



Antares Income Fund

Product Disclosure Statement

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Contents

1. About Antares Capital Partners Ltd	1
2. How the Antares Income Fund works	2
3. Benefits of investing in the Antares Income Fund	3
4. Risks of managed investment schemes	3
5. How we invest your money	4
6. Fees and costs	6
7. How managed investment schemes are taxed	7
8. How to apply	8
9. Other information	8

1. About Antares Capital Partners Ltd

Responsible Entity

Antares Capital Partners Ltd (ACP) is the Responsible Entity of the Fund and the issuer of this PDS and any units offered under it.

As the Responsible Entity, ACP is responsible for all aspects of operating the Fund including administration of the assets and overall investment policy.

ACP is a member of the NAB Group. ACP may also be referred to as 'us', 'we' or 'our' throughout this PDS.

Antares

The Responsible Entity has appointed nabInvest Capital Partners Pty Limited, a fully owned subsidiary within the NAB Group, trading as Antares Fixed Income (Antares), a specialist fixed income and cash manager, as investment manager of the Fund.

Within the NAB Group, Antares refers to the dedicated asset management business combining NAB Group's direct equities and fixed income capabilities.

Antares has managed fixed income and cash portfolios for investors since 1990 and has a collaborative and highly experienced investment team.

Antares recognises and is prepared for market uncertainty and therefore focuses on delivering performance for investors within a careful risk controlled framework.

For more information on Antares visit antarescapital.com.au

Important information

This Product Disclosure Statement (PDS) summarises significant information about the Antares Income Fund (Fund).

It also contains a number of references to important information in the Antares Income Fund Product Guide (Product Guide) marked with an **I** symbol. The Product Guide is a separate document which forms part of this PDS. This PDS and the Product Guide contain important information you should consider before making an investment decision in relation to the Fund. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. We recommend you obtain financial advice for your own personal circumstances before making any investment decision.

These documents are available from nabam.com.au/aif or you can request a copy free of charge by calling us on **1300 738 355** (0800 404 988 if calling from New Zealand) or by contacting your investor directed portfolio service, IDPS-like scheme, master trust or wrap operator (collectively referred to as an 'IDPS' in this PDS). If you are accessing the Fund through the ASX mFund Settlement Service (mFund), you can also access this PDS at mFund.com.au. To invest directly in the Fund you must have received the PDS (electronically or otherwise) within Australia or New Zealand. The content in these documents may change from time to time. You should check you have the most up to date version before making an investment decision. All amounts in these documents are in Australian dollars unless stated otherwise.

Antares Capital Partners Ltd, the responsible entity of the Fund (Responsible Entity), is a fully owned subsidiary within the National Australia Bank Limited Group of companies (NAB Group). No company in the NAB Group guarantees the capital value, payment of income or performance of the Fund. An investment in the Fund does not represent a deposit with or liability of the NAB Group and is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

nabInvest Capital Partners Pty Limited has given its written consent to being named and quoted in this PDS, and to the inclusion of statements made by it or said to be based on statements made by it. As at the date of this PDS these consents have not been withdrawn.

Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") do not approve or endorse any information included in this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

2. How the Antares Income Fund works

About the Fund

The Fund focuses on generating a regular income while aiming to preserve capital and liquidity. Antares does this by actively managing a diverse portfolio of primarily high credit quality fixed income securities and cash, while carefully managing exposure to rising interest rates.

The Fund operates like most other managed investment schemes. Your money is pooled together with other investors' money to buy investments which are managed on behalf of all investors.

When you invest in a managed investment scheme, such as the Fund, you gain exposure to investments that you may not ordinarily have access to, if you invest on your own.

The Fund is governed by its Constitution and is registered with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for this PDS or the operation of the Fund by ACP.

Units and unit prices

The Fund is a 'unit trust'. When you invest in the Fund you acquire an 'interest' in the form of units in the Fund, rather than ownership of the underlying assets of the Fund. When your money is paid into the Fund, units are issued to you and when money is paid out, your units are cancelled.

The value of your investment is reflected in the price of the units. The unit price changes every business day, reflecting the performance (rises and falls in value) of the underlying assets due to market movements, as well as income earned, fees, expenses and taxes paid and payable.

We usually calculate the unit price for the Fund as at the end of each business day.

All references to 'business day' in this PDS and the Product Guide mean days other than a Saturday or a Sunday, or a public or bank holiday in Sydney.

We have the discretion to declare any day to be a business day.

About mFund

The Fund is available through mFund, a managed fund settlement service operated by the Australian Securities Exchange (ASX). mFund uses the ASX electronic settlement system known as CHESS to automate and track the process of applying for and withdrawing units in managed funds. It allows you to apply for or withdraw units in the Fund via an accredited mFund broker (broker), or your financial adviser who uses a stockbroking service on your behalf.

Your holding of mFund units is linked to your Holder Identification Number (HIN). Your HIN is used for all investments and transactions made through the ASX.

mFund does not provide a market for trading units in the Fund. Units settled through mFund are issued and redeemed by us.

Please note that we will not accept any instructions directly from you if your investment in the Fund is held through mFund.

If you invest in the Fund through mFund, the processes of the ASX and the broker you use will impact the time your application and withdrawal requests are received by us. Please contact your broker or financial adviser for their cut-off times as they may be different from those outlined in this PDS.

There are also some risks associated with the ASX's systems and brokers. For example, the ASX's systems could fail, there could be errors or irregularities, or your broker could cease offering the settlement service. In addition, the ASX may suspend or revoke the admission of the Fund to mFund.

You should contact your financial adviser or broker for further information.

Investing directly

To invest in the Fund you will need to complete an Initial Application Form, or you can apply for units in the Fund through mFund. The Initial Application Form is available at nabam.com.au or on request from Client Services on 1300 738 355 (0800 404 988 if calling from New Zealand). Please see section 8 'How to apply' for more information.

Once you've opened your account, you can make additional investments by sending us an Additional Investment Form with a direct deposit or cheque. If your investment is held through mFund you must make additional investments through mFund.

The following minimum investment amounts and balance apply:

- minimum initial investment and minimum balance: \$20,000, and
- minimum additional investment: \$1,000.

If accepted, application requests received by the Fund before 3:00 pm (Sydney time) on any business day will normally receive that day's unit price. Application requests received after 3:00 pm will normally receive the next business day's unit price.

If you invest directly into the Fund then you hold units in the Fund and have the rights of a unitholder, as set out in the Constitution. This applies whether your investment is made using the Initial Application Form, the Additional Investment Form, or through mFund.

Accessing your money

You can request a partial or a full withdrawal at any time by either mailing or faxing to Registry Services a completed Withdrawal Form or providing written notice. The Withdrawal Form is available at nabam.com.au or on request from Client Services on 1300 738 355 (0800 404 988 if calling from New Zealand). If your investment is held through mFund you can only request a withdrawal of your investment through mFund.

Once lodged, withdrawal requests may not be cancelled except with our consent. If a withdrawal request results in you holding less than the minimum balance in the Fund, we may treat your withdrawal request as being for the whole of your investment in the Fund.

If accepted, withdrawal requests received by the Fund before 3:00 pm (Sydney time) on any business day will normally receive that day's unit price. Requests received after 3:00 pm will normally receive the next business day's unit price.

Withdrawal payments will generally be made to your nominated Australian or New Zealand bank account within 10 business days.

In certain circumstances, withdrawals may be delayed. These circumstances may include where a large number of assets need to be sold, where we believe that it is not in the best interests of unitholders to sell underlying assets or where we are unable to calculate the withdrawal price or realise sufficient assets due to circumstances outside our control, such as restricted or suspended trading in the market for an asset.

We may also process requests in instalments over a period of time.

In circumstances where withdrawals are delayed or being paid in instalments, the unit prices used for a withdrawal may be those available on the day the withdrawal takes effect, rather than the day the withdrawal request is received.

In the unlikely event that the Fund becomes illiquid (as defined in the Corporations Act 2001 (Cth)), you may only withdraw your funds in accordance with any withdrawal offer that we make.

Income distributions

The income of the Fund will generally be calculated effective the last day of September, December, March and June each year. To receive a distribution, you must hold units on the distribution calculation date.

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We generally aim to pay income distributions within 10 business days.

There may be periods in which no distributions are made or the Fund may make additional distributions.

Our current practice is to generally distribute all of the net taxable income of the Fund to investors each financial year (including net capital gains and any net gains on currency management). As the Fund is an Attribution Managed Investment Trust (AMIT), we have the discretion to accumulate income (instead of distributing all of the income) and if we do so, the accumulated income will be reflected in the unit price. We intend to continue our current practice to distribute all of the income (including any capital gains) for each year. We will notify you if this changes.

You can request to have income distributions:

- reinvested into the Fund, or
- paid into your nominated Australian or New Zealand bank account.

If you do not make a selection we will reinvest the distribution into the Fund.

You can change your distribution selection at any time by either mailing or faxing a completed Change of Details Form to Registry Services at least five business days prior to the end of a distribution period. The Change of Details Form is available at nabam.com.au or on request from Client Services on **1300 738 355** (0800 404 988 if calling from New Zealand). If you are investing through mFund, please contact your ASX broker or your financial adviser who uses a stockbroking service on your behalf.

Investing via an IDPS

If you invest in the Fund through an IDPS, then you do not hold units in the Fund and you have none of the rights of a unitholder.

Instead the IDPS holds units on your behalf, acquires unitholder rights and may exercise these rights as it sees fit without reference to you.

We authorise the use of this PDS as disclosure to persons who wish to access the Fund through an IDPS. This PDS must be read together with offer documents provided by the IDPS operator and you can apply to invest or perform other transactions by completing the relevant forms provided by the IDPS operator.

Investing through an IDPS may result in different conditions applying from those referred to in this PDS including:

- minimum balance requirements

- fees and other costs
- cooling-off rights
- how to transact on your investment
- timing of processing of transactions and payment of distributions and withdrawals, and
- provision of statements and other information.

You should contact your financial adviser or IDPS operator for further information.

! You should read the important information about **How the Fund works** before making a decision. Go to the Product Guide available at nabam.com.au/aif_pg. The material relating to **How the Fund works** may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of investing in the Antares Income Fund

Aims to provide regular income

Antares aims to deliver a regular income to investors, paid on a quarterly basis, by earning interest from investments in cash and fixed income securities.

Access to your money

Antares seeks to meet investors' needs for liquidity by investing primarily in securities that can be bought and sold on a daily basis, in all market conditions.

Emphasis on capital preservation

Antares aims to preserve your capital by:

- investing primarily in investment grade securities that have a low risk of default, and
- limiting the potentially negative effect of rising interest rates on your capital. Antares manages the Fund's sensitivity to rising interest rates by targeting a short duration profile.

Access to fixed income opportunities

The Fund has flexibility to invest in fixed income securities in Australian and overseas markets. It provides access to fixed income investment opportunities and diversification not usually available to individual investors.

Protection against inflation

To protect investors against rising inflation and higher interest rates, the Fund focuses on investing in floating rate securities. Interest paid on these securities is linked to changes in cash rates.

Potential for better returns than cash

By applying an active investment approach, Antares aims to achieve returns, after fees, that are above the Bloomberg AusBond Bank Bill Index (Benchmark) over rolling three-year periods.

Antares' proven investment expertise

Antares' experienced investment team have managed cash and fixed income funds since 1990. Antares manages over \$27 billion (at 30 June 2017) across a range of cash and fixed income strategies.

Antares' five step macro research process has been effective in many challenging investment conditions. This process is explained in section 5.

4. Risks of managed investment schemes

Investment risk

Even the simplest investment comes with a level of risk. Different investments have different levels of risk, depending on the assets that make up the investment.

The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts; that is, it is more volatile.

While the idea of investment risk can be confronting, it's a normal part of investing. Without it you may not get the returns you need to reach your financial goals. This is known as the risk/return trade-off.

The level of risk you are prepared to accept will depend on a range of factors including:

- your investment goals
- the savings you'll need to reach your goals
- your age and how many years you have to invest
- where other parts of your wealth are invested
- the return you may expect from your investments, and
- how comfortable you are with investment risk.

While Antares rigorously applies its disciplined investment approach, it's important for you to carefully consider the risks of investing in the Fund and to understand that:

- its value and returns will vary over time
- investments with higher long-term return potential usually have higher levels of short-term risk
- returns aren't guaranteed, and you may lose some of your money
- future returns may differ from past returns
- laws of overseas jurisdictions can impact returns on international investments, and
- laws affecting your investment may change in future.

Significant risks

Many factors influence an investment's value. The significant risks of investing in the Fund are typical of the risks of managed investment schemes whose investment strategy is to invest in cash and fixed income securities.

These risks include:

- **Market risk:** risks that affect entire fixed income markets including investor sentiment, economic impacts, inflation rates, regulatory conditions, interest rates, and political and catastrophic events. Market risk varies between countries.
- **Credit (default) risk:** when investing in fixed income you're effectively lending money to businesses or governments. Market values of fixed income securities may rise or fall due to changes in perceptions of an issuer being able to meet their obligations, including interest and capital repayments. The risk of an issuer defaulting on their payments increases with declining quality of credit issuers eg credit risk is higher for high yield securities than investment grade securities.
- **Interest rate risk:** the value of the Fund's investments may be sensitive to changes to interest rates. Fixed income securities' values tend to move in opposite directions to interest rates. So when interest rates rise fixed income securities' values tend to fall. Short-term fixed income securities are generally less sensitive to interest rate changes than longer-term securities.
- **Currency risk:** the value of the Fund's investments in assets located in other countries will change if the exchange rate between the Australian dollar and the foreign currency moves. However, where the Fund hedges large foreign currency exposures to the Australian dollar, Australian investors are largely protected against movements in exchange rates. This is known as currency hedging. Currency hedging involves costs and implementation risks due to the volatility of currency and securities markets. Additionally, the Fund's income distributions may be affected. For example gains from currency hedging may result in significant additional Fund income to distribute. Conversely, losses from currency hedging can totally offset other Fund income, resulting in no income distribution for the period. As the Fund's currency exposure can be hedged to the Australian dollar, New Zealand investors may be exposed to exchange rate movements between the Australian dollar and the New Zealand dollar.
- **Derivatives risk:** derivatives are contracts that have a value derived from another source such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns. Some derivatives allow investment managers to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price movement in the underlying asset is unfavourable. Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset, the risk that counterparties to the derivative may not be able to meet payment obligations and the risk that a particular derivative may be difficult or costly to trade.
- **Liquidity risk:** this is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests.
- **Fund risk:** risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs could change. There is also a risk that investing in the Fund may give different results than investing directly because of the impact of fees, income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors.
- **Investment manager performance risk:** investment managers have different approaches to managing portfolios, which invariably results in different investment returns. No single investment approach is guaranteed to outperform all others in all market conditions. Changes to investment markets and within an investment manager's firm may also affect an investment manager's performance.

5. How we invest your money

The following table provides an overview of the Fund's investment return objective and investment approach.

You should consider the likely investment return and risk of the Fund and your investment time frame when deciding whether to invest into the Fund.

Antares Income Fund	
Fund description	The Fund focuses on generating a regular income while aiming to preserve capital and liquidity. Antares does this by actively managing a diverse portfolio of primarily high credit quality fixed income securities and cash, while carefully managing exposure to rising interest rates.
Investment return objective	The Fund aims to provide regular income and a return (after fees) that exceeds the Benchmark over rolling three-year periods.
Benchmark	Bloomberg AusBond Bank Bill Index

Investment approach	<p>In an unpredictable and constantly changing world, Antares actively manages the Fund using a five step macro research process (explained below) to identify economic and industry trends. This top down process is combined with analysis of the interest rate yield curve and bottom up credit research to manage risk and identify the most attractive securities that it believes will best achieve the Fund's return objective.</p>										
	<table border="1"> <thead> <tr> <th data-bbox="440 313 655 405">Step 1 Macro analysis</th> <th data-bbox="663 313 863 405">Step 2 Economic scenarios</th> <th data-bbox="871 313 1070 405">Step 3 Scenarios asset class pricing</th> <th data-bbox="1078 313 1278 405">Step 4 Rank scenarios</th> <th data-bbox="1286 313 1508 405">Step 5 Implementation</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 416 655 817"> <p>The investment team develops a view of the global economy and its likely impact on the Australian economic outlook.</p> </td> <td data-bbox="663 416 863 817"> <p>A range of medium-term (six months) economic scenarios are developed, based on the investment team's interpretation of current economic conditions and possible future economic outcomes.</p> </td> <td data-bbox="871 416 1070 817"> <p>The investment team assesses how each asset class is likely to perform in each of the scenarios developed. And determines a fair price for each security.</p> </td> <td data-bbox="1078 416 1278 817"> <p>The investment team probability weights each economic scenario based on how likely it is to occur. These scenarios form the basis of the Fund's investment strategy.</p> </td> <td data-bbox="1286 416 1508 817"> <p>Having identified where they believe the best value lies, Antares implements the Fund's active positions within the asset allocation ranges (below). The Fund has a core allocation to enhanced cash and adjusts exposure to satellite strategies as the market outlook or conditions change.</p> </td> </tr> </tbody> </table>	Step 1 Macro analysis	Step 2 Economic scenarios	Step 3 Scenarios asset class pricing	Step 4 Rank scenarios	Step 5 Implementation	<p>The investment team develops a view of the global economy and its likely impact on the Australian economic outlook.</p>	<p>A range of medium-term (six months) economic scenarios are developed, based on the investment team's interpretation of current economic conditions and possible future economic outcomes.</p>	<p>The investment team assesses how each asset class is likely to perform in each of the scenarios developed. And determines a fair price for each security.</p>	<p>The investment team probability weights each economic scenario based on how likely it is to occur. These scenarios form the basis of the Fund's investment strategy.</p>	<p>Having identified where they believe the best value lies, Antares implements the Fund's active positions within the asset allocation ranges (below). The Fund has a core allocation to enhanced cash and adjusts exposure to satellite strategies as the market outlook or conditions change.</p>
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Indicative asset allocation ranges and investments	<p>Fixed income securities issued in Australian dollars: 0 - 100%</p> <p>Fixed income securities issued in foreign currencies: 0 - 50%</p> <p>Cash and short-term securities: 20 - 100%</p> <p>The Fund may invest in a broad range of securities and derivatives directly or through funds managed by Antares, including:</p> <ul style="list-style-type: none"> • government and government-related bonds • corporate bonds • mortgage-backed and asset-backed securities • hybrid and convertible securities • cash and short-term securities, and • interest rate and credit derivatives including swaps, options and futures. <p>Large foreign currency exposures are hedged into Australian dollars.</p>										
Use of derivatives	<p>Derivatives may be used within the Fund to manage exposure to interest rates and credit markets, to hedge currency exposure (into Australian dollars), to improve returns, to reduce risk and to reduce transaction costs. Derivatives will not be used for gearing purposes.</p>										
Minimum suggested timeframe	<p>1 to 3 years (Please note this is a guide not a recommendation).</p>										
Risk level (expected volatility)	<p>Low: The likelihood of the value of your investment going down over the short term is low compared to funds investing in other types of assets such as property securities and shares. The lower level of volatility means the Fund has less potential for higher returns over the long term.</p> <p>See section 4 'Risks of managed investment schemes' for further information.</p>										
The Fund may be suited to you if you:	<ul style="list-style-type: none"> • are seeking regular income from your investment • want to preserve your capital • want to invest in a diversified portfolio of cash and fixed income securities that is managed by a specialist investment manager • are seeking active management to generate returns and manage risk, and • understand there can be some fluctuations in income and the value of your investment. 										
Labour standards, environmental, social and ethical considerations	<p>Generally, Antares does not take into account labour standards, environmental, social or ethical considerations for the purposes of selecting, retaining or realising the investments of the Fund. However, to the extent that Antares believes those matters may affect the value or performance of an underlying investment, they may be considered. Antares does not have a predetermined view as to what constitutes an unacceptable labour standard or environmental, social or ethical consideration and these will be determined on a case by case basis.</p>										

Changes to the Fund

We may make changes to the Fund (and the information in this PDS) at our discretion, including but not limited to, terminating the Fund or changing the investment manager when we deem it to be in unitholders' best interests. Some changes may be made without prior notice, including but not limited to, closing the Fund to new applications and changes to the investment strategy, asset allocation and service providers.

Where possible, we will give you prior written notice of any materially adverse change.

Changes that are not materially adverse may be made available on the website nabam.com.au/aif. You should check the website for the latest information or you can obtain a paper copy of any updated information free of charge by calling Client Services on 1300 738 355 (0800 404 988 if calling from New Zealand). mFund investors may also refer to the website mFund.com.au

If you invest via an IDPS and you would like to receive notices of any changes to the Fund or PDS you should request this from your IDPS operator.

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 account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

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

TO FIND OUT MORE

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

The fees and costs outlined in this PDS are for the Fund only.

You should read all of the information about fees and costs because it is important to understand their impact on your investment in the Fund.

If you are investing in the Fund via an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and your financial adviser. If investing through mFund, additional fees may also be payable directly to your broker, or your financial adviser who uses a stockbroking service on your behalf. You should consider the Financial Services Guide provided by your broker (or adviser).

This section shows the fees and other costs that you may be charged in relation to the Fund. 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.

The information in this table can be used to compare fees and costs between different simple managed investment schemes.

All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

Type of fee or cost	Amount
Fees when your money moves in or out of the managed investment product.	
Establishment fee The fee to open your investment.	Nil
Contribution fee The fee on each amount contributed to your investment.	Nil
Withdrawal fee The fee on each amount you take out of your investment.	Nil
Exit fee The fee to close your investment.	Nil
Management costs^{1,2}	
The fees and costs for managing your investment.	
Management fee³	0.55% pa of the Fund's net asset value.

¹ See 'Additional explanation of fees and costs' for further details.

² Rounded to two decimal places.

³ Wholesale clients (as defined in the Corporations Act 2001 (Cth)) may be able to negotiate this fee by contacting Client Services.

Example of annual fees and costs for the Fund

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

EXAMPLE: Antares Income Fund		Balance of \$50,000 with a contribution of \$5,000 during the year¹
Contribution fees	0%	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs	0.55%	And , for every \$50,000 you have in the Fund you will be charged \$275 each year.
EQUALS Cost of the 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 from: \$275. What it costs you will depend on the fees you negotiate with the Fund, your IDPS operator or your financial adviser.

¹This example assumes the \$5,000 additional investment occurs at the end of the year.

Additional explanation of fees and costs

Management costs

The Management costs are fees and costs for investing the Fund's assets. The Management costs include the Management fee and do not include buy/sell spreads or transaction costs.

The Management fee includes fees charged by the Responsible Entity, fees paid to the investment manager and other expenses incurred in operating the Fund such as custody costs, registry costs, auditing fees and tax return fees.

We currently do not charge these costs and expenses to you as an additional cost or recover them directly from the Fund. We may decide in the future to recover other expenses directly from the Fund in addition to the Management fee.

Transaction costs

When assets in the Fund or in underlying investments are bought or sold, costs such as brokerage, stamp duty and settlement costs are incurred. Costs may also be incurred when the market process for purchasing assets causes the price paid to be higher than the value of the assets immediately after the purchase transaction, for example where bid/ask spreads are incurred.

The estimated transaction costs for the financial year to 30 June 2018 are approximately 0.04% pa of the Fund's net asset value which reduced the return of the Fund.

These costs are not included in the Management costs and are an additional cost to you. No part of the transaction costs are paid to us or any investment managers.

Buy/sell spreads

You incur the buy/sell spread when you buy or sell units in the Fund.

Currently there is no buy/sell spread applied to the Fund.

Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the Constitution, without your consent.

Under the Constitution for the Fund, we are entitled to charge the following maximum fees:

- **Management fee:** 3% pa of the value of the Assets determined at the end of the day (as defined under the Constitution).
- **Contribution fee:** 5% of the application amount (currently not charged).
- **Withdrawal fee:** 5% of the withdrawal amount (currently not charged).

If you invest directly in the Fund we will give you 30 days' notice of any increase in fees. No prior notice will be given in respect of changes to transaction costs or buy/sell spreads. For updated details go to nabam.com.au

! You should read the important information about **Fees and costs** before making a decision. Go to the Product Guide available at nabam.com.au/aif_pg
The material relating to **Fees and costs** may change between the time when you read this statement and the day when you acquire the product.

7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. Because this PDS and the Product Guide are not tax guides and tax laws are complex and change from time to time, we strongly recommend that you obtain professional tax advice in relation to your own personal circumstances. This applies whether you are an Australian resident or a non-resident for tax purposes.

Australian taxation information

The Fund itself should not be liable for tax on its net earnings. Managed investment schemes do not pay tax on behalf of investors. Rather investors should include their proportion of the Fund net earnings as income in their tax returns. Any net losses are retained by the Fund and used to offset future matching gains.

The unit price of units issued before a distribution will include income accumulated in the Fund. The income that has been accumulating will generally be distributed. You may potentially have taxation liabilities on that income.

Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the Fund are sold or redeemed.

! You should read the important information about **How managed investment schemes are taxed** before making a decision. Go to the Product Guide available at nabam.com.au/aif_pg
The material relating to **How managed investment schemes are taxed** may change between the time when you read this statement and the day when you acquire the product.

8. How to apply

Investing directly

To invest directly, you must complete and sign the Initial Application Form for the Fund and post it to Registry Services with your application money via direct deposit or cheque and identification documentation as applicable.

The Initial Application Form is available at nabam.com.au or on request from Client Services on 1300 738 355 (0800 404 988 if calling from New Zealand).

You can also invest directly in the Fund through mFund by placing a buy order for units in the Fund through your broker (or financial adviser who uses a stockbroking service on your behalf). You should contact your financial adviser or broker for further information.

Investing via an IDPS

To invest in the Fund via an IDPS, you will need to contact your IDPS operator and complete the relevant IDPS application form and any other documentation required by the IDPS operator. You will also need to contact your IDPS operator in relation to making additional contributions to your investment.

You should contact your IDPS about any complaint you have. Your IDPS will work with us to assist you in resolving any complaints relating to your investment in the Fund.

The remaining information in this section only applies to direct investors in the Fund (including mFund investors). If you invest via an IDPS, and require further information you should contact your IDPS operator.

Privacy

We collect and hold information necessary to provide you with the relevant services and information related to your investment. If you do not provide your personal information we may not be able to provide you with these services. We are subject to the NAB Group's Privacy Policy which is available by contacting Client Services or visiting our website at nabam.com.au/privacy. We may disclose your personal information within the NAB Group and to others. More information about how we collect, use, share and handle your personal information is in our Privacy Policy, including how you may access or correct your information, the countries we may send your information to and how you may make a complaint about a privacy issue.

Cooling-off right

Unless you are a 'wholesale client' (as defined in the Corporations Act 2001 (Cth)), you have a 'cooling-off right' whereby you can change your mind about your initial investment in the Fund and ask for your money to be repaid.

The cooling-off right must be exercised by writing to the Responsible Entity. Your written request must be received by Registry Services within 14 days from the earlier of:

- when you receive confirmation of your investment, or
- the end of the fifth business day after the day on which your units were issued to you.

Your cooling-off right terminates immediately if you exercise a right or power under the terms of the Fund, such as withdrawing or transferring part of your investment. Cooling-off rights do not apply to any additional contributions you make to your investment (including those made under any distribution reinvestment election).

Any repayment of your investment under the cooling-off right is subject to an adjustment for market movements (both positive and negative), taxes, buy/sell spreads, and fees and other costs referred to in section 6 of the PDS.

Anti-Money Laundering, Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the FATCA and the CRS rules.

Under these laws we may need to collect additional information from you or anyone acting on your behalf, as part of the initial application process and post account set up.

If investing via mFund your broker will conduct anti-money laundering and counter-terrorism financing checks and will also ask some basic questions about your foreign tax residency status, including whether you are a US person and other information required for FATCA and CRS. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities.

Resolving complaints

Our Client Services team can usually resolve complaints over the phone. If we can't or you're not satisfied with the outcome, then you will need to write to us (address details are at the end of this PDS). We will work to resolve your complaint as soon as possible. If you are a retail client (as defined in the Corporations Act 2001 (Cth)) and you are not satisfied with the outcome of your complaint, you can refer the matter to the:

- Financial Ombudsman Service if lodged before 1 November 2018. See fos.org.au for more information.
- Australian Financial Complaints Authority if lodged on or after 1 November 2018. See afca.org.au for more information.

9. Other information

! You should read the important information about **Fax and email terms and conditions, Joint investors, Identity verification documents, Important additional information for New Zealand investors and Keeping you informed** before making a decision. Go to the Product Guide available at nabam.com.au/aif_pg. The material relating to **Fax and email terms and conditions, Joint investors, Identity verification documents, Important additional information for New Zealand investors and Keeping you informed** may change between the time when you read this statement and the day when you acquire the product.

Contact details

Registry Services

National Australia Bank Asset Servicing - Registry Services

GPO Box 1406
Melbourne VIC 3001 Australia

Fax: 1300 365 601 – if faxing from Australia
+61 1300 365 601 – if faxing from New Zealand

Client Services

Level 21
255 George Street
Sydney NSW 2000 Australia

Telephone: 1300 738 355 – if calling from Australia

0800 404 988 – if calling from New Zealand

Email: info@antarescapital.com.au

Responsible Entity

Antares Capital Partners Ltd

105-153 Miller Street
North Sydney NSW 2060 Australia

Website

nabam.com.au

mFund website

mFund.com.au