



GANES FOCUSED VALUE FUND

ARSN 117 119 712

RG97 Fees and Costs Update

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The issue date of this update is 2 February 2019.

Important information

This document provides updated information regarding fees and costs as set out in section 6 of the Ganes Focused Value fund PDS dated 30 September 2017. This updated information is based on actual fees and costs incurred during the financial year ended 30 June 2018.

You should consider the information in the PDS before making a decision about the Ganes Focused Value Fund. The PDS is a summary of significant information and contains a number of references to important information which, while not part of this document, forms part of the PDS. You can access this additional information in a document titled "Additional PDS Disclosure". The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

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 management costs. 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.

Below is a summary of the fees and costs that a unitholder investing in the Fund will be subject to.

| TYPE OF FEE OR COST | AMOUNT (inclusive of GST and RITC) |
|---|--|
| Fees when your money moves in or out of the Fund | |
| <i>Establishment fee</i> | Nil |
| <i>Contribution fee</i> | Nil |
| <i>Withdrawal fee</i> | Nil |
| <i>Exit fee</i> | Nil |
| Management costs | |
| The fees and costs for managing your investment | |
| <i>Administration expenses:</i> | Nil |
| <i>Management fee</i> | 1.4% per annum of the Fund's net assets.* |
| <i>Performance fee</i> | 18.64% of any positive return greater than the movement in the ASX300 Accumulation Index ("benchmark") over each twelve-month period ending 30 June (calculated on a daily basis). |
| <i>Indirect costs:</i> | Estimated to be between 0.0% and 0.4% of the Fund's net assets. |

* Class W unitholders are entitled to receive a rebate of the management fee of up to 0.47% per annum. This rebate is paid by way of Ganes issuing additional units for the Class W unitholders.

Ganes has the right to change the amount of fees without your consent. Fee increases are subject to the maximum fee levels that may be charged under the constitution, and you will receive written notice at least 30 days before fee increases take effect. Fee reductions may take place immediately without notice.

The information in the table above can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account or deducted from investment returns.

Example of annual fees and costs

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

| EXAMPLE—GANES FOCUSED VALUE FUND | | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR |
|---|--------------------|---|
| Contribution Fees | 0% | For every additional \$5,000 you put in, you will be charged \$0. |
| PLUS Management Costs | 1.48% ¹ | And , for every \$50,000 you have in the Fund you will be charged \$740 each year. |
| EQUALS Cost of Fund | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$740 to \$814² . What it costs you will depend on the performance of the Fund, the performance of the benchmark, the timing of any additional investment, whether the Fund incurs any extraordinary expenses, and the fees you negotiate with your financial adviser. |

¹ This is the indirect cost ratio of the Fund. It is the annual management costs deducted from the Fund represented as a percentage of the Fund's average net assets in the previous financial year. In any year, the indirect cost ratio may change based on how the Fund performs, the type of investments the Fund makes and whether any extraordinary expenses are incurred. The PDS will be updated for changes to the indirect cost ratio and the update may be made by notice on Ganes' website.

² Depending on the time during the year when you make the additional investment.

³ Additional fees may apply. This example does not take into account the Fund's transactional and operational costs, including the buy/sell spread, which is an additional cost to investors.

Transactional and operational costs

The Fund incurs transactional and operational costs when dealing with the assets. These costs include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs, stamp duty, bid-ask spreads and the transactional and operational costs incurred by the interposed vehicles in which the Fund invests. The Fund's total transactional and operational costs are 0.35% of the net asset value of the Fund (e.g., \$175 for every \$50,000 of net assets). Generally these costs are borne by investors when entering and leaving the Fund (see 'Buy-sell spread' below). However, if the buy-sell spread applied is not sufficient to cover the Fund's total transactional and operational costs, the balance of these costs will be paid out of the Fund's assets.

Transactional and operational costs are disclosed based on amounts paid in the previous financial year and in any year will differ depending on the investment activity of the Fund. Ganes will update the PDS for changes to transactional and operational costs and may do so by notice on its website.

Buy-sell spread

This is an amount charged upon entry to and exit from the Fund, to cover the notional cost of buying and selling the underlying investments. The daily unit price is increased by 0.35% to calculate the entry unit price and decreased by 0.35% to calculate the exit unit price. For example, if you invested \$50,000 in the Fund the cost of your buy spread would be \$175, and if you withdrew \$50,000 from the Fund the cost of your sell spread would be \$175. No part of this amount is paid to Ganes.

Extraordinary expenses

Ganes reserves the right to be fully reimbursed by the Fund for any extraordinary expenses incurred in the operation of the Fund. These are expenses that are not recurring or routine in nature and are therefore not anticipated in the administration expenses fee.

How and when fees are paid

- **Administration expenses** are incurred in the operation of the Fund including custodian fees, accounting and audit fees, and other costs incurred in the proper operation of the Fund. While Ganes is entitled to be reimbursed for these expenses, Ganes intends not to seek reimbursement.
- The **management fee** is calculated daily on the net asset value of the Fund and payable within five business days from the end of each month. The management fee is reflected in the unit price each day. Up to 0.47% of the management fee may be rebated to Class W unitholders. Under the constitution, Ganes is entitled to a maximum management fee of 1.5% (plus the net effect of GST) per annum of the value of the Fund's assets.
- The **performance fee** is calculated daily and paid directly from the Fund at the end of each twelve month period ending 30 June. Any overall positive performance fees are reflected in the unit price each day. A high water mark applies such that any cumulative under-performance in prior periods must be made up before a performance fee is paid. At the date of this PDS, Ganes charges a performance fee of 18.64% (inclusive of the net effect of GST) of any positive return greater than the movement in the ASX300 Accumulation Index ("benchmark") over each twelve-month period ending 30 June (calculated on a daily basis). For example, if you invested \$50,000 in the Fund and the Fund outperformed the benchmark by 1% in a year, the performance fee attributable to your investment in Fund would be \$93.20. This example assumes the Fund has no cumulative under-performance in prior periods to recover. This example is provided for information purposes only, to illustrate the calculation of the performance fee. Ganes is not forecasting the performance of the Fund and actual results are likely to vary significantly from those set out in this example. Under the constitution, Ganes is entitled to a maximum performance fee of 20% (plus the net effect of GST) of any positive return greater than the benchmark over each twelve-month period ending 30 June (calculated on a daily basis).
- **Indirect costs** are generally any amounts that reduce the Fund's returns that are paid from the Fund's assets or the assets of interposed vehicles. Generally, an interposed vehicle is a body, trust or partnership in which the Fund's assets are invested, such as a listed investment company. The management costs disclosed in this section include indirect costs based on Ganes' knowledge of, or, where required, reasonable estimate of, such costs. Indirect costs are disclosed based on amounts paid in the previous financial year and in any year will differ depending on the nature of the Fund's investments. Ganes will update the PDS for changes to indirect costs and may do so by notice on its website.