

SELECT INTERNATIONAL ALPHA FUND

Product Disclosure Statement

ARSN 112 222 465

APIR ETLO046AU

Issued 27 March 2025

About this Product Disclosure Document

Units in the Select International Alpha Fund (ARSN 112 222 465) (Fund) are offered and issued by K2 Asset Management Ltd (Responsible Entity, RE, **K2**) on the terms and conditions described in this Product Disclosure Statement (PDS). By becoming an investor in the Fund you agree to be bound by this PDS. You should not base your decision to invest in the Fund solely on this information. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of the Fund in view of your financial position, investment objectives and needs before making an investment decision. The RE and its respective employees, agents and officers do not guarantee the success, repayment of capital, rate of return on income or capital, or investment performance of the Fund. Past performance is not a reliable indicator of future performance. It is your obligation to seek any advice, and observe any legal restrictions, on investment in the Fund which may apply to you.

All amounts in this PDS are in Australian dollars. Unless otherwise stated, all fees are inclusive of goods and services tax (GST) and take into account reduced input tax credits (RITCs) if applicable.

All fees in this PDS are rounded to two decimal places.

Information in this PDS is subject to change of a type that is not materially adverse from time to time, and such updates may be viewed at www.k2am.com.au. You can obtain any updated information by contacting the RE. A paper copy of any updated information will be provided free of charge on request.

The Responsible Entity has authorised the use of this PDS as disclosure to direct investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (IDPS).

Indirect investors investing through an IDPS may rely on the information contained in this PDS in instructing IDPS operators to invest in a fund on their behalf. The Responsible Entity accepts no responsibility where the IDPS operator does not provide investors with a current version of this PDS or any supplementary or replacement PDS. More information for IDPS investors is set out in section 08 on page 12 of this PDS.

As disclosing entities, the Fund has regular reporting and disclosure obligations under the Corporations Act 2001 (Cth) (Corporations Act). In accordance with ASIC guidance, all material information will be

available to investors at www.k2am.com.au.

A copy of any documents lodged with ASIC to comply with disclosure requirements may be obtained from or inspected at an ASIC office. On request, K2 will provide investors with copies of the most recent annual financial report for the Fund, the half-yearly financial report and any continuous disclosure notices.

Investors can contact K2 or their IDPS provider, or visit www.k2am.com.au for updated information about performance, unit prices, fund size and other general information about the Fund.

This PDS contains disclosures against benchmarks and disclosure principles set out in the Australian Securities and Investments Commission (ASIC) Regulatory Guide 240.

The Fund meets both ASIC benchmark 1 (on valuation of assets) and benchmark 2 (on periodic reporting).

Disclosure principle	Where to find in PDS
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2 Investment manager	Section 02, page 03
3 Fund structure	Section 03, page 03 Section 10, page 14
4 Valuation, location and custody of Assets	Section 06, page 06 Section 08, page 12 Section 10, page 14
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9 Withdrawals	Section 08, page 12

Investment Manager

Liontrust Investment Partners LLP
Registration Number OC351668
Corporate Authorised Representative (CAR No. 001309268) of K2 Asset Management Ltd (AFSL 244393)
2 Savoy Court, London
WC2R 0EZ United Kingdom

Custodian/Administrator

State Street Australia Limited
Sydney NSW 2000

Issued by Responsible Entity

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01 Fund at a Glance

About the Fund	
Fund category	International listed equities. Exposure may be gained either directly by holding equity positions or indirectly by holding units in the Liontrust GF Global Alpha Long Short Fund.
APIR code	ETL0046AU
Inception date	1 January 2004
Suggested investment timeframe	Long-term
Investment management fee	1.36% pa (incl. GST & RITC)
Performance fee	15.38% pa (incl. GST & RITC) of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% pa hurdle.
Buy/Sell spread	+/-0.25%
Investment objective	The Fund aims to achieve long term capital appreciation by taking long and short positions primarily in global equities, equity related securities and derivatives.
Unit prices	Available at www.k2am.com.au
Applications	By 10 am on the Business Day you wish to apply
Minimum initial investment	\$20,000
Minimum additional investment	\$10,000
Valuation	Daily
Redemptions	By 10 am on the Business Day you wish to redeem (Valuation Day)
Minimum withdrawal	\$10,000
Access to your investment	Within five Business Days from the date you redeem.
Reporting	Monthly reports, transaction confirmations, holding statements, semi-annual investment reports, annual distribution and tax statements are all available via the K2 online investor portal at www.k2am.com.au or are sent via email.
Distributions	The Fund may pay distributions shortly after 30 June each year. Distributions can be made more frequently at the RE's discretion.
Responsible Entity	K2 Asset Management Ltd Level 44, 101 Collins Street, Melbourne, Victoria 3000
Investment Manager	Liontrust Investment Partners LLP
Contact	Client Services Telephone: +61 3 9691 6191 Fax: +61 3 9691 6170 Email: invest@k2am.com.au
Administrator	State Street Australia Limited
Auditor	KPMG Australia

02 Key Parties

The Responsible Entity

K2 Asset Management Ltd

K2 Asset Management Ltd (ABN 95 045 885 094) (AFSL 244393), a subsidiary of K2 Asset Management Holdings Ltd (ABN 59 124 636 782), which is a public company listed on the Australian Securities Exchange (ASX: KAM), is the Fund's Responsible Entity and issuer of this PDS. K2 was established in Melbourne in 1999 and specialises in managed funds for retail, wholesale and institutional investors.

The responsibilities and obligations as the Fund's Responsible Entity are governed by the Fund's constitution ('Constitution'), the Corporations Act and general trust law.

As Responsible Entity, K2 oversees the operation and management of the Fund and is required to act in the best interests of investors. K2 has appointed Liontrust Investment Partners LLP (**Liontrust**) to act as Investment Manager of the Fund.

The Investment Manager

Liontrust Investment Partners LLP

K2 has appointed Liontrust Investment Partners LLP to act as the Investment Manager of the Fund. Liontrust is a corporate authorised representative (CAR no. 001309268) of K2 Asset Management Ltd. Liontrust is regulated by the UK Financial Conduct Authority (FRN 518552).

Liontrust is part of Liontrust Asset Management PLC (LSE: LIO), a specialist fund management company launched in 1995 and listed on the London Stock Exchange in 1999. LIO are independent asset managers with no corporate parents. LIO is headquartered in London, England with offices in Edinburgh, Scotland and Luxembourg.

Liontrust is responsible for the day-to-day investment management decisions.

Conflicts of Interest

The Investment Manager may be the investment manager of other funds not described in this PDS. The Investment Manager have implemented policies and procedures to identify and where possible mitigate or avoid conflicts.

Indemnity

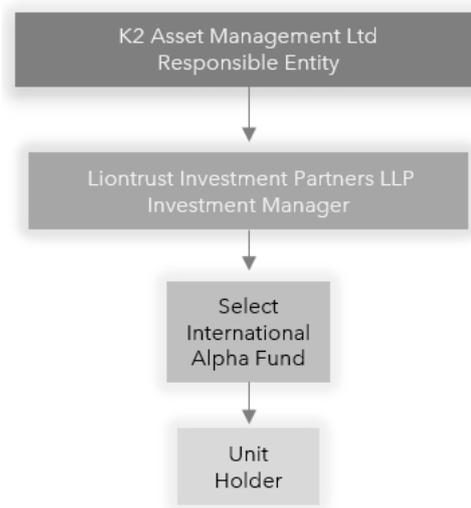
The above entities are indemnified out of the Fund against all liabilities and expenses incurred by it in properly performing any of its duties, exercising any of its powers, or omitting to act in relation to the Fund, or attempting to do so. Subject to the Corporations Act, provided they act in good faith and without negligence, they are not liable to investors for losses in relation to the Fund (except in certain circumstances, where it can be indemnified from the Fund).

03 How the Fund works

The Fund is an Australian registered managed investment schemes and unit trust. In a unit trust structure, when you invest your money, it is pooled with other investor funds. Each unit represents an equal share in the net assets of the Fund, however no investor is entitled to any specific or part asset of the Fund. The rights of unitholders are set out in the Fund's constitution.

The Fund is currently a "feeder fund" meaning that it indirectly gains exposure to underlying asset classes by investing all or substantially all of its assets in the Liontrust GF Global Alpha Long Short Fund (**Underlying Fund**). The Underlying Fund is an open-ended umbrella type company with segregated liability between Funds and authorised by the Central Bank of Ireland pursuant to the provisions of the 1989 UCIT Regulations and subject to the 2011 Regulations.

Investment structure



Investment strategy

The Fund aims to achieve long term capital appreciation by taking long and short positions primarily in global equities, equity related securities and derivatives.

Access to this investment strategy will be by holding units in the Liontrust GF Global Alpha Long Short Fund until such time that funds under management are sufficient to hold equity positions directly.

For more information about the Fund's investment strategies, please refer to section 06 on page 06 of this PDS.

Access to investment

You can usually access your investment within five Business Days from the date you redeem as long as you redeem by 10 am on that day.

Exceptional circumstances may arise where the ability to access your investment is restricted and you may have to wait a period of time before you are able to redeem. This may occur, for example, if equity markets suspend trading or if a fund becomes illiquid. Short delays may occur if you redeem shortly after 30 June while distributions are being finalised.

Distributions

To prevent the Fund from incurring a tax liability, the Fund may pay distributions shortly after 30 June each year. Distributions can be made more frequently at the RE's discretion. Distributions are calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. You can reinvest your distribution automatically into the Fund or have it paid directly to your bank account.

A distribution of net income generally forms part of a unitholder's assessable income, and you will be liable to pay tax on that income. At the time of distribution, the value of each unit will be reduced by the distribution amount.

04 Benefits of investing in the Fund

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

Expertise

You benefit from the skill and experience of Liontrust's dedicated investment team.

Flexibility

The Fund has the added flexibility to invest in equities and derivatives, as well as hold cash in different market cycles and regions.

Liquidity

You can add to or reduce your investment on a daily basis.

Client Service

You will receive regular statements of your investment and updates on the performance of the Fund and current market conditions. You will also be able to track your investment at all times through our online investor portal at www.k2am.com.au.

Risk Management

The Responsible Entity and Investment Manager all employ various risk management strategies, and stringent compliance procedures.

05 Risks of managed investment schemes

Any financial investment is not without associated risks. All asset classes carry varying degrees of risk.

When considering any investment in a managed investment scheme, it is important that you understand:

- the value of investments will go up and down;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, you may lose some of your money and past performance is not necessarily indicative of future performance;
- laws affecting registered managed investment schemes may change in the future;
- assets with the highest long-term returns may also carry the highest level of short-term risk; and
- the appropriate level of risk for each investor will vary depending on a range of factors, including age; investment time frames; where other parts of the person's wealth are invested; and the investor's risk tolerance.

Before making an investment in the Fund, you should consider if it is appropriate for your individual circumstances and if necessary, seek professional advice. Risks that should be considered when investing in the Fund include, but are not restricted to, the following:

- Market Risk

Changes in regulatory and economic policy, political events, technology, economic cycles, investor sentiment, environmental and social climate can all impact financial markets.

- Equity Specific Risk

Individual companies in which the Fund invest can

have specific factors that can impact their stock valuation. This can include market cycles, internal management changes and product/service demands. Some securities may also become illiquid and as a result it may be difficult to exit the position.

- Currency and Interest Rate Risk

Currency markets can be volatile and are subject to a range of influences. Currency risk occurs where the underlying assets of a fund are denominated in a currency other than Australian dollars. Changes in interest rates and exchange rates may impact economic conditions and stock valuations both positively and negatively.

- Credit Risk

There may be a credit risk for the Fund or the Liontrust GF Global Alpha Long Short Fund when dealing with parties in which they invest. Credit risk can lead to unanticipated losses where counterparties are unable or unwilling to fulfil their contractual obligations.

- Emerging Markets Risk

While the primary markets for the Fund or the Liontrust GF Global Alpha Long Short Fund will hold investments in developed European markets, the Fund may be exposed to Emerging Market investments. Emerging Markets are markets that may not be as developed, efficient or liquid as those in Australia. The value of securities and other investments in these markets may be more volatile. There is also the risk from exposure to economic structures that are less diverse and mature as well as political systems that are not as stable as those of developed markets. Furthermore, issuers in emerging markets may experience greater fluctuations in earnings and business prospects than issuers in developed markets.

- Short Selling Risk

Short positions in the Liontrust GF Global Alpha Long Short Fund are held through derivative positions, primarily contracts for difference and futures. Short Selling carries particular risks that traditional Long positions do not. With a Long position, the value of the asset cannot drop below zero, thereby placing a limit on the possible loss inherent in the asset. In a Short position, where the purchaser expects the asset to depreciate, there is a risk that the asset could appreciate. Short Selling theoretically has unlimited risk of loss because there is no limit on the level to which a position may appreciate before it is closed out. Short selling can be a form of leverage and may magnify any gains or losses in a fund.

- Leverage Risk

Liontrust may implement investment strategies that use leverage. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within the Fund or the Liontrust GF Global Alpha Long Short Fund. Therefore, if a fund is leveraged and generates a positive return, the returns will be greater than the returns generated by an equivalent unleveraged fund.

Similarly if the leveraged fund generates a negative return, the losses will be greater than the losses generated by an equivalent unleveraged fund. For more information see section 06 on page 07.

– **Counterparty and Broker Credit Risk**

Credit risk is the risk of loss caused by another party, including the Custodian or Administrator, defaulting on their financial obligations. For more information see section 10 on page 14.

– **Derivative Risk**

The Fund or the Liontrust GF Global Alpha Long Short Fund may use various derivative instruments, including futures, options, forward contracts and other derivatives. The more volatile nature of these instruments may impact the respective returns of the Fund.

While Liontrust actively manages both market and currency risk, many risks remain outside its control. Accordingly, no guarantee can be made that these risks will not eventuate. However, Liontrust has adopted various risk management strategies to help minimise identified risks. These include, but are not limited to, exposure limitations on asset classes, internal trading systems that allow continuous transparency to the Fund's assets, annual reviews of service providers, ongoing audit, compliance monitoring and conflicts management policy.

Ways to reduce or manage risk:

Seek professional advice

It is recommended that you seek professional advice to assist in understanding your current financial situation and your individual investment objectives.

Invest for the long term

Historically, growth assets have achieved the highest returns over the long term, with the greatest risk in the short-term.

Individual investment strategy

You should consider the following factors before investing in the Fund:

- your risk profile;
- your investment timeframe;
- the level of return you are seeking;
- whether you are investing for income or growth; and
- your current financial situation.

06 How we invest your money

Investment Objective

The Fund aims to achieve long term capital appreciation by taking long and short positions primarily in global equities, equity related securities

and derivatives.

Liontrust invests in companies that it believes have long-term growth opportunities with sustainable competitive advantages. The Fund will also gain exposure to companies which Liontrust believes the market price for these companies' shares are above their fundamental value. The Fund may invest in companies of any market capitalisation and does not have any set framework for investing in any geographical region or individual country. The Fund may also invest without limitations in Emerging Markets.

Access to this investment objective will be gained by holding units in the Liontrust GF Global Alpha Long Short Fund until such time that funds under management are sufficient to hold equity positions directly.

Suggested Investment Timeframe

Long-term

Potential Risk Level

High

Investor Suitability

An investment in the Fund is designed to be a long-term investment of typically 5-7 years therefore investors should not expect to obtain short-term gains from such investment. The Fund is suitable for investors who can afford to set aside the capital for the investment cycle and who seek a medium to high investment risk.

Investment Strategy

Liontrust uses the dual benefit of fundamental and technical research to create a process for its stock selection. Liontrust's process is focused on identifying both better and poorer performing companies and constructing the Fund's portfolio to generate positive returns. This is carried out through a screening process to reduce the Fund's target universe followed up an in-depth fundamental company analysis.

The Responsible Entity will notify you of any change in the Fund's investment strategies, however the strategies are not expected to change over the life of this PDS.

Types of Assets Held

Access to asset exposure will be gained by holding units in the Liontrust GF Global Alpha Long Short Fund (Underlying Fund) until such time that funds under management are sufficient to hold assets directly.

The Fund will normally be exposed to equities and equity related securities. Liontrust may in its discretion invest the Fund up to 15% of the NAV in fixed income securities and preferred stock and up to 10% of the NAV in unlisted equities. Debt securities including government and corporate bonds, exchange traded funds, money market instruments, warrants, cash and cash like investments may also be held by the Underlying Fund. The Underlying Fund may also invest up to 10% of its NAV in units or shares in collective investment schemes (including exchange traded funds). The Investment Manager is also permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

The Fund may have exposure to certain China A Shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect schemes. The Underlying Fund's aggregate direct and

indirect exposure to China A Shares is limited to 30% of the NAV.

Fund investments are denominated in their local currency. Currency is taken into account at the portfolio level and contracts for difference may be used to deal with currency risk.

The Fund may make other investments as permitted by the Fund's constitutions.

Derivatives

The Fund may use the following derivatives for investment purposes and/or efficient portfolio management purposes (being (i) the reduction of risk, (ii) the reduction of cost, or (iii) the generation of additional capital or income for the Fund with a level which is consistent with its risk profile) The derivative instruments which may be held by the Fund comprise of forwards, swaps, futures, contract for difference and options..

Short Selling

Short positions will be held through derivative positions, primarily contracts for difference and futures. The Fund's exposure to short positions is limited to 100% of the NAV. For short positions, Liontrust will gain exposure to companies for which it believes the market price is above its fundamental value. These are often companies that are lower-quality, lower-tier stocks with deteriorating fundamentals and that operate in markets with low barriers to entry. Refer to section 05 on page 05 for more information on risks associated with Short Selling.

Liquidity

As the Fund invests primarily in listed assets, under normal market conditions, Liontrust reasonably expects to be able to realise at least 80% of each Fund's assets, at the value ascribed to those assets in calculating each Fund's net asset value, within 10 Business Days. Liontrust monitors the Fund's portfolio on an ongoing basis, having regard to the overall liquidity profile of each Fund's underlying investments.

Leverage

Liontrust may use leverage to increase the net invested position of the Fund greater than the Gross Asset Value of the Fund. In addition, in order to implement any Short positions or derivative exposure, equity and/or cash may be required to be deposited with the Custodian as collateral. Under normal market conditions, the expected leverage for the Fund is 100%, the maximum level of leverage is 250%.

The following is a simplified worked example of how leverage works in the Fund. This example assumes the level of leverage being, Gross Exposure of 150%. This example additionally assumes that the Fund is fully invested and ignores fees and expenses.

Utilising leverage at 150% will mean that for each \$100,000 invested, the Gross Exposure will be \$150,000:

- A 10% increase in the value of equity positions held by the Fund results in a 15% increase in return to investors (\$15,000 gain for the Gross Exposure of \$150,000); and
- A 10% decrease in the value of equity positions held by the Fund results in a 15% loss to investors (\$15,000 loss for the Gross Exposure of \$150,000).

In the above example, if no leverage was used, the Gross Exposure on \$100,000 invested would be \$100,000:

- A 10% increase in the value of equity positions held by the Fund results in a 10% increase in return to investors (\$10,000 gain for the Gross Exposure of \$100,000); and
- A 10% decrease in the value of equity positions held by the Fund in a 10% loss to investors (\$10,000 loss for the Gross Exposure of \$100,000).

As the example shows, the use of leverage increases the size of any potential gains or losses to your investment.

Please note that the above example has been provided for reference purposes only. Any assumptions underlying these examples are hypothetical.

You should read Section 5 "Risks" to understand the impact of leverage within the Fund.

Valuation, Location and Custody of Assets

The Liontrust GF Global Alpha Long Short Fund invests primarily in listed assets (in various currencies), units in the Liontrust GF Global Alpha Long Short Fund are held in custody accounts with State Street Australia Ltd on behalf of the Fund. The roles performed by the custodian is set out in section 10 on page 14. Non-cash assets are exchange traded and therefore valued accordingly.

Please refer to section 08 on page 13 for key aspects of the Fund's unit pricing policy.

Labour Standards and Environmental, Social and Ethical Considerations

Labour standards and environmental, social and ethical considerations are not included in Liontrust's investment objectives for the Fund.

07 Fees and costs

It is a legal requirement to display the following consumer advisory warning at the beginning of the fees section of a PDS. The fee example provided in the consumer advisory warning box does not specifically relate to the Fund, and is a standard example prescribed by law.

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 investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and When Paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investments	3.17% p.a. of the Fund's net assets	Management fees and costs are comprised of: <ul style="list-style-type: none"> • A management fee¹; • Indirect costs; and • Recoverable expenses² The management fees are calculated and accrued daily based on the NAV. It is paid monthly in arrears out of the Fund Assets. Indirect costs and recoverable expenses are calculated on the basis of reasonable estimate of such costs and expenses. These costs and expenses are paid directly from the Fund as they are incurred and is reflected in the unit price.
Performance fees³ Amounts deducted from your investment in relation to the performance of the Fund	0.68% p.a. of the Fund's net assets	The performance fee per unit is 15.38% p.a. (incl. GST & RITC) of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% p.a. hurdle. The performance fee is calculated and accrued daily based on the NAV (before performance fee) of the Fund and is crystallised and paid on a semi-annual basis. Performance fees are paid where applicable from redemptions throughout a half financial year on a pro-rata calculation.
Transaction costs The costs incurred by the Fund when buying and selling assets	0.00%	This estimated transaction fee is incurred on the buying or selling of Fund assets (as it applies). The amount shown is net of any transaction costs recovered from investors via buy-sell spreads.

Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy/Sell spread⁴ An amount deducted from your investment representing costs incurred in transactions by the Fund	0.25% / 0.25%	The buy/sell spread is incurred when you enter or exit the Fund. The money is retained in the Fund and is not paid to either Liontrust or K2.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fees The fee for changing investment options	Nil	Not applicable

¹ The management fee for this Fund is 1.36% p.a. of the NAV. For further information, please see "Management fees" under the heading "Additional Explanation of Fees and Costs" on page 10.

² Recoverable expenses also include the responsible entity fee. For further information, please see "Recoverable expenses" under the heading "Additional Explanation of Fees and Costs" on page 10.

³ The estimated performance fees are based on an average of the previous 5 financial years, 2024, 2023, 2022, 2021 and 2020.

⁴ Please see "Buy and sell spreads" on page 11.

Example of annual fees and costs for the Fund

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

The ongoing annual fees and costs in these tables are an example only and are not additional to the fees and costs in the tables on page 8.

Select International Alpha Fund Example: Balance of \$50,000, with a contribution of \$5,000 during the year		
Contribution Fees	Nil	For every additional \$10,000 you put in, you will be charged \$0
PLUS Management fees and costs ¹	3.17%	And , for every \$50,000 you have in the Select International Alpha Fund you will be charged \$1,585 each year
PLUS Performance fees	0.68%	And , you will be charged \$340 in performance fees each year
PLUS Transaction costs	0.00%	And , you will be charged \$0 in transaction costs
EQUALS Cost of the Select International Alpha Fund ²		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$1,925 What is costs you will depend on the fund you choose and the fees you negotiate.

¹ Management fees and costs are charged on your investment amount and any contribution made during the year. This example assumes the \$5,000 contribution occurs at the end of the first year, so that management fees and costs are calculated using the \$50,000 balance only.

² This cost does not include any advice fees paid to your financial adviser.

Additional Explanation of Fees and Costs

Management Fees and Costs

The management fees and costs of the Fund are expressed as a percentage of the Fund's Net Asset Value. The management fees and costs are made up of management fees, estimated indirect costs that may be charged by interposed vehicles including the performance fees of these interposed vehicles as well as recoverable expenses.

Additional Explanation of Management Fees and Costs		
Management Fee	1.36%	Paid to the Investment Manager
Estimated Recoverable expenses	1.70%	Paid to the service providers of the Fund
Estimated Indirect costs	0.11%	Not paid to the Investment Manager or Responsible Entity
TOTAL	3.17%	Total cost paid by investor

Management fees

The management fees paid to Liontrust for the investment management of the Fund is as follows:

- 1.36% pa of the Net Asset Value

Management fees are payable to the Investment Manager. The management fees are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price.

Indirect costs

Indirect costs are generally any amount the Responsible Entity knows or estimates will reduce the Fund's returns that are paid from the Fund's assets or assets of the interposed vehicles. An interposed vehicle is generally a body, trust/fund or partnership that the Fund's assets are invested in such as underlying funds like the Liontrust GF Global Alpha Long Short Fund and some over the counter derivatives.

Recoverable expenses

There are recoverable expenses other than those referred to in the management fees section above that may be reimbursed from the Fund. Responsible entity fees as well as custody, administration, registry and compliance expenses are recoverable expenses. There are also other costs incurred in relation to the operation of the Fund and are not expected to be incurred on a regular basis such as but not limited to holding investor meetings; audit, tax and legal costs; preparation of disclosure documents and overheads. Any abnormal and recoverable expenses have been included in the Management Fees and Costs section in the table on page 8.

Performance Fees

Upon the Fund meeting its performance criteria, a performance fee is payable. Liontrust will only be eligible to receive a performance fee where the NAV per unit, before performance fees, is above the applicable High Water Mark, subject to a 6% pa hurdle. The 6% pa hurdle is calculated on a pro rata basis.

The performance fee is calculated and accrued daily based on the NAV (before performance fee) of the Fund and is crystallised and paid on a semi-annual basis at 31 December and 30 June. Performance fees are paid where applicable from redemptions throughout the financial year using a pro rata calculation.

For the Fund, the performance fee per unit is 15.38% pa of the amount by which the NAV per unit exceeds the High Water Mark after a net 6% pa hurdle.

The High Water Mark is:

- a) where a performance fee is paid or payable in respect of the immediately preceding half financial year, the highest NAV per unit from which a performance fee has been last deducted in the immediately preceding half financial year; or
- b) where a performance fee is not payable in respect of the immediately preceding half financial year, the higher of:
 - i. the NAV per unit as at the end of the immediately preceding half financial year; and
 - ii. either the relevant NAV on the date of your initial investment in the first half financial year of investment or the last NAV from which a performance fee has been paid, if any.

A High Water Mark is a NAV per unit above which Liontrust is entitled to charge a performance fee. If the current NAV falls below the High Water Mark, the NAV must reach the High Water Mark and achieve the net 6% pa hurdle before Liontrust receives a performance fee on additional performance above the High Water Mark.

Transaction Costs

Because the Fund is actively managed, they will incur transaction costs, such as brokerage, buy-sell spread, settlement and clearing costs (including custody costs) and government charges such as stamp duty as a result of the management of the Fund's investment portfolio. This generally happens when the assets of the 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 the Fund.

Transaction costs could also include due diligence costs, legal advisory and other professional costs and any failed deal costs of the Fund. Additionally, any costs incurred by an interposed vehicle that is a managed investment scheme may

be included as a transaction cost.

Transaction costs are paid out of the Fund's assets and are reflected in the Fund's unit price.

Buy and sell spreads

The Fund carries a buy/sell spread of +/-0.25% to ensure that the transactional and operational costs associated with an application or redemption are not borne by other investors. The buy/sell spread is an additional cost to you and is incurred when you enter or exit a fund. The money is retained in the Fund and is not paid to the Investment Manager. The spread is based on the Fund's average transaction costs and accordingly may be varied by the Responsible Entity from time to time.

Other fees and costs

Advice fees

Your financial adviser may receive payment for providing advice services to you. These advice fees are additional to the fees and costs shown in the table on page 8 and are paid to your adviser not to the Fund or Responsible Entity.

Borrowing costs

Borrowing costs are the costs associated with borrowing money or securities. The Fund may enter into borrowing facilities and, if so, the costs of a borrowing facility would be deducted from the Fund's assets and reflected in the unit price. Borrowing costs are additional to the fees and costs in the table on page 8.

Wholesale Clients

Liontrust or the Responsible Entity may agree to an alternative fee arrangement with certain wholesale clients that satisfy minimum investment requirements.

Changing the Fees

All fees and expenses in this PDS can change without your consent, however it is not expected that the investment management or performance fees will change while this PDS is current. At least 30 days' notice will be provided in the event investment management or performance fees increase or there is any other change that requires us to give you prior notice. The Responsible Entity has the right to recover all proper and reasonable expenses incurred in managing the Fund. Changes in the amount of fees and costs charged by service providers, regulators and other third parties may cause the amount of expenses recovered by the Responsible Entity, including estimated responsible entity fee (if applicable), to increase or decrease from time to time. The Fund's constitution defines the maximum that can be charged for fees described in this PDS.

08 How to transact on your investment

1. Read this PDS.
2. Complete the application form available:
 - (i) online
Go to www.k2am.com.au under 'Apply Now' and follow the instructions to complete your application; or
 - (ii) at the end of this PDS
3. Receive confirmation of your investment via email or post and begin accessing your account via our online investor portal.

Acquisition and Disposal of Units

Applications

Initial application for investment

Investors must complete the application form available online at www.k2am.com.au under 'Apply Now' or at the end of this PDS. To enable the Responsible Entity to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) new investors must also complete the relevant client identification forms.

Application dates

Applications can be processed on any Business Day (Valuation Day) with units issued for that same day. Completed forms and cleared funds must be accepted by the Unit Registry by 10 am Australian Eastern Standard Time on a Valuation Day.

Note: you will need to observe your relevant bank's processing times to ensure the Unit Registry receives cleared funds by the deadline.

Subject to the Corporations Act, application money received after the deadline will be held in the relevant Fund's trust account, unless directed otherwise in writing by the applicant, and units will be issued on the following Valuation Day.

Any interest earned on application money (less applicable withholding tax) paid in advance of a Valuation Day will be credited in favour of the relevant Fund.

The Responsible Entity reserves the right to refuse any application without giving a reason. If the RE refuses or is unable to process an application it will return the application money to the applicant who will not be entitled to any interest on that money. If a cheque or other deposit is dishonoured, the corresponding units are deemed not to have been issued. K2 and the Unit Registry accept no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile, post or other delivery method.

Applications that are placed for a 30 June or 31 December Valuation Date are allocated units on that day, and will receive any distribution that may be payable. Investors should note the 'Risks of investing shortly before a distribution period' and read the important information about taxation before making a decision to invest.

Go to 'General Information' at www.k2am.com.au under 'How to Invest'.

Investing through an IDPS

If you are investing through an IDPS, such as a master trust or wrap account, you may need to complete a separate application form and provide a cheque payable to the relevant IDPS operator. Your rights and liabilities will be governed by the terms and conditions of the IDPS disclosure document. Investors should carefully read the terms and conditions of that document before investing in the Fund. Indirect investors investing through an IDPS do not acquire

the rights of an investor in a fund.

IDPS investors will receive reporting directly from the IDPS operator, not from the Responsible Entity and do not have the right to a 'cooling off' period (as described in this PDS) in relation to an investment in the Fund.

Additional investments (for existing investors) Investors can add to their investment by completing an additional investment form available at www.k2am.com.au. Before completing an additional investment form, investors should ensure they have read the current PDS.

Disposal of units

Making a withdrawal

An investor wishing to make a withdrawal must complete a redemption form available at www.k2am.com.au and submit the completed form to the Unit Registry by 10 am Australian Eastern Standard Time on a Valuation Day.

Withdrawal proceeds will be remitted by electronic transfer to the investor's designated account, normally within seven Business Days after the relevant Valuation Day. The minimum withdrawal is \$10,000 (unless otherwise permitted by the Responsible Entity), provided a minimum balance of \$20,000 remains in the relevant Fund, otherwise only a complete withdrawal is permitted.

Short delays may occur if you redeem shortly after 30 June, while distributions are being finalised.

Suspension of issue of units and withdrawal of funds

Under the Fund's constitutions, the Responsible Entity may suspend the determination of the Net Asset Value of the Fund and/or extend the time for paying redemption proceeds in certain circumstances.

Where the Fund is not liquid (as defined in the Corporations Act), an investor does not have a right to withdraw from that Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. You will be notified in writing of any such changes to your withdrawal rights.

Retail investors

If you are an eligible retail investor, you may have a right to a cooling off period to ensure that the investment meets your individual needs. The period commences on the earlier of confirmation of the investment being received or available, or the end of the fifth day after units are issued, and lasts for 14 days. The investor is entitled to a refund of their investment, adjusted for any increase or decrease in the NAV between the time the Unit Registry processed the application and the time it receives the notification, as well as any tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment. A client's right to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan or represents additional contributions made under an existing agreement. To exercise this right the Unit Registry must be notified in writing.

If you wish to discuss any aspect of the Fund or wish to lodge a complaint, please contact the Responsible Entity and we will endeavour to resolve your concerns quickly and fairly.

If K2 cannot resolve your complaint, you may seek assistance from:

Australian Financial Complaints Authority (AFCA)

GPO Box 3

Melbourne Vic 3001

Phone: 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

You should quote the following AFCA membership number with your enquiry: 12481.

Please note that different procedures to the above may apply for IDPS investors.

Unit pricing (NAV per unit)

The calculation of unit prices is set out in the constitution for each Fund and is performed by the Fund's Administrator each Valuation Day. Broadly, the NAV per unit is calculated by:

1. calculating the Gross Asset Value of the Fund as at the relevant Valuation Day;
2. deducting any liabilities (including the investment management fee);
3. deducting any accrued performance fee after the deduction of liabilities; and
4. dividing the resulting NAV by the number of units on issue, this amount being rounded to the nearest cent (0.5 of a cent will be rounded up).

Terms for email or fax instructions

By lodging an email or fax request, the investor releases, discharges and agrees to indemnify the Responsible Entity from and against all losses, liabilities, actions, proceedings, account claims and demands arising from the email or fax request. The investor also agrees that any payment made in accordance with emailed or faxed instructions shall be in complete satisfaction of the obligations of the RE, notwithstanding any fact or circumstances, including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with these conditions, the investor shall have no claim against the RE in relation to the payment.

Privacy

When processing an application, the Responsible Entity will be collecting personal information which it may need to provide to third parties, such as its service providers, regulatory authorities as required by law or to satisfy United States requirements (in the case of United States persons). In some cases, the organisations to which the RE or its service providers disclose your information may be located outside Australia (including the United Kingdom, United States, Canada, Singapore, The Netherlands and India), though it is not practicable to list all of the countries in which such recipients are likely to be located. For further information about how we collect, hold, use and disclose your personal information, please read K2's privacy policy, which can be viewed on our website at www.k2am.com.au.

09 How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. Registered managed investment schemes do not pay tax on behalf of investors and you will be personally assessed for tax on any net income and capital gains generated by the scheme. In normal circumstances you should expect that some income and/or capital gains will be generated each year. The taxation of managed investment schemes is complicated and you are strongly advised to seek professional tax advice relevant to your own circumstances before investing in the Fund.

You should read the important information about taxation before making a decision to invest. Go to 'General Information' at www.k2am.com.au under 'How to Invest'. The material relating to taxation may change between the time when you read this PDS and the day when you acquire the product.

Foreign Tax Resident Reporting

Laws have been introduced in Australia to implement global standards relating to the automatic exchange of financial account information between tax authorities to ensure that everyone pays the right amount of tax. As a financial institution, the RE must identify accounts held by investors who are foreign tax residents or entities connected to foreign tax residents and report this account information to the Australian Tax Office. This information is then shared with tax authorities in: the United States (US) under a system known as the Foreign Account Tax Compliance Act (FATCA). This is for US citizens and tax residents only and applied from 1 July 2014; and other countries under the Common Reporting Standard (CRS). The CRS applies to all foreign tax residents from 1 July 2017.

On request from the RE, it is important that you provide K2 with information about your tax residency, the nature of your business and any beneficial owners. This will enable K2 to comply with its obligations under the FATCA and CRS laws. If you do not respond, the RE may be required to treat you as if you are a foreign tax resident, even if you are not. Penalties may apply if you deliberately or recklessly provide false or misleading information.

10 The Fund's service providers

The following service providers to the Fund are not responsible for the preparation of this document or the activities of the Fund and therefore accept no responsibility for any information contained in this document. These service providers do not participate in the investment decision-making process.

The Responsible Entity of the Fund monitors the compliance of all of the following service providers with their contractual obligations through receipt of compliance certifications, performance reviews and audit activity performed by the Fund's external auditor KPMG.

About the Custodians

State Street Australia Ltd

The Responsible Entity has appointed State Street Australia Ltd (**SSAL, Custodian or Administrator**) (ABN 21 002 965 200, AFSL 241419) to act as global custodian of the Fund on terms consistent with typical Australian market practice. SSAL is the Australian subsidiary of a global business and is based in Sydney. It holds an Australian Financial Services Licence and is subject to ASIC regulation.

As is standard practice for global investment dealings, SSAL engages third party sub-custodians around the world to transact and hold assets for the Fund.

About the Administrator

State Street Australia Ltd

The Responsible Entity has appointed SSAL based in Sydney to act as Administrator of the Fund. The RE and SSAL have entered into an agreement for administrative services for the Fund that sets out SSAL's role as Administrator, including its rights and obligations and the limits on its liability. Responsibilities of SSAL include:

- calculating the NAV and unit price for the Fund on each Valuation Day;
- preparing unaudited financial statements for the Fund in accordance with international financial reporting standards; and
- providing certain other administrative services.

SSAL's obligations in relation to each Fund are limited to the provision of services to the Responsible Entity, and SSAL has not undertaken any obligations to unitholders.

About the Unit Registry

Boardroom Pty Limited

The Responsible Entity has appointed Boardroom Pty Limited (ABN 14 003 209 836) based in Sydney, (**Unit Registry or Boardroom**) to provide unit registry services to the Fund. K2 and Boardroom have entered into an agreement that set out Boardroom's responsibilities, which include:

- receiving and processing application money and withdrawal payments;
- maintaining each Fund's register of unitholders;
- preparing annual fee statements for the Fund in accordance with legislation;
- compliance with anti-money laundering and counter-terrorism financing requirements; and
- providing certain other administrative services.

Appointment of New Service Providers

The Responsible Entity may remove any of the Fund's Custodian, Administrator or Unit Registry and appoint a replacement at any time without notice to investors. Changes to a key service provider will be disclosed to investors in the Fund's periodic disclosures.

11 Information for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

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

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

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

12 Terms used in this PDS

Business Day means a day other than a Saturday, Sunday or public holiday in Melbourne.

Emerging Markets refers to the markets of countries that are in the process of developing into modern industrialised states and thus display a high degree of potential but also entail a greater degree of risk than developed markets. It includes countries with the S&P/IFC Emerging Markets Investable Composite Index or in the MSCI Emerging Markets Index

Fixed Income Securities includes corporate bonds or other debt securities such as mortgage backed and other asset backed securities, inflation-indexed bonds issued by both governments and corporations, convertible securities and corporate commercial paper which may have fixed or floating rates of interest and need not be of investment grade as defined by Standard and Poor's or an equivalent rating agency.

Gross Asset Value means the value of all the assets and liabilities of the Fund, prior to fees.

Gross Exposure means the exposure value of Long positions plus the absolute exposure value of Short positions.

High Water Mark has the meaning given in section 06 on page 14.

Long position or Long refers to an asset which is held with the expectation that the value of the asset will appreciate.

Net Asset Value or NAV means the Gross Asset Value of the Fund, less all fees.

Recognised Market means any exchange or market which the Fund or the Liontrust GF Global Alpha Long Short Fund may invest in and which is regulated, recognised, open to the public and operating regularly

Short position or Short Selling refers to an investment technique in which an asset is borrowed and then immediately sold in the expectation that the asset will then depreciate. The borrowed asset is repaid by buying back the asset on the market, with the intention of obtaining it at a lower price. The asset is then returned to the original lender.

UCIT means the Undertakings for Collective Investment in Transferable Securities.