property, and cash, as well as other instruments such as currencies and commodities. Fund managers also often use derivatives (typically options, swaps, and futures) to take both long and short positions. Many hedge fund managers also trade far more regularly than traditional fund managers, adopting a shorter-term perspective, although some take a very long-term approach if they hold illiquid securities.
- These strategies endeavour to generate returns which are lowly-correlated to traditional asset classes. They often aim to generate 'absolute returns', or positive returns in all market conditions. This philosophy can be seen in return objectives such as cash or inflation plus a nominal hurdle of perhaps five percent. Setting these targets does not of course guarantee their success. The outcome for 'alternative' or hedge fund managers should theoretically rely more on their strategy and skill than market movements (commonly described as 'beta').

The term being used to describe such strategies is 'hedge fund'. Hedge fund investment strategies are by their very nature heterogeneous and there are a myriad of strategies comprising the complete range of risk and return profiles. These strategies include: market neutral, long/short, convertible arbitrage, fixed income arbitrage, managed futures, global macro, distressed debt and merger arbitrage. The returns and risks associated with these strategies vary significantly. However, most strategies are characterised by a low correlation with traditional asset class returns. The global hedge fund market is a trillion dollar industry

and growing at about 20% per year with approximately 9000 active hedge funds and funds of funds. Most hedge funds are highly specialised, relying on the specific expertise of the manager or management team.

The hedge fund strategies can be broadly categorised into the following groups:

Long/short

Long/short is a strategy which involves combining long holdings of securities that are expected to increase in price with short sales of securities that are expected to decrease in price. Long/short portfolios are directional – that is, the investment strategy is based on the manager's expectation of future movements in the overall market – and may be net long or net short. Short positions are expected to add to the return of the portfolio, but may also act as a partial hedge against market risk. However, long/short portfolios tend to be quite heavily concentrated and thus the effectiveness of the short positions as a hedge against market risk may be limited. Long short investing is typically directional in nature.

Expected Volatility: Variable

Correlation with Equity or credit markets: High

Relative value (i.e. Market Neutral and Arbitrage)

Relative value strategies take advantage of relative discrepancies in price between securities. The price discrepancy can occur due to mispricing of securities compared to related securities, the underlying security or the market overall. Hedge fund managers can use various types of analysis to identify price discrepancies in securities, including mathematical, technical or fundamental techniques. Relative value is often used as a synonym for market neutral, as strategies in this category typically have very little or no directional market exposure to the market as a whole.

Relative value strategies include:

- Fixed income arbitrage – exploit pricing inefficiencies between related fixed income securities.
- Equity market neutral – exploits differences in stock prices by being long and short in stocks within the same sector, industry, market capitalization, country, which also creates a hedge against broader market factors.
- Convertible arbitrage – exploit pricing inefficiencies between convertible securities and the corresponding stocks.
- Asset-backed securities (Fixed-Income asset-backed) – fixed income arbitrage strategy using asset-backed securities.
- Credit long / short – the same as long / short equity but in credit markets instead of equity markets.
- Statistical arbitrage – identifying pricing inefficiencies between securities through mathematical modelling techniques
- Volatility arbitrage – exploit the change in implied volatility instead of the change in price.
- Yield alternatives – non-fixed income arbitrage strategies based on the yield instead of the price.
- Regulatory arbitrage – the practice of taking advantage of regulatory differences between two or more markets.
- Risk arbitrage - exploiting market discrepancies between acquisition price and stock price

Expected Volatility: Low

Correlation with Equity or credit markets: Low

Event driven

Event-driven strategies seek to take advantage of opportunities created by significant corporate transactions such as mergers and takeovers. A typical event-driven strategy involves purchasing securities of the target firm and shorting securities of the acquiring firm in an announced or expected takeover. Profits from event-driven strategies depend on the manager's success in predicting the outcome and timing of the corporate event. Event-driven managers do not rely on market direction for results; however, major market declines, which might cause corporate transactions to be repriced or unfinished, may have a negative impact on the strategy.

Expected Volatility: Moderate

Global macro

Global macro strategies take leveraged speculative positions in a wide range of global markets, seeking to exploit apparent mispricing. Trading strategies are generally systematic or discretionary; systematic traders tend to use

price and market-specific information (often based on technical trading rules) to make trading decisions, while discretionary managers use a judgmental approach regarding differences between current financial market valuations and what is perceived as the 'correct' or fundamental valuation.

Expected Volatility: High

Correlation with Equity or credit markets: No static relationship

Multi-strategy

Managers may elect to employ a multi-strategy approach in order to better diversify their portfolio or to avoid constraints on their investment opportunities. The manager utilises two or more specific hedge fund strategies, although the relative weighting of each may vary over time.

Expected Volatility: Variable

Correlation with Equity or credit markets: No static relationship

(b) Alpha Alternatives Fund

The Alpha Alternatives Fund is a fund of hedge funds issued and managed by Alpha Fund Managers Pty Ltd (the Manager), which seeks to provide investors access to hedge fund returns. The Fund is one of the eight funds in the Alpha Fund Series, which represents a series of multimanager strategies across a number of asset classes.

The Fund currently invests in three hedge fund strategies ("underlying funds"). The underlying funds seek to provide not only risk-adjusted performance at portfolio level but also transparency and daily liquidity. In addition to selecting the underlying funds, the Manager undertook detailed analysis of the optimal risk/return profile for a diversified portfolio of hedge fund strategies.

Alpha Alternatives Fund Portfolio Allocation:

Strategy	Fund	Allocation	Asset Class	Currency	Jurisdiction
Global Macro	H2O Force Global Macro 10 Fund	30%	Hedge Fund	US Dollar	Jersey
Managed Futures	AQR Wholesale Managed Futures Fund	30%	Hedge Fund	Australian Dollar	Australia
Global Macro	Legg Mason Western Asset Macro Opportunities Bond Fund	40%	Hedge Fund	Australian Dollar	Australia

(c) Investment guidelines of the Alpha Alternatives Fund

There are two aspects of the investment of the Fund. The first is the overlaying fund of fund strategy and philosophy of the Manager (i.e. Alpha Fund Managers) and the second is the investment strategy and philosophy of the underlying funds. Below is an explanation of how each of the two aspects adds value to the investment process.

(d) Alpha Alternatives Fund's strategy to procure investment return

The Manager seeks to add value from a combination of manager selection and strategy allocation. The Manager believes that active management delivers the best returns for investors and seeks to identify managers with a strong skill base to create a diversified portfolio of alternative funds.

Alpha Fund Managers undertook a detailed analysis of alternative strategies and managers to select a manager and a portfolio of funds that met the objectives of the Fund. The objectives of the Fund include:

- Strategy allocation;
- Daily liquidity;
- Competitive fees;

- Currency hedging; and
- Transparency.

Alpha Fund Managers selected the H2O Force 10 Global Macro and AQR Wholesale Managed Futures funds after conducting these analyses.

Alpha Fund Managers is constantly monitoring the performance of the underlying funds as described below in order to achieve the Investment Objective of the Fund.

(e) Underlying Funds:

H2O Force 10 Global Macro, AQR Wholesale Managed Futures Fund and Legg Mason Western Asset Macro Opportunities Bond Fund

H2O Force 10 Global Macro Fund

Investment Objective

H2O Force 10 is a global macro strategy managed by Vincent Chailley (CIO) at H2O Asset Management LLP in London.

The principal investment objective of the Fund is to generate capital appreciation by implementing strategic and tactical positions and arbitrages across equity, fixed income, precious metals, volatility and international

currency markets using listed derivatives, over-the-counter instruments, and foreign exchange trades. The investment process is a discretionary diversified macro program that targets positive risk adjusted returns, even in the presently changing and challenging market environment. The fund targets an annual volatility of 10-15%. The strategy has low correlation with global bond (-0.36 with JPM GABI) & equity (0.18 with MSCI World) market indices and Managed Futures, i.e. Commodity Trading Advisors ('CTAs') (0.04 with Barclay CTA Index).

Investment Strategy

H2O Force 10 is based upon a discretionary, global, value, active, top-down and diversified trading process conducted within a broad investment universe. Once an investment view is determined, the Fund will take either a long or short position in the given Instrument. A 'long' position will benefit from an increase in price of the underlying Instrument, while a 'short' position will benefit from a decrease in price of the underlying Instrument. The H2O Force 10 Global macro strategy implements its daily liquid discretionary process via trading listed derivatives and FX only and covers global markets in bonds, FX and equity asset classes.

Investment Process

Investment strategies are derived from qualitative market views that are calibrated so as to fit into a pre-set risk budget over a medium to long-term horizon. The investment methodology relies on a top-down risk allocation (as opposed to standard asset allocation) in order to efficiently balance the portfolio. A highly proactive management approach is adopted through a very reactive decision-making process and an effective real time portfolio monitoring. Risk is equally balanced, on average, across i) asset classes: FX, government bonds, equities; ii) strategies: directional, relative value (country, curve, sector, etc.) and overlays (trading, volatility arbitrage); and iii) type of horizons: long term (up to 24 months) and short term (<1 month).

The Fund's assets will have two main components:

- Long-term strategies (6 months to 2 years) with a team approach representing approximately 75% of the risk allocation,
- Short-term trading strategies (intra-day up to 1 week) representing approximately 25% of the risk on average.

It is anticipated that the Fund's performance will have stronger links to relative trends among markets (relative and arbitrage positions) than to the general direction taken by the markets (directional positions).

The investment process aims to:

- Diversify along all dimensions: Asset classes, Regions; People; Investment horizons
- Identify risks that models can't see: Over/under-valued correlations, Pockets of instability; Impact of positions; Market positioning analysis
- When everything else fails, react via: Real time decision-making process; In-house monitoring tools to simulate and properly calibrate reaction

AQR Wholesale Managed Futures Fund

Investment Objective

AQR (Applied Quantitative Research) was founded in 1998 by Clifford S. Asness, Ph.D.; David G. Kabiller, CFA; Robert J. Krail; and John M. Liew, Ph.D. Today, AQR is a global investment management firm that has held to its original focus of rigorous research and the development of innovative, practical investment strategies.

The investment objective of the Fund is to produce high risk-adjusted returns while targeting a low long term average correlation to traditional markets. The Fund seeks to achieve returns from a managed futures trading strategy in excess of the Benchmark, over the medium to long-term (5-7+ years). The Fund's return is expected to be derived principally from changes in the value of securities within its portfolio, which will include more than 100 global developed and emerging market exchange-traded futures, futures-related instruments and forward contracts, across Four Major Asset Classes (commodities, currencies, fixed income and equities); however, this universe of investments is subject to change under varying market conditions and as these instruments evolve over time.

Investment Strategy

The Fund follows an active trend following strategy which, based on historical evidence of similar strategies, AQR believes can be expected to perform in both up and down markets, whilst exhibiting a low correlation to other traditional investment sources such as, fixed income and equities. AQR uses proprietary quantitative models to identify such price trends in equity, fixed income, currency and commodity Instruments. Once a trend is determined, the Fund will take either a long or short position in the given Instrument. A 'long' position will benefit from an increase in price of the underlying Instrument, while a 'short' position will benefit from a decrease in price of the underlying Instrument. The size of the position taken will relate to AQR's confidence in the trend continuing as well as its estimate of the Instrument's risk.

Investment Process

The Fund's portfolio is constructed such that over a market cycle, it is expected to receive roughly equal risk and performance attribution across the Four Major Asset Classes the Fund trades in as well as across individual markets within each asset class. AQR determines the strategic allocations to the long and short positions across the Four Major Asset Classes, which is a function of AQR's estimation of the net of transaction cost consistency of expected profit in each asset class. The portfolio is evaluated daily and, on average, rebalanced weekly to allow AQR to react to changing market conditions. Furthermore, AQR may tactically adjust the leverage of the Fund as a whole depending on its forecast of asset class or fund level volatility in order to prevent the Fund from taking too concentrated an investment or taking too much overall risk when the market environment has been poor or cross market correlations have increased. The targeted volatility of the Fund may vary from time to time and will depend on AQR's assessment of investment trends.

The Fund's strategy will result in frequent portfolio trading and high portfolio turnover (typically greater than 300%). AQR believes that the management of transaction costs deserves a priority focus. Transaction costs include commissions, bid-ask spreads, market impact, and timing delays (time between decision and implementation when a market may move for or against you). A consideration of transaction costs should be a part of any portfolio's model design (e.g., a lower cost market may support a higher frequency trading strategy), and be part of the portfolio optimization process itself (i.e. a trade must be attractive after transaction costs). AQR believes that its estimates of transaction costs and optimization methodology constitute key comparative advantage of the Fund.

AQR targets a certain level of risk for the overall Fund portfolio. If the Fund's performance is poor over a given period, its NAV will drop. All else equal, this drop in NAV will

cause AQR to lower the Fund's economic exposures in order to maintain the same level of risk. AQR also employs a formal drawdown policy that lowers the portfolio's overall targeted risk exposure when the Fund's portfolio suffers a period of unusually poor performance. The drawdown (as well as the draw-up that returns the portfolio to its normal risk level) is based on several measures of past performance over different time horizons. AQR believes this policy will not meaningfully reduce the Fund's long-term expected return; however it should change the pattern of returns to reduce the number of steep losses realized in the Fund's portfolio over time.

In addition to these two policies, AQR reserves the right to override its investment process for risk control purposes and will judgmentally take down risk simply as a function of its belief that volatility going forward will substantially exceed that forecasted. This is difficult to quantify as it's inherently judgmental, but it is rare, and only exists as a backstop to our daily management of the Fund's portfolio.

Legg Mason Western Asset Macro Opportunities Bond Fund

Investment Objective

The investment objective is to maximize total return for a given level of volatility, up to 10%.

Investment Strategy

Macro Opportunities uses a long-term assessment of value complemented by short-term liquid strategies driven by market dislocations. The focus is on global valuations in credit, changes in interest rates and volatility conditions. The strategy offers active management and flexible guidelines that enable the team to gain direct exposures opportunistically toward segments of the market that represent value opportunities.

Investment Process

Western's process is rooted in the Global Investment Strategy Committee meeting, during which senior team members develop the firm's investment outlook, including views on duration, yield curve, country preferences, and sector allocation. Western also determines long term investment themes, which reflect its outlook for fiscal and monetary policy as well as inflation and liquidity conditions.

Western's long-term macro views serve as the fundamental backdrop for regional and sector focused teams in their search for opportunities.

The Macro Opportunities team incorporates the Global Investment Strategy Committee views in determining the broad asset allocation of the portfolio. The team then draws upon the bottom-up expertise of global sector analysts to select the most attractive individual securities for each asset class. Western seeks a blend of income and capital appreciation, balancing allocations to global sovereigns, currencies, corporates (investment grade and high yield, bonds and loans), emerging markets, and structured credit. Western applies a trading approach that relies on the firm's long-term view of the fundamental landscape as well as on short-term circumstances. The active duration component of the strategy represents a fine-tuning of position risk intended to add value, especially during times of stress and market dislocation.

Western's sector teams frequently engage in relative value trading, swapping rich issues for cheaper alternatives. Traders use historical as well as relative value analysis to determine value. For corporate bonds, Western has a dedicated credit research team that attempts to identify issuers with changing credit characteristics before this information is reflected in the market. In structured credit, Western has a team of portfolio managers and analysts conducting collateral and structure research. In order for a security to be considered for investment, the teams must have a high degree of confidence that it will exhibit the kind of risk/return, and liquidity characteristics consistent the Macro Opportunities objectives. The Macro Opportunities team also places tactical trades with the aim of capturing value from market dislocations. The strategy may be invested up to 50% in below investment-grade securities and up to 50% in unhedged non-US investments. It may also invest up to 50% in emerging markets. Western may invest in cash bonds, futures, options, swaps, as well as CDX and single-name CDS and options on both CDX and single-name CDS. The final step in the portfolio construction process is the addition of hedges to mitigate the downside effects of extreme market conditions.

5.3 Fund Structure

As at the date of this PDS, the service providers to the Fund are:

- Investment Manager: Alpha Fund Managers is responsible for managing the investments of the Fund and the Underlying Funds. For further details on Alpha Fund Managers' role please refer to section 4.
- Administrator: State Street Australia Limited (the "Administrator") has been appointed as the Fund's administrator to perform certain administrative, accounting, registrar, and transfer agency services for the Fund. The Administrator is located in Australia. For further details on State Street Australia Limited's role please refer to section 4.
- Mainstream Fund Services will perform registry and trustees agency services.

The service providers engaged by the Responsible Entity may change without notice to investors. Risks relating to the use of third party service providers are outlined in section 6.

The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of Alpha Fund Managers, regularly monitor the performance of the service providers.

For the underlying Funds, i.e. H2O Force 10 Global Macro and AQR Wholesale Managed Futures Fund, the relevant service providers are listed below:

H2O Force 10 Fund:

- Trustee: Deutsche International Corporate Services Limited
- Custodian, Administrator and Registrar: BNY Mellon Fund Services (Ireland) Limited
- Auditors: KPMG

AQR Wholesale Managed Futures Fund:

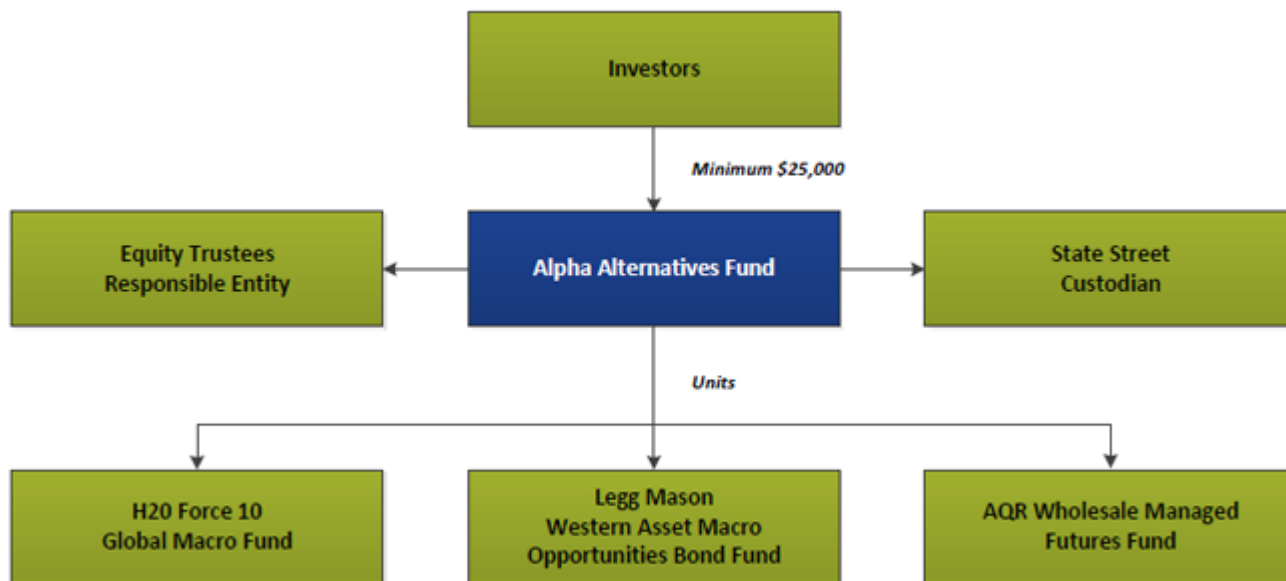
- Responsible Entity: Perpetual Trust Services Limited
- Custodian, Administrator and Registrar: State Street Australia Limited

- Auditor: PriceWaterHouseCoopers

Legg Mason Western Asset Macro Opportunities Bond Fund

- Responsible Entity: Legg Mason Australia
- Custodian, Administrator and Registrar: RBC Investor & Treasury Services

The following diagram summarises the Fund structure at the date of this PDS. TO BE UPDATED TO INCLUDE LEGG MASON



5.4 Valuation, location and custody of assets

The value of a unit is generally derived on a Business Day and is determined on the basis of the Net Asset Value of the Fund. The Net Asset Value is calculated by deducting the value of the liabilities of the Fund from the gross value of the Fund assets. Generally, investments will be valued at the next available market value but other valuation methods and policies may be applied by Equity Trustees if appropriate or if otherwise required by law or applicable accounting standards. The application price of a unit in the Fund is based on the Net Asset Value divided by the number of units on issue. The Responsible Entity can also make an allowance for transaction costs required for buying investments when an investor acquires units.

The valuation and fund accounting services for the Fund are provided by State Street Australia Limited.

The valuation and fund accounting services for the Underlying Funds are provided by their respective custodians.

The Custodian for the underlying Fund H2O is BNY Mellon Fund Services (Ireland) Limited and for the AQR Fund is State Street Australia Limited.

The Fund holds Units in the Underlying Funds which are domiciled in Jersey, Channel Islands (for H2O) and Australia (for AQR). The Fund does not have restriction policies regarding the location or geography of its investments.

5.5 Liquidity

The majority of assets currently traded and held by the Fund are liquid. It is unlikely that liquidity will result from withdrawal requests. Generally, it is the investment manager's policy to ensure that the Fund remains liquid as the size of the Fund grows. Withdrawal requests are accepted each Business Day and are generally processed and paid within 7 Days of receipt of a withdrawal request although a longer period of time is permitted under the Constitution.

5.6 Leverage

The Fund's underlying Funds can employ leverage. This means gains and losses are amplified and may be significantly greater than those in a fund that is not leveraged. Leverage is used to reduce the volatility of the Fund by hedging certain risk exposures. In addition it is used to obtain cost efficient and market exposure, for example by adding or reducing equity exposures for short periods and to express relative value trades within equities, fixed income, commodities and currencies. Although the use of leverage can substantially improve the return on invested capital, its use also may increase any adverse impact to which the investment portfolio of the Fund may be subject.

For the two underlying Funds, the criteria generally used for determining leverage risk is focused on the margin to equity ratio, or the amount of initial margin required to be posted to support trading positions divided by the net assets in the portfolio. For the Fund this number will generally lie between 10 and 30 percent of NAV. This means that between 70-90 percent of the assets of the Fund will be held away from counterparties at the Fund's custodian and invested in cash or cash equivalent securities.

In terms of leverage ratio, the anticipated typical level of leverage of the Alpha Alternatives Fund is the weighted sum of its underlying Funds. As result of the two underlying funds' leverage practice, the anticipated typical level of leverage (longs + shorts/capital) of the Alpha Alternatives Fund is expected to be 5 times gross notional exposure (i.e, 5 times the NAV of the Fund) and its net exposure can range from -100% to +200%.

There is no maximum cap limit on the level of leverage in the AQR Managed Futures Fund however, in recognition of the increased risk from greater exposures of a leveraged fund, AQR monitors the Fund's leverage on a daily basis to a pre-defined acceptable limit of 15 times gross notional exposure. If leverage goes above the limit, AQR will decide whether to temporarily

allow the deviation, raise the limit, or order a reduction in the current notional exposure amount.

For the H2O Force 10 Global Macro Fund, for the purpose of meeting regulatory disclosure requirements under the AIFMD (Alternative Investment Fund Managers Directive), the maximum level of AIFMD Leverage of the Fund is 1600% of the NAV.

This measure of AIFMD Leverage is calculated as the ratio between the exposure of the Fund and its NAV, where the exposure is calculated, in accordance with the gross method and the commitment method set out in the Level 2 Regulations, as the sum of the absolute values of all positions valued in accordance with the AIFMD.

Example of how leverage works

The below provides a hypothetical example of how gross leverage can impact on your invested amount. The amounts used in the example do not reflect the actual value of a futures contract and are used for illustrative purposes only.

The example assumes the Fund buys fifteen futures contracts over an Australian 10 year Government Bond with AUD\$1,000 notional exposure and assumes no initial margin is required against the futures contracts.

Example: You make a \$1000 investment into the Fund	
Assets bought by the Fund	15 future contracts over an Australian 10 year Government Bond
Cost to purchase the futures contracts	Nil
Your investment	\$1,000
Exposure (measured as if the Fund has invested in an Australian 10 year Government Bond directly)	\$15,000
Portfolio value	\$1,000 (value of cash)
Gross leverage (Exposure/ Portfolio value)	= \$15,000 / \$1,000 = 15 times exposure
Assuming the bond declines in value by 1%	
Loss in value of futures contracts	1% x -\$1,000 x 15 contracts held = -\$150
Portfolio value	\$850 (= \$1,000 original value of your investment -\$150)
Effective rate of loss	15% (loss in value on futures contracts/portfolio value)

5.7 Derivatives

The Fund's Underlying Funds may use options, futures and other Derivatives to reduce risk or gain exposure to physical investments. Derivatives used may be exchange traded or over-the-counter (OTC) Derivatives. In the case of Derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index (as applicable) to which the Derivatives relate.

Risks associated with Derivatives may include adverse movement in the physical asset or benchmark underlying the Derivative, potential illiquidity of the Derivative, the Fund being unable to meet payment obligations as they arise and the counterparty to any Derivative contract not being able to meet its obligations under the contract. For OTC derivatives, such as foreign exchange forwards and options, there is also counterparty risk.

In the underlying Fund, Derivatives will be used extensively to create long/short portfolio positions in equities, equities indices, bonds, currencies, commodities, volatility indices and other types of exposures where appropriate. Both exchange traded and OTC Derivatives will be used. The investment manager intends to manage counterparty risk by choosing multiple counterparties with relatively large and stable businesses and require the counterparty to have 100% cash collateral placed with the collateral manager and the Fund's market exposures are mark-to-market on daily basis.

5.8 Short selling

A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or instrument) at a later date at a lower price.

The Fund's underlying Funds may take short positions in order to benefit from the falling price of associated securities or

instruments. The use of short selling is a fundamental element of the underlying Fund's investment strategy.

5.9 Withdrawals

The Fund trades predominately in liquid instruments and therefore it is likely that withdrawal requests can be satisfied in virtually all market conditions. However, note that in exceptional circumstances the Responsible Entity has a right to suspend withdrawals. Such circumstances may include, but are not necessarily limited to:

- a severe breakdown in markets in which the Fund trades; and
- a credit event which impairs the short dated cash instruments held in custody.

In certain circumstances, such as when there is a suspension of withdrawal or where the proportion of liquid assets of the Fund falls below the specified thresholds under the Corporations Act, investors may not be able to withdraw their investments within the usual period upon request.

In the unlikely event that material changes to withdrawal rights are made, investors will be notified via correspondence. Please see section 7 for details of applications and withdrawals under normal circumstances.

5.10 Suggested investment timeframe

The suggested investment timeframe is at least 3 to 5 years.

5.11 Labour standards and environmental, social and ethical considerations

The Responsible Entity, Investment Manager and the Delegated Investment Manager do not explicitly take into account labour standards, environmental, social or ethical issues when making investment decisions except to the extent that these issues have a material impact on either investment risk or return.

5.12 Fund performance

Up to date information on the performance of the Fund will be available by calling Alpha Fund Managers on +61 3 8652 3854 or visit the Alpha Fund Managers website www.alphafundmanagers.com.au.

Past performance is not indicative of future performance.

The Responsible Entity and Investment Manager do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund.

5.13 Key dependencies or assumptions behind the Fund's investment strategy

The key dependencies or assumptions that underpin the Fund's investment strategy and its ability to produce investment returns are:

- Existence of medium to long term performance cycles in hedge fund returns.

- Historical fundamental relationships between market indicators and hedge fund returns continue to hold.
- A systematic investment approach based on exploiting these relationships is capable of meeting the investment objective.

5.14 Significant benefits of investing in the Fund

Investing in the Fund offers investors a range of benefits including:

- Access to investment expertise and a professionally managed diverse global hedge fund portfolio;
- Access to a suite of offshore domiciled (i.e. not available directly to retail clients from Australian Market) hedge fund beta strategies (1) Equity Long Short (2) Event Driven (3) Macro and (4) Relative Value and an overall hedge fund beta overlay.

6. Managing Risk

Investment in any fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each Asset Class, whether it is cash, fixed interest, property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly.

You should be aware that an investment in the Fund contains risk and neither the performance of the Fund nor the security of your investment is guaranteed by Equity Trustees. Investments in the Fund and the underlying investments in which it invests are generally subject to risks, including possible delays in the payment of withdrawal proceeds, and loss of income and/or capital. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all the risks involved in an investment in the Fund or the underlying investments. We recommend you talk to an adviser about the risks involved in investing in the Fund and how it might impact on your individual financial circumstances.

Interest rate risk

Changes in official interest rates can directly and indirectly impact investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus the valuation of investments. For instance, rising rates can have a negative impact on the value of a fund or company as increased borrowing costs may cause earnings to decline. As a result, the unit value of the Fund or the share price of the company or unit price of a fund in which the Fund invests may fall.

Market risk

Changes in legal and economic policy, political events, technology failure, economic cycles, investor sentiment and social climate can all directly or indirectly create an environment that may influence (negatively or positively) the value of your investment in the Fund. In addition, a downward move in the general level of the financial markets can have a negative influence on the performance of the Fund.

Issuer specific risk

The value of investments can vary because of changes to management, product, distribution or the issuer's business environment.

Fund risk

Risks particular to the Fund include that the Fund could terminate, the fees and expenses could change, the Investment Manager or Responsible Entity could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly. We aim to keep fund risk to a minimum by monitoring the Fund.

Security or underlying fund selection risk

The Investment Manager or the underlying investment managers of the Funds in which the Fund invests may make investment decisions that result in returns that do not meet your expectations.

The factors that might impair the Fund's ability to achieve investment objectives include:

- Breakdown in historical relationships between market indicators and hedge fund strategies
- Rapid regime shifts

- Hedge fund strategies do not represent a homogenous investment style
- Exogenous events render the algorithms ineffective for a period

This risk is mitigated to some extent by the knowledge and experience of the Investment Manager and the underlying investment managers.

Legal risk

There is a risk that laws, including tax laws, might change or become difficult to enforce. This risk is generally higher in emerging markets.

Liquidity risk

There may be times when the underlying funds in which the Fund invests may become illiquid or when securities may not be readily sold (for example, in a falling market where some traded securities may become less liquid). However, trading volumes of stock are generally sufficient to satisfy liquidity requirements when necessary. The Investment Manager has attempted to mitigate the liquidity risk factor by ensuring sufficient cash exposure in the Fund to meet liquidity requirements. Note that neither the Responsible Entity nor the Investment Manager guarantee the liquidity of the Fund's investments.

Derivative risk

The underlying funds in which the Fund invests may use Derivatives. In the case of Derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of Derivative positions to hedge the risk of physical securities will involve the possibility that Derivative positions may not move perfectly in line with the physical security. As a consequence, the Derivative positions cannot be expected to perfectly hedge the risk of the physical security. In addition, Derivatives can lose value because of a sudden price move, or because of the passage of time.

Short selling risk

The Fund's underlying Funds may establish short positions in securities (including Derivatives). A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security at a lower price. To make delivery to the buyer, the Fund must borrow the security, and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. In some cases, the lender may rescind the loan of securities, and cause the borrower to repurchase the securities at inflated prices, resulting in a loss. Taking short positions in a security involves a higher level of risk than buying a security since the loss with buying a security is generally limited to the purchase amount, whereas the loss with short positions, is unlimited (i.e. there is no upper limit on the share price).

Leverage risk

The Fund's underlying Funds may make investments in futures contracts, forward currency contracts and other derivative instruments to gain long and short exposure across commodities, currencies, fixed income and equities. The futures contracts and certain other derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss.

Currency risk

Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of

international investments. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase; if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease.

Risk management by the Manager:

The Manager has identified the major risk factors within its control (as opposed to those to be managed by the underlying funds) as being:

- Manager allocation and style risk
- Over-diversification risk
- Currency risk (if investing in international assets)
- Downside (i.e. market) risk

(i) Manager allocation and style risk

The Manager makes use of sophisticated tools to help quantify various risk factors. It recognises that while quantitative risk measurement gives good indication as to where risk lies in the portfolio, in itself it serves little purpose or even can be detrimental if a manager does not understand the limitation of those measures and make decision based solely on these measures. At Alpha, risk quantification helps it to ensure that its portfolios are well diversified and there is no unintended concentration of risk.

In allocating different managers and strategies in its portfolios, Alpha's underlying objective is to maximise diversification across various alpha sources to reduce the reliance on any single manager or strategies. Consequently, manager or strategy weightings are determined with the aim of achieving an even contribution to total active risk at the fund level. However, a manager or strategy's contribution to total active risk is not considered in isolation but with reference to the correlation of its excess returns with other managers or strategies.

In terms of monitoring and managing the various risk factors in the portfolio, Alpha uses both the Alpha quantitative active risk (ex ante and ex post) modelling tool as well as holding based style and risk analytical tools. The outputs from these quantitative tools are considered together with on-going qualitative research to determine if there is any unintended concentration of risk within the portfolio and if manager or strategy weightings need to be adjusted to manage the risk concentration risk.

(ii) Over-diversification risk

One of the major risks within a multi-strategy fund in general is that portfolios are so overly diversified that the alpha generation potential is barely sufficient to cover the active fees paid. To prevent this, Alpha monitors the "activeness" of the Alpha portfolios as well as the manager portfolios on an ongoing basis through a number of measures which include "Active Shares", tracking errors, market coverage and correlation.

(iii) Currency risk

Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of international investments. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase; if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease. The Fund is currently exposed to the impact caused by the relative movements between Australian dollar and US dollar, given

that the underlying funds within the Fund are denominated in US dollar terms. Alpha Fund Managers is currently putting active currency hedging facility in place so as to add value and manage the risk associated with the relative movements between US and Australian dollar.

(iv) Market risk

Alpha believes that markets can move to extremes of pessimism or optimism from time to time and on occasions moves of such nature expose clients to the risk of severe capital loss. When constructing its portfolios, Alpha will ensure that it can implement its strategic tilting views effectively and efficiently i.e., at no or low cost. Therefore the considerations below are important portfolio construction considerations:

- The portfolios should contain a diverse range of strategies which have its own distinctive life cycles (i.e. alpha generation is conducive to different market conditions);
- Active risk taking at fund and manager level is constrained by thorough stress testing to ensure no excessive level of risk is taken;
- The cost-effectiveness of implementing certain strategic tilting views;
- Strategic tilts are typically highly visible positions that can have a significant impact on performance; decisions of such nature are best pursued only when confidence is high. The tendency is to adopt benchmark allocation (asset or manager) if the case for tilting is not strong;
- Rules of entry and exit should be pre-redefined upon thorough study of potential upside versus downside;
- There must be organisational support with taking such decisions, given that such decisions are often contrarian and may involve an uncomfortable wait for a pay-off, and can become a significant drag on portfolio returns;
- Through analysis of various markets or market segments, Alpha Fund Managers endeavours to determine if there is a very high level of probabilities of market reversal, conclusions will be drawn following review of the analysis and structured internal debates. A tactical implementation plan will be carried out within Alpha Fund Managers' portfolio construction framework and subject to internal approvals.

Risk management by the underlying funds:

The underlying funds have strict measures in place as part of their risk management process.

H2O Force 10 Fund

Risk management

The H2O investment process is managed in a dynamic manner with portfolio construction being at least as important as idea generation. Risk management is at the forefront of every position they implement. There are also different stages to risk management, which adds to the robustness of the process. The initial optimization process covers the strategic positioning of the fund, which accounts for around 75% to 85% of the risk taken; short term trading provides a tactical overlay. Prior to optimization, H2O aggregates the views of the main idea generators, calibrating return forecasts based on both conviction and volatility. The optimizer output then forms the model portfolio, although the team applies a sensibility check and does not blindly follow the results. Portfolios are reviewed daily and any deviation from the model portfolio is noted. Team members are aware of the contribution to overall risk and correlation from individual strategies or positions and look to build the portfolio with ideas that are diversifying by being as uncorrelated as possible. Additional control is provided by the real time monitoring that ensures VaR remains within its permitted range.

In summary, the H2O investment process aims to mitigate risk via:

- Diversify along all dimensions: Asset classes, Regions; People; Investment horizons

- Identify risks that models can't see: Over/under-valued correlations, Pockets of instability; Impact of positions; Market positioning analysis
- When everything else fails, H2O reacts via real time decision-making process and uses the In-house monitoring tools to simulate and properly calibrate reaction
- Risk management – liquidity risk management

The Manager (or its delegate) implements and maintains appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments that have a material impact on the liquidity profile of the portfolio of the Fund to enable their effect on the overall liquidity profile to be appropriately measured.

Specifically, the liquidity measurement system of the Manager (or its delegate) ensures that the Fund maintains a level of liquidity appropriate to its underlying obligations based on an assessment of the relative liquidity of the Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors. The Manager (or its delegate) monitors the liquidity profile of the portfolio of the Fund having regard to the profile of the investor base of the Fund, the relative size of investments and the redemption terms to which these investments are subject.

Whilst the Manager retains responsibility for risk management decisions, it has delegated performance of the risk monitoring function to the Risk Monitor.

The Manager and the Trustee have appointed Deutsche Bank AG, London Branch as the Risk Monitor for the Fund under the Risk Monitor Agreement. The Risk Monitor does not act as fiduciary to the Fund. The Risk Monitor monitors the compliance of the Trading Advisor (i.e. H2O) with the terms and conditions of the Trading Advisory Agreement and reports any instances of non-compliance to the Manager. In addition, and upon reasonable request, the Risk Monitor shall provide the Manager access to all records of the Fund maintained by the Risk Monitor (including those related to risk management), in a form and manner satisfactory to the Manager.

Labour Standards, Environmental, Social and Ethical Considerations

Decisions about the selection, retention or realization of investments for the Fund are primarily based on company and industry fundamentals and H2O does not take into account labour standards, environmental, social or ethical issues when making these decisions except to the extent that these issues have a material impact on either investment risk or return.

AQR Wholesale Managed Futures Fund

Risk management

AQR adopts a quantitative and qualitative approach to market risk management. On a daily basis, AQR's independent Risk Management team monitors a number of risk measures against the Fund's portfolio to assess such matters as: portfolio liquidity, forecasted volatility, portfolio position limits, counterparty exposure, operational risks, Value at Risk (generally speaking a measure of the likelihood of the Fund's portfolio losing value over a certain time period); and drawdowns. Fund returns are monitored, position by position, through AQR's Profit and Loss system which is able to capture live the returns on the dominant portion of the Fund's positions. AQR is a disciplined follower of its investment process. One area that has a judgmental

component however is the area of risk. AQR will judgmentally lower risk in the Fund's portfolio if for whatever reason it does not think its formal quantitative estimate described above accurately portends to the immediate future. This is not symmetrical, as AQR will not take risk up in the same manner. One, of many, key inputs into this decision described above, is how AQR looks at risk over many different periods. If one period stands out as far riskier than the final point estimate (the combination of multiple periods), and AQR's judgment is that this period is particularly relevant for current times, AQR may override its model and use this higher estimate of volatility (which leads to taking positions and risk down). AQR however will still not take positions completely off if they are being hurt, but will lower positions subject to strict guidelines, in accordance with the Fund's draw down policy, if an individual security or strategy is suffering unacceptable losses at a quicker pace than AQR considers tolerable.

AQR targets a certain level of risk for the overall Fund portfolio. If the Fund's performance is poor over a given period, its NAV will drop. All else equal, this drop in NAV will cause AQR to lower the Fund's economic exposures in order to maintain the same level of risk.

AQR also employs a formal drawdown policy that lowers the portfolio's overall targeted risk exposure when the Fund's portfolio suffers a period of unusually poor performance. The drawdown (as well as the draw-up that returns the portfolio to its normal risk level) is based on several measures of past performance over different time horizons. AQR believes this policy will not meaningfully reduce the Fund's long-term expected return; however, it should change the pattern of returns to reduce the number of steep losses realized in the Fund's portfolio over time. In addition to these two policies, AQR reserves the right to override its investment process for risk control purposes and will judgmentally take down risk simply as a function of its belief that volatility going forward will substantially exceed that forecasted. This is difficult to quantify as it's inherently judgmental, but it is rare, and only exists as a backstop to our daily management of the Fund's portfolio.

Risk management – liquidity risk management

Liquidity is important in regards to risk on two fronts. First, if assets are not liquid, it may be difficult to reduce risk or get out of positions cheaply in times where lowering risk is prudent. Secondly, with investments in illiquid securities, as these securities do not frequently trade, their most recently traded price may not be indicative of their true value. The Fund tends to hold positions for which there is substantial market data history, instruments which also tend to be more liquid. Nevertheless, AQR monitors liquidity, and maintain cash levels designed to accommodate the risks of less liquid positions.

In this regard, AQR's Risk Management team has automated daily risk reports which give a breakdown of exposures and positions. AQR also run risk testing on a daily basis which captures how quickly it could liquidate the Fund's portfolio should it have to.

Labour Standards, Environmental, Social and Ethical Considerations

Decisions about the selection, retention or realization of investments for the Fund are primarily based on company and industry fundamentals and AQR does not take into account labour standards, environmental, social or ethical issues when making these decisions except to the extent that these issues have a material impact on either investment risk or return.

7. Investing and Withdrawing

Initial Applications

Investors can acquire Units by completing an application form. The minimum investment amount for the Fund is \$25,000.

To invest please complete the Application Form accompanying this PDS, attach your cheque payable to 'Equity Trustees Limited', and send to Mainstream Fund Services, GPO Box 4968 Sydney NSW 2001.

Please note that cash cannot be accepted.

The price at which Units are acquired is determined in accordance with the Constitution ('Application Price'). The Application Price, in general terms, is equal to the Net Asset Value ('NAV') of the Fund, divided by the number of Units on issue plus any transaction costs.

Unit prices are calculated daily.

If we receive correctly completed Application Forms, identification documents (if applicable) and your cheque or money order:

- on or before 2pm on a Business Day, the application will be processed on that Business Day. This means you will receive the application price calculated for that Business Day; and
- after 2pm on a Business Day, the application will be processed on the next Business Day. This means you will receive the application price calculated for the next Business Day.

We will only start processing an application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents; and
- we have received the application money stated in your Application Form. The time it takes for application money to clear may vary.

We reserve the right to accept or reject applications in whole or in part at our discretion and delay processing of applications where we believe this to be in the best interest of all of the Fund's investors, without giving any reason.

Additional Applications

Unit holders can add to their investment by completing an Application Form accompanying the current PDS. At the date of this

PDS, the minimum additional investment in the Fund is \$25,000.

Terms and Conditions for Applications

Applications can be made at any time. Application cut-off times and Unit pricing are set out in the initial applications section above. Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result delays in processing your application may occur.

Cooling Off Period

If you are a Retail Client you may have a right to 'cool off' in relation to an investment in the Fund within 14 days of the earlier of:

- confirmation of the investment being received or available; and
- the end of the fifth Business Day after the Units are issued or sold.

The right to cool off may not apply if you are an Indirect Investor, even if you are a Retail Client. Indirect Investors should seek advice from their IDPS Operator or consult the IDPS Guide or similar type document as to whether cooling off rights apply.

Making a Withdrawal

Investors of the Fund can withdraw their investment by written request either: By mail to:

Mainstream Fund Services, GPO Box 4968 Sydney NSW 2001

The price at which Units are withdrawn is determined in accordance with the Constitution ('Withdrawal Price'). The Withdrawal Price, in general terms, is equal to the Net Asset Value of the Fund, divided by the number of Units on issue less any transaction costs.

Unit prices are calculated daily.

The cut-off time for withdrawals is 2:00 pm (AEST) on a Business Day.

Transaction costs may reduce the amount which an investor receives on withdrawal. See the 'Buy/Sell spread' information in Section 9 for further information.

The Withdrawal Price will vary as the market value of assets referable to the Fund rises or falls.

Access to Funds

Investors in the Fund can redeem their investment by completing a written request to redeem from the Fund and sending it to Mainstream Fund Services, GPO Box 4968 Sydney NSW 2001. The minimum redemption amount is \$10,000. Once we receive your redemption request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees will generally allow investors in the Fund to access their investment within 7 days of receipt of a redemption request by transferring the redemption proceeds to your nominated bank account. However, the Constitution allows Equity Trustees to make payment up to 30 days after receipt of a request (which may be extended by a further 30 days in certain circumstances).

The price at which Units are redeemed is determined in accordance with the Constitution ("Redemption Price"). The Redemption Price on a Business Day, is in general terms, equal to the net asset value of the Fund, divided by the number of Units on issue and adjusted for transaction costs ("Sell Spread"). The Redemption Price will vary as the market value of assets in the Fund rises or falls.

We reserve the right to fully redeem your investment upon 30 days notice if your investment balance in the Fund falls below \$25,000 as a result of processing your redemption request. Equity Trustees can deny a redemption request in certain circumstances, including where accepting the request would cause the Fund to cease to be liquid or where the Fund is not liquid (as defined in the Corporations Act). When the Fund is not

liquid, an investor can only withdraw when Equity Trustees makes a redemption offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

If you have invested indirectly in the Fund through an IDPS, you need to provide your redemption request directly to your IDPS Operator. The time to process a redemption request will depend on the particular IDPS Operator.

Terms and Conditions for Withdrawals

Once your withdrawal request is received, your instruction may be acted on without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Please note that messages sent via email must contain a duly signed document as an attachment.

No withdrawal proceeds will be paid until the Administrator has received the withdrawal request signed by the investor or an authorised signatory. Neither Equity Trustees nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile or email. Facsimiles or emails sent to the Administrator shall only be effective when actually received by the Administrator.

When you are withdrawing, you should take note of the following:

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.
- The Constitution allows Equity Trustees to make payment up to 30 days after we accept a request (which may be extended by a further 30 days in certain circumstances).
- Equity Trustees can deny a withdrawal request where accepting the request would cause the relevant fund to cease to be liquid or where that fund is not liquid (as defined in the Corporations Act). When a fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

Under the Corporations Act and the constitution for a fund, an investor does not have a right to withdraw from a fund if the Fund is illiquid. In such circumstances you can only withdraw

where Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

A fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, if Equity Trustees is unable to repatriate funds to meet withdrawal payments, it may suspend the calculation of the Net Asset Value and withhold withdrawal proceeds. You will be notified of any material change to your rights to withdraw in writing.

Distributions

The Fund usually distributes income annually at the end of June. Distributions are calculated on the last day of each period end (30 June), and are normally paid to investors within 14 Business Days of the period end although the distribution at 30 June may take longer. Equity Trustees may amend the distribution frequency without notice.

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of Units held by the investor at the end of the distribution period and the distributable income.

Investors can have their distribution reinvested or paid to a nominated bank account. Investors who do not indicate a preference will have their distributions automatically reinvested.

In some circumstances, where an investor makes a large withdrawal request (5% or more of the Units on issue in the Fund at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income.

Valuation of the Fund

The value of the investments of the Fund is generally determined weekly and monthly but may be more frequently in accordance with the Constitution. Generally, investments will be valued at the next available market value but other valuation methods and policies may be applied by Equity Trustees if appropriate.

The value of a Unit in the Fund is determined on the basis of the value of the investments in the Fund (after taking into account any liabilities of the Fund), in accordance with the Constitution of the Fund. For example, the application price of a Unit in the Fund is based on the NAV of the Fund divided by the number of Units on issue plus an allowance for transaction costs required for buying investments. This allowance is known as the buy spread. At the date of this PDS, the buy spread is 0.35%.

Joint Account Operation

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants unless we are advised to the contrary in writing.

Appointment of Authorised Nominee to Operate Account

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment. If you do appoint an authorised signatory:
 - you are bound by their acts;
 - you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
 - you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic Instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or via the internet the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine):

- that Equity Trustees receives by an electronic communication bearing the investor's investor code; and
- which appears to indicate to Equity Trustees that the communication has been provided by the investor (for example, it has a signature which is apparently the investor's or an authorised signatory's or it has an email address which is apparently the investor's).

The investor agrees that neither the investor nor anyone claiming through the investor has any claim against Equity Trustees or the Fund in relation to such payments or actions.

There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

8. Keeping Track of Your Investment

Enquiries

For any enquiries regarding your investment or the management of the Fund please contact

Alpha Fund Managers

Phone: +61 3 8652 3854

Email: enquiries@alphafundmanagers.com.au

Website: www.alphafundmanagers.com.au

Complaints

Equity Trustees seeks to resolve complaints in relation to the management of the Fund to the satisfaction of investors. If an investor wishes to lodge a formal complaint please write to:

Complaints Officer – Enterprise Risk

GPO Box 2307

Melbourne VIC 3001

Phone: 1300 133 472

Email: compliance@eqt.com.au

Equity Trustees will seek to resolve any complaint and respond as soon as possible and in any case within 14 days of receiving the letter. We will seek to resolve your complaint as soon as practicable but not longer than 45 days after receiving the complaint.

If we are unable to resolve your complaint, you may be able to seek assistance from FOS.

Financial Ombudsman Services

GPO Box 3

Melbourne VIC 3001

Phone: 1800 367 287 (Australia) or +61 3 9613 7366

Email: info@fos.org.au

Please include the Equity Trustees FOS membership number with your enquiry: 10395.

FOS can assist you if Equity Trustees cannot. FOS is only able to make a determination of up to \$309,000 per managed investment claim (excluding compensation for costs and interest payments).

Reports

Regular, simple to read and complete reports are provided to investors in the Fund. These reports comprise:

- Annual Report including financial statements and auditor's report will be made available on the Equity Trustees website at www.eqt.com.au/insto from 30 September each year.
- Transaction Reports confirming all additional investments, withdrawals, and payments (issued following transactions and on request).
- Distribution Statements issued annually, notifying you of the value of your investment, income from investments and confirming the reinvestment or payment to your nominated account.
- Tax Statements issued annually, providing investors with taxation information including a detailed summary of the components of any distributions.

The Responsible Entity has and implements a policy to report on the following information annually and as soon as practicable after the relevant period end:

- the actual allocation to each asset type;

- the liquidity profile of the portfolio assets as at the end of the period;
- the maturity profile of the liabilities as at the end of the period;
- the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period;
- the derivative counterparties engaged (including capital protection providers);
- the monthly or annual investment returns over at least a five-year period (or, if the hedge fund has not been operating for five years, the returns since its inception); and
- the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The following information is available from the Investment Manager's website at www.alphafundmanagers.com.au and is disclosed monthly:

- the current total net asset value of the Fund and the redemption value of a Unit in each class of Units as at the date the net asset value was calculated;

Note: If the method of calculating net asset value is not disclosed with the monthly update, investors should be advised where that method is explained and how to access that information.

- the key service providers if they have changed since the last report given to investors, including any change in their related party status; and
- for each of the following matters since the last report on those matters:
 - the net return on the Fund's assets after fees, costs and taxes;
 - any material change in the Fund's risk profile;
 - any material change in the Fund's strategy; and
 - any change in the individuals playing a key role in investment decisions for the Fund.

The Fund is not a disclosing entity. If the Fund becomes a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations under the Corporations Act, copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office and you can obtain the following a copy of the following documents free of charge on request:

- the most recent annual financial report;
- any half yearly financial report lodged with ASIC after that financial report but before the date of this PDS; and
- any continuous disclosure notices lodged with ASIC after that financial report but before the date of this PDS.

Unit holders can call +61 3 8652 3854 for updated information on performance, Unit prices, fund size and other general information about the Fund. If you are an Indirect Investor, contact your IDPS Operator.

9. Fees and Other Costs

The warning statement below is required by law to be displayed at the beginning of the 'Fees and other costs' section of product disclosure statements for managed investment products. The example given in the warning statement does not relate to any investments described within this PDS.

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

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

TO FIND OUT MORE

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

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

Information about taxation is set out in Section 10 of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment. For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges charged by your IDPS Operator.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	There is no establishment fee payable when you set up your investment in the Fund.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	There is no contribution fee payable when you invest in the Fund.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	There is no withdrawal fee payable when you withdraw investments from the Fund.
<i>Exit fee</i> The fee to close your investment	Nil	There is no exit fee payable when you close your investment in the Fund.
Management costs		
The fees and costs for managing your investment*	Management fees: 0.82% p.a. of the Net Asset Value (NAV) of the Fund Plus Indirect costs: 1.05% p.a. Plus Performance fee: 20.5% p.a. of the investment return above the Fund Benchmark.	The Management Costs include the responsible entity's fee, investment management fees, custodian fees, administration fees and other ordinary expenses. The indirect costs are calculated with reference to the relevant costs incurred during financial year ended 30 June 2017. See "Indirect costs" below for more information. The performance fee is calculated and accrued weekly, based on the NAV of the Fund, subject to the high Water Mark. It is paid quarterly from the Fund's assets.

* All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how management costs are calculated.

** This fee can be negotiated. See "Differential fees" below.

Additional Explanation of Fees and Costs

What do the Management Costs pay for?

Management Costs comprise the additional fees or costs that a unitholder incurs by investing in the Fund rather than by investing directly in the assets.

The management fees of 0.82% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, ordinary expenses such as investment management fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are covered by the management fees.

The Management Costs shown above do not include extraordinary expenses (if they are incurred in future), such as litigation costs or the costs of convening unitholder meetings.

In addition, Management Costs do not include transactional and operational costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through Buy/Sell Spreads).

Indirect costs

Indirect costs include fees and management costs (if any) arising from underlying funds and a reasonable estimate of the cost of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy. Indirect costs are reflected in the unit price of the Fund and borne by Investors, but they are not paid to the Responsible Entity or Investment Manager.

The estimated components of the Fund's indirect costs are based on the financial year ended 30 June 2017.

Actual indirect costs for future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at www.eqt.com.au/insto where they are not otherwise required to be disclosed to investors under law.

Transactional and operational costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. This generally happens when the assets of a fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of a fund.

The Buy/Sell Spread reflects the estimated transaction costs incurred in buying or selling assets of the Fund when investors invest in or withdraw from the Fund. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Fund and is not separately charged to the investor. The Buy/Sell Spread is paid into the Fund and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.35% upon entry and 0.35% upon exit (\$35 for each \$10,000 invested or withdrawn). The Buy/Sell Spread can be altered by the Responsible Entity at any time. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion.

Transactional costs which are incurred other than in connection with applications and withdrawals arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price. As these costs are factored into the Net Asset Value of the Fund and reflected in the unit price, they are an additional implicit cost to the investor and are not a fee paid to the Responsible Entity. These costs can arise as a result of bid-offer spreads (the difference between an asset's bid/buy price and

offer/ask price) being applied to securities traded by the Fund. Liquid securities generally have a lower bid-offer spread while less liquid assets have a higher bid-offer spread reflecting the compensation taken by market makers in providing liquidity for that asset.

We estimate that the total transaction costs for the Fund over a full financial year will be 0.65% of the Net Asset Value of the Fund, of which 32.46% of these transaction costs is reasonably estimated to be recouped via the Buy/Sell spread when applications or withdrawals take place, resulting in a net transaction cost of the Fund of 0.44% p.a.

IDPS

For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges by your IDPS Operator.

Alternative forms of remuneration

As a member of the Financial Services Council, we maintain an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from AFS licensees, fund managers or representatives (if any is paid or received at all in relation to the Fund).

Differential fees

A separate fee arrangement may be negotiated from time to time with certain investors who are Wholesale Clients.

Performance fees

Performance fees are payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the Bloomberg AusBond Bank Bill Index plus 1% per annum. The performance fees are 20.5% of this excess, calculated daily and paid quarterly in arrears from the Fund and calculated based on the beginning NAV of the Fund over the relevant period.

No performance fees are payable until any accrued underperformance (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a high-watermark).

Based on the current calculation methodology for the performance fees, the Responsible Entity has estimated that the typical ongoing performance fees payable per annum may be \$0 assuming an average account balance of \$50,000 during the quarter. Prior periods have been taken into account in calculating this estimate. However, this is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be, but it will be reflected in the management costs for the Fund for the relevant year. Information on current performance fees will be updated from time to time and available at www.eqt.com.au/insto.

How the performance fee is calculated

The method for calculating the Investment Manager's performance fee for each of the Alpha Funds for each 12 month period ending 30 June ('Performance Fee Period') is as follows:

- For each Business Day in the Performance Fee Period the daily investment return of the Fund (before responsible entity fees and expense recoveries) is calculated to determine the investment return of the Fund and whether the Benchmark return for that Business Day has been exceeded.

- The daily investment return of the Fund for a Business Day is calculated by dividing the amount of the net asset value of the Fund for that Business Day less the amount of net capital inflows for that Business Day, by the net asset value for the previous Business Day.
- The daily performance fee amount is then calculated. This amount is equal to 20.50% (net of GST and RITCs) of the difference between the daily investment return of the Fund and the Benchmark return. The daily performance fee amount can be a positive or negative amount depending on whether or not the Benchmark return has been exceeded.
- The daily performance fee amounts are aggregated and, where the aggregate performance fee amount is positive then the aggregate performance fee amount is reflected in the unit price as an expense provision.
- Where the aggregate performance fee amount is negative, no performance fee accrual will be reflected in the unit price and the negative balance will not be reflected in the unit price.
- Where the aggregate performance fee amount is positive at the end of each Performance Fee Period, the aggregate performance fee amount is paid in arrears to the Investment Manager by deduction from the Fund's assets at the end of each Performance Fee Period where we believe this to be in the best interest of all of the Fund's investors, without giving any reason.

Underlying investment managers

Performance fees may also be payable to certain investment managers of the underlying investments into which the Fund invests.

These fees are calculated in various ways and may involve fees of up to 20.5% p.a. net of GST and RITC of the amount by which the performance of the underlying fund exceeds a specified performance hurdle. Such fees are reflected in the unit price for the underlying funds.

Payments to IDPS operators

Subject to the law, annual payments may be paid to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by BNP Paribas Asset Management out of its management fees and is not an additional cost to the investor. If the payment of annual fees to IDPS Operators is limited or prohibited by the law, Equity Trustees will ensure the payment of such fees is reduced or ceased.

Can the fees change?

Yes, all fees can change without investor consent. In most circumstances the Constitution defines the maximum fees that can be charged for fees described in this PDS. We have the right to recover all proper and reasonable expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days notice of any proposed change to the Management Costs. Expense recoveries and Buy/Sell Spreads may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law.

GST

All fees and other costs quoted include GST less any reduced input tax credits.

Example of annual fees and costs for the Fund

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

Example – Alpha Alternatives Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0
Plus		
Management Costs comprising:	1.87% p.a	And , for every \$50,000 you have in the Fund you will be charged \$935 each year comprising:
Management fee	0.82% p.a.	\$410
Indirect costs	1.05% p.a.	\$525
Performance fee	0% p.a.	\$0
Equals		
Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, then you would be charged fees of: \$935** What it costs you will depend on the fees you negotiate.

** This example assumes the \$5,000 contribution occurs at the end of the year, therefore management costs are calculated using the \$50,000 balance only. Indirect costs are not a fee earned by or paid to the Responsible Entity or the Investment Manager.

Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread. If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on your investment in the Fund.

The performance fees stated in this table shows the actual performance fees for the financial year ended 30 June 2017 as a percentage of the Fund's average NAV. The performance of the Fund, and the performance fees, may be higher or lower or not payable in the future. As a result, the management costs may differ from the figure shown in the table. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future. See also above (next to the heading "Performance fees") our estimated typical ongoing performance fees fee payable per annum. The actual indirect costs and performance fees for the

current financial year and for future financial years may differ. For more information on the performance history of the Fund, visit Equity Trustees' website at www.eqt.com.au/insto. Past performance is not a reliable indicator of future performance.

10. Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be trading in investments for tax purposes. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

Taxation of the Fund

General

The Fund is a resident trust estate for Australian tax purposes. On the basis that the Fund has distributable income and investors are presently entitled to all of the Fund's distributable income, (which is the Responsible Entity's intention) and the Fund is not a public trading trust, the Fund should be taxed as a flow-through trust. This means that investors should be taxed on their share of the Fund's net taxable income, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to meeting certain trust loss recoupment tests.

Deemed Capital Gains Tax ("CGT") Election

Eligible MITs may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments, including equities and units and certain rights and options over equities and units.

The Fund has made the MIT capital election. The MIT capital election may apply to some of the Fund's investments, including certain equities and units held in unit trusts. As a result, an investor's share of the net income of the Fund may include an amount that consists of net capital gains, which includes discount capital gains and CGT concession amounts, derived by the Fund.

Taxation of Financial Arrangements ("TOFA")

Broadly, under TOFA, the gains or losses (including income and/or deductions) on financial arrangements are brought to account under a compounding accruals and realisation basis. Any gain or losses in relation to a financial arrangement, such as debt securities, where TOFA applies would generally be treated on revenue account (and would not be covered by the MIT capital election). This could also include options over shares in certain circumstances.

The TOFA provisions will apply to the Fund. The Investment Manager and Tax Adviser of the Fund will assist the Responsible Entity with ongoing monitoring and compliance with the TOFA rules.

Tax File Numbers ("TFN") and Australian Business Numbers ("ABN")

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

Foreign Account Tax Compliance Act ("FATCA")

The United States of America enacted the Foreign Account Tax Compliance Act ('FATCA') in 2010 to identify U.S. residents that

invest in assets through non-U.S. entities. In April 2014, the Australian Government signed an intergovernmental agreement (IGA) with the U.S., which requires all Australian financial institutions to comply with FATCA, as modified by the IGA.

Broadly, the Fund is required to collect and review information to determine whether it has an obligation to report information about certain investors in the Fund to the ATO (which will pass that information on to the IRS). Accordingly, the Fund may request certain information from you to enable the Fund to comply with its FATCA obligations.

Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. The Fund will provide information about its FATCA status where required so that FATCA withholding is not applied to the relevant U.S. income or gross proceeds.

Taxation of Australian Resident Investors

Distributions

Each Australian resident investor will be subject to taxation on their proportionate share of the net taxable income derived by the Fund.

Investors who become entitled to a distribution from the Fund in respect of a financial year will receive an annual tax statement detailing all relevant taxation information concerning distributions.

The tax consequences for investors of receiving distributions from the Fund depend on the components of the distributable income to which investors have become entitled.

Foreign Source Income and Foreign Income Tax Offset ("FITO")

The Fund is expected to derive income that consists of foreign source income that may be subject to tax overseas, for example withholding tax, which (under some circumstances) may be distributed to investors. Where a distribution to the investor consists of a FITO, the investor may be entitled to a FITO for the tax paid. The FITO may be used to offset the Australian tax payable on the foreign source income. Investors should include their share of both the foreign income and the amount of the FITO (if any) in their assessable income. To the extent to which the investor does not have sufficient foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year and as such will be lost.

Non Assessable Distributions

Under current practice, distributions of non-assessable amounts are generally not subject to tax in the hands of passive investors. Broadly, the receipt of certain non-assessable amounts will generally reduce the cost base of the Australian resident investor's units in the Fund for CGT purposes. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund.

Capital Gains

An investor's share of the net taxable income of the Fund may include an amount that consists of net capital gains, derived by the Fund. Where the Fund's net taxable income includes capital gains (including any discount capital gains), the investor needs to 'gross up' any discount capital gain (by the amount of any reduction in the discount capital gain that the Fund obtained). Regardless of whether the 'discount concession' amount is distributed by the Fund, individual, trust, and complying superannuation fund investors may be entitled to the discount

capital gain concessions in determining their net capital gain. Investors may also be able to offset certain other capital losses they may have against their share of the capital gains included in the net taxable income distributed by the Fund (after grossing up any discount capital gains).

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this will generally constitute a disposal for tax purposes. Where an investor holds their units in the Fund on capital account, a capital gain or loss on the disposal may arise and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for more than 12 months. No CGT discount is available to companies.

If an Australian resident investor realises a capital loss on their investment, the loss may be applied against other capital gains the investor may have. Unused capital losses can be carried forward and may be utilised in a future income year.

Australian Taxation of Non-Resident Investors

Non-Resident Investors

The following comments are general in nature and non-resident investors should seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement ('EOI') between Australia and their country of residence.

Tax on Income

The Fund expects to derive predominantly foreign source income which would generally not be subject to Australian withholding tax when distributed by the Fund to non-resident investors.

The Fund is required to withhold Australian tax from distributions to non-resident investors for certain types of Australian sourced net taxable income, including Australian sourced interest income or other Australian sourced income. The rate of tax deducted will depend on the type of income distributed and the country of residence of the investor.

For investors that are tax resident and provide an address or place for payment in countries that hold a tax EOI with Australia, a concessional withholding tax rate of 15% applies to 'fund payments', which are distributions of other Australian source income. The fund payment withholding tax rate is 30% for fund payments to non-resident investors who are tax resident or provide an address or place for payment in countries that do not hold an EOI with Australia.

Capital Gains

Based on the Fund's investment profile, generally non-resident investors should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account.

The CGT discount is not available for non-resident investors. It is strongly recommended that non-resident investors seek their own tax advice.

Attribution Managed Investment Trusts ("AMITs")

The Constitution provides, where separate classes of units are on issue in respect of the Fund, for income allocation to take into account any impact of the currency overlay that may be in place for the respective classes. The quantum of the distribution is sought to be determined on a standalone basis. Prior to the AMIT multi-class election being made (as described below), the Fund is treated as a single taxpayer. As any separate classes of units would not currently be treated as separate taxpayers, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class. The Constitution provides a mechanism to seek to minimise this outcome. Insofar as possible, where separate classes of units are on issue, the Constitution seeks to quarantine the income associated with a particular class to that class.

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for Attribution Managed Investment Trusts (AMITs). Trusts that meet the eligibility criteria to be an AMIT may elect into the AMIT rules. Equity Trustees is intending that an election into AMIT be made in respect of the Fund and thereafter the following will apply:

Fair and reasonable attribution: Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a "fair and reasonable" attribution basis, rather than being allocated proportionally based on each investor's present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustment will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement (AMMA).

Large redemptions: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming investor.

Multi-class AMITs: A choice is available to elect to treat separate classes of units as separate AMITs. Equity Trustees is intending that the AMIT multi-class election be made in respect of the Fund.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors.

11. Other Important Information

Consents

Alpha Fund Managers Pty Ltd has given and, at the date of this PDS, has not withdrawn, its written consent:

- to be named in this PDS as the investment manager of the Fund; and
- to the inclusion of the statements made about it, the Fund and the tables and statistical information, which are attributed to it, in the form and context in which they appear.

Alpha Fund Managers Pty Ltd has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. Alpha Fund Managers Pty Ltd and its employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

Constitution of the Fund

You will be issued Units in the Fund when you invest. Subject to the rights, obligations and restrictions of a class, each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- an investor's right to withdraw from the Fund - subject to the times when we can cease;
- processing withdrawals, such as if a Fund becomes 'illiquid';
- the nature of the units - identical rights attach to all units within a class; and
- an investor's rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act. There are also provisions governing our powers and duties, including:
 - how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
 - when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
 - when we can retire as the Responsible Entity of the Fund - which is as permitted by law;
 - when we can be removed as the Responsible Entity of the Fund - which is when required by law; and
 - our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets. For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

As mentioned above, Equity Trustees's responsibilities and obligations as the Responsible Entity of the Fund are governed by the

Constitution of the Fund, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests. Copies of the Constitution are available, free of charge, on request from Equity Trustees.

Non-Listing of Units

Units in the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the aggregate of the withdrawal price for each of the units they hold in the Fund.

Equity Trustees' responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Fund, and investors.

Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect an investor's rights. Otherwise the Constitution may be amended by way of a special resolution of investors.

A copy of the Constitution of the Fund is available, free of charge, on request from Equity Trustees.

Compliance Plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The Compliance plan describes the procedures used by Equity Trustees to comply with the

Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Unit Pricing Discretions Policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

Indemnity

Equity Trustees, as the responsible entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Equity Trustees may retain and pay out any monies in its hands all sums necessary to affect such an indemnity.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs.

The Responsible Entity and Investment Manager shall not be liable for any loss you may suffer because of compliance with the AML/CTF laws.

Information on Underlying Investments

Information regarding the underlying investments of the Fund will be provided to a member on request, to the extent Equity Trustees is satisfied that such information is required to enable the member to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Privacy

The Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure

that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, the administrator, custodian, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to "opt out" by contacting Equity Trustees.

Equity Trustees' Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees' Privacy Policy is available at www.eqt.com.au. You can contact Equity Trustees' Privacy Officer on +61 3 8623 5000, or email privacy@eqt.com.au to request a copy.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard (“CRS”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. From 1 July 2017,

Australian financial institutions will need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

12. Glossary of Important Terms

Alpha Fund Series

Funds managed by Alpha Fund Managers Pty Ltd, where the Alpha Alternatives Fund is one of these Funds.

Application Form

The Application Form used by investors who wish to subscribe for Units directly in the Fund and accompanying this PDS.

Asset Allocation

The weighting of assets in an investment portfolio among different asset classes (such as shares, bonds, property and cash).

Benchmark

A market measurement, such as an index, which is used by fund managers and investors as a guide to assess the risk and performance of a given investment or portfolio. In relation to the Fund's Investment objective, it is the Cash +1% (i.e. Bloomberg AusBond Bank Bill Index +1.0%).

Business Day

A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney or if the administrator for the Trust primarily performs its administrative functions in respect of the Trust in a city other than Sydney, the city in which the administrator performs such functions.

Buy/Sell Spread

The difference between the application price and withdrawal price of Units in the Fund, which reflects the estimated transactions costs associated with buying and selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution

The Constitution of the Fund which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund.

Corporations Act

The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

Derivatives

Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples include options contracts, futures contracts, options on futures contracts, swap agreements (including, but not limited to, long and short Credit Default Swaps and forward swap spread locks) and options on swap agreements.

Distribution

The amount that is paid to Unit holders after the end of a distribution period. This generally includes any income and realised capital gains.

FATCA

The Fund is required to comply with the US Foreign Account Tax Compliance Act ('FATCA'). To comply with these requirements, the Fund will collect certain additional information from you and will disclose such information to the ATO or the US Internal Revenue Service, where required.

H2O Force 10 Global Macro Fund

Fund managed by H2O Asset Management which forms part of the Investment Strategy of the Alpha Alternatives Fund.

AQR Wholesale Managed Futures Fund Global Macro Fund

Fund managed by AQR Capital which forms part of the Investment Strategy of the Alpha Alternatives Fund.

Undertakings for the Collective Investment of Transferable Securities ("UCITS")

Investment funds are specially constituted investment vehicles, created with the sole purpose of gathering assets from investors, and investing those assets in a diversified pool of assets. By investment in investment funds, small investors can buy exposure to a professionally-managed and diversified basket of financial or other assets. Overheads are spread over the pool of investors, reducing the average cost for the investor.

A UCITS fund is an investment fund regulated at European level. UCITS funds were first introduced in 1985. Since then the UCITS Directive has offered investors a wide range of high quality and safe investment products. The subsequent reforms of the Directive (2001 and 2009) have built upon the high level of investor protection and prudential supervision ensured by the Directive.

Hedging

The practice of undertaking one investment activity in order to protect against loss in another. While hedges can reduce potential losses, they can also reduce potential profits.

Liquidity

The ability of an investment to be easily and quickly converted into cash with little loss of capital.

Net Asset Value (NAV)

The value of assets of the Fund less the value of the liabilities of the Fund (excluding net assets attributable to Unit holders).

Relative Value

Relative value analysis is an assessment of the intrinsic value of a company, government or financial institution relative to other companies, governments or financial institutions.

Retail Client

Persons or entity which is a retail client as defined under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

U.S. Person

A person so classified under securities or tax law in the United States of America ('U.S.') including, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the U.S., its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the U.S. or of any other jurisdiction if formed by a U.S. Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the U.S. Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the U.S.; or
- (d) a pension plan primarily for U.S. employees of a U.S. Person; or
- (e) a U.S. collective investment vehicle unless not offered to U.S. Persons; or

(f) any estate of which an executor or administrator is a U.S. Person (unless an executor or administrator of the estate who is not a U.S. Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-U.S. law) and all the estate income is non-U.S. income not liable to U.S. income tax; or

(g) any trust of which any trustee is a U.S. Person (unless a trustee who is a professional fiduciary is a U.S. Person and a trustee who is not a U.S. Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a U.S. Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S. for the benefit or account of a U.S. Person.

Wholesale Client

Person or entity which is not a Retail Client.

Alpha Funds

Application Form

- **If completing by hand, use a black or blue pen and print within the boxes in BLOCK LETTERS**
- **Use ticks in boxes where applicable**
- **The applicant must complete, print and sign this form**
- **Keep a photocopy of your completed Application Form for your records**
- **Please ensure all relevant sections are complete before submitting this form**

This application form is part of the Product Disclosure Statements ('PDS') issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) relating to units in one of the following Funds:

- Alpha Alternatives Fund
- Alpha Australian Blue Chip Fund
- Alpha Australian Small Companies Fund
- Alpha Diversified Income Fund
- Alpha Enhanced Yield Fund
- Alpha Global Opportunities Fund
- Alpha Infrastructure Fund
- Alpha Property Securities Fund

Each PDS contains information about investing in the Fund. You should read the PDS before applying for units in the Fund.

- 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.
- Equity Trustees will provide you with a copy of the PDS and the Application Form on request without charge (*If you make an error while completing your application form, do not use correction fluid. Cross out your mistakes and initial your changes.*)

US Persons:

This offer is not open to any US Person. Please refer to the Product Disclosure Statement and Reference Guide for further information.

Section 1 – Introduction

Are you an existing investor and the information provided for that investment remains current and correct?

YES – my details are:

Account Number	
Account Name	
Contact Telephone Number (Including Country Code)	

- Not appointing a power of attorney, agent or financial adviser Complete sections 8, 9, 10
- Appointing a power of attorney, agent or financial adviser Complete sections 6 and/or 7, 8, 9, 10

* Please note there will be instances where we may be required to collect additional information about you and may ask you to provide certified copies of certain identification documents along with the Application Form.

NO – Only complete the sections relevant to you, as indicated below:

Select One	Investor Type	Sections to Complete	Identification Requirement Groups to Complete
<input type="checkbox"/>	Individual(s)	1, 2, 7, 8, 9, 10	Group A
<input type="checkbox"/>	Partnership	1, 3, 7, 8, 9, 10	Group A & B
<input type="checkbox"/>	Trust (regulated) including Superannuation Fund with: <ol style="list-style-type: none"> 1. Individual trustee(s) or 2. Corporate trustee(s) 	1, 2, 4, 7, 8, 9, 10	Group C and: <ol style="list-style-type: none"> 1. Group A or 2. Group E or F
<input type="checkbox"/>	Other Trusts (unregulated) with: <ol style="list-style-type: none"> 1. Individual trustee(s) or 2. Corporate trustee(s) 	1, 4, 5, 7, 8, 9, 10	Group D and: <ol style="list-style-type: none"> 1. Group A or 2. Group E or F
<input type="checkbox"/>	Australian Company	1, 5, 7, 8, 9, 10	Group E & A
<input type="checkbox"/>	Foreign Company	1, 5, 7, 8, 9, 10	Group F & A

If you are appointing an agent or authorised representative or a financial advisor also complete the relevant section as indicated below:

<input type="checkbox"/>	Agents; Authorised Representatives; Financial Advisor	6 or 7	Group G & A or E or F
--------------------------	---	--------	-----------------------

If you are an Association, Co-operative, Government Body or other type of entity not listed above, please contact the Fund.

Contacting the Fund

Fund Manager:	Alpha Fund Managers Pty Ltd. Ph. +612 8209 3915 www.alphafundmanagers.com.au
Post your completed application to:	Mainstream Fund Services Pty Ltd GPO BOX 4968 Sydney NSW 2001

AML Identity Verification Requirements

The AML/CTF Act requires the Responsible Entity to adopt and maintain an anti-money laundering and counter-terrorism financing ('AML/CTF') program. The AML/CTF program includes ongoing customer due diligence, which may require the Responsible Entity to collect further information.

- Identification documentation provided must be in the name of the Applicant.
- Non-English language documents must be translated by an accredited translator.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please contact the Fund

These documents should be provided as an original or a CERTIFIED COPY of the original.

GROUP A – Individuals

Each individual investor, individual trustee, partner, beneficial owner, or individual agent or authorised representative must provide one of the following primary photographic ID:

- A current Australian driver's licence (or foreign equivalent) that includes a photo and signature
- An Australian passport (not expired more than 2 years previously)
- An identity card issued by a State or Territory Government that includes a photo
- A current passport (or similar) issued by a foreign government or the United Nations (UN) (or an agency of the UN) that includes your photograph and signature

If you do NOT own one of the above ID documents, please provide one valid option from Column A and one valid option from Column B.

Column A

- Australian birth certificate
- Australian citizenship certificate
- Pension card issued by Department of Human Services

Column B

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).
- If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

GROUP B – Partnerships

Provide Group A verification documents for each partner(s) and beneficial owner(s) of the Partnership **and** one of the following:

- A certified copy or certified extract of the partnership agreement.
- A notice issued by the Australian Taxation Office ("ATO") within the last 12 months.
- An original or certified copy of a certificate of registration of business name issued by a government agency in Australia.
- A certified copy or certified extract of minutes of a partnership meeting.

All the above must show the full name of the partnership.

The beneficial owners of a partnership include partners with a 25% partnership share or more; partners (if any) who control the partnership; any managing partner. If in doubt, founding partners should be considered beneficial owners.

GROUP C – Trusts

Registered Managed Investment Scheme, Regulated Superannuation Fund (including a self- managed super fund), Government Superannuation Fund or a trust registered with the Australian Charities and Not-for-profit Commission (ACNC).

Provide Group A verification documents for **each** Individual Trustee(s) **or** Group E, F or G verification documents for Corporate Trustee(s) **and** provide one of the following:

- A copy of the company search of the relevant regulator's website e.g. APRA, ASIC or the ATO database
- A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.
- A copy from the ACNC of information registered about the trust as a charity

All the above must show the Trust's full name and type (i.e. registered managed investment scheme, regulated superannuation fund (including a self- managed super fund) or government superannuation fund).

GROUP D – Other Trusts (unregulated)

Provide Group A verification documents for **each** Individual Trustee(s) **or** Group E, F or G verification documents for Corporate Trustee(s) **and** provide Group A verification documents for **each** beneficial owner of the trust **and** in relation to the Trust, one of the following:

- A certified copy or certified extract of the Trust Deed
- Annual report or audited financial statements
- A certified copy of a notice issued by the ATO within the previous 12 months
- Signed meeting minutes

All the above must show the full name of the Trust, its trustees, the appointer (the person authorised to appoint or remove trustees) and the settlor of the Trust (if any).

A beneficial owner of a trust is any individual who has a 25% or more interest in the trust or controls the trust. This includes the appointor of (who holds the power to appoint or remove the trustees of the trust), the settlor of, and the beneficiaries with at least a 25% interest in, a trust.

GROUP E – Australian Companies

Provide Group A verification documents for each beneficial owner(s), **and** for the Company provide **one** of the following (must clearly show the Company's full name, type (private or public) and ACN):

- A copy of information regarding the company's licence or other information held by the relevant Commonwealth, State or Territory regulatory body e.g. AFSL, RSE, ACL etc.
- A full company search issued in the previous 3 months;
- A certificate of Company Registration;
- If the company is listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code;
- If the company is a majority owned subsidiary of a company listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code for the holding company

A beneficial owner of a company is any customer entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or who holds the position of senior managing official (or equivalent).

GROUP F – Foreign Companies

Provide Group A verification documents for each beneficial owner/s, **and** in relation to the foreign company, one of the following:

- A certified copy of the company's Certificate of Registration or incorporation issued by ASIC or the equivalent issued by the foreign jurisdiction's in which the company was incorporated, established or formed.
- A certified copy of the company's articles of association or constitution.
- A copy of a company search on the ASIC database or relevant foreign registration body.

All of above must clearly show the company's full name, its type (i.e. public or private) and the ARBN issued by ASIC, or the identification number issued to the company by the foreign regulator.

A beneficial owner of a company is any customer entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or who holds the position of senior managing official (or equivalent).

GROUP G – Agents and Authorised Representatives

- If you are an **Individual Agent or Representative** – please provide the identification documents listed under Group A.
- If you are a **Corporate Agent or Representative** – please provide the identification documents listed under Group E or F

All Agents and Authorised Representatives must also provide a certified copy of their authority to act for the investor e.g. the POA, guardianship order, Executor or Administrator of a deceased estate, authority granted to a bankruptcy trustee, authority granted to the State or Public Trustee etc.

Additional Information

In most cases the information that you provide in this form will satisfy the AML/CTF Act, the US Foreign Account Tax Compliance Act ('FATCA') and the Common Reporting Standards ('CRS'). However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act, FATCA and CRS.

Declarations

When you complete this Application Form you make the following declarations:

- I/We have received the PDS and made this application in Australia.
- I/We have read the PDS to which this Application Form applies and agree to be bound by the terms and conditions of the PDS and the Constitution of the Fund in which I/we have chosen to invest.
- I/We have considered our personal circumstances and, where appropriate, obtained investment and / or taxation advice.
- I/We hereby declare that I/we are not a US Person as defined in the PDS.
- I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund in which I/we have chosen to invest.
- I/We acknowledge and agree that Equity Trustees have outlined in the PDS provided to me/us how and where I/we can obtain a copy of the Equity Trustees Group Privacy Statement.
- I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of Equity Trustees or its related bodies corporate and to foreign government agencies for reporting purposes (if necessary).
- I/we hereby confirm that the personal information that I/we have provided to Equity Trustees is correct and current in every detail, and should these details change, I/we shall promptly advise Equity Trustees in writing of the change(s).
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
- If I/we have provided an email address, I/we consent to receive ongoing investor information including PDS information, confirmations of transactions and additional information as applicable via email.
- I/We acknowledge that Equity Trustees does not guarantee the repayment of capital or the performance of the Fund or any particular rate of return from the Fund.
- I/We acknowledge that an investment in the Fund is not a deposit with or liability of Equity Trustees and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- I/We acknowledge that Equity Trustees is not responsible for the delays in receipt of monies caused by the postal service or the applicant's bank.
- If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
- If I/we have completed and lodged the relevant sections on authorised representatives/agents on the Application Form then I/we agree to release, discharge and indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Equity Trustees acting on the instructions of my/our authorised representatives, agents and/or nominees.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
 - I/we are ineligible to hold units in a Fund or have provided misleading information in my/our Application Form; or
 - I/we owe any amounts to Equity Trustees, then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund.

Terms and conditions for collection of Tax File Numbers (TFN) and Australian Business Numbers (ABN)

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption, we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements.

For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

When you sign this Application Form you declare that you have read and agree to the declarations above.

Section 2 – Individual(s) or Individual Trustee(s)

Complete this section if you are investing in your own name or as an individual trustee.

For AML documentary requirements please refer to page 2.

2.1 Type of investor

Tick one box only and complete the specified parts of this section.

<input type="checkbox"/> Individual – complete 2.2	<input type="checkbox"/> Sole Trader – complete 2.2 and 2.4
<input type="checkbox"/> Jointly with another individual(s) – complete 2.2, 2.3 and 2.5	<input type="checkbox"/> Individual trustee for an individual – complete 2.2, 2.3 and 2.5 (if there is more than one individual trustee)
<input type="checkbox"/> Individual trustee for a trust – complete 2.2 and 2.3 (also complete section 4)	

2.2 Investor 1

Title	Given Name(s)	Surname
-------	---------------	---------

Telephone Number (Including Country Code)	Email
---	-------

Date of Birth (DDMMYY)	Tax File Number (TFN) – or exemption code
------------------------	---

Reason for TFN Exemption

Residential Address (not a PO Box)

Unit Number	Street Number	Street Name
-------------	---------------	-------------

Suburb	State	Post Code
--------	-------	-----------

Country of Birth

What is your occupation?

Do you hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- No
- Yes, please give details

Are you a foreign resident for tax purposes?

- No
- Yes, please advise country of residence

Do you hold dual citizenship?

- No
- Yes, please advise which countries

2.3 Investor 2

Title	Given Name(s)	Surname
-------	---------------	---------

Telephone Number (Including Country Code)	Email
---	-------

Date of Birth (DDMMYY)	Tax File Number (TFN) – or exemption code
------------------------	---

Reason for TFN Exemption

Residential Address (not a PO Box)

Unit Number	Street Number	Street Name
-------------	---------------	-------------

Suburb	State	Post Code
--------	-------	-----------

Country of Birth

What is your occupation?

Do you hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or are you an immediate family member or a business associate of such a person?

- No
- Yes, please give details

Are you a foreign resident for tax purposes?

- No
- Yes, please advise country of residence

Do you hold dual citizenship?

- No
- Yes, please advise which countries

2.4 Sole Trader Details

Business Name (if applicable, in full)

Australian Business Number (ABN) (if obtained)*

Street Address

Suburb

State

Postcode

Country

2.5 Signing Authority

Please tick to indicate signing requirements for future instructions (e.g. withdrawals, change of account details, etc.)

- Only one investor required to sign
- All investors must sign

* See page 4 of the Application Form for terms and conditions relating to the collection of TFNs and ABNs

Section 3 – Partnerships

Complete this section if you are investing for a partnership or as a partner.

For AML documentary requirements please refer to page 2.

3.1 General Information

Full Name of Partnership

Registered Business Names of Partnership (if any)

Country where Partnership is established

Tax File Number (TFN) – or exemption code

Reason for TFN Exemption

3.2 Type of Partnership

Is the partnership regulated by a professional association?

- Yes, please provide details (need only give information below for partners with a 25% or greater interest or, if there are no such partners, for just one partner)

Name of Professional Association

Membership Details

- No, provide number of partners

Partner 1

Title Given Name (s)

Surname

Telephone Number (including Country Code) (daytime)

Date of Birth (DDMMYY)

Unit Street Number Street Name (residential address)			Suburb		State	
Postcode		Country		Country of Birth		

Does this partner hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or is the partner an immediate family member or a business associate of such a person?

- No
- Yes, please give details

Partner 2

Title	Given Name (s)		Surname			
Telephone Number (including Country Code) (daytime)			Date of Birth (DDMMYY)			
Unit Street Number Street Name (residential address)			Suburb		State	
Postcode		Country		Country of Birth		

Does this partner hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or is the partner an immediate family member or a business associate of such a person?

- No
- Yes, please give details

Section 4 – Trust / Superannuation Fund

Complete this section if you are investing for a trust or superannuation fund.

For AML documentary requirements please refer to page 2.

4.1 General Information

Full Name of Trust or Superannuation Fund

Full Name of Business (if any) Country where Trust established

Tax File Number (TFN) – or exemption code

Reason for TFN Exemption

4.2 Trustee Details

How many trustees are there?

- Individual** - trustee(s) must complete Section 2 of this form
- Company** - trustee(s) must complete Section 5 of this form
- Combination** - trustee(s) from each investor type must complete the relevant section of this form

4.3 Type of Trust

- Registered Managed Investment Scheme**

Australian Registered Scheme Number (ARSN)

- Regulated Trust** (including self-managed superannuation funds and registered charities that are trusts)

Name of Regulator (e.g. ASIC, APRA, ATO, ACNC)

Registration/Licence Details Australian Business Number (ABN)*

Telephone Number (Including Country Code)		Email	
Registered Office Street Address (Not PO Box)			Suburb
State	Post Code	Country	

Principal place of business in Australia

Note for non-Australian companies registered with ASIC: you must provide a local agent name and address if you do not have a principal place of business in Australia.

Tick if the same as above, otherwise provide:

Registered Street Address (Not PO Box)			Suburb
State	Post Code		

5.3 Additional Details for non-Australian Company

Tick if the company is registered with ASIC

Australian Registered Body Number (ARBN)

--	--	--	--	--	--	--	--	--	--

Tick if the company is registered with a foreign regulatory body

Name of Foreign Regulatory Body	Company Identification Number Issued (if any)

Country of formation, incorporation or registration

--

Company type (eg private company)

--

Registered Company Address (Not PO Box)			Suburb
State	Post Code	Country	

5.4 Beneficial owners

a. Senior Managing Official and controlling person: All proprietary or non-listed public domestic companies and foreign companies must provide the full name of each senior managing official and controlling person of the company (such as the managing director or a senior executive who exerts control over the company i.e. authorised to sign on the company's behalf, make policy, operational and financial decisions):

1	2
3	4

If there are more than 4 directors please provide as an attachment.

b. Shareholders and other beneficial owners: All proprietary or non-listed public domestic companies and foreign companies must provide the full name of each shareholder and those who owns directly, indirectly, jointly or beneficially 25% or more of the company's issued capital.

1	2
3	4

If there are more than 4 shareholders please provide as an attachment.

Does any beneficial owner hold a prominent public position or function in a government body (local, state, territory, national or foreign) or in an international organisation or is the beneficial owner an immediate family member or a business associate of such a person?

- No
- Yes, please give details

--

* See page 4 of the Application Form for terms and conditions relating to the collection of TFNs and ABNs.

Section 6 – Authorised representative or agent

Complete this section if you are completing this Application Form as an agent under a direct authority such as a Power of Attorney. You must also complete the section relevant to the investor/applicant that you are acting on behalf of.

For AML documentary requirements please refer to page 2.

6.1 Appointment of Power of Attorney or other Authorised Representative

- I am an agent under Power of Attorney or the investor's legal or nominated representative - complete 6.2

Full name of authorised representative / agent

Title of role held with applicant

--	--

Signature

--

6.2 Documentation

You must attach a valid authority such as a Power of Attorney, guardianship order, grant of probate, appointment of bankruptcy trustee etc:

- The document is an original or certified copy
- The document is signed by the applicant / investor or a court official
- The document is current and complete
- The document permits the attorney / agent / representative (you) to transact on behalf of the applicant / investor

Section 7 – Financial adviser

By completing this section you nominate the named adviser as your financial adviser for the purposes of your investment in the Fund. You also consent to give your financial adviser / authorised representative / agent access to your account information unless you indicate otherwise by ticking the box below.

For AML documentary requirements please refer to page 2.

7.1 Financial adviser

I am a financial adviser completing this application form as an authorised representative or agent.

Name of Adviser

AFSL Number

--	--

Dealer Group

--

Name of Advisory Firm

--

Postal Address

Suburb

--	--

State

Post Code

Country

--	--	--	--	--	--

Email Address of Advisory Firm (required)

--

Email Address of Adviser

--

Business Telephone

Facsimile

--

--

7.2 Financial Adviser Declaration

- I/We hereby declare that I/we are not a US Person as defined in the PDS
- I/We hereby declare that the investor is not a US Person as defined in the PDS
- I have completed an appropriate Customer Identification Procedure (CIP) on this investor which meets the requirements (per type of investor) set out above. **AND EITHER**
 - I have attached the relevant CIP documents; **OR**
 - I have not attached the CIP documents however I will retain them and agree to provide them to Equity Trustees on request. I also agree to forward these documents to Equity Trustees if I ever become unable to retain the documents.

--	--

Financial Adviser Signature

Date

7.3 Access to Information

Unless you elect otherwise, your financial adviser will be provided access to your account information or receive copies of statements and transaction confirmations.

- Please tick this box if you do not want your financial adviser to have access to information about your investment.
- Please tick this box if you do not want copies of statements and transaction confirmations sent to your adviser.

Section 8 – INVESTMENT INSTRUCTIONS (All investors MUST complete)

8.1 Investment Details

Full name investment to be held in (must include name of Applicant)

Mailing Address

Suburb

State

Post Code

Country

--	--	--	--	--

Email Address

Phone

--	--

Name of Fund	APIR Code	Investment Amount (AUD)	Distribution (indicated preference with an X) (See 8.2)	
			<i>Reinvest</i>	<i>Cash</i>
Alpha Alternatives Fund	ETL0318AU	\$		
Alpha Australian Blue Chip Fund	ETL0091AU	\$		
Alpha Australian Small Companies Fund	ETL0092AU	\$		
Alpha Diversified Income Fund	ETL0329AU	\$		
Alpha Enhanced Yield Fund	ETL0093AU	\$		
Alpha Global Opportunities Fund	ETL0094AU	\$		
Alpha Infrastructure Fund	ETL0319AU	\$		
Alpha Property Securities Fund	ETL0095AU	\$		
TOTAL		\$		

8.2 Distribution Instructions

We will automatically reinvest your distribution in units of your chosen fund if you do not make a selection between “reinvest distributions” and “pay distributions to the bank account below”. If you select to “pay distributions to the bank account below” for your distributions, please provide your bank details in section 8.3.

- Reinvest distributions**

If you select this option your distributions will be reinvested in the Fund.

- Pay distributions to the bank account below**

AUD-denominated bank account with an Australian domiciled bank

8.3 Investor Banking Details for Redemptions and Distributions (if applicable)(must match Applicant name)

Account name

Financial Institution

Branch (including Country)

BSB

--	--	--	--	--	--

Account Number

--	--	--	--	--	--	--	--	--	--	--

8.4 Payment Method

- Electronic Funds Transfer**

Name of Fund	Account Name	BSB	Account Number
Alpha Alternatives Fund	EQT as RE <Alpha Alternatives Fund>	082 401	87 995 6918
Alpha Australian Blue Chip Fund	EQT as RE <Alpha Australian Blue Chip Fund>	082 401	88 033 9765
Alpha Australian Small Companies Fund	EQT as RE <Alpha Australian Small Companies Fund>	082 401	88 037 2784
Alpha Diversified Income Fund	EQT as RE <Alpha Diversified Income Fund>	082 401	88 042 5575
Alpha Enhanced Yield Fund	EQT as RE <Alpha Enhanced Yield Fund>	082 401	88 044 5381

Alpha Global Opportunities Fund	EQT as RE <Alpha Alternatives Fund>	082 401	88 047 5089
Alpha Infrastructure Fund	EQT as RE <Alpha Infrastructure Fund>	082 401	88 051 1393
Alpha Property Securities Fund	EQT as RE <Alpha Property Securities Fund>	082 401	88 055 0990

Please reference Investor name

All accounts are held with National Australia Bank 105 Miller Street, North Sydney, NSW 2060, Australia

- Cheque** (made payable to 'Equity Trustees Limited')
- Direct Debit** (please make sure you complete 8.5)

8.5 Direct Debit Request Authorisation

Request and authority to debit the account named below to pay Mainstream Fund Services Pty Ltd.

Surname or Company

Given name

Given name or ABN

- Same as 8.4 (please add branch address)

OR

- Please complete the details below:

Account name

Financial Institution

Branch (including Country)

BSB

Account Number

Acknowledgement

By signing and/or providing us with a valid instruction in respect to your Direct Debit request, you have understood and agreed to the terms and conditions governing the direct debit arrangements between you and Mainstream Fund Services Pty Ltd. as set out in the Direct Debit Request Service Agreement outlined in the reference guide accompanying the PDS.

Payment details

Signature

Date

<input type="text"/>	<input type="text"/>
----------------------	----------------------

(if signing for a company, sign and print full name and capacity for signing, e.g. director)

Address

Second account signature (if required)

Date

<input type="text"/>	<input type="text"/>
----------------------	----------------------

(if signing for a company, sign and print full name and capacity for signing, e.g. director)

Address

8.6 Elections

Annual Financial Report

- The annual financial report for the Fund will be available on www.eqt.com.au from 30 September each year, however, if you would like a hard copy of the annual financial report sent to you please tick the box.

Direct Marketing

Do you wish to receive marketing information from Equity Trustees (and Equity Trustees' related bodies corporate) about products and services that may be of interest to you? This information may be distributed by mail, email or other form of communication.

- Yes
- No

8.7 Purpose of Investment and Source of Funds

Please outline the purpose of investment (e.g. superannuation, portfolio investment, etc)

Please outline the source/s of initial funding and anticipated ongoing funding (e.g. salary, savings, business activity, financial investments, real estate, inheritance, gift, etc and expected level of funding activity or transactions)

**Section 9 – Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standard (CRS) Self-Certification Form - Australia
(All investors MUST complete)**

SECTION I - INDIVIDUALS

Please fill this Section I only if you are an individual. If you are an entity, please fill Section II.

1. Are you a US citizen or resident of the US for tax purposes?

- Yes: Provide your Taxpayer Identification Number (TIN) below. Continue to question 2

	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided (see below for reason)
Investor 1		
Investor 2		

- No: Continue to question 2

2. Are you a tax resident of any other country outside of Australia?

- Yes: Provide the details below and skip to question 12. If resident in more than one jurisdiction please include details for all jurisdictions

		Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided
Investor 1	1			
	2			
	3			
Investor 2	1			
	2			
	3			

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- Reason C:** No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If **Reason B** has been selected above, explain why you are not required to obtain a TIN

Investor 1	
Investor 2	

- No: Skip to question 12

SECTION II – ENTITIES

Please fill this Section II only if you are an entity. If you are an individual, please fill Section I.

3. Are you an Australian Retirement Fund?

- Yes: Skip to question 12
- No: Continue to question 4

A. FATCA

4. Are you a US Person?

- Yes: Continue to question 5
- No: Skip to question 6

5. Are you a Specified US Person?

- Yes: Provide your Taxpayer Identification Number (TIN) below and skip to question 7

TIN	
-----	--

- No: Please indicate exemption type and skip to question 7

Type: _____

6. Are you a Financial Institution for the purposes of FATCA?

Yes: Provide your GIIN below and continue to question 7

GIIN	
-------------	--

If you do not have a GIIN, please provide your FATCA status below and continue to question 7

- Exempt Beneficial Owner
Type: _____
- Deemed-Compliant FFI (other than a Sponsored FI or a Trustee Documented Trust)
Type: _____
- Non-Participating FFI
Type: _____
- Sponsored Financial Institution. Please provide the Sponsoring Entity's name and GIIN.
Sponsoring Entity's Name: _____ Sponsoring Entity's GIIN: _____
- Trustee Documented Trust. Please provide your Trustee's name and GIIN.
Trustee's Name: _____ Trustee's GIIN: _____
- Other
Details: _____

No: continue to question 7

B. CRS

7. Are you a tax resident of any country outside of Australia and the US?

Yes: Provide the details below and continue to question 8. If resident in more than one jurisdiction please include details for all jurisdictions

	Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided
1			
2			
3			

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- Reason C:** No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If **Reason B** has been selected above, explain why you are not required to obtain a TIN

--

No: Continue to question 8

8. Are you a Financial Institution for the purposes of CRS?

Yes: Specify the type of Financial Institution below and continue to question 9

- Reporting Financial Institution
- Non-Reporting Financial Institution: Specify the type of Non-Reporting Financial Institution below
 - Trustee Documented Trust
 - Other: Please Specify _____

No: Skip to question 10

9. Are you an Investment Entity resident in a Non-Participating Jurisdiction for CRS purposes and managed by another Financial Institution?

- Yes: Skip to question 11
- No: Skip to question 12

C. NON-FINANCIAL ENTITIES

10. Are you an Active Non-Financial Entity (Active NFE)?

Yes: Specify the type of Active NFE below and skip to question 12

- Less than 50% of the Active NFE's gross income from the preceding calendar year is passive income

(e.g. dividends, distribution, interests, royalties and rental income) and less than 50% of its assets during the preceding calendar year are assets held for the production of passive income

- Corporation that is regularly traded or a related entity of a regularly traded corporation
- Governmental Entity, International Organisation or Central Bank
- Other: Please Specify _____

No: You are a Passive Non-Financial Entity (Passive NFE). Continue to question 11

D. CONTROLLING PERSONS

11. Does one or more of the following apply to you:

- Is any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital) a tax resident of any country outside of Australia?
 - If you are a trust, is any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust a tax resident of any country outside of Australia?
- Yes: Complete details below and continue to question 12

	Name	Date of Birth	Residential Address	Country of Tax Residence	TIN or equivalent	Reason Code if no TIN provided
1						
2						
3						

If there are more than 3 controlling persons, please list them on a separate piece of paper.

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A:** The country/jurisdiction where the entity is resident does not issue TINs to its residents
- Reason B:** The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)
- Reason C:** No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If **Reason B** has been selected above, explain why you are not required to obtain a TIN

No: Continue to question 12

E. DECLARATION

12. Signature

I undertake to provide a suitably updated self-certification within 30 days of any change in circumstances which causes the information contained herein to become incorrect.

I declare the information above to be true and correct.

Investor 1

Signature

Date

--	--	--	--	--	--

Name of authorised representative

Name of entity/individual

Investor 2

Signature

Date

--	--	--	--	--	--

Name of authorised representative

Name of entity/individual

Section 10 – DECLARATIONS (All Investors MUST complete)

By signing as or on behalf of the Applicant, you make all the declarations set out above, in all sections.

Applicant 1

Applicant Given Name(s)

Capacity

- Individual Signatory
- Director
- Executive Office
- Partner
- Sole Director / Secretary
- Authorised Signatory

Signature

Date

Company Seal (if applicable)

Applicant 2

Applicant Given Name(s)

Capacity

- Individual Signatory
- Director
- Executive Office
- Partner
- Sole Director / Secretary
- Authorised Signatory

Signature

Date

Company Seal (if applicable)

Application Checklist

- Have you completed all sections relevant to you (as set out in the introduction)?
- Have you nominated your financial adviser in section 7 (if applicable)?
- Have you provided certified copies of your identification documents or has your financial adviser completed this for you?
- Have you completed all other relevant details and SIGNED the Application Form?

If you can tick all of the boxes above, send the following:

- Completed Application Form;
- Certified copies of identification documents;
- A cheque made payable to "Equity Trustees Ltd as RE for (fund name)" (unless you are paying by direct debit or Electronic Funds Transfer).

by post to:

Mainstream Fund Services Pty Ltd
GPO Box 4968
SYDNEY NSW 2001