

Product Disclosure Statement

INVESTSMART

Intelligent Investor Australian Small Companies Fund

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Intelligent Investor
Australian Small
Companies Fund
ARSN 620 030 819

Issued By: InvestSMART Funds
Management Limited ACN 067 751 759
AFS licence 246441 (Responsible Entity)

Investment Manager:
Intelligent Investor Holdings Pty Ltd
ACN 109 360 983 (Investment Manager)

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IMPORTANT INFORMATION

This PDS contains a summary of the information in relation to the Intelligent Investor Australian Small Companies Fund ARSN 620 030 819 (**Fund**). It also includes references to additional important information (all of which forms part of this PDS) contained in the document titled 'Additional Information Document' (AID) that can be obtained by calling InvestSMART Funds Management Limited (the "Responsible Entity") on 1 300 880 160 or by downloading it from www.investsmart.com.au. You should read both the PDS and the AID before making a decision about whether to invest in the Fund.

The information provided in this PDS and the AID is general in nature and does not take into account your personal financial situation or needs. You should seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia and New Zealand. The offer under this PDS may only be accepted in Australia and New Zealand. Applications from outside Australia or New Zealand will not be accepted through this PDS. Units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

Mainstream Fund Services Pty Limited ABN 81 118 902 891, AFSL 303 253 ("Mainstream" or "Custodian") is the custodian of the Fund. An investment in the Fund is not a deposit with, or other liability of, any Mainstream group company and is subject to investment risk including possible delays in repayment and loss of income or principal invested. Neither Mainstream nor any other Mainstream group company guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of refund.

The Responsible Entity and its employees, 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. An investor's investment does not represent deposits or other liabilities of InvestSMART Group companies. An investment in the Fund is subject to investment risk, which may include possible delays in repayment and loss of income and principal invested.

The information in this PDS is subject to change from time-to-time. Information that is not materially adverse information can be updated by InvestSMART. Updated information can be obtained through InvestSMART's website at www.investsmart.com.au. Investors may request a paper copy of any updated information at any time, free of charge.

1. ABOUT INVESTSMART FUNDS MANAGEMENT LIMITED

InvestSMART is the responsible entity for the Intelligent Investor Australian Small Companies Fund ("Fund"). As responsible entity, InvestSMART is responsible for overseeing the operations of the Fund. As the investment manager, Intelligent Investor is responsible for selecting and managing the assets of the Fund. InvestSMART is a wholly owned subsidiary of InvestSMART Group Limited ABN 62 111 772 359, which is listed on the ASX (ASX code: INV).

1.1 THE INVESTMENT MANAGER

Intelligent Investor is the investment manager of the Fund. Intelligent Investor is Australia's leading value-focused investment research and education service. Intelligent Investor has been helping Australian investors make investment in the Australian share market since 1998.

1.2 THE RESPONSIBLE ENTITY

As responsible entity, InvestSMART is responsible for overseeing the operations of the Fund in accordance with the Corporations Act.

2. HOW THE FUND WORKS

You should read the important information about how the Fund works in the AID before making a decision to invest. Go to the 'AID' available from www.investsmart.com.au; in particular, Section 5 titled 'Distributions' and Section 6 titled 'Other important information'. The information regarding to how the Fund works may change between the time when you read this PDS and the day when you acquire Units. The Fund is a unit trust and is registered as a managed investment scheme under the Corporations Act. Unit trusts enable investors to pool their money with that of other investors and this pooled money is then managed by an investment manager.

As an investor, you have a fixed beneficial interest in the assets of the Fund calculated as the proportion your Unit holding bears to all of the Units in the Fund which have been issued. You do not, however, have a right to demand any particular assets of the Fund be transferred to you. Investing in the Fund allows investors to access what they may otherwise not be able to access independently, including the services of an investment manager. The price of interests in the Fund will vary as the market value of assets in the Fund rises or falls.

Unit prices

The Unit price is the price at which Units are issued and redeemed (before the application of the buy/sell spread). Unit pricing will be undertaken on each day that is a Business Day and will be determined by dividing the net asset value of the Fund by the number of Units on issue.

Therefore, the Unit price will vary as the value of the Fund's assets varies. The calculation of the Unit price is governed by a Unit Pricing Discretions Policy, which is available from InvestSMART upon request.

The net asset value of the Fund is the value of the Fund's assets less the liabilities of the Fund at the time it is calculated. The application price of Units will be the Unit price plus the buy spread, while the redemption price of Units will be the Unit price minus the sell spread. The buy/sell spread is explained further in Section 6.2.1.

2.1 APPLICATIONS

To invest in the Fund, you will need to complete an Application Form either online or in paper (see Section 8 'How to apply' for more information). You can add to your investment at any time by completing and sending us an additional investment form, together with your investment amount, online or by paper.

Minimum investment

The minimum initial investment amount is \$25,000. However, we may accept lesser application amounts at our discretion. The number of Units issued to you when you make an investment will be calculated by dividing the amount you invest by the applicable application price. We may decline to extend, or may withdraw, an invitation to invest (including adding to your investment) in the Fund at any time. Neither the Responsible Entity, the Investment Manager nor any other person accepts any liability to any recipient of this PDS for costs incurred or losses suffered if an invitation is withdrawn for any reason or if an application is refused in whole or in part. The Responsible Entity reserves the right to accept or reject any applications in its absolute discretion. The minimum additional amount is \$5,000 (see Section 8 for more information).

Processing applications

The cut-off time for receiving applications is 2pm (Sydney time) on each Business Day. Completed applications received before the cut-off time will be processed using the application price applicable for that day. Completed applications received after this time will be taken to have been received before the cut-off time on the next Business Day and will be processed on that day. Confirmation of an investment will normally be issued within five Business Days of the investment being processed. Applications will not be considered "completed applications" and will not be processed until all required documentation is received (including any requested AML/CTF documentation). Completed applications will be processed using the Unit price that applies on the Business Day after the correct documentation is received. Interest will not be paid on your application money.

2.2 WITHDRAWALS

When the Fund is liquid (as defined in the Corporations Act) you can withdraw all or part of your investment by completing a redemption request form and submitting your form to us. Redemption request forms are available at www.investsmart.com.au.

Minimum withdrawal

The minimum withdrawal amount is \$1,000. If your withdrawal request results in your investment balance falling below \$10,000, we may redeem your investment balance in the Fund in full and have it paid to you, less any applicable fees. We may accept smaller minimum holding amounts for investors or types of investors at our discretion.

Processing withdrawals

The Fund's processing cut-off time is 2pm (Sydney time) on each Business Day. Withdrawal requests received before 2pm (Sydney time) on a Business Day will generally be processed using the withdrawal price applicable for that day. Withdrawal requests received after this time will generally be processed using the withdrawal price applicable for the following Business Day. Withdrawal

proceeds are usually paid within 10 Business Days following the Business Day on which your withdrawal request is processed, although the Fund's constitution allows up to 21 days. In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act), you may not be able to withdraw your investment during the usual period.

If, on a day, we receive requests for withdrawals for an aggregate value of more than 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro-rata basis so that only Units equal to 10% of the net asset value of the Fund are redeemed on the relevant withdrawal date. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next day's withdrawal date until all the units in your withdrawal request are redeemed.

You should read the important information about adding to your investment and withdrawing from your investment in the AID before making a decision to invest. The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you acquire the product.

2.3 DISTRIBUTIONS

A Unit entitles you to participate in any income generated from the assets of the Fund, including any net realised capital gain. All income distributions will be automatically reinvested in additional Units unless Investors opt to have distributions paid to their nominated account in the Application Form. No buy spread is applied to reinvested distributions. Please note there may be tax implications for you on distributions reinvested on your behalf.

Frequency of distributions

The Fund expects to make distributions on a semi-annual basis. Subject to the Constitution, distributions (if any) will generally be paid within 14 Business Days of 31 December and within three months of 30 June.

Distributions are expected but not guaranteed.

How distributions are calculated

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of Units on issue. We generally distribute all taxable income each year, including the realised net capital gains of the Fund which are typically distributed in the final distribution of the financial year.

3. BENEFITS OF INVESTING IN THE FUND

Significant features

The Fund's investment objective is to outperform the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) over rolling five year periods (after fees and expenses but before taxes) by focusing on listed shares of smaller companies in Australia and New Zealand. The portfolio may include companies with a market capitalisation of less than \$100m.

The Fund's portfolio will comprise 10 to 40 shares at any one time and will also have cash. The maximum exposure to any one share will be 15%.

The Fund will not invest in derivatives, sell-short or borrow money to invest. While we aim to achieve this objective, the returns are not guaranteed.

Significant benefits

Investing in the Fund offers several benefits, including:

- (a) Access to investment opportunities and diversification that individual investors usually cannot achieve on their own.
- (b) A disciplined risk management process that manages different levels of investment risk relative to anticipated investment returns.
- (c) An experienced, competent investment management and research team, with a broad base of knowledge and experience.
- (d) Participation in any capital appreciation and income distributions from the Fund.

4. RISKS OF MANAGED INVESTMENT SCHEMES

You should read the important information about the risk of managed investment schemes before making a decision. Go to the 'AID' available from www.investsmart.com.au; in particular, Section 2 titled 'Risks of managed investment schemes'. Please note that the risks of investing may change between the time when you read this PDS and the day when you sign and submit the Application Form.

All investments carry risk. The probable investment return and the level of risk of losing money differs among managed investment schemes depending on the underlying mix of assets. Generally, the higher the level of risk you are prepared to accept, the higher potential returns or losses. Assets with the highest long-term returns may also carry the highest level of short-term risk. Growth assets, such as shares and property, are generally considered the most volatile assets, as they are likely to experience greater fluctuations in value than defensive assets, such as fixed income and cash. When considering investing in any managed investment scheme, it is important to understand the following:

- (a) The value of your investment will go up and down.
- (b) Returns are not guaranteed and the level of return will vary.
- (c) You may lose some or all your money.
- (d) Past performance is not an accurate predictor of future performance.
- (e) The laws affecting your investment in a managed investment scheme may change.
- (f) The appropriate level of risk for you will depend on a range of factors including your age, investment time frames, where the rest of your wealth is invested and how tolerant you are to the possibility of losing some or all your money.

The significant risks for the Fund are as follows:

Market risk

There is a risk that the market price of the Fund's assets will fluctuate. This may be because of factors such as economic conditions (including interest rate movements), government regulations, market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues.

Liquidity risk

Whilst the Fund is exposed to listed entities which are generally considered to be liquid investments, under extreme market conditions there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations (including payments in respect of withdrawals as described in Section 2) within required timeframes or it may be required to sell assets at a substantial loss to do so.

Smaller capitalisation companies risk

The Fund will be investing in companies with smaller capitalisation. These companies may, from time to time and especially in falling markets, become less liquid and usually have greater short-term price volatility than larger, more established companies. They may also be less financially secure and depend on a smaller number of key personnel, which increases the risk of the company's failure if their goods and services fail, senior management changes or if there are other adverse market or environmental developments.

Portfolio concentration risk

The Fund invests in 10 to 40 securities. This means the Fund will have a relatively high percentage of its assets in a limited number of stocks, and in a limited number of sectors or industries, which will increase the risk of the value of the investments being affected by any single adverse economic, political or regulatory event than its benchmark.

Fund risk

Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The performance of the Fund or the security of an investor's capital is not guaranteed. There is no guarantee that the investment strategy of the Fund will be managed successfully, or will meet its objectives. Failure to do so could negatively impact the performance of the Fund. An investment in the Fund is governed by the terms of the Constitution and this PDS, each as amended from time to time.

Regulatory risk

There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on the Fund or on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

Personnel risk

The skill and performance of the Responsible Entity or Investment Manager can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources of the Responsible Entity may also have a material impact on investment returns on the Fund.

5. HOW WE INVEST YOUR MONEY

5.1 INVESTMENT STRATEGY

The Fund aims to invest in a portfolio of Australian listed companies with a market capitalisation of less than the largest company in the S&P/ASX Small Ordinaries Index, at the time of making the investment. The portfolio may

include companies with a market capitalisation of less than \$100 million. The Fund's portfolio will comprise 10 to 40 shares at any one time but will also have some exposure to cash. The maximum exposure to any one share will be 15%. There may be periods when the number of investee companies may be different from those disclosed above but it is the intention to return to these ranges within as short a time as is reasonable to achieve the investment return objective.

5.2 OTHER KEY FEATURES

Suggested minimum investment timeframe

Five years.

Investment return objective

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling five year periods (after fees and expenses but before taxes). Please note this objective is not a forecast. There is a risk that the Fund will not meet this objective.

Warning

The risk level for this fund is high, meaning there is a risk of between 4 and 6 periods (on average) of negative annual returns over any 20-year period. You should consider the likely investment return, the risks and your investment time frame before choosing to invest in this product.

6. FEES AND COSTS

Table 1 shows fees and other costs that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from the Fund's assets and may be used to compare costs between different simple managed investment schemes. Investors should read all the information about fees and costs because it is important to understand the impact of these fees and costs on an investor's investment.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission ("ASIC") website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options and which can also be used to calculate the effect of fees and costs on account balances.

TABLE 1	TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
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
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
Management fee	The fees and costs for managing your investment	0.97% per annum	The management fee is calculated daily based on the value of the Fund on that Business Day. An estimate is accrued daily in the NAV per Unit and the fee is payable monthly in arrears.
Performance fee	The fees for outperforming the benchmarks, after Management fees	10.25% of the excess of the Fund's performance above the benchmarks	Calculated and accrued daily and paid by the Fund annually in arrears.
Indirect costs		Nil	

*You will also incur a buy-sell spread when your money moves in or out of the Fund.

The fees set out below are inclusive of GST and less any reduced input tax credits expected to be available.

6.1 ADDITIONAL EXPLANATION OF FEES AND COSTS

You should read the important information about fees and costs before making a decision to invest in the Fund. Go to the 'AID' available from www.investsmart.com.au; more detail is available in Section 3, titled 'Fees and costs'. The information regarding fees and costs may change from the time you read this PDS to the day when you sign and submit the Application Form. We will give you at least 30 days' written notice of any change to the fees payable.

6.1.1 MANAGEMENT FEE

Management fees include the Investment Manager's management fee, Responsible Entity's fees and fund administration costs. The Fund pays a management fee of 0.97% per annum to Intelligent Investor for managing the assets of the Fund and overseeing the operations of the Fund. The management fee includes the costs of all fees, costs, charges, expenses and outgoings that are incurred in connection with the Fund (such as administration and accounting costs, registry fees, audit and tax fees, and investor reporting expenses).

The management fee is calculated daily based on the value of the Fund on that Business Day. An estimate is accrued daily in the NAV per Unit and the fee is payable monthly in arrears. Management Fees described above are inclusive of the estimated net effect of GST.

6.1.2 PERFORMANCE FEE

The Investment Manager may be entitled to a performance fee, payable by the Fund. Performance fees are calculated by reference to index relative and absolute return performance hurdles and are subject to a high-water mark requirement. The details of the calculation methodology and the hurdles are set out below. The NAV per Unit includes an

accrual for an estimate of the performance fee that would be payable if it were the end of a Calculation Period.

Calculation methodology

The Fund's total return per Unit ("**Total Return**") is the dollar movement in its NAV per Unit during the Calculation Period (adjusted for any income or capital distributions and before any accrued performance fees during that Calculation Period). Adjustments will be made for any capital re-organisations such as Unit bonus issues or consolidations. Calculation Periods end on 30 June of each year.

The Fund's excess return per Unit ("**Excess Return**") is its Total Return less the higher of the hurdle returns, expressed in dollar terms or nil.

The performance fee per Unit is 10.25% of the Excess Return. The total performance fee is the performance fee per Unit multiplied by the number of Units on issue at the end of the Calculation Period, less the Equalisation Reserve described below.

Equalisation Reserve and Units issued during a Calculation Period

Performance fees are paid on the Excess Return of each Unit on issue at the end of a Calculation Period, less a fund level equalisation reserve ("**Equalisation Reserve**"). The effect of the Equalisation Reserve is that InvestSMART will only receive a performance fee in respect of a specific Unit on performance generated after that Unit is created. On each Business Day where there is a net creation of Units, the Equalisation Reserve is increased by an amount that represents the performance fee per Unit prior to the net creation of those Units multiplied by the number of units created ("**Equalisation Adjustment**"). If the accrued performance fee per Unit on a particular day is nil, there will be no Equalisation Adjustment made to the Equalisation Reserve in respect of net Units created the following

Business Day. The Equalisation Reserve accumulates over a Calculation Period.

The Equalisation Reserve is subject to a ceiling such that the total Equalisation Reserve is the lesser of:

- a) the total of the Equalisation Adjustments calculated on each day of the Calculation Period; and
- b) the total of the Units created during the Calculation Period multiplied by the prevailing performance fee per Unit.

The ceiling on the Equalisation Reserve ensures that Intelligent Investor's performance fee entitlement is not less than it would have been had no Units been created during the Calculation Period.

The exact impact of the performance fee on an investor will depend on the price at which the investor has subscribed for the Units, the total of Units created during a Calculation Period, the Excess Return achieved from the start of the Calculation Period to the date where new Units are created and the subsequent movement in the NAV per Unit to the end of the Calculation Period.

Units cancelled during a Calculation Period

Units that are redeemed by the Fund will be cancelled. For Units that are cancelled during the Calculation Period, the day prior to cancellation will be treated as the end of the Calculation Period with respect to those Units and the performance fee (if any) will become payable to Intelligent Investor.

Intelligent Investor will only be entitled to a performance fee where the NAV per Unit at the end of the Calculation Period exceeds the applicable high-water mark. The high-water mark is the NAV per Unit at the end of the most recent Calculation Period for which Intelligent Investor was entitled to a performance fee, less any intervening income or capital distribution. Furthermore, the fee to which Intelligent Investor is entitled will be subject to a performance fee cap such that the NAV per Unit (after the performance fee has been paid) is not less than the applicable high-water mark.

The performance fee described above is inclusive of the estimated net effect of GST (i.e. inclusive of 10% GST, less any reduced input tax credits). To the extent that the GST impact changes (for example, if the GST rate increases), the actual performance fees may vary from the rate of 10.25% stated above.

Performance hurdle benchmarks

Index relative benchmark

The index relative hurdle for the Fund is the return (expressed as a percentage) of the S&P/ASX Small Ordinaries Accumulation Index. If the index ceases to be published, InvestSMART will nominate an equivalent replacement index.

Absolute return benchmark

The applicable absolute return performance hurdle for the Fund is the RBA Cash rate as at the first Business Day of the Calculation Period, pro-rated for the number of days in the Calculation Period.

6.1.3 ABNORMAL COSTS AND EXPENSES

The Fund may also incur abnormal expenses from time to time. The Fund's constitution allows such abnormal expenses to be recovered from the Fund. When expenses are paid by the Fund, which will generally be when incurred, they are deducted from the Fund's assets and reflected in the unit price.

6.1.4 INDIRECT COSTS

Management costs include all indirect costs.

6.2 TRANSACTION COSTS

Transactional costs incurred by the Fund will be brokerage on all purchases and sales of securities held by the Fund. The Responsible Entity and Investment Manager have opened accounts with a limited number of brokers and will elect which broker to use on a range of factors including costs. Each broker charges different fees but we expect the average brokerage fees to be 0.15% (plus GST) of the value of the securities bought or sold (as applicable). Transaction costs will differ depending on the type of assets and will be paid out of the assets of the Fund. We estimate transactional costs will be approximately 0.15% per annum of the net asset value of the Fund, based on historical experience.

The buy-sell spread detailed below is retained by the Fund and aims to cover the costs of buying or selling investments because of applications to or redemptions from the Fund (this includes, among other things, administration, brokerage, settlements, stamp duty, and other taxes). The Investment Manager and Responsible Entity will try to match the purchase and sale of portfolio investments with investor applications and redemptions, however it is likely that a proportion of the transaction costs incurred by the Fund in these circumstances will not be covered by the buy-sell spread. The transaction costs disclosed in this section are based on historical experience at the date of this PDS. Please refer to www.investsmart.com.au for any updates which are not materially adverse from time to time.

6.2.1 BUY/SELL SPREAD

The buy/sell spread reflects our estimate of the transaction costs expected to be incurred in buying and selling underlying financial products because of investments in, and withdrawals from, the Fund. As at the date of this PDS, the buy/sell spread is 0.50%. No buy spread is applied to reinvested distributions. We will notify changes to the current buy/sell spread for the Fund on our website at www.investsmart.com.au.

6.3 EXAMPLE OF ANNUAL FEES AND COSTS

Table 2 gives an example of how the fees and costs for this Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

1. Additional charges will depend on the performance of the Fund, the transaction costs (the buy/sell spread) and any adviser service fee you negotiate with your financial adviser.
2. Performance fee of 10.25% pa (calculated based on the Fund achieving a 5% outperformance of the Benchmark over a Calculation Period).

TABLE 2 EXAMPLE		
BALANCE OF \$50,000 WITH AN ADDITIONAL CONTRIBUTION OF \$5,000 AT THE END OF THE YEAR		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.97%	And, for every \$50,000 an investor has in the Fund they will be charged \$485 per annum.
PLUS Performance fee	10.25% of outperformance	And, for every \$50,000, they will be charged \$256
EQUALS Cost of the Fund		If an investor had an investment of \$50,000 at the beginning of the year and contributed an additional \$5,000 at the end of that year, they would be charged fees of \$741

7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Investing in a managed investment scheme is likely to have tax consequences for investors. Specifically, managed investment schemes do not pay tax on behalf of investors in the scheme, and investors are assessed for tax on any income and capital gains generated by the scheme. Generally, managed investment schemes distribute all their income each year so that the scheme itself is not subject to tax. Managed investment schemes do not pay the tax liability on behalf of Australian resident investors. As an investor, you will be assessed for tax on your share of the Fund's income and capital gains. In normal circumstances, you should expect that some income and/or capital gains will be generated each year. The Australian taxation system is complex and different investors have different circumstances. Therefore, **you are strongly advised to seek professional tax advice before investing in the Fund.** Additional information on the taxation of managed investment schemes is available in the "AID" available at www.investsmart.com.au.

8. HOW TO APPLY

Please note that this offer is only open to persons receiving this PDS within Australia.

InvestSMART will provide a hard copy of the PDS free of charge upon request. Please contact us by:

Phone: 1300 880 160

Website: www.investsmart.com.au

Email: invest@investsmart.com.au

Direct investors should complete the online Application Form and Investor Identification Form available at www.investsmart.com.au or contained in the Application Pack and return them to the Fund's Registrar. The Investor

Identification Form allows InvestSMART to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ("AML/CTF"). This means that, when you apply to be an investor in the Fund, you will need to provide personal information and documentation to InvestSMART in relation to your identity. We may also need additional information during your investment. InvestSMART can only accept and process application forms that are properly completed. While we are assessing your application or confirming your identity, any interest earned on application monies is retained by the Fund.

8.1 COOLING-OFF

There is a 14-day cooling off period during which you can decide the investment is not right for you. The 14-day period commences from the time we receive your application money. Any refund requested by you will be made at the NAV on the day after the request has been received, and therefore may be an amount greater of smaller than the amount you initially invested in the Fund.

8.2 COMPLAINTS

If you have any concerns or complaints, please contact InvestSMART's Complaints Officer on 02 8305 6000 and InvestSMART will do its best to resolve this concern quickly and fairly. If an investor believes that their matter has not been dealt with satisfactorily, they can contact the Australian Financial Complaints Authority ("AFCA") by calling 1800 931 678, by emailing info@afca.org.au or by writing to AFCA at GPO Box 3, Melbourne VIC 3001.

9. ADDITIONAL INFORMATION

9.1 UNIT PRICING DISCRETIONS POLICY

InvestSMART's Unit Pricing Discretions Policy provides further information about how it calculates NAV per Unit. The policy complies with ASIC requirements. The Responsible Entity will observe this policy in relation to the calculation of the NAV per Unit and will record any exercise of discretion outside the scope of the policy. Investors can request a copy of the policy free of charge by calling InvestSMART.

9.2 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

InvestSMART and the Investment Manager are related entities and will enter into transactions with, and use the services of, each other. The Responsible Entity, and its various service providers, may act as issuer, investment manager, custodian, registrar, broker, administrator, investment adviser, distributor or dealer in relation to, or be otherwise involved in other ways, or establish other funds which may have similar objectives to those of the Fund. It is possible that potential conflicts of interest will arise with the Fund. InvestSMART and the Investment Manager will always have regard to their obligations to the Fund and will try to ensure that such conflicts are resolved fairly. InvestSMART and the Investment Manager may deal as principal or agent with the Fund, only on the basis any transactions are on normal commercial terms negotiated on an arm's length basis.

Mainstream Fund Services Pty Ltd, Intelligent Investor and Registry Direct Ltd. have given and not withdrawn their consent to being named in the PDS.

9.3 CONTINUOUS DISCLOSURE

The Fund is subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. Investors can also call InvestSMART on 1300 880 160 to obtain copies of the following documents free of charge:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half year financial report lodged with ASIC;
- Any continuous disclosure notices the Responsible Entity publishes online at www.investsmart.com.au or lodged with ASX and ASIC.

9.4 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 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 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 2001 and regulations made under that Act sets 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 (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 the 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 only available in Australia and is not available in New Zealand.

9.5 GLOSSARY

DEFINED TERMS AND OTHER TERMS USED IN THE PDS	DEFINITION
AID	Additional Information Document referenced in this PDS.
AFCA	Australian Financial Complaints Authority
AFS Licence	Australian financial services licence.
AML/CTF Act	The Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth).
Business Day(s)	The days identified by ASX upon which settlement occurs. In addition to weekends, a number of public holidays are also declared by ASX to be non-business days.
Compliance Plan	The Compliance Plan of the Fund.
Constitution	The Constitution of the Fund.
Corporations Act	Corporations Act 2001 (Cth).
Custodian	Mainstream Fund Services Pty Limited ABN 81 118 902 891, AFSL 303 253
Custody Agreement	The custody agreement in respect of the assets of the Fund between the Custodian and the Responsible Entity.
GST	Goods and Services Tax
Investment Manager	Intelligent Investor Holdings Pty Limited ACN 109 360 983; CAR Licence No. 1255838
NAV	Net asset value.
NAV per Unit	The NAV per Unit is calculated by dividing the NAV of the Fund by the number of Units on issue.
PDS	This product disclosure statement as amended or supplemented from time to time.
Responsible Entity	InvestSMART Funds Management Limited ABN 62 067 751 759; AFS Licence No. 246441.
Unit Registry	Registry Direct Ltd ABN 35 160 181 840, being the entity that will operate the registry for the Units.