

LSN Emerging Companies Fund

Product Disclosure Statement

ARSN 685 037 683

APIR LSP6493AU

Issue Date 14 March 2025

About this PDS

This Product Disclosure Statement ("PDS") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity") and is a summary of the significant information relating to an investment in the LSN Emerging Companies Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the LSN Emerging Companies Fund Reference Guide ("Reference Guide"), each of which forms part of this PDS. You should carefully read and consider both the information in this PDS, and the information in the Reference Guide, before making a decision about investing in the Fund.

The information provided in this PDS is general information only and does not take account of your personal objectives, financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances and consider whether investing in the Fund is appropriate for you in light of those circumstances.

The offer to which this PDS relates is only available to Wholesale Clients (as defined in the Reference Guide) in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary this position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined in the Reference Guide) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

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The Reference Guide

Throughout the PDS, there are references to additional information contained in the Reference Guide. You can obtain a copy of the PDS and the Reference Guide, free of charge, by emailing LSN Capital Partners Pty Ltd on investors@lsncapital.com.au or by visiting www.lsncapital.com.au or by calling the Responsible Entity.

The information contained in the Reference Guide may change between the day you receive this PDS and the day you acquire the product. You must therefore ensure that you have read the Reference Guide current as at the date of your application.

Updated information

Information in this PDS is subject to change. We will notify you of any changes that have a material adverse impact on you or other significant events that affect the information contained in this PDS. Any information that is not materially adverse information is subject to change from time to time and may be obtained by emailing LSN Capital Partners Pty Ltd on investors@lsncapital.com.au or by visiting www.lsncapital.com.au. A paper copy of the updated information will be provided free of charge on request.

Investment Manager

LSN Capital Partners Pty Ltd
ABN 97 651 222 301, AFSL 550265
10 / 30 Collins Street
Melbourne VIC 3000
Ph: +61 438 752 326 / +61 423 769 131
Web: www.lsncapital.com.au

Administrator/Custodian

MUFG Corporate Markets
Locked Bag 5038
Parramatta NSW 2124
Email: lsn@cm.mpms.mufg.com
Web: www.mpms.mufg.com

Responsible Entity

Equity Trustees Limited
ABN 46 004 031 298, AFSL 240975
GPO Box 2307
Melbourne VIC 3001
Ph: +613 8623 5000
Web: www.eqtl.com.au/insto

1. About Equity Trustees Limited

The Responsible Entity

Equity Trustees Limited

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

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed LSN Capital Partners Pty Ltd (ABN 97 651 222 301, AFSL 550265) as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

LSN Capital Partners Pty Limited ABN 97 651 222 301, AFSL 550265 ("LSN Capital") is the investment manager of the Fund.

The Investment Manager is a boutique investment manager established in 2021 specialising in Australian small and emerging companies and is wholly owned by its staff. The Investment Manager has a commitment to excellence in the management of small company portfolios and the founders have extensive investment experience in this area. The business operates an outsourced service provider model which allows the founders to allocate their time on stock research and portfolio management.

The Investment Manager's philosophy involves fundamental bottom-up stock selection, following a detailed investment process, rigorous risk control measures, explicit portfolio construction framework, a detail sell-discipline and extensive company visitation program.

For more information on the Investment Manager's investment process, see Section 5, "How we invest we invest your money".

The Custodian and Administrator

Equity Trustees has appointed MUFG Corporate Markets ("MUFG" or "Administrator") as custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Responsible Entity has appointed MUFG to act as administrator and registry provider for the Fund. In such capacity, the MUFG performs all general administrative tasks for the Fund, including registry services, keeping financial books and records and calculating the Net Asset Value of the Fund.

2. How the LSN Emerging Companies Fund works

The Fund is a registered managed investment scheme governed by the Constitution. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive units in the Fund when they invest. In general, each unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give investors an interest in any particular asset of the Fund.

If you invest in the Fund through an IDPS (as defined in the Reference Guide) you will not become an investor in the Fund. The operator or custodian of the IDPS will be the investor entered in the Fund's register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the IDPS will be governed by the terms of your IDPS. Please direct any queries and requests relating to your investment to your IDPS Operator. Unless otherwise stated, the information in the PDS applies to direct investors.

Applying for units

You can acquire units by completing the Application Form that accompanies this PDS. The minimum initial investment amount for the Fund is \$25,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

LSN Emerging Companies Fund
C/O MUFG Corporate Markets
Locked Bag 5038
Parramatta NSW 2124
Or by email to lsn@cm.mpms.mufg.com

Please note that cash and cheques cannot be accepted.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.30%.

The Application Price will vary as the market value of assets in the Fund rises or falls.

Making additional investments

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. The minimum additional investment into the Fund is \$25,000 (unless otherwise determined by the Responsible Entity).

Distributions

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

The Fund usually distributes income annually, at the end of June, however Equity Trustees may change the distribution frequency without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors within three months of the distribution calculation date.

Investors in the Fund can indicate a preference to have their distribution:

- reinvested back into the Fund; or
- directly credited to their AUD Australian domiciled bank account.

Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received immediately prior to the next Business Day after the relevant distribution period. There is no Buy Spread on distributions that are reinvested.

In some circumstances, the Constitution may allow for an investor's withdrawal proceeds to be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Access to your money

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

LSN Emerging Companies Fund
C/O MUFG Corporate Markets
Locked Bag 5038
Parramatta NSW 2124
Or by email to lsn@cm.mpms.mufg.com

The minimum withdrawal amount is \$25,000. Once we receive and accept your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees will generally allow an investor to access their investment within 7 days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investor's nominated AUD denominated Australian domiciled bank account. However, Equity Trustees is allowed to reject withdrawal requests, and also to make payment up to 21 days after acceptance of a request (which may be extended in certain circumstances) as outlined in the Constitution and Reference Guide.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion.

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.30%.

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

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$25,000 as a result of processing your withdrawal request. In certain circumstances, for example, when there is a freeze on withdrawals, where accepting a withdrawal is not in the best interests of investors in the Fund including due to one or more circumstances outside its control or where the Fund is not liquid (as defined in the Corporations Act), Equity Trustees can deny or suspend a withdrawal request and you may not be able to withdraw your funds in the usual processing times or at all. When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

Unit pricing discretions policy

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

Additional information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Investors would then have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

Further reading

You should read the important information in the Reference Guide about:

- Application cut-off times;
- Application terms;
- Authorised signatories;
- Reports;
- Withdrawal cut-off times;
- Withdrawal terms; and
- Withdrawal restrictions,

under the "Investing in the LSN Emerging Companies Fund", "Managing your investment" and "Withdrawing your investment" sections before making a decision. Go to the Reference Guide which is available at www.lsncapital.com.au. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

3. Benefits of investing in the LSN Emerging Companies Fund

Significant features

The Fund is an actively managed long only equity strategy, investing in securities listed on the Australian Securities Exchange ex ASX 100. These securities will primarily be in the S&P/ASX Small Ordinaries Index

Significant benefits

Significant benefits of investing in the Fund may include:

- Exposure to investment opportunities early in a company's lifecycle when they are often under-researched and not well understood by investors;
- Portfolio diversification and active risk management;
- Ability to receive distributions (if any) on an annual basis;
- Robust compliance and governance structure.

4. Risks of managed investment schemes

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and the Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed, and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

Market Risk

Changes in legal and economic policy, technological, climate, political conditions, unexpected major world events, social climate, interest rates, economic cycles, and even investor and market sentiment, may influence (negatively or positively) the value of investments in the Fund. In addition, a fall in the general direction of the equity market may have a negative influence on the performance of the Fund.

Fund Risk

Risks particular to the Fund include that it could terminate, the fees and expenses could change, and the responsible entity of the Fund could be replaced. There is also a risk that investing in the Fund may give different results than investing directly in the underlying assets of the Fund themselves because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Inflation Risk

Inflation risk is the risk that returns will not be sufficiently higher than inflation to enable an investor to meet their financial goals.

Interest Rate Risk

Changes in official interest rates can directly and indirectly impact (positively or negatively) on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus may have a negative impact on the Fund. Reasons for interest rate changes include changes in inflation, economic activity and central bank policies.

Investment Manager Risk

There are risks associated with the operational and financial performance of the investment manager and the investment manager could be replaced. In addition, key professionals could change affecting how the Fund is managed.

Derivative Risk

LSN Capital may, but is not required to, use derivatives for risk management purposes for the Fund. The use of derivative positions to hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that derivative positions may not move perfectly in line with the physical security. Fluctuations in the price of derivatives reflect movements in the underlying assets, reference rate or index to which the derivatives relate. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security.

Other risks associated with derivatives may include:

- loss of value because of a sudden price move or because of the passage of time;
- potential illiquidity of the derivative;
- the Fund being unable to meet payment obligations as they arise;
- the counterparty to any derivative contract not being able to meet its obligations under the contract; and
- significant volatility in prices.

LSN Capital does not currently use over the counter derivatives. Note that neither Equity Trustees nor LSN Capital guarantees that the Fund's derivatives strategy, if used, will be successful.

Individual investment Risk

There may be instances where a company or managed investment scheme will fall in price because of company/managed investment scheme specific factors (e.g. where a company's or manager's major product is subject to a product recall). The value of investments can vary because of changes to management, product distribution or the company's business environment.

Counterparty Risk

Returns may be affected if counterparties experience financial difficulty, fail to perform their services or meet their obligations in the manner

Liquidity Risk

Securities in which the Fund is invested, or the Fund itself, may become illiquid. The Investment Manager has attempted to mitigate this risk by ensuring sufficient cash exposure to meet liquidity requirements. There may be times when there may be a limited secondary market for the securities in which the Fund may invest and that may affect the ability of the Fund to realise investments or to meet withdrawal requests (e.g. in a falling market where companies may become less liquid). Small capitalisation companies tend to be less liquid than larger capitalisation companies. Note that neither Equity Trustees nor LSN Capital guarantees the liquidity of the Fund's investments or of investments in the Fund.

Smaller Company Risk

The Fund invests primarily in small capitalisation companies. While small capitalisation companies may offer greater potential for capital appreciation than larger, more established companies, they may also involve greater risk of loss and price fluctuation. The market for securities of small capitalisation issuers may be less liquid and more volatile than securities of larger companies. This means that the Fund could have greater difficulty buying or selling a security of a small capitalisation issuer at an acceptable price, especially during periods of market volatility.

Security selection risk

LSN Capital may make investment decisions that result in low returns. This risk is mitigated to some extent by the knowledge and experience of LSN Capital.

Regulatory and legal risk

Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund or its underlying investments or the Investment Manager's ability to execute its investment strategy. Such initiatives may impact either a specific transaction type or market and may be either country specific or global and may include the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital. Such changes may result in the Fund failing to achieve its investment objectives.

Cyber security risk

Unitholder details as well as the Fund's holdings are held electronically. There is a risk of financial loss, disruption or damage from either internal or external, accidental or malicious conduct targeting either LSN Capital or any of its agents or service providers resulting in unauthorised access to digital systems, networks or devices for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

5. How we invest your money

Warning: When choosing to invest in the Fund or an option of the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

Investment objective

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index after fees but before taxes over the medium to long term.

Please note that the investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

Benchmark

The S&P/ASX Small Ordinaries Accumulation Index

Minimum suggested time frame

The minimum suggested investment time frame for the Fund is five years. The recommended investment timeframe may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.

Risk level

High

This Fund has been assigned a 'higher risk' designation based on its exposure to a diversified portfolio of equities on the Australian Securities Exchange. This grading is not intended to be a guarantee of any actual level of risk or an indication of likely returns.

Investor suitability

The Fund is generally suited for persons seeking medium to long term capital growth and those who can tolerate a high level of risk. You should speak to your financial adviser before investing in the Fund.

Investment style and approach

The Fund is a long only equities fund that provides exposure to Australian small, predominantly ex-ASX100, capitalisation listed companies that are, in the Investment Manager's view, emerging as industry leaders. The portfolio is actively managed typically investing in 30-50 securities primarily in the S&P/ASX Small Ordinaries Index.

The Fund seeks to find investment opportunities early in a company's life cycle when they are often under-researched by stockbroking firms and not well understood by the market whilst offering attractive valuation upside. Utilising a robust risk management framework and clear stock sell discipline the portfolio's objective is to achieve higher risk-adjusted returns than the Benchmark while aiming to lower volatility and drawdowns over the medium to long term.

Asset allocation

To achieve this investment objective, the asset allocation generally utilised by the Fund is as follows:

- Australian equities:
80 – 100% of the NAV of the Fund
- Cash and cash equivalents:
0 – 20% of the NAV of the Fund

The asset allocation is only a target, actual allocations can change significantly and sometimes quickly where there are unexpected market fluctuations or extreme market events. In these rare circumstances, the Investment Manager will endeavour to bring the asset allocation of the Fund within the target asset allocation when it is reasonable and appropriate to do so.

Changing the investment strategy

The investment strategy and asset allocation parameters may be changed. If a change is to be made, investors in the Fund will be notified in accordance with the Corporations Act.

Labour Standards, Environmental, Social and Ethical Factors ("ESG considerations")

EQT has delegated investment decisions including ESG considerations to the Investment Manager.

Broadly, the Investment Manager's investment process focuses on identifying high quality companies with sustainable business models. Environmental, social and governance ("ESG"), including labour standards and ethical considerations form part of this process, aiming to highlight where sustainability of returns may be at risk due to less than acceptable ESG related cultures, behaviours, policies and actions. However, the Investment Manager has no specific ESG related investment screening criteria nor does it have predetermined views about what it regards to be an ESG consideration. Therefore, when managing the Fund, the team at LSN Capital takes into account labour standards, ESG and ethical considerations for the purposes of selection, retention or realisation of investments in the Fund, but only to the extent these issues have a material impact on either investment risk or return. ESG is considered at a stock and portfolio level to enable a more holistic assessment of investment risks and opportunities and incorporated throughout the investment process.

To help mitigate ESG risks, the team at LSN Capital undertakes periodic ESG review processes for the portfolio which highlight and consider ESG related risks and trends. Where the Investment Manager believes the company has demonstrated wilful disregard for ESG considerations, it may choose to avoid or divest the stock on a case by case basis. Where the Investment Manager chooses to divest due to ESG considerations, it may do so within a timeframe it considers reasonable in all the circumstances.

For further information on ESG considerations at LSN Capital and how LSN Capital integrate ESG, please contact LSN Capital via email on investors@lsncapital.com.au

Fund performance

Up to date information on the performance of the Fund will be available by visiting www.lsncapital.com.au. A free of charge paper copy of the information will also be available on request by calling LSN Capital on +61 438 752 326 / +61 423 769 131. Past performance is not a reliable guide to future performance.

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

6. Fees and costs

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 fees. 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) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section 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.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

LSN Emerging Companies Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Management fees and costs The fees and costs for managing your investment ²	1.20% p.a. of the NAV of the Fund	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	1.82% of the NAV of the Fund ³	Performance fees are calculated daily and paid quarterly in arrears from the Fund and reflected in the unit price.
Transaction costs The costs incurred by the scheme when buying or selling assets	0.12% p.a. of the NAV of the Fund	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0.30% upon entry and 0.30% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable

LSN Emerging Companies Fund

Type of fee or cost	Amount	How and when paid
Switching fee The fee for changing investment options	Not applicable	Not applicable

¹ All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how the relevant fees and costs are calculated.

² The management fee component of management fees and costs can be negotiated. See "Differential fees" in the "Additional Explanation of Fees and Costs" below.

³ This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager. See "Performance fees" below for more information.

Additional Explanation of Fees and Costs

Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 1.20% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.00% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2024.

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

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance fees are 1.82% p.a. of the NAV of the Fund. The performance fee figure that is disclosed in the Fees and Costs Summary is based on an average of the performance fees over the previous three financial years, since the Fund's inception, where each performance fee relevant to the Fund is averaged and totalled to give the performance fees for the Fund.

A performance fee is payable to the Investment Manager where the investment performance of the Fund after management fees exceeds the Benchmark. The performance fee is 20.00% (inclusive of GST and net of any RITC) of this excess and is accrued daily in the unit price and paid quarterly in arrears from the Fund.

No performance fees are payable until any accrued underperformance (in dollar terms) from previous periods has been recovered.

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

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

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred 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.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.30% upon entry and 0.30% upon exit. The dollar value of these costs based on an application or a withdrawal of \$25,000 is \$75 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and eqt.com.au/insto and Investment Manager’s fact sheet will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund’s assets and are reflected in the Fund’s unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.28% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2024.

However, actual transaction costs for future years may differ.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 3.00% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days’ notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on +61 438 752 326 / +61 423 769 131 for further information.

Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – LSN Emerging Companies Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	1.20% p.a.	And, for every \$50,000 you have in the LSN Emerging Companies Fund you will be charged or have deducted from your investment \$600 each year
Plus Performance fees	1.82% p.a.	And, you will be charged or have deducted from your investment \$910 in performance fees each year
Plus Transaction costs	0.12% p.a.	And, you will be charged or have deducted from your investment \$60 in transaction costs
Equals Cost of LSN Emerging Companies Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$1,570* What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for the Fund, over the previous three financial years. The performance of the Fund for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

Further reading

You should read the important information in the Reference Guide about fees and costs under the “Fees and other costs” section before making a decision. Go to the Reference Guide which is available at www.lsncapital.com.au. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled or, where the Fund has made a choice to be an Attribution Managed Investment Trust ("AMIT") and the choice is effective for the income year, are attributed to them.

Further reading

You should read the important information in the Reference Guide about Taxation under the "Other important information" section before making a decision. Go to the Reference Guide which is available at www.lsncapital.com.au. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

8. How to apply

To invest please complete the Application Form accompanying this PDS, send funds (see details in the Application Form) and your completed Application Form to:

LSN Emerging Companies Fund
C/O MUFG Corporate Markets
Locked Bag 5038
Parramatta NSW 2124
Or by email to lsn@cm.mpms.mufg.com

Please note that cash and cheques cannot be accepted and all applications must be made in Australian dollars.

Who can invest?

Eligible persons (as detailed in the 'About this PDS' section) can invest, however individual investors must be 18 years of age or over. Investors investing through an IDPS should use the application form provided by their IDPS Operator.

Cooling off period

No cooling off period applies to the offer made in this PDS, as the units offered under this PDS are only available to Wholesale Clients. Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard.

Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:

Online: www.afca.org.au

Phone: 1800 931 678

Email: info@afca.org.au

Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

9. Other information

Consent

The Investment Manager the Custodian / Administrator have given and, as at the date of this PDS, have not withdrawn:

- their written consent to be named in this PDS as the Investment Manager the Custodian / Administrator of the Fund; and
- their written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Investment Manager the Custodian / Administrator have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. None of the Investment Manager or the Custodian / Administrator nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

Further reading

You should read the important information in the Reference Guide about:

- Your privacy;
- The Constitution;
- Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF");
- NAV for the Fund;
- Indirect Investors;
- Information on underlying investments;
- Foreign Account Tax Compliance Act ("FATCA"); and
- Common Reporting Standard ("CRS"),

under the "Other important information" section before making a decision. Go to the Reference Guide which is available at www.lsncapital.com.au. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.