

# Financial Income Fund

## Product Disclosure Statement

ARSN 678 888 821

Issued 1st October 2025



## About this PDS

This Product Disclosure Statement (PDS) dated 1 October 2025 has been prepared and issued by Evolution Trustees Limited ABN 29 611 839 519 AFSL 486217 (“Evolution Trustees”, “we” or “Responsible Entity”) and is a summary of significant information in relation to the Financial Income Fund, which is a class of units in the Financial Income Fund ARSN 678 888 821 (“Scheme”). The Fund is a separate class of units in the Scheme and is not a separate managed investment scheme. Unless stated or the context requires otherwise, a reference in this PDS to the “Fund” is a reference to the unquoted class of units in the Scheme. This PDS contains a number of references to important information (including a glossary of terms), contained in the Financial Income Fund Reference Guide (“Reference Guide”), each of which forms part of this PDS. You should carefully read and consider the information in this document 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 or New Zealand (electronically or otherwise). All references to dollars or “\$” in this PDS are to Australian dollars. This offer is made available to New Zealand investors in accordance with the terms of the trans-Tasman mutual recognition scheme. New Zealand investors should refer to the warning statement set out in Section 9.4 of the Reference Guide.

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). Evolution Trustees may vary this position and offers may be accepted on merit at Evolution Trustees’ discretion. The units in the Fund (Units) have not been, and will not be, registered under the US Securities Act unless otherwise approved by Evolution Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined by the US Securities Act) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

## Reference Guide

Throughout the PDS, there are references to additional information contained in the Reference Guide. You can obtain a copy of the latest version of this PDS, Target Market Determination (TMD) and the Reference Guide, free of charge, by calling Evolution Trustees Limited (Phone: +61 2 8866 5150) or by downloading it from [www.seedfm.com.au](http://www.seedfm.com.au).

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 from time to time and may be updated by us if it is not materially adverse to you. Updated information can be obtained at any time from [www.seedfm.com.au](http://www.seedfm.com.au). Also, a paper copy of updated information may be provided to you free of charge upon request by contacting Evolution Trustees Limited using the details provided above.

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## Contact Details

### Investment Manager

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CAR (No. 001308397)  
'Kirribilli Marina' Suite 8,  
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Sydney NSW 2061  
Web: [www.seedfm.com.au](http://www.seedfm.com.au)

### Administrator

Apex Fund Services - Unit Registry  
ACN 118 902 891  
Level 10, 12-20 Shelley Street  
Sydney NSW 2000  
Ph: 1300 133 451  
Web: [www.apexgroup.com](http://www.apexgroup.com)

### Responsible Entity

Evolution Trustees Limited  
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Ph: +61 2 8866 5150  
Web: [www.evolutiontrustees.com.au](http://www.evolutiontrustees.com.au)

# 1. About Evolution Trustees

## The Responsible Entity

Evolution Trustees Limited (**Responsible Entity, we, us**) is the Scheme's responsible entity and the issuer of this PDS. Founded by Rupert Smoker, Evolution Trustees is a trustee business servicing Australian and offshore asset managers and institutions with a range of fiduciary services including corporate trustee, MIT trustee and acting as a responsible entity for registered schemes.

Evolution Trustees' responsibilities and obligations as the responsible entity are governed by the Scheme's constitution (**Constitution**), the Corporations Act and general law. Under the Constitution, Evolution Trustees may delegate some of these duties, including investment management functions, to third parties. Evolution Trustees has appointed Seed Funds Management Pty Ltd ACN 675 247 506 (**Investment Manager**) as the investment manager of the Scheme.

Evolution Trustees has appointed Apex Fund Services Pty Ltd (ABN 81118 902 891, AFSL 303253) (**Apex, Custodian, and Administrator**) as the custodian and administrator of the Scheme. The role of Apex as custodian is limited to holding the assets of the Scheme as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Scheme and is not responsible for protecting your interests. In its role as administrator, Apex provides accounting and Unit registry services.

## The Investment Manager

The Investment Manager is a corporate authorised representative (No. 001308397) of its related body corporate, Seed Partnerships Pty Ltd (ACN 606 230 639), the holder of AFSL No. 492973 (**Seed Partnerships**).

Through the Fund, investors can benefit from the Investment Manager's extensive experience in financial product structuring, hybrid and prudential capital asset management and research. Neither Evolution Trustees nor the Investment Manager guarantee that you will earn any return on your investment or that your investment will gain or retain its value.

## 2. How the Financial Income Fund Works

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

The assets and liabilities of all classes of units in the Scheme are pooled. In other words, the assets and liabilities of each class are not segregated from the assets and liabilities of other classes of units in the Scheme.

As at the date of this PDS, the Scheme has one or more classes of units on issue and we may issue additional units in the Scheme of the same class or of a different class to the units already on issue. All rights and entitlements of each class are only to the rights, entitlements, obligations, assets, liabilities and other amounts referable to that class and to no other class of units.

## Indirect Investors

If you invest in the Fund through an investor directed portfolio service (**IDPS**) 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 \$10,000. 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 daily in accordance with the Constitution (**Application Price**). The Application Price on any Business Day is, in general terms, equal to the net asset value attributable to the Fund (**NAV**), divided by the number of Units on issue.

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

Generally, if a valid Application Form and Application monies are received before 2.00pm (Sydney time) on any Business Day (referred to as the **transaction cut-off time**), the Application will usually be accepted and processed using the Application Price determined at the close of business on that day. If a valid Application and/or funds are received after the transaction cut-off time on a particular day, it will usually be accepted and processed using the Application Price determined on the next Business Day.

We will provide notice if the transaction cut-off time changes.

## Making Additional Investments

You can make additional investments into the Fund at any time by sending us your Application monies together with a completed additional investment Application Form. Please refer to Reference Guide for more details.

The minimum additional investment into the Fund is \$1,000. However, we may accept lesser Application amounts at our discretion.

## Distributions

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

The Fund usually distributes income on a monthly basis. 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. You can indicate your choice on the Application form. Investors who do not indicate a preference will have their distributions automatically reinvested. Applications for reinvestment will be taken to be received prior to the transaction cut off time immediately after the relevant distribution period.

The distribution amount will vary between distribution periods due to market conditions and investment performance, which are not guaranteed.

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 sending the Administrator by post or email a completed withdrawal request form. The withdrawal request form is available on the Fund's website: [www.seedfm.com.au](http://www.seedfm.com.au).

The minimum withdrawal amount is \$1,000.

The price at which Units are withdrawn is determined on a daily basis in accordance with the Constitution (**Withdrawal Price**). The Withdrawal Price on any Business Day is, in general terms, equal to the NAV on that day, divided by the number of Units on issue and adjusted for transaction costs (**Sell Spread**). At the date of this PDS, the Sell Spread is 0.10%.

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

Generally, valid withdrawal requests received before 2.00pm (Sydney time) on any Business Day (referred to as the **transaction cut-off time**), it will usually be processed using the Withdrawal Price determined as at the close of business on that day. If a valid withdrawal request received after the transaction cut-off time, it will usually be accepted and processed using the Withdrawal Price determined on the next Business Day.

We will provide notice if the transaction cut-off time changes.

We will generally allow an investor to access their investment within 10 Business Days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investor's nominated bank account. However, additional time is sometimes required and the Responsible Entity is allowed up to 45 days to accept valid withdrawal requests and 21 days after acceptance of a request to make payment.

In certain circumstances, for example, 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 Scheme is not liquid (as defined in the Corporations Act), we can delay or suspend withdrawal requests.

If we receive requests for withdrawals over a rolling seven day period with an aggregate value of more than 10% of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only Units equal to 10% of the value of the Fund are redeemed in that period. If this occurs, then any part of a withdrawal request that is not processed will automatically be held over and processed (in full or in part) on the next Business Day Units are able to be redeemed.

**Further Reading:** Before making an investment decision, you should read the additional important information about the benefits associated with investing in the Fund in the 'About the Investment Manager' and 'How Your Money Is Invested' sections of our Reference Guide available at [www.seedfm.com.au](http://www.seedfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

In addition, when the Scheme is not liquid, you can only withdraw if we make a withdrawal offer to all investors in accordance with the Corporations Act. We are not obliged to make such offers.

There is therefore a risk you may not be able to withdraw your funds in the usual processing times or that you cannot access all of your money when you make a withdrawal request.

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

We reserve the right to fully redeem your investment if your investment balance in the Fund falls below \$10,000 as a result of processing your withdrawal request.

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.

**Further Reading:** Before making an investment decision, you should read the additional important information in the 'Making an investment', 'Withdrawing your investment' and 'Managing your investment' sections of the Reference Guide available at [www.seedfm.com.au](http://www.seedfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 3. Benefits of Investing in the Financial Income Fund

### Significant Features

#### The Fund provides:

- access to an actively managed portfolio primarily invested in instruments issued by Australian APRA-regulated issuers. These instruments include Senior bonds, Subordinated bonds and Hybrids;
- access to securities that are otherwise only accessible to wholesale investors;
- a complement to or substitute for an existing direct hybrid portfolio, offering greater portfolio diversification and risk management; and
- a portfolio that aims to provide a regular income stream by way of monthly distributions, with a relatively high level of capital stability. Distribution amounts will vary and are not guaranteed.

### Significant Benefits

Investment in the Fund offers the following significant benefits:

#### Expert Management

Access to highly skilled specialist management, with extensive experience in prudentially regulated capital instruments including Hybrids, subordinated debt, and mutual equity.

The Investment Manager maintains strong insight into regulators with ongoing participation in working groups examining market changes. The Investment Manager is available for regular presentations related to the education of hybrid products and the markets in which they are traded, including discussions on the impacts of volatility events that may happen from time to time.

#### Established Asset Classes

Senior and Subordinated Bonds, and Hybrids are well-established in the Australian capital markets. Many of the issuers of these instruments are prudentially regulated. The Scheme's portfolio will primarily be invested in instruments issued by Australian APRA-regulated issuers.

#### Active Management

The portfolio will be actively managed to constantly seek optimal relative value within the investment universe and capitalise on arbitrage opportunities that occur over time.

**Please note that the Responsible Entity does not guarantee the repayment of capital or any rate of return or the Fund's investment performance. You should also consider the key risks described in Section 4 of this PDS and Section 6 of the Reference Guide before making a decision to invest in the Fund.**

## 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.

When considering investing in the Fund, it is important to understand that returns are not guaranteed and you may lose money by investing in the Fund.

The value of the Scheme's investments will vary. The level of returns (if any) 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 and the Scheme is also subject to change.

Some of the significant risks of an investment in the Fund are set out below and included in the Reference Guide:

- **Listed hybrid securities:** as these are a combination of debt and equity, they carry the risks associated with interest rates, derivatives and share market investments.
- **Credit:** including the risk that a credit issuer or counterparty defaults on interest payments, the repayment of capital or both. During times of market volatility this risk can be enhanced.
- **Interest rates:** including the risk of capital loss in a rising interest rate environment.
- **Convertible security risks:** These securities have the risk characteristics of derivatives, fixed income and share market investments, and may not be able to be readily exchanged for cash or for an equivalent asset value.
- **Counterparty or default risk:** Counterparties used in connection with the Scheme's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Scheme's custodian. Default on the part of a counterparty could result in financial loss to the Scheme.
- **Changes in law and regulatory risk:** There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on the Fund, the Scheme or the Scheme's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.
- **Investment Manager risk:** There is a risk that the Investment Manager will not perform to expectation or factors such as changes to the investment team may affect the Fund's performance.
- **Fund risk:** The Fund or the Scheme could terminate, fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.
- **Liquidity risk:** Assets subject to liquidity risk may be difficult to trade and it may take longer for their full value to be realised, and in circumstances where the Scheme's portfolio ceases to be 'liquid' for Corporations Act purposes, there may be significant delays or a freeze on withdrawal requests. Market conditions may adversely impact the liquidity of assets.

Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker.

**Further Reading:** Before making an investment decision, you should read the additional important information about the risks associated with investing in the Fund in the 'Risks' section of our Reference Guide available at [www.seedfm.com.au](http://www.seedfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 5. How We Invest Your Money

**WARNING:** When choosing to invest in the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

### Investment Strategy

The portfolio is actively managed and diversified with a core focus on capital instruments issued by Australian APRA regulated issuers, including Subordinated Bonds, Senior Bonds and Hybrids. Notwithstanding this core focus, the portfolio may also include AUD denominated capital instruments issued by RBNZ- regulated issuers as well as cash.

### Investment Objective

The Fund aims to provide returns that exceed the hybrid benchmark (Solactive Australian Hybrid Securities Index) on a net basis over the suggested investment timeframe (1-3 years).

The return objective is not a forecast. The Fund may not be successful in meeting its objective. **Returns are not guaranteed.**

### Minimum Suggested Investment Time Frame

1-3 years.

### Risk Level

Medium risk/return profile.

The portfolio will primarily be invested in instruments issued by Australian APRA-regulated issuers and will not have any exposure to foreign currencies.

On balance, the Investment Manager believes the Fund will expose investors to a medium level of risk. This could be summarised as being above the risk and volatility of cash, but below that of equities.

### Investor Suitability

The Fund is likely to be appropriate for investors seeking regular income, a short-term investment timeframe (1-3 years) and a medium risk/return profile.

### Asset Allocation

The Scheme's asset allocation will typically be managed within the strategic ranges shown below

Asset class	Min (%)	Max (%)
AUD Subordinated Bonds	40	80
AUD Hybrids	0	40
AUD Senior Bonds	0	20
Cash	0	20

The Fund will not utilise any leverage or derivatives in implementing its investment strategy.

## Investment Style and Approach

The Investment Manager intends to apply a tactical approach in terms of which securities it invests in and the timing of such investments with the aim of achieving the investment objective.

The Investment Manager will:

- manage interest rate risk via a portfolio that holds primarily floating rate instruments which have returns that fluctuate with interest rate movements;
- provide portfolio diversity by security type, credit risk, duration and issuer;
- aim to distribute franking credits associated with the Fund's holdings of franked securities; and
- aim to distribute regular monthly income derived from the portfolio or utilise the available distribution reinvestment capability in order to compound returns over time.

The Investment Manager will utilise the following investment criteria as part of the risk management process to create the strongest platform to achieve the investment objective:

- the Fund will be limited to issues by Australian or New Zealand issuers only; and
- there will be no exposure to foreign currencies in managing the portfolio.

## Changing the Investment Strategy

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

## Labour Standards, Environmental, Social and Ethical Considerations

The Investment Manager does not have regard to labour standards and environmental, social and ethical factors when selecting, retaining or realising investments.

The Fund does not pursue a sustainable investment strategy or have a sustainable investment objective, and will not be marketed as a sustainability related product. The Fund is not designed for investors who wish to screen out particular types of investments or are looking for funds that meet specific environmental, social (which includes labour standards) and governance goals.

## 6. Fees and Cost

**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 ([moneysmart.gov.au](http://moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### Fees and Costs summary

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, deducted from investment returns or from the assets of the managed investment scheme as a whole. You should read all of the information about fees and costs as it is important to understand their impact on your investment. For information on tax please see Section 7 of this PDS.

Financial Income Fund		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	As at the date of this PDS, the Management Fees and costs are estimated to be 0.70% p.a. of the NAV, comprised of the following components: <ul style="list-style-type: none"> <li>• Management fees<sup>1</sup> of 0.55% p.a. of NAV;</li> <li>• estimated expense recoveries<sup>2,3</sup> 0.15% p.a. of NAV; and</li> <li>• estimated Indirect costs of 0.00% p.a. of NAV.</li> </ul>	Management fee component of the management fees and costs accrues daily and is reflected in the Unit price, and paid in arrears from the assets of the Fund at the end of each month.  Other fees and costs are variable. They are deducted and reflected in the Unit price of the Fund as they are incurred.  Indirect costs (if any) are deducted from the Fund's assets, accrued daily in the NAV and then paid as and when due.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product <sup>3</sup>	Nil	Not applicable.
<b>Transaction costs</b> The costs incurred by the Scheme when buying or selling assets <sup>3</sup>	Estimated to be 0.03% p.a. of NAV	Transaction costs are variable and deducted from the Fund's assets as they are incurred and reflected in the Unit price. They are disclosed net of amounts recovered by the Sell Spread.

**Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)**

<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable.
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable.
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the Scheme	As at the date of preparation of this PDS, is: <ul style="list-style-type: none"> <li>• Nil% added to the NAV unit price on application, and</li> <li>• 0.10% subtracted from the NAV unit price on redemption, but we may vary this from time to time.<sup>4</sup></li> </ul>	Buy/Sell spreads may apply to the Fund. The buy/sell spread is reflected in the application price and redemption price respectively and is not separately charged to the investor. See 'Buy/Sell spread' below for more information.
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil	Not applicable.
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable.
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable.

All fees quoted above are inclusive of GST and net of any Reduced Input Tax Credits (RITC) and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity. The proportion of GST paid on the fees that can be recovered by the Fund as RITCs, or otherwise, varies. The fees paid by the Fund will equal the rates disclosed in this section (inclusive of GST, net of Input Tax Credits (ITCs) and/or RITCs) regardless of the rate of GST recovery in any period. See below for more details as to how the relevant fees and costs are calculated.

1. May be negotiated with the Responsible Entity if you are a Wholesale Client under the Corporations Act and subject to compliance with applicable regulatory requirements. Refer to 'Differential fees' below for more information.
2. We do not currently seek reimbursement from the Fund for administrative expenses of the Fund. We may, however, seek reimbursement from the Fund in the future for administrative costs, including (without limitation) costs related to the listing of the units on the Exchange or custody fees and expenses. Abnormal expenses will generally be paid by the Fund. Refer to 'Management Fees and Costs' below for more information.
3. The fees and costs reflect our reasonable estimate, at the date of this PDS, that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Actual fees and costs may vary significantly each year. See 'Additional Explanation of Fees and Costs' below for more information.
4. Changes to the spreads during periods of heightened market volatility may be significant and made without updating the PDS or notifying investors. Latest buy/sell spreads can be obtained by contacting the Responsible Entity.

## Additional explanation of Fees and Costs

### Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund and Scheme, investing the assets of the Scheme, expenses and reimbursements in relation to the Fund and indirect costs (if any). Management fees and costs do not include transaction costs, which are disclosed separately.

The management fee component of management fees and costs of 0.55% p.a. of the NAV of the Fund is payable to the Investment Manager of the Fund for managing the assets. This component is accrued daily, paid from the Fund monthly in arrears and reflected in the Unit price.

The expense recoveries component of management fees and costs relate to the ordinary expenses of administering and operating the Fund and Scheme, including Responsible Entity fees, custodian fees, audit fees and Fund administration fees. These ordinary expenses are variable and are estimated at 0.15% p.a. of the NAV.

We currently choose to cap the amount of ordinary expenses recoverable from the Fund in each year at 0.15% p.a. of the NAV. Any amount that is in excess of this cap will be borne by the Investment Manager without being deducted from the Fund.

The indirect costs and other expenses component of management fees and costs are estimated at 0.00% p.a. of the NAV. These costs may include extraordinary or abnormal expenses of operating the Fund (not covered by the expense recovery cap) as well as management fees and costs (if any) arising from any interposed vehicles in the Fund invests.

The indirect costs and other expenses component is variable and reflected in the Unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on the Fund's website ([www.seedfm.com.au](http://www.seedfm.com.au)), where they are not otherwise required to be disclosed to investors under law.

### Transaction Costs

In managing the assets of the Scheme, the Scheme may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Scheme, 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 Scheme invests (if any), that would have been transaction costs if they had been incurred by the Scheme itself.

Transaction costs are generally incurred when the assets of the Scheme 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 Scheme.

Transaction costs that are not recovered by the Buy/Sell Spread are reflected in the Unit price as an additional cost to the investor as and when they are incurred.

The transaction costs for the Fund are estimated at 0.03% p.a. of the NAV. This is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period. Actual transaction costs may differ.

The Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Scheme will incur when selling assets as a result of withdrawals which cause net cash flows out of the Fund. It is intended to ensure only those investors transacting in Units bear the costs associated with their transaction.

The Sell Spread is an additional cost to the investor which is incurred when investing or withdrawing from the Fund. This cost is incorporated into the Withdrawal Price, it is not separately charged to the investor. The Sell Spread is left in the Fund as part of a redemption and not paid to Evolution Trustees or the Investment Manager.

The estimated Buy/Sell Spread is Nil upon entry and 0.10% upon exit. The dollar value of these costs based on an Application or a withdrawal of \$10,000 is Nil (application) and \$10 (withdrawal) for each individual transaction.

The Buy/Sell Spread can be altered by the Responsible Entity at any time and the Fund's website [www.seedfm.com.au](http://www.seedfm.com.au) 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.

### 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 the Responsible Entity is entitled is 2.00% of the gross asset value of the Scheme calculated in accordance with the Constitution, subject to a minimum monthly fee of \$5,000 (increased annually by the greater of 3%, or the annual consumer price index).

However, the Responsible Entity 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 or any proposed decrease to the expense recovery cap 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.

The Responsible Entity 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.

The amount of ordinary expenses recoverable from the Fund in each year is currently capped at 0.15% p.a. of the NAV. Accordingly, once this cap is reached, ordinary expenses that would otherwise be recoverable from the Fund will be paid by the Investment Manager at no additional cost to investors.

Only if such costs are not paid by the Investment Manager, will the Responsible Entity be able to deduct such costs from the assets of the Scheme.

### 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.

### Differential Fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian wholesale clients. Please contact the Investment Manager for further information.

### Example of annual fees and costs for an investment option

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

**Further Reading:** Before making an investment decision, you should read the additional important information in the "Taxation" section of the Reference Guide available at [www.seedfm.com.au](http://www.seedfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

EXAMPLE – Financial Income Fund*		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	<b>N/A</b>	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>PLUS</b> Management fees and costs	<b>0.70%</b> of the NAV	<b>AND</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$350</b> each year
<b>PLUS</b> Performance fees	<b>\$0</b>	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>PLUS</b> Transaction costs	<b>0.03% p.a. of the NAV</b>	<b>And</b> , you will be charged or have deducted from your investment <b>\$15</b> in transaction costs.
<b>EQUALS</b> Cost of the Fund		If your balance was \$50,000 at the beginning of the year, and made an additional \$5,000 contribution during that year, then for that year you will be charged fees and costs of <b>\$365</b> .

\* 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 Sell Spread.

**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.

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. The actual cost of the Fund will depend on when your contribution is made during the year.

**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.

At the date of this PDS, the minimum additional investment into the Fund is \$1,000. The contribution size in the above table is \$5,000 so that the table can be used to compare this product with other products offered by managed investment schemes.

ASIC provides a fee calculator ([moneysmart.gov.au](http://moneysmart.gov.au)), which you may use to calculate the effects of fees and costs on account balances.

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

**Further Reading:** Before making an investment decision, you should read the additional important information about our fees and costs in the “Fees and other costs” section of the Reference Guide available at [www.seedfm.com.au](http://www.seedfm.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 7. How Managed Investment Schemes are Taxed

The Scheme is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Where the Scheme is eligible to be Attribution Managed Investment Trust (AMIT), Australian resident investors will be assessed for any tax on any income and capital gains attributed to them (including income reinvested back into the Fund).

Where the Scheme is not an AMIT, Australian investors will be assessed on income and capital gains generated by the Fund to which they become presently entitled.

## 8. How to Apply

To make an investment into the Fund simply complete all relevant sections of the Application Form accompanying this PDS and available on the Fund’s website at [www.seedfm.com.au](http://www.seedfm.com.au).

The Application Form contains detailed instructions and, in the case of initial investments, will ask you to provide the identification documents required under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

Under the Constitution, the Responsible Entity has absolute discretion to accept or reject any Application without giving a reason for the decision. We have the discretion to delay processing Applications where we believe this to be in the best interest of the Fund’s investors.

If we refuse to accept an Application, any funds received from you will be returned to you (without interest).

### Cooling off period

If you are a retail client (as defined in the Corporations Act) 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.

Retail clients may exercise this right by notifying us 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 an investor in the Fund during the 14-day period, this could include selling part of your investment or switching it to another product.

The cooling off right does not apply to wholesale clients (as defined by the Corporations Act).

Indirect investors should seek advice from their IDPS operator as to whether cooling off rights apply to an investment in a fund by the IDPS.

## Enquiries and complaints

The Responsible Entity has a structured internal complaints procedure and in the first instance you should contact the Responsible Entity during business hours (please see the front cover for contact details). Every effort will be made to address your complaint. The Responsible Entity generally will acknowledge receipt of your complaint within one (1) Business Day or as soon as possible after receiving the complaint and seek to resolve it within 30 days with a written response.

If you are not satisfied with the Responsible Entity’s response, you should refer your complaint to the independent Australian Financial Complaints Authority (AFCA). Time limits may apply so you should act promptly. Consult the AFCA website of what time limits apply to you.

AFCA can be contacted as follows:

Mail: Australian Financial Complaints Authority  
GPO Box 3, Melbourne Victoria 3001

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)

Website: [www.afca.org.au](http://www.afca.org.au)

AFCA operations are financed by contributions made by its members, including the Responsible Entity. AFCA is free to consumers. For information on the AFCA Rules governing its jurisdiction and processes, please refer to [www.afca.org.au](http://www.afca.org.au).

## 9. Additional Information

If and when the Scheme has 100 or more direct investors, it will be classified by the Corporations Act as a ‘disclosing entity’. As a disclosing entity, the Scheme will be subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

Any continuous disclosure obligations we have will be met by following ASIC’s good practice guidance and publishing notices as soon as practicable on the Fund’s website [www.seedfm.com.au](http://www.seedfm.com.au) rather than lodging copies of those notices with ASIC.

If you would like hard copies of any materials published on the Fund’s website or lodged with ASIC, contact the Investment Manager on +61 413 315 631 and it will be sent to you free of charge.

On the Fund’s website ([www.seedfm.com.au](http://www.seedfm.com.au)) you can also find information about your rights to:

- receive certain information documents about the Fund from us in hard copy; and
- opt out of having annual financial report documents for the Fund sent to you.

If your preferences change you can contact us at any time.

## Glossary

The terms in this PDS that are not defined in the body of this PDS have the meanings set out in the Reference Guide.

# Financial Income Fund

Reference Guide

ARSN 678 888 821

Issued 1st October 2025



# About this Reference Guide

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This Reference Guide has been prepared and issued by Evolution Trustees Limited ABN 29 611 839 519 AFSL 486217 (“Evolution Trustees”, “we” or “Responsible Entity”). The information in this document forms part of the Product Disclosure Statement (“PDS”) dated 1 October 2025 for the Financial Income Fund which is a class of units in the Financial Income Fund ARSN 678 888 821 (“Scheme”). The Fund is a separate class of units in the Scheme and is not a separate managed investment scheme.

Unless stated or the context requires otherwise, a reference in this Reference Guide to the Fund is a reference to the unquoted class of units in the Scheme (**Fund**).

The information provided in this Reference Guide is general information only and does not take account of your personal objectives, financial situation or needs.

## Updated information

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Information in this Reference Guide is subject to change from time to time and may be updated by us if it is not materially adverse to you. Updated information can be obtained at any time from the website [www.seedfm.com.au](http://www.seedfm.com.au). Also, a paper copy of updated information may be provided to you free of charge upon request by contacting Evolution Trustees Limited by calling Evolution Trustees Limited (Phone: +61 2 8866 5150) or by downloading it from the website [www.seedfm.com.au](http://www.seedfm.com.au).

This offer is made available to New Zealand investors in accordance with the terms of the trans-Tasman mutual recognition scheme. New Zealand investors should refer to the warning statement set out in Section 9.4 of this Reference Guide.

## Contact Details

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### Investment Manager

#### Seed Funds Management Pty Ltd

ACN 675 247 506

CAR (No. 001308397) of Seed Partnerships

Pty Ltd (AFSL No. 492973)

‘Kirribilli Marina’ Suite 8,

1 Bradly Avenue Kirribilli

Sydney NSW 2061

Web: [www.seedfm.com.au](http://www.seedfm.com.au)

### Administrator

#### Apex Fund Services - Unit Registry

ACN 118 902 891

Level 10, 12-20 Shelley Street

Sydney NSW 2000

Ph: 1300 133 451

Web: [www.apexgroup.com](http://www.apexgroup.com)

### Responsible Entity

#### Evolution Trustees Limited

ABN 29 611 839 519, AFSL 486217

Level 15, 68 Pitt Street

Sydney NSW 2000

Ph: +61 2 8866 5150

Web: [www.evolutiontrustees.com.au](http://www.evolutiontrustees.com.au)

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# 1. Making an investment

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## 1.1 How to invest

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To invest into the Fund directly, you can access the application forms and additional investment forms at the Fund's website ([www.seedfm.com.au](http://www.seedfm.com.au)).

Instructions on how to submit applications are contained on the forms themselves.

## 1.2 Investing through an IDPS

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This section applies to investors investing in the Fund indirectly through an Investor Directed Portfolio Service (IDPS). Indirect investors do not themselves become investors in the Fund, and accordingly have no rights as a Unitholder.

The offer document for your IDPS should have further details. If you are an indirect investor, generally the IDPS operator acquires the rights of a Unitholder. Unitholder rights include the right to attend Unitholder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds.

Your rights and liabilities will be governed by the terms and conditions of the IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund. Indirect investors complete application forms for the IDPS, not the Fund, and will receive reports from their operator, not from us. Enquiries should be directed to the operator of the IDPS.

Minimum investment and withdrawal requirements may not always be relevant to indirect investors because the IDPS operator may invest on behalf of a number of indirect investors.

Indirect investors will also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses.

The tax information in this Reference Guide does not specifically cater for indirect investors. The Fund nor the Scheme is not responsible for the operation of any IDPS.

## 1.3 Application terms

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We will only start processing an application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your Application Form.

Please note that even though your payments may be processed from your bank account immediately, your funds may take some time to be transferred and cleared to the Fund from your financial institution. Please allow additional time for funds transferring and note that we will not process your application until it is cleared in the Fund's account.

## 1.4 Additional investments

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Additional investments can be made at any time in writing using the appropriate form and will generally be processed on the Business Day they are received (if received by 2pm Sydney time).

## 1.5 Application and unit prices

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Units will be issued at the Application Price calculated on each Business Day.

Your application money is held in a separate account (without interest) until your application is processed and accepted.

The Unit price will be posted on the Investment Manager's website usually within 2 Business Days after the relevant pricing date.

Your adviser or broker can also provide the latest Unit prices.

Remember that these Unit prices will be historical and not the price you will receive when applying or withdrawing.

## 2. Withdrawing your investment

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### 2.1 How to withdraw

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If you want to withdraw your money, submit a withdrawal form to the Administrator.

Instructions on how to submit a withdrawal form are contained on the form itself.

### 2.2 Withdrawal restrictions

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Whenever the Scheme is “liquid”, you can make withdrawal requests for all or part of your investment in the Fund in accordance with the Constitution.

The Scheme will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). While the Investment Manager expects the Scheme to remain liquid, the Scheme’s liquidity status may change over time, based on its assets and market conditions. You should check the Fund’s website ([www.seedfm.com.au](http://www.seedfm.com.au)) for up to date information.

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Scheme is illiquid.

If the Scheme is not liquid (or ‘*illiquid*’), then you will only be able to withdraw your investment if Evolution Trustees makes a withdrawal offer in accordance with the Corporations Act. In these circumstances, the Withdrawal Price payable for each Unit will be the price published by us in the relevant withdrawal offer. Evolution Trustees is not obliged to make withdrawal offers. We offer no guarantee as to the size of any withdrawal offer or whether or not a withdrawal offer will be made at all.

In addition, we may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors or former investors for us to do so, due to circumstances outside our control (such as restricted or suspended trading in a Scheme asset).

### 2.3 Withdrawal terms

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Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and appears to have been signed by you or an authorised signatory.

We may contact you to check your details before processing your withdrawal request but are not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

When you are withdrawing, you should take note of the following:

- If the Scheme is liquid, then the Withdrawal Price will be the Unit price as at the close of business on the relevant Business Day your withdrawal request is accepted.
- We are not required to pay any withdrawal proceeds other than from the Scheme’s assets.
- Withdrawals will only be paid to the investor.
- If we cannot satisfactorily identify you as the withdrawing investor, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in the PDS.
- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We reserve the right to deduct from the withdrawal proceeds any bank charges and other similar bank fees incurred as a result of payment of your withdrawal proceeds. We may also deduct from your withdrawal proceeds any money due to us or any amount of tax we estimate to be payable by you or on your behalf.

## 3. Managing your investment

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### 3.1 Your entitlement to income

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A Unit entitles you to participate in any profits or income arising out of the purchase, management, disposal or general investment of the assets of the Scheme.

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

Your income entitlement for each distribution period will be determined as soon as practicable after each month end. You should be aware that although the Fund aims to pay distributions, the amount of each distribution may vary or no distribution may be payable in a distribution period. The distribution amount will vary between distribution periods due to market conditions and investment performance, which are not guaranteed.

If you elect to receive an income entitlement as a cash payment, generally your distribution will be paid within 21 Business Days of the end of the relevant calendar month, other than the 30 June month end, which is generally paid within two months.

### 3.2 Your details

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It is important to keep your details with us up to date – please contact the Administrator to correct them when required. The Administrator's contact details are available on our website.

You must in a timely way and in such way as we require give us all information that we reasonably request or which you suspect we should know to perform our functions for example, your contact details and regarding your identity or the source or use of invested moneys.

**Please note, all forms related to the administration of your investment in the Fund are available from the following website: [www.seedfm.com.au](http://www.seedfm.com.au). This includes application forms, additional investment forms, change of details forms and withdrawal forms. Each form contains details as to how to send the form to the Scheme's Administrator.**

### 3.3 Your rights and other important issues

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Our legal relationship with investors is primarily governed by the Constitution together with the PDS.

In addition to matters discussed in the PDS, the Constitution sets out:

- when the Fund terminates – we can terminate the Fund at any time and eligible investors share the net proceeds on a pro-rata basis;
- when we can retire and what happens if we do – usually another responsible entity will be appointed; and
- changing the Constitution – we usually need investor approval for any changes which are adverse to the unitholders' rights.

### 3.4 Reports

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Investors will be provided with the following reports:

- application and withdrawal confirmation statements;
- transaction statements; and
- (where applicable), distribution and tax statements.

Annual audited financial accounts for the first full financial year after registration with ASIC will be available on the Fund's website.

## 4. About the Investment Manager

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### 4.1 About the Investment Manager

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The Scheme's investment strategy is implemented by Seed Funds Management Pty Ltd (ACN 675 247 506). Seed Funds Management Pty Ltd is a corporate authorised representative (No. 001308397) of its related body corporate, Seed Partnerships Pty Ltd (ACN 606 230 639), the holder of AFSL No. 492973.

The Portfolio Manager, overseen by a Risk and Investment Committee, is responsible for the Investment Manager's day to day investment decisions.

### 4.2 Investment process

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The Investment Manager adopts an active management style aimed at identifying and taking advantage of short-term security mispricing around a core holding of Australian APRA-regulated capital instruments including Senior Bonds, Subordinated Bonds, and Hybrids.

A disciplined risk management framework remains core to the Fund's investment process. Investments go through a rigorous due diligence process overseen by the Risk and Investment Committee. This includes comprehensive on-going review of issuers, capital strength analysis, broader regulatory issues and expectations as well as regular competitor comparisons.

The portfolio also regularly undergoes extensive trade sensitivity, stress testing and portfolio construction analysis utilising proprietary risk analytics.

The Portfolio Managers, overseen by the Risk and Investment Committee, are responsible for the Investment Manager's day to day investment decisions.

### 4.3 Investment and risk committee

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The investment process of the Scheme will be overseen by a Risk and Investment Committee that is established at the direction of the Responsible Entity. This committee is charged with maintaining a view on the economic environment as well as providing risk management oversight, testing and reviewing of the Investment Manager's risk management policy.

### 4.4 Key persons responsible for the Investment Strategy

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#### **Nicholas Chaplin (Director and Senior Portfolio Manager)**

Nick has worked in the finance industry for over 35 years. Nick has over 25 years' experience specialising in the structuring and education of financial capital, with a focus on hybrids. Prior to joining the Investment Manager, Nick spent 12 years building and leading NAB's hybrid and structured capital originations business. Prior to NAB, Nick built the hybrid capital business for Westpac in Sydney including originating several rare foreign issues into Australia.

Nick has a long history in managing investments in hybrid capital products. From 2002 until 2004, Nick successfully managed a portfolio of hybrid securities with a volume of over \$250 million for CommSec as part of its Equity Capital Markets business. From 2015 until 2022, Nick founded and managed the HIF investment strategy within the Paraclete Funds Management Trust which invested exclusively in prudentially regulated securities.

Nick is a graduate of the University of Wollongong and holds Graduate Diploma's in Applied Finance from both the Securities Institute and the Australian Financial Management Association. He is a graduate of the Australian Institute of Company Directors and has served on numerous not-for-profit Boards of Directors.

#### **John Corr (Risk & Investment Committee Chair)**

John has worked in the finance industry for 40 years. He has experience in banking, broking, proprietary trading and funds management. He maintains an active interest in markets through personal investments and trading strategies, as well as continued engagement with many of the staff he has trained and mentored during his career.

John was a founder and Chief Investment Officer of Aurora Funds Management. In this role he was responsible for the oversight of the investment team that managed a variety of funds across domestic and international equities. John was a founder and Chief Investment Officer of Fortitude Capital. The Fortitude Capital Absolute Return Fund was awarded the Australian Hedge Fund of the year in 2008 and in 2009.

In 2013 John was recognised by AIMA for his Contribution to the Australian Hedge Fund Industry. Prior to these roles he held various positions at investment banks and broking firms including Head of Equity Proprietary Trading for Citigroup, and a Proprietary Trader at County Natwest. John has a Bachelor of Commerce from the University of Wollongong and a Graduate Certificate in Financial Markets from Macquarie University. He was also a Director of Cure Our Kids.

### Chris Donohoe (Investment Committee member and CEO)

Chris is the CEO of Seed Partnerships and Seed Funds Management and is responsible for identifying and executing growth opportunities for the business, as well as overseeing key group operations. He has CEO experience in funds management and extensive expertise in launching, raising capital for, and managing Listed Investment Companies. Chris served on the investment committee of the Future Generation Global Investment Company after acting as co-CEO during the company's first year.

Prior to establishing Seed Partnerships in May 2015, Chris was CEO, a Board Director, and a member of the Compliance Committee at PM CAPITAL Limited. He also served as CEO and Director of the PM CAPITAL Global Opportunities Fund Limited, listed in December 2013, and the PM CAPITAL Asian Opportunities Fund Limited, listed in May 2014.

Before his 14-year career in funds management, Chris gained several years' experience trading in derivatives and bond markets. He is a Graduate of the Australian Institute of Company Directors and holds a Master of Business in Finance, specialising in Funds Management, from the University of Technology Sydney.

## 5. How your money is invested

### 5.1 Asset classes

The portfolio will primarily be invested in instruments issued by Australian APRA-regulated issuers, including existing or newly issued Senior Bonds, Subordinated Bonds, and Hybrid. Notwithstanding this core focus, the portfolio may also include AUD denominated capital instruments issued by RBNZ-regulated issuers, Senior Bonds as well as cash.

Below is a general overview of these instruments:

- **Hybrids (capital notes, convertible preference shares and preference shares)** – These are instruments that pay discretionary income and rank below subordinated notes but above ordinary shares. They typically have a perpetual term rather than a fixed maturity, however, they can be called at the issuer's discretion and can also be converted into equity by the issuer, investor and/or APRA if certain events occur prior to the security's final maturity.
- **Subordinated Bonds or Notes** – These are debt securities that pay interest and have a fixed maturity date. These securities rank below senior bonds but above preferred equity and ordinary shares, and may be converted into equity by the issuer, investor and/or the APRA if certain events occur prior to a security's final maturity. These hybrids can be either listed (and traded on a securities exchange (e.g. ASX)), or unlisted (traded off-market, directly between buyers and sellers).
- **Senior Bonds** – These are securities issued by financial institutions such as banks, insurance companies and non- bank financial institutions. Senior bonds have a higher priority than subordinated bonds or other hybrid instruments.

## 6. Risks

We refer you to Section 4 of the relevant PDS which contains a summary of the significant risks of investing in a managed investment scheme generally and some of the specific risks of investing in the Fund. We encourage you to read Section 4 of the relevant PDS in conjunction with this Section.

We have set out below more information on some of the specific risks referred to in the relevant PDS and included some additional risks that are relevant to the Fund.

### 6.1 Liquidity risk

Markets may lack liquidity because of insufficient trading activity and this may make it difficult or impossible for a trade to be executed within a favourable timeframe. It is also possible that assets usually considered 'liquid' may be illiquid for a period. For example, if market conditions make it difficult or impossible to liquidate positions.

## 6.2 Redemption risk

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If at any time the Scheme is considered 'illiquid', you can only withdraw from the Fund if we make a withdrawal offer to all investors.

The Investment Manager expects the Scheme will remain liquid and that investors will generally be able to access their investment within 10 Business Days.

However, the Responsible Entity is allowed up to 45 days to accept valid withdrawal requests and a further 21 days to make payments.

If we receive requests for withdrawals over a rolling seven day period with an aggregate value of more than 10% of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only units equal to 10% of the value of the Fund are redeemed in that period. If this occurs, then any part of a withdrawal request that is not processed will automatically be held over and processed (in full or in part) on the next Business Day units are able to be redeemed.

There is therefore a risk you may not be able to access all of your money when you make a withdrawal request even if the Scheme is liquid.

## 6.3 Environmental, Social and Governance risk (ESG)

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The Investment Manager does not have regard to labour standards and environmental, social and ethical factors when selecting, retaining or realising investments.

The Fund does not pursue a sustainable investment strategy or have a sustainable investment objective, and will not be marketed as a sustainability related product. The Fund is not designed for investors who wish to screen out particular types of investments or are looking for funds that meet specific environmental, social (which includes labour standards) and governance goals.

## 6.4 Investment risk

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The Fund seeks to generate higher income returns than traditional cash investments. The risk of an investment in the Fund is higher than an investment in a typical bank account or term deposit. Amounts distributed to Unitholders may fluctuate, as may the Fund's NAV Unit price by material amounts over short periods.

## 6.5 Investment objective risk

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There is no assurance that the investment objective will be achieved or that an investment in the Fund will earn any positive return in the short or long term

## 6.6 Income securities risk

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The Fund may have exposure to a range of income securities. The value of these securities may fall, for example due to market volatility, interest rate movements, perception of credit quality, supply and demand pressures, a change to the reference rate used to set the value of interest rates, market sentiment, or issuer default.

## 6.7 Default risk

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Issuers of securities that the Fund has exposure to may default on their obligations, for instance by failing to make a payment due or by failing to return principal. Counterparties to the Fund may default on a contractual commitment. Default on the part of an issuer or counterparty could result in a loss to the Fund.

## 6.8 International and emerging market risk

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The Fund has exposure to a range of international economies, including emerging market economies. Global and country specific macroeconomic factors may impact the investments that the Fund has exposure to. Governments may intervene in markets, industries, and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Emerging markets are generally riskier than developed markets due to factors such as lower liquidity, potential for political unrest leading to recession or war, greater potential for sanctions to be imposed on emerging market countries or their citizens, companies or institutions, increased likelihood of sovereign intervention (including default and currency intervention), currency volatility, increased risk of securities or bond markets in emerging market countries closing for extended periods and increased legal risk. Emerging market investments therefore may experience increased asset price volatility and face higher currency, default and liquidity risk.

## 6.9 Credit ratings risk

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The Fund has exposure to securities that may have been assigned credit ratings by external ratings agencies. A rating downgrade could reduce the value of a security. Credit ratings do not guarantee the credit quality of a security and may be re-assessed by rating agencies in a range of circumstances.

## 6.10 Currency risk

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The Fund may have exposure to investments denominated in currencies other than Australian dollars. Currency risk is the risk that fluctuations in exchange rates impact the Australian dollar value of the foreign investments that the Fund may have exposure to.

## 6.11 Cybersecurity risks

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The Scheme and its service providers' use of internet, technology and information systems may expose the Fund to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, among other things, could allow an unauthorised party to gain access to proprietary information, customer data, or the Scheme assets, or cause the Responsible Entity, the Scheme and/or its service providers to suffer data corruption or lose operational functionality.

## 6.12 Force majeure risk

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The Responsible Entity, the Investment Manager, service providers or counterparties of investments that the Fund holds or has exposure to may be impacted by an event beyond the control of that party which affects that party's ability to perform its obligations and may cause losses to the Fund. This includes events such as fire, flood, earthquakes, pandemic, war, terrorism and labour strikes.

## 6.13 Operational risks

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The Fund's day-to-day operations may be adversely affected by circumstances beyond our reasonable control, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by us or the Fund's service providers may also adversely affect the operation and performance of the Fund.

## 6.14 Class risk

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The Fund has been established as a separate class of units in the Scheme, an existing registered managed investment scheme. The assets and liabilities of all classes of units in the Scheme are pooled. In other words, the assets and liabilities of each class are not segregated from the assets and liabilities of other classes of units in the Scheme. This means that investors in the Fund are exposed to the liabilities of other classes of units in the Scheme, and vice versa, and that there is a risk that investors in the Fund could lose some or all of their investment in the Fund as a result of exposure to the liabilities of another class. The Scheme may have other classes of units on issue and we may issue additional units in the Scheme of the same class or of a different class to the units already on issue.

## 6.15 Fund risk

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The Fund could terminate, fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity of the Scheme and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.

## 7. Fees and costs

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### 7.1 GST and fee changes

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The management fees and costs referred to in Section 6 of the PDS have been calculated taking into account various considerations, including the current GST legislation.

In the event that legislative amendments to the current GST regime have the effect of reducing the ability of the Fund to claim or reduce input tax credits on some of these management fees and costs, management fees may increase. Again, we will give you at least 30 days' written notice of any change to the fees payable.

### 7.2 Commissions and stamping fees

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The Investment Manager may be entitled to receive commissions or stamping fees from third parties in respect of investments made by the Fund from time to time. These fees are typically paid by hybrid security issuers; they do not come out of the assets of the Scheme. In any given year, there is no guarantee that the Investment Manager will receive any commissions or stamping fees.

### 7.3 About examples

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Remember fees and costs will vary, estimates may prove to be incorrect and non-estimated figures are based on the past. The past can be an unreliable predictor of the future.

The example in the PDS assumes the \$5,000 contribution was made at the beginning of the year, as part of the \$50,000 investment, no other investments or any withdrawals or distributions were made through the year and the investment balance remained unchanged.

Operational costs are not included in this example.

Please note that the example in the PDS does not capture all the fees and costs that may apply to you, such as any Buy/Sell Spread. Additional fees may be payable to third parties including financial advisers. You should refer to the Statement of Advice provided by your financial adviser in which details of the relevant fees are set out. ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances.

## 8. Taxation

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### 8.1 Attribution managed investment fund regime

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The Attribution Managed Investment Trust (AMIT) regime for taxing eligible trusts is available where the Responsible Entity makes an irrevocable choice for it to apply. The AMIT regime includes the following measures:

- an attribution method for allocating taxable income to investors, which is independent of the amount of income distributed to them;
- clarification that income distributed to investors retains the tax character it had in the hands of the Fund. For example, under the AMIT regime, a tax loss (or capital loss) in respect of financial year, would be retained in the Fund, it would not be "attributed" to the investors. That tax loss (or capital loss) can be carried forward by the Fund and potentially used to offset taxable income (or capital gains) in a future income year (subject to satisfaction of certain loss carry-forward rules);
- an ability for under-estimations and over-estimations of amounts at the trust level to be carried forward and dealt with in the year in which they are discovered;
- both upwards and downwards adjustments to investors' cost base for CGT purposes and cost for revenue purposes in specified circumstances;
- clarification of the treatment of tax deferred distributions; and
- deemed fixed trust treatment.

Australian resident investors who are attributed trust income or gains from the Fund will receive an AMIT Member Annual (AMMA) Statement detailing the relevant taxation information for an income year.

As at the date of this document, the Responsible Entity has made no election for the AMIT regime to apply.

If in the future the Fund is eligible, the Responsible Entity intends to make a choice for the AMIT regime to apply. Investors will be advised of this choice once made. The comments in the taxation section are made on the basis that the AMIT regime applies to the Fund.

The tax position of the Fund and investors will change if the AMIT regime does not apply to the Fund.

Investors should seek their own tax advice on the potential impact of the Responsible Entity not choosing for the AMIT regime to apply to the Fund (or the Fund ceasing to qualify as an AMIT).

## 8.2 Taxation

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The summary information in this section is intended to be of a general nature only and should serve only as a guide to the tax considerations that may arise for investors.

This summary applies only to Australian resident investors. Different tax considerations arise for non-resident investors. Nothing contained in this document or the PDS, should be construed as the giving of, or be relied upon, as tax advice.

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident for tax purposes. It is important that you seek professional tax advice that takes account of your particular circumstances before you invest or deal with your investment.

We will send you the information you need each financial year to help you to complete your Australian income tax return. We will distribute income and capital gains, if any, as soon as possible after 30 June each year.

Distributions could comprise:

- income (like dividends and interest);
- net taxable capital gains (from the sale of the Scheme's investments); and
- tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money, transfer or dispose of any units. Depending on the kind of Australian resident taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

## 8.3 Tax File Number (TFN) and Australian Business Number (ABN)

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It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the investor authorises Evolution Trustees to apply it in respect of all the investor's investments with Evolution Trustees.

## 8.4 GST

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The rate of GST and any other taxes may change if the relevant law changes.

You should not be directly subject to GST when applying for, or withdrawing, Units. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim input tax credits and reduced input tax credits for GST incurred on certain expenses.

There should be no GST payable on your distributions from the Fund. You may incur GST on costs relating to your investment. Where Investors are not registered for GST, there will be no entitlement to claim input tax credits for the GST incurred on these costs.

Where Investors are registered for GST, professional tax advice should be sought in relation to whether input tax credits or reduced input tax credits are available.

## 9. Additional information

### 9.1 Overview of related party transactions and conflicts of interest

In our position as responsible entity of the Scheme we may from time to-time face conflicts between our duties to the Scheme, our duties to other schemes we manage and our own interests.

We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

We may from time-to-time enter into other transactions with related entities.

All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

We are authorised under the Constitution to appoint any third party (including a related entity) to perform the duties we are authorised to perform as responsible entity of the Fund, including for example in respect to administration and registry services. For the avoidance of doubt, we may change any appointed third party from time-to-time, without notice to you.

#### Related Party Transactions

The Investment Manager has engaged its majority shareholder, Seed Partnerships, to provide services and resources allowing the Investment Manager to concentrate on portfolio management and generating returns for investors.

Seed Partnerships is a corporate advisory and distribution firm with offices in Sydney, Melbourne and Brisbane that specialises in funds management. Seed Partnerships has extensive history partnering with established fund managers with distinguished track records, who wish to build a pool of capital within Australia & New Zealand.

Seed Partnerships executives have a strong pedigree in listed investment companies and trusts, corporate advisory, funds management, investor communications and retail & wholesale fund distribution. Since 2015, Seed Partnerships has raised over \$7.7 billion in new capital for its fund manager partners. The Seed Partnerships business brings together a blend of strategy and execution in raising capital, marketing and investor communication to deliver solid outcomes for fund managers and their investors.

Seed Partnerships objective is to work with the highest quality managed fund and then amplify its distribution to procure meaningful capital for the fund manager to invest. In doing so, Seed Partnerships connect the advisory markets with the best-in-class solutions for the benefit of their client base.

### 9.2 Privacy

By applying for units in the Fund you consent and agree to information about you being obtained and used by us. We will collect and use your information in accordance with our Privacy Policy, a copy of which is available free of charge.

If you fail to provide us with the required information or if you provide us with incomplete or inaccurate information we may not be able to provide you with the products or services you are seeking within the time periods contemplated in the PDS.

Your information will not be disclosed unless:

- the law requires;
- your financial adviser needs the information;
- it is in keeping with our Privacy Policy and may be provided to external service providers including the Fund's custodian, Investment Manager, auditors, taxation and legal advisers and information technology consultants; or
- we need it to send you promotional material. If you do not want this, indicate on the application form or contact us anytime.

We may provide your personal information confidentially to external service providers including the Fund's custodian, auditors, taxation and legal advisers and information technology consultants.

We will disclose information if required by law to do so (including under the AML CTF Act and relevant taxation legislation (including FATCA and CRS)).

If you fail to provide the required information or if you provide incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking.

If you think any of the details that we hold are wrong or out of date, please contact us and we will correct the details. You can always access the personal information held about you by contacting us on +61 2 8866 5150.

### 9.3 Anti-money laundering

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In order to meet our obligations under the AML CTF Act or taxation legislation (including FATCA and CRS), we may require further information from you as to identity, the source of your funds and similar matters.

We are required to verify that information by sighting appropriate documentation.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise, the information will be kept confidential.

By applying for units in the Fund, you also agree that we may, in our absolute discretion:

- determine not to issue units to you;
- cancel units which have been issued to you; and/or
- redeem any units issued to you.

If we believe such action to be necessary or desirable in light of our obligations under the AML CTF Act or other legislation (including FATCA and CRS), we will not be liable to you for any resulting loss.

### 9.4 Warning to New Zealand investors

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This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

#### **Additional warning statement: currency exchange risk**

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

#### **Additional warning statement: dispute resolution process**

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

### 9.5 Changes to the fund or scheme

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We may make changes to the Scheme from time to time, including to the investment strategy of the Scheme or to investors' redemption rights. We will provide such notice as required by the Corporations Act or the Constitution, and if required by either the Corporations Act and/or the Constitution, we will seek unitholder approval at a meeting of unitholders. You should bear in mind we have the discretion to replace the Investment Manager with one or more investment managers. In certain circumstances, we may replace the Investment Manager without notice to you if we think it is in the best interests of investors in the Scheme as a whole to do so.

We may also terminate the Fund or the Scheme in accordance with the Corporations Act and the Constitution. If the Fund or Scheme terminates, both the Fund or Scheme (as relevant) and unitholders may crystallise taxable gains or losses (including capital gains or losses). You are encouraged to seek independent tax advice on the implications of investing in managed funds. For further information about taxation, please see Section 8 of this Reference Guide.

## 10. Glossary

The following terms have the meanings as set out below:

DEFINED TERMS OR OTHER TERMS USED IN REFERENCE GUIDE AND THE PDS	DEFINITION
<b>APRA</b>	means Australian Prudential Regulation Authority and <b>APRA-regulated issuers</b> are issuers regulated by the Australian Prudential Regulation Authority.
<b>Application</b>	means an application to invest in the Fund or to acquire additional Units in the Fund (as the context requires).
<b>Application Form</b>	means the online or paper Application form for the Fund accompanying the PDS. Links to both are available on the Fund's website <a href="http://www.seedfm.com.au">www.seedfm.com.au</a> .
<b>Application Price</b>	means the price of Units applied for, being the Unit price plus the buy spread (if any), determined in accordance with section 2 of the PDS.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Business Day</b>	means a day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
<b>Constitution</b>	means the constitution of the Scheme as amended or replaced from time to time.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth) as amended from time to time.
<b>Fund</b>	means the unquoted class of units in the Scheme issued under the PDS.
<b>Hybrids</b>	means Additional Tier 1 Capital as defined in the Prudential Standard APS 111 Capital Adequacy: Measurement of Capital issued by APRA as amended from time to time.
<b>Investor</b>	means an investor in the Fund.
<b>Portfolio Manager</b>	means the manager of the portfolio of the assets of the Scheme as amended from time to time, and as at the date of this Reference Guide being, Nicholas Chaplin.
<b>RBNZ-regulated</b>	means regulated by the Reserve Bank of New Zealand.
<b>Scheme</b>	means Financial Income Fund ARSN 678 888 821.
<b>Senior Bonds</b>	are debt securities that represent a contractual obligation of the issuer to pay investors regular interest (coupon) payments and to repay the principal amount at maturity. They are referred to as "senior" because they rank above subordinated debt and equity in the issuer's capital structure. In the event of insolvency, holders of senior bonds are repaid before subordinated creditors and shareholders, but after secured creditors and depositors.
<b>Subordinated Bonds</b>	are debt securities that represent a contractual obligation of the issuer to pay investors regular interest (coupon) payments and to repay the principal amount at maturity. They rank below senior bonds and above preferred equity and ordinary shares. Subordinated bonds typically include an optional call feature and may be converted into equity by the issuer, investor, or the regulator if certain events occur prior to maturity.
<b>Unit</b>	means a unit issued under the PDS.
<b>Unitholder</b>	means a holder of Units.
<b>Withdrawal Price</b>	means the price of Units redeemed, being the Unit price minus the sell spread, determined in accordance with section 2 of the PDS.

