

Torica Absolute Return Income Fund

Product Disclosure Statement

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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 Torica Absolute Return Income Fund (the "Fund"). It contains a number of references to important information (including a glossary of terms), contained in the Torica Absolute Return Income 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 persons receiving this PDS in Australia (electronically or otherwise). All references to dollars or "\$" in this PDS are to Australian dollars.

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 visiting the Investment Manager at www.toricacapital.com, emailing enquiries@toricacapital.com or by visiting Equity Trustees at www.eqt.com.au/insto 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 visiting the Investment Manager at www.toricacapital.com, emailing enquiries@toricacapital.com or by visiting Equity Trustees at www.eqt.com.au/insto or by calling the Responsible Entity. A paper copy of the updated information will be provided free of charge on request.

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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 Torica Capital Pty Ltd 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

Torica Capital Pty Ltd

Torica Capital Pty Ltd ("Investment Manager" or "Torica") is a specialist fixed income and credit investment manager, and a corporate authorised representative (CAR 001295971) of Torica Financial Services Pty Ltd (AFSL 540818). The firm adopts an agile and active portfolio management approach to capture inefficiencies in the global fixed income markets. Torica deploys a range of strategies that are adaptive to the constantly evolving financial and economic landscape, with risk management at the core of the firm's investment process. Through these foundations, Torica seeks to achieve consistent income, capital stability and strong risk-adjusted returns, and offers a compelling alternative to traditional core fixed income investments.

2. How the Torica Absolute Return Income 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:

Apex Fund Services Pty Ltd
Client Services Registry Team
GPO Box 4968
Sydney NSW 2001
Fax: +61 2 9251 3525
Email: registry@apexgroup.com

To invest online, please complete the online application form by visiting www.toricacapital.com.

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 for that Fund and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.04%.

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 \$5,000.

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 in the Fund at the end of the distribution period.

The Fund usually distributes income quarterly, at the end of June, September, December and March, however, Equity Trustees may change the distribution frequency without notice. Distributions are calculated effective the last day of each distribution period and are normally paid to investors as soon as practicable after 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:

Apex Fund Services Pty Ltd
Client Services Registry Team
GPO Box 4968
Sydney NSW 2001

Or by fax to +61 2 9251 3525

Or by email to registry@apexgroup.com

The minimum withdrawal amount in the Fund is \$5,000. 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 5 business days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investor's nominated bank account. However, Equity Trustees is allowed to reject withdrawal requests, and also to make payment up to 30 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 for that Fund and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.08%.

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

under the "Investing in the Torica Absolute Return Income Fund", "Managing your investment" and "Withdrawing your investment" sections before making a decision. Go to the Reference Guide which is available at www.toricacapital.com or www.eqt.com.au/insto. 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 Torica Absolute Return Income Fund

Significant Benefits and Features

Active and unconstrained portfolio management approach	Agile and disciplined investment management that proactively takes advantage of market opportunities, irrespective of benchmark bias and constraints.
Diversification	Offers diversification away from the risks of other asset classes, such as equities and property.
Global portfolio, minimal currency risk	Invests in a portfolio of global fixed income securities, seeking to minimise currency volatility via hedging.
Regular income stream	Aims to provide consistent and regular quarterly income distributions.
Enhanced cash alternative	Potential for higher returns than traditional cash investments.
Focus on capital stability	Prioritises the objective of capital preservation and stability through disciplined and proactive risk management.
Access to capital	The Fund aims to maintain daily liquidity by focusing on high quality, liquid securities.
No withdrawal fees	Access to your funds without withdrawal fees or break costs, subject to spreads.
Experience and expertise	Torica's portfolio managers have a long track record managing money through economic cycles. The firm is majority owned by employees, promoting an alignment of interest with our investors.

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 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.

The risks of investing in the Fund include the following:

Market Risk

This is the risk when market valuations fluctuate or decline due to factors such as broad economic conditions, which can include changes in interest rates, inflation rates, employment conditions, competition, climate, technological developments, political and diplomatic events and trends, and tax laws. Torica aims to minimise this risk through prudent investment due diligence in combination with a diversified portfolio of investments.

Currency Risk

This is the risk when a movement in foreign currency relative to the Australian dollar impacts the value of an investment. The Fund may also invest directly in foreign currencies. The Fund aims to hedge all or most of its exposure back into Australian dollar.

Interest Rate Risk

This is the risk when changes in interest rates can have a negative impact on the value of an investment. Torica aims to minimise this risk by limiting duration exposure.

Credit Risk

This is the risk when a borrower or an issuer of a security, or a counterparty of the Fund fails to pay their contractual obligations when they are due. Torica aims to minimise this risk through prudent investment due diligence in combination with a diversified portfolio of investments.

Liquidity Risk

This is the risk when the Fund or its investments become illiquid. This may impact the ability for an investor to withdraw from the Fund. Torica aims to minimise this risk by ensuring 85-100% of the portfolio holdings is in investment grade assets, and maintaining adequate cash reserves for anticipated withdrawals.

Derivative Risk

The risk that the value of a derivative fails to move in line with the underlying asset or as expected. Derivative prices and risk are also affected by other factors including market liquidity and counterparty risk. The Investment Manager uses derivatives mainly for hedging and risk management purposes. Torica aims to minimise this risk by holding sufficient liquid assets to meet all obligations associated with derivatives, and to enter into derivative contracts with reputable counterparties.

Investment Risk

All investments have an inherent level of risk. Investment risk may result in performance less than you expect, the loss of capital invested, a reduction in or no income and possible withdrawal delays. Whilst it is the intention of the Investment Manager to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.

Legal Risk

The Fund may be affected by the actions of governments and regulatory bodies. Legislation (including legislation relating to tax) or regulation may be introduced which may have an impact on the Fund or on your investments. Laws affecting registered managed investment schemes (including the Fund) may change in the future.

Service Provider Risk

This is the risk that the Fund's external service providers default in the performance of their services. Torica and Equity Trustees aims to minimise this risk by using generally reputable services providers.

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, may 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. Furthermore, 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 provide clients with a consistent income stream and capital stability by investing in a diversified portfolio of fixed income assets. The Fund aims to provide total returns (after fees and expenses) that exceeds the RBA Cash Rate (Benchmark) by 2.5% throughout the market cycle.

Benchmark

RBA Cash Rate is defined as the RBA Interbank Overnight Cash Rate.

Minimum suggested time frame

3 years

Risk level

Low to Medium

Investor suitability

The Fund is suitable for investors seeking target returns that exceed traditional fixed income, cash and enhanced cash investments, with quarterly distributions, together with capital stability.

Investment style and approach

Torica adopts an active and adaptive portfolio management approach that seeks to capture inefficiencies in the global fixed income markets. The Fund targets an absolute return profile by investing in a diversified portfolio of mainly investment grade securities. In managing the portfolio, Torica implements strategies designed to capitalise on attractive risk-adjusted return opportunities across jurisdictions, sectors, asset segments, companies, and the broader market interest rate and credit landscape. The Fund also adopts an active asset allocation between cash and yielding securities and has the ability to minimise capital volatility during periods of adverse market movements. Torica employs a thorough analyses of the macroeconomic environment through to individual company and security fundamentals and technicals, selecting bonds in well performing businesses. The Fund's investments are focused on quality fixed income assets with risk management at the core of the firm's investment process. Through these strategies, Torica seeks to protect capital, enhance income and generate absolute returns across market cycles.

Torica's investment universe is broad and covers the global fixed income market. This includes securities in government, semi-government, agencies, asset-backed, corporate and bank bonds. The Fund's primary focus will be on investment grade bond opportunities in generally well rated developed markets. The Fund may also use derivatives predominately for hedging and risk management purposes. Torica may borrow for short term liquidity purposes and to enhance returns.

Asset allocation

The Fund can invest in the full spectrum of fixed income assets. The Fund's asset allocation ranges are:

- Global fixed Income securities 0-100%
- Cash and cash equivalents 0-100%

The global fixed income asset allocation includes (i) derivatives mainly used for hedging and managing investment risk¹ and (ii) investment grade securities between 85-100%.

The Fund aims to invest in interest rate related securities and cash. There is no specific asset allocation in relation to the types of interest rate securities and cash held in the Fund.

¹ The Fund may also purchase or sell derivatives to manage risks. These include foreign currency, credit and interest rate derivatives.

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, environmental, social and ethical considerations

The Investment Manager incorporates environmental, social and governance (ESG) factors when selecting, retaining, or realising underlying investments to the extent that the Investment Manager believes those factors may have a material impact on investment performance. However, they are not assessed in accordance with any predetermined weight or methodology, unless they form part of a firm-wide exclusion. ESG factors are one of a variety of factors considered by the Investment Manager, and is used alongside other measures in the investment decision process to contribute to the long term financial performance of the Fund. For further information please contact the Investment Manager by emailing enquiries@toricacapital.com or calling +61 2 9037 6555.

Fund performance

Up to date information on the performance of the Fund will be available at www.eqt.com.au/insto. A free copy of the information will also be available on request.

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.

The information in the following Fees and Costs Summary can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from an investor's account or deducted from investment returns. For information on tax please see Section 7 of this PDS.

Fees and Costs Summary

Torica Absolute Return Income Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Management fees and costs</i> The fees and costs for managing your investment	0.64% of the NAV of the Fund ¹	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.

Torica Absolute Return Income Fund		
Type of fee or cost	Amount	How and when paid
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.01% of the NAV of the Fund ²	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)

<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.04% upon entry and 0.08% 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.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable
<i>Switching fee</i> 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 indirect costs component of management fees and costs and transaction costs is based on the relevant costs incurred during the financial year ended 30 June 2022. Please see "Additional Explanation of Fees and Costs" below.

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 0.64% 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 and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy (if any). 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.

Actual indirect costs for the current and future years may differ. If in the 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.

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 are not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.04% upon entry and 0.08% upon exit. The dollar value of these costs based on an application of \$25,000 is \$10 for each individual transaction. The dollar value of these costs based on a withdrawal of \$5,000 is \$4 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.eqt.com.au/insto 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 0.21% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2022.

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 5% of the Gross Asset Value ("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 Wholesale Clients. Please contact the Investment Manager by visiting www.toricacapital.com or by emailing enquiries@toricacapital.com for further information.

Taxation

Please refer to Section 7 of the PDS for further information on taxation.

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 – Torica Absolute Return Income 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	0.64% p.a.	And, for every \$50,000 you have in the Torica Absolute Return Income Fund you will be charged or have deducted from your investment \$320 each year
Plus Performance fees	Not applicable	And, you will be charged or have deducted from your investment \$0 in performance fees each year
Plus Transaction costs	0.01% p.a.	And, you will be charged or have deducted from your investment \$5 in transaction costs
Equals Cost of Torica Absolute Return Income 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: \$325 ¹ What it costs you will depend on the investment option you choose and the fees you negotiate.

¹ 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 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.

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.toricacapital.com or www.eqt.com.au/insto. 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:

Apex Fund Services Pty Ltd
Client Services Registry Team
GPO Box 4968
Sydney NSW 2001

Or sending it by fax to +61 2 9251 3525

Or sending it by email to registry@apexgroup.com

To invest online, please complete the online application form by visiting www.toricacapital.com.

Please note that cash 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

If you are a Retail Client who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

- confirmation of the investment being received; and
- the end of the fifth business day after the units are issued.

A Retail Client may exercise this right by notifying Equity Trustees in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant Application Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14 day period. This could include selling part of your investment or switching it to another product.

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 except in relation to access to Equity Trustee's complaints resolution process (see Section 8 below). 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 has given and, as at the date of this PDS, has not withdrawn:

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

The Investment Manager has 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 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");
- 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.toricacapital.com or www.eqt.com.au/insto. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.