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Investment Manager

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About this PDS

This Product Disclosure Statement (PDS) dated 30 July 2024 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 Hybrid Income Fund ARSN 678 888 821 ("Fund"). It contains a number of references to important information (including a glossary of terms), contained in the Hybrid 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 (electronically or otherwise). All references to dollars or "\$" in this PDS are to Australian dollars.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the Securities Act of 1933 as amended ("US Securities Act"). Evolution Trustees may vary this position and offers may be accepted on merit at Evolution Trustees' discretion. The Units in the Fund 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 PDS and the Reference Guide, free of charge, by calling Evolution Trustees Limited (Phone: +61 2 8866 5150) or by downloading it from the seedpartnerships.com/hybrid-income-fund.html

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 the seedpartnerships.com/hybrid-income-fund.html. 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.

1. About Evolution Trustees Limited

THE RESPONSIBLE ENTITY

Evolution Trustees Limited (**Responsible Entity, we, us**) is the Fund's responsible entity and the issuer of this PDS. Founded by Rupert Smoker, Evolution 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 Fund's constitution, the Corporations Act and general law. Evolution Trustees has appointed Seed Funds Management Pty Ltd ACN 622 414 082 (**Investment Manager**) as the investment manager of the Fund.

Evolution Trustees has appointed Apex Fund Services Pty Ltd (ABN 81 118 902 891, AFSL 303253) (Apex, Custodian, and Administrator) as the custodian and administrator of the Fund. Its role as custodian is limited to holding the assets of the Fund as agent of the Responsible Entity. The custodian has no supervisory role in relation to the operation of the Fund 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, the holder of AFSL No. 492973.

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 Hybrid Income Fund Works

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

If you invest in the Fund through an 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 Fund's constitution (**Application Price**). The Application Price on any Business Day is, in general terms, equal to the Net Asset Value (**NAV**) of the Fund, divided by the number of Units on issue.

The Application Price will vary as the market value of assets in the Fund 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 Fund's 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 seedpartnerships.com/hybrid-income-fund.html.

The minimum withdrawal amount is \$1,000.

The price at which Units are withdrawn is determined on a daily basis in accordance with the Fund's constitution (**Withdrawal Price**). The Withdrawal Price on any Business Day is, in general terms, equal to the NAV of the Fund 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 Fund 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 Fund 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.

In addition, when the Fund 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 seedpartnerships.com/hybrid-income-fund.html. 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 Hybrid Income Fund

SIGNIFICANT FEATURES

The Fund provides:

- Expertise in hybrid capital investments, with a particular focus on prudentially regulated capital instruments.

- Access to an actively managed portfolio primarily invested in instruments issued by Australian APRA-regulated issuers. These instruments include hybrid securities, senior bonds and subordinated bonds.
- A complement to or substitute for an existing direct hybrid portfolio, offering greater portfolio diversification and risk management.
- A fixed-income focused 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.

Established Asset Classes

Hybrid capital instruments are well-established in the Australian capital markets. Many of the issuers of these instruments are prudentially regulated. The Fund's portfolio will primarily be invested in instruments issued by Australian APRA-regulated issuers.

Active Management

The portfolio will be actively managed to constantly take advantage of arbitrage opportunities that occur over time.

Informed Management

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.

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 seedpartnerships.com/hybrid-income-fund.html. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

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 Fund'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 is also subject to change.

Some of the significant risks of an investment in the Fund are set out below:

- **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 Fund'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 Fund's custodian. Default on the part of a counterparty could result in financial loss to the Fund.
- **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 or on the Fund'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 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 Fund'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 seedpartnerships.com/hybrid-income-fund.html. 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 hybrid securities and subordinated bonds. Notwithstanding this core focus, the portfolio may also include AUD denominated capital instruments issued by RBNZ-regulated issuers, senior bonds and 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 (five+ 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

Five+ 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 medium to long investment timeframe (5+ years) and a medium risk/return profile.

ASSET ALLOCATION

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

Asset Class	Min (%)	Max (%)
AUD hybrid securities	30%	70%
AUD subordinated bonds	30%	70%
AUD senior bonds	0%	70%
Cash	0%	20%

The Fund will not utilise any leverage or derivatives in its 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 Fund's 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 Fund's 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 recognises the importance of labour standards and environmental, social and ethical considerations (ESG factors). However, the Fund does not take into account ESG factors when selecting, retaining or realising investments. See the Reference Guide for details.

6. Fees and Costs

Did you know? Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

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

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

Hybrid Income Fund		
Type of fee or cost	Amount	How & when paid
Ongoing annual fees and costs ^{1,3}		
Management fees and costs: The fees and costs for managing your investment ²	0.70% of the NAV of the Fund, comprised of: <ul style="list-style-type: none"> • management fees of 0.55% of NAV • expense recoveries of 0.15% of NAV³ • Indirect costs of 0.00% of NAV³ 	Management fee component of the management fees and costs accrues daily and is reflected in the Unit price. Other fees and costs are variable. They are deducted and reflected in the Unit price of the Fund as they are incurred.
Performance fees: Amounts deducted from your investment in relation to the performance of the product	Nil	
Transaction costs: The costs incurred by the scheme when buying or selling assets	0.03% ³	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the Unit price. They are disclosed net of amounts recovered by the Sell Spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee: The fee to open your investment	Nil	
Contribution fee: The fee on each amount contributed to your investment	Nil	
Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme	Buy: Nil Sell: 0.10%	No Buy Spread is charged. The Sell Spread is an additional cost to the investor, incorporated into the Unit price. The Sell Spread is left in the Fund as part of a redemption.
Withdrawal fee: The fee on each amount you take out of your investment	Nil	
Exit fee: The fee to close your investment	Nil	
Switching fee: The fee for changing investment options	Nil	

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

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

³ The expense recovery costs and indirect costs components of management fees and costs and transaction costs are based on a reasonable estimate of those costs for the current financial year to date, adjusted to reflect a 12-month period. Please see "Additional Explanation of Fees and Costs" below.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management fees and costs

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

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 of the Fund. 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 of the Fund. 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 (seedpartnerships.com/hybrid-income-fund.html), where they are not otherwise required to be disclosed to investors under law.

Transaction Costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself.

Transaction costs are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are Applications or Withdrawals which cause net cash flows into or out of the Fund.

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 of the Fund. 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 Fund 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 (seedpartnerships.com/hybrid-income-fund.html) 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 Fund's constitution. The current maximum management fee to which the Responsible Entity is entitled is 2.00% of the gross asset value of the Fund calculated in accordance with the Fund's constitution, subject to a minimum monthly fee of \$5,000, increased annually by not more than 3%, by reference to the 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 Fund's 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 of the Fund. 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 Fund.

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.

EXAMPLE – Hybrid Income Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	N/A	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs	0.70% of the NAV	AND , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$350 each year
PLUS Performance fees	\$0	AND , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	\$0	AND , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS 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 \$350 .

*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.

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 you will depend on when your contribution is made during the year.

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.

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

ASIC provides a fee calculator (moneysmart.gov.au/managed-funds-and-etfs/managed-funds-fee-calculator), 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 seedpartnerships.com/hybrid-income-fund.html. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

7. How Managed Investment Schemes are Taxed

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

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Where the Fund is eligible to be Attributed 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 Fund is not an AMIT, Australian investors will be assessed on income and capital gains generated by the Fund to which they become presently entitled.

Further Reading: Before making an investment decision, you should read the additional important information in the "Taxation" section of the Reference Guide available at seedpartnerships.com/hybrid-income-fund.html. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

8. How to Apply

To 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 seedpartnerships.com/hybrid-income-fund.html.

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 Fund's 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 your complaint within 1 Business Day 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
Phone: 1800 931 678 (free call)
Website: 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.

9. Additional Information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. 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 (seedpartnerships.com/hybrid-income-fund.html) 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 (seedpartnerships.com/hybrid-income-fund.html) you can also find information about your rights to:

- receive certain information documents about the Fund from us in hard copy; and
- a 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 following terms in this PDS have the meanings set out below:

Reference Guide – the additional information in relation to the Fund contained in a booklet titled 'Reference Guide' and which forms part of this PDS.

APRA - Australian Prudential Regulation Authority and **APRA-regulated issuers** are issuers regulated by the Australian Prudential Regulation Authority.

Application – an Application to invest in the Fund or to acquire additional Units in the Fund (as the context requires).

Application Price – the price of Units applied for, being the Unit price plus the buy spread (if any), determined in accordance with section 2.

Application Form – The online or paper Application form for the Fund accompanying this PDS. Links to both are available on the Fund's [website](#).

ASIC – The Australian Securities and Investments Commission.

Business Day – A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.

Corporations Act – Corporations Act 2001 (Cth) as amended from time to time.

Fund – The Hybrid Income Fund AUD ARSN 678 888 821.

Investment Manager – Seed Funds Management Pty Ltd ACN 622 414 082, a corporate authorised representative (number 1308397) of Seed Partnerships Pty Ltd, AFS licence number 492973, in its capacity as the investment manager of the Fund.

NAV – the net asset value of the Fund.

Portfolio – the assets the Fund.

RBNZ-regulated - regulated by the Reserve Bank of New Zealand.

Unit – A Unit issued under this PDS.

we, us and our or Responsible Entity – Evolution Trustees Limited ABN 29 611 839 519 AFSL 486217 in its capacity as the responsible entity of the Fund.

Withdrawal Price – the price of Units redeemed, being the Unit price minus the sell spread, determined in accordance with section 2.

THE HYBRID INCOME FUND

Reference Guide

ARSN: 678 888 821

Issue Date: 30 July 2024

About this Reference Guide

This Reference Guide has been prepared and issued by 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 30 July 2024 for the Hybrid Income Fund ARSN 678 888 821 ("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.

Contents

1. Making an investment
2. Withdrawing your investment
3. Managing your investment
4. About the Investment Manager
5. How your money is invested
6. Risks
7. Fees and costs
8. Taxation
9. Additional Information

Updated information

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.seedpartnerships.com/hybrid-income-fund. 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.seedpartnerships.com/hybrid-income-fund.

Investment

Manager

Seed Funds Management Pty Ltd
ACN 622 414 082
Corporate authorised representative (No. 001308397) of Seed Partnerships Pty Ltd (AFSL No. 492973)
Level 32, 225 George Street
Sydney NSW 2000
Web: www.Seedpartnerships.com

Administrator

Apex Fund Services - Unit Registry
ACN 118 902 891
GPO BOX 4968
Sydney NSW 2001
Ph: 1300 133 451
Web: 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

1. MAKING AN INVESTMENT

1.1 HOW TO INVEST

To invest into the Fund directly, you can access the application forms and additional investment forms at the Fund's website (www.seedpartnerships.com/hybrid-income-fund).

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

1.2 INVESTING THROUGH AN IDPS

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 Unit holder.

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 Unit holder. Unit holder rights include the right to attend Unit holder 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 is not responsible for the operation of any IDPS.

1.3 APPLICATION TERMS

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 Fund's account.

1.4 ADDITIONAL INVESTMENTS

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

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

2.1 HOW TO WITHDRAW

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

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

The Fund 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 Fund to remain liquid, the Fund's liquidity status may change over time, based on its assets and market conditions. You should check the Fund's website (www.seedpartnerships.com/hybrid-income-fund.html) for up to date information.

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

If the Fund 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 Fund asset).

2.3 WITHDRAWAL TERMS

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 your 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 Fund 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 Fund'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

3.1 YOUR ENTITLEMENT TO INCOME

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 Fund.

Your income entitlement for each distribution period will be determined as soon as practicable after each month end.

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

It is important to keep your details with us up to date – please contact the Fund's 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.seedpartnerships.com/hybrid-income-fund. 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 Fund's Administrator.

3.3 YOUR RIGHTS AND OTHER IMPORTANT ISSUES

Our legal relationship with investors is primarily governed by the Fund's constitution together with the PDS.

In addition to matters discussed in the PDS, the Fund's 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 Fund's constitution – we usually need investor approval for any changes which are adverse to the unitholders' rights.

3.4 REPORTS

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

4.1 ABOUT THE INVESTMENT MANAGER

The Fund'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, the holder of AFSL No. 492973.

The Investment Manager has a highly experienced investment team with two Portfolio Managers.

Nicholas Chaplin is the Senior Portfolio Manager working alongside John Corr as Portfolio Manager.

The Investment Manager's activities are overseen by a Risk and Investment Committee, chaired by John Corr.

4.2 INVESTMENT PROCESS

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 hybrid securities, senior and subordinated bonds.

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 (include some ESG factors) 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

The investment process of the Fund will be overseen by a Risk and Investment Committee. 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

Nicholas Chaplin (Senior Portfolio Manager)

Nicholas Chaplin serves as the Senior Portfolio Manager overseeing the implementation of the Fund's investment strategy.

Nick has worked in the finance industry for over 35 years. Nick has 24 years' experience specialising in the structuring and education of financial capital, with a focus on hybrids.

Prior to the Fund, Nick spent 12 years building and leading NAB's hybrid and structured capital originations business. Prior to NAB, Nick built Westpac's hybrid capital business in Sydney.

Nick has a long history in managing investments in hybrid capital products. From 2002 until 2004, Nick successfully managed a \$250 million portfolio of hybrid securities for CommSec as part of its equity capital markets business.

Nick has been responsible for the Fund's investment strategy from its inception as a wholesale fund (in 2022). From 2015 until 2022, Nick managed the Paraclete Funds Management Trust which invested exclusively in hybrid Tier 1 capital securities and had the same target return as the Fund.

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 (Investment Committee Chair and Portfolio Manager)

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 of Seed Partnerships)

Chris is a member of the Investment Committee and the founder of Seed Partnerships. Chris has CEO experience in funds management and considerable experience in the initiation, capital raising and management of Listed Investment Companies. Chris was a member of the investment committee of the Future Generation Global Investment Company, after serving as the co-CEO in the company's inaugural year. Prior to forming Seed Partnerships in May 2015, Chris was the CEO, Board Director and Compliance Committee Member at PM CAPITAL Limited. He was also the CEO and Director of the PM CAPITAL Global Opportunities Fund Limited (listed in December 2013) and PM CAPITAL Asian Opportunities Fund Limited (listed in May 2014).

Prior to a 14-year career in funds management, Chris gained several years' experience trading in the derivatives and bond markets. Chris is a Graduate of the Australian Institute of Company Directors. He holds a Masters of Business in Finance, majoring 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 include hybrid securities and subordinated bonds. Notwithstanding this core focus, the portfolio may also include AUD denominated capital instruments issued by RBNZ-regulated issuers, senior bonds as well as cash.

The Fund's core focus is instruments that combine elements of debt securities and equity securities. These include investments such as hybrid securities, subordinated bonds and senior bonds.

Below is a general overview of these instruments:

- **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 notes or bonds** – 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

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

The Investment Manager expects the Fund 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 Fund is liquid.

6.3 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK (ESG)

The Investment Manager recognises the importance of labour standards and environmental, social and ethical considerations (**ESG factors**). However, the Fund does not formerly take into account ESG factors when selecting, retaining or realising investments.

The Investment Manager may have regard to some ESG factors however, any assessment of this kind is subjective. Investments may form part of the Fund even though they do not meet ESG standards.

7. FEES AND COSTS

7.1 GST AND FEE CHANGES

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

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 Fund. In any given year, there is no guarantee that the Investment Manager will receive any commissions or stamping fees.

The Investment Manager may from time to time negotiate with certain investors to rebate commissions or stamping fees attributable to their investment in the Fund.

7.3 ABOUT EXAMPLES

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.

Transactional and operational costs are not included in this example.

8. TAXATION

8.1 ATTRIBUTION MANAGED INVESTMENT FUND REGIME

The Attributed 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

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 Fund'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")

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

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 Fund we may from time to-time face conflicts between our duties to the Fund, our duties to other funds 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 Fund's 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 & 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 \$6 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 and 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

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.