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Managed Investments

Lincoln Australian Income Fund

Reference Guide

Issue Date: 26 October 2018

Investment Manager: Lincoln Indicators Pty Limited
ABN 23 006 715 573, as Corporate Authorised Representative of
Lincoln Financial Group Pty Ltd ABN 70 609 751 966, AFSL 483167.

Responsible Entity: Equity Trustees Limited
ABN 46 004 031 298, AFSL 240975

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Equity Trustees Limited is the issuer of this document and the Fund's Responsible Entity. Lincoln Indicators Pty Ltd is the Fund's investment manager ("Lincoln" or "Investment Manager").

'ASIC'

This refers to Australian Securities and Investments Commission

'APRA'

This refers to Australian Prudential Regulation Authority

'ATO'

This refers to Australian Taxation Office

'Business Day'

This means a day (other than Saturday, Sunday or public holiday) on which banks are open for business in Melbourne.

'Derivatives'

A derivative is a financial instrument whose value is derived from another security, liability or index. The most common derivatives are futures, options, and swaps.

'Fund'

Refers to the Lincoln Australian Income Fund (Retail and Wholesale).

'IDPS'

Investor Directed Portfolio Service. An IDPS service is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, with the IDPS operator providing the investor with consolidated and streamlined transaction statements and other reporting.

'IDPS Operator'

An entity that operates and offers an IDPS.

'Link'

Refers to Link Market Services Limited, the registry service provider to the Fund

'We' or 'us'

Refers to Equity Trustees, unless the context otherwise requires.

'You' or 'your'

This refers to investors in the Fund (and where the context requires, prospective or new investors to the Fund).

This Reference Guide has been prepared and issued by Equity Trustees Limited. The information in this document forms part of Product Disclosure Statement (PDS) dated 26 October 2018 issued by Equity Trustees. The PDS and this Reference Guide (RG) are available on www.eqt.com.au/insto or www.lincolnindicators.com.au. You can request a copy by calling Equity Trustees or Lincoln Indicators.

1. About the Fund

The Investment Manager: Lincoln Indicators Pty Ltd

The Lincoln Indicators Managed Investments Review Committee is directly responsible for all investment decisions made in the Fund.

Decisions are made on a group basis resulting from the consensus view of all members, giving respect to various members' specialties.

The Managed Investments Team currently comprises of three members with Tim Lincoln as the head of Managed Investments, a Portfolio Manager and Fund Administrator.

2. Investing in a Lincoln Fund

Application cut-off times

If we receive correctly completed application forms, identification documents (if applicable) and cleared application money:

- before 2pm on a Business Day, the application will be processed on that Business Day. This means you will receive the application price calculated for that Business Day, and
- after 2pm on a Business Day, the application will be processed on the next Business Day. This means you will receive the application price calculated for the next Business Day.

We will only start processing an application if:

- we consider that you have correctly completed the application form
- you have satisfied all Anti-Money Laundering requirements, and
- we have received the application money (in cleared funds) stated in your application form. The time it takes for application money to clear varies depending on how you transfer the money and your bank (it may take up to four Business Days).

Right to reject applications

We reserve the right to accept or reject applications in whole or in part at our discretion and delay processing of applications where we believe this to be in the best interest of all the Fund's investors, without giving any reason. The most common reason for rejecting an application will be to protect existing unit holders from material distribution dilution. Distribution dilution occurs when the number of units on issue in the Fund increases after income (received in the form of dividends, interest, coupons), has become a Fund receivable.

Income in the form of dividends, interest and coupons are distributed quarterly, so applications received towards the end of a distribution period have a higher chance of being rejected to avoid diluting the distributions for the existing unit holders.

Cooling-off rights

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.

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

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional

contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14 day period, this could include selling part of your investment or switching it to another product.

Indirect investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in a fund by the IDPS. The right to cool off in relation to a fund are not directly available to an indirect investor. This is because an Indirect Investor does not acquire the rights of a unit holder in a fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in a fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to a fund and any rights an indirect investor may have in this regard.

3. Direct Debit Requests

Direct Debit Request – Terms and Conditions

By requesting a direct debit in your Application Form, you acknowledge that the following terms and conditions shall apply where Equity Trustees has agreed to effect automatic deductions from your account under the savings plan.

This is your Direct Debit Request arrangement with Equity Trustees (Direct Debit User ID 477105). It explains what your obligations are when undertaking a direct debit arrangement with us. It also details what our obligations are to you as a direct debit provider.

Please keep this Reference Guide for future reference. It forms part of the terms and conditions of your Direct Debit Request and should be read in conjunction with your Direct Debit Request authorisation.

Savings Plan

You can increase your investment in the Fund through a monthly direct debit from your nominated bank account. The minimum additional monthly contribution for the Fund under the Savings Plan is \$250. Please refer to the Direct Debit Request - Terms and Conditions. The Direct Debit Request form can be used to set up your Savings Plan. The form can be sent with your application form or at a later time.

Monthly payments will be made on or about the 20th of each month.

Debiting your account

By signing a Direct Debit Request or by providing Equity Trustees with a valid instruction, you have authorised Equity Trustees to arrange for money to be debited from your account. You should refer to the Direct Debit Request and this Reference Guide for the terms of the arrangement between Equity Trustees and you.

Equity Trustees will only arrange for money to be debited from your account as authorised in the Direct Debit Request.

If the Debit Day falls on a day that is not a Business Day, Equity Trustees may direct Your Financial Institution to debit your account on the following Business Day. If you are unsure about the day your account has been, or will be, debited you should ask Your Financial Institution.

Changes by Equity Trustees Limited

Equity Trustees may vary any details of these terms and conditions or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

Changes by investor

Subject to this clause, you may vary the amount of your savings plan arrangements under a Direct Debit Request by contacting Lincoln on 1300 676 333 / enquiries@lincolnindicators.com.au . Changing the bank account from which you wish your amounts to be debited will require completion of a new Direct Debit Request form.

You may change, stop or defer a Debit Payment by notifying Equity Trustees in writing at least fourteen (14) days before the next Debit Day. This notice should be given to Equity Trustees in the first instance.

You may change* your account details by arranging it through Your Financial Institution, which is required to act promptly on your instructions in providing us with those details.

You may also cancel your authority for Equity Trustees to debit your account at any time by giving Equity Trustees fourteen (14) days notice in writing before the next Debit Day. This notice should be given to Equity Trustees in the first instance.

* Note: in relation to the above reference to 'change', Your Financial Institution may 'change' your debit payment only to the extent of advising Equity Trustees of your new account details.

Investor obligations

It is your responsibility to ensure that there is sufficient cleared money available in your account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

If there is insufficient cleared money in your account to meet a Debit Payment:

- you may be charged a fee and/or interest by Your Financial Institution;
- you may also incur fees or charges imposed or incurred by Equity Trustees; and/or
- you must arrange for the Debit Payment to be made by another method or arrange for sufficient cleared funds to be available in your account by an agreed time so that we can process the Debit Payment.

You should check your account statement to verify that the amounts debited from your account are correct.

If Equity Trustees is liable to pay GST on a supply made in connection with this arrangement, then you agree to pay Equity Trustees on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

Dispute

If you believe that there has been an error in debiting your account, you should notify us directly on 1300 676 333 and confirm that notice in writing to us as soon as possible so that we can resolve your query more quickly. Alternatively you can take it up directly with your financial institution.

If Equity Trustees concludes as a result of its investigations that your account has been incorrectly debited Equity Trustees will respond to your query by arranging for Your Financial Institution to adjust your account (including interest and charges) accordingly. Equity Trustees will also notify you in writing of the amount by which your account has been adjusted.

If Equity Trustees concludes as a result of its investigations that your account has not been incorrectly debited, Equity Trustees will respond to your query by providing you with reasons and any evidence for this finding.

Your Financial Institution's account

You should check:

- with Your Financial Institution whether direct debiting is available from your account;
- your account details which you have provided to Equity Trustees are correct by checking them against a recent account statement; and
- with Your Financial Institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

Confidentiality

Subject to the Privacy Statement set out in this Reference Guide (See "Your privacy"), Equity Trustees will keep confidential any information (including your account details) in your Direct Debit Request. Equity Trustees will make reasonable efforts to keep any such information that it has about you secure and to ensure that any of its employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

Equity Trustees will disclose information that it has about you:

- in accordance with the "Your privacy" section of this Reference Guide;
- in connection with any query or claim (including relating to an alleged incorrect or wrongful debit); and
- to the extent specifically required by law.

Notice

If you wish to notify Equity Trustees in writing about anything relating to this Reference Guide, you should write to:

Equity Trustees Limited
GPO Box 2307
Melbourne VIC 3001

Equity Trustees will notify you by sending a notice in the ordinary post to the address you have given Equity Trustees in the Direct Debit Request form.

Any notice will be deemed to have been received on the third Business Day after posting.

Definitions

In this Direct Debit Request terms and conditions, the following terms have the meaning set out below:

- Account means the account held at Your Financial Institution from which we are authorised to arrange for funds to be debited.
- This means a day (other than Saturday, Sunday or public holiday) on which banks are open for business in Melbourne.
- Debit Day means the day that payment by you to Equity Trustees is due.
- Debit Payment means a particular transaction where a debit is made.
- Direct Debit Request means the Direct Debit Request between Equity Trustees and you.
- Your Financial Institution means the financial institution nominated by you on the Direct Debit Request at which the account is maintained.

4. Managing your investment

Investments through an IDPS

The Responsible Entity is not responsible for the operation of any IDPS. Indirect investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect investors do not become investors in the Fund or have rights of investors. The IDPS Operator becomes the investor in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights of an investor on their behalf according to the arrangement governing the IDPS.

Indirect investors should read the IDPS Guide carefully to understand the structure, fees and communication procedures for the relevant IDPS. Please ask your adviser if you have any questions about investing in the Fund through an IDPS.

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments
- requesting income distribution instructions to be changed
- redeeming all or part of your investment
- changing bank account details
- enquiring and obtaining copies of the status of your investment, and you are bound by their acts
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives, and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Reports

Unitholders will be provided with the following reports:

- Application and withdrawal confirmation statements;
- Transaction statements; and
- (where applicable), distribution and tax statements

The annual audited financial accounts is available on our website.

5. Redeeming your investment

Minimum balance

Please note that Equity Trustees has the right to fully redeem your investment in the Fund if the value of the investment falls below the minimum balance as specified below:

- Lincoln Retail Australian Income Fund - After giving you notice, where your investment in this unit class falls below \$20,000
- Lincoln Wholesale Australian Income Fund - After giving you notice, where your investment in this unit class falls below \$250,000.

The Responsible Entity may determine another minimum balance amount from time to time. If you are investing through an IDPS you should refer to the IDPS Guide for the minimum balance.

If you have invested indirectly in the Fund through an IDPS, 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.

Redemption cut-off times

All withdrawal requests should be received by 2pm on a Business Day for processing that day. Any withdrawal request received after that time will be treated as having been received the following Business Day.

Redemption terms

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

- We are not responsible or liable if you do not receive, or are late in receiving, any redemption money that is paid according to your instructions.
- We may contact you to check your details before processing your redemption form. This may cause a delay in finalising payment of your redemption money. No interest is payable for any delay in finalising payment of your redemption money.
- If we cannot satisfactorily identify you as the redeeming investor, we may refuse or reject your redemption request or payment of your redemption proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is redeeming, you agree that any payment made according to instructions received by post or courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.

6. How we invest your money

The selection of individual securities for the Fund is guided by the overall objective of the Fund. The objective is to obtain a yield higher than the benchmark with some capital growth.

To achieve this, securities must be rated as financially healthy by Lincoln's proprietary health model. Lincoln's unique quantitative investment approach is also applied in its leading fundamental analysis software Stock Doctor which is offered to Australian direct share investors as a key predictor of Financial Health.

Furthermore, each stock is qualitatively assessed to confirm the stock's underlying business is sound, on a forward looking basis, so that the high dividend yield is sustainable. Specific aspects of the company that are considered include:

- management of the company
- sustainability of earnings
- overall business performance.

Hybrid and bond securities are subjected to a similar analysis, the parent company must be financially healthy and the qualitative assessment is focused on the company's ability to safely meet its interest obligation and repay capital upon maturity of the instrument.

Investments in the Fund

The Fund invests in a range of industrial and resource shares listed on the ASX. Also, the Fund invests in hybrid securities (preference shares, capital notes, corporate bonds and floating rate notes) listed on the ASX. The Fund may also invest in unlisted corporate bonds provided the parent company can be assessed as financially healthy by the proprietary Lincoln Financial Health model.

Derivatives, such as futures, options, swaps and forward rate agreements, will not be used to gear the Fund's assets or for speculative purposes. The Fund may only use Derivatives as an alternative to direct purchases or sales; to manage the risk associated with market prices or to enhance the Fund's ability to meet its objective of a higher yielding but lower risk equity portfolio.

The Fund only borrows for short-term arrangements for settlement purposes. Throughout this document, references to investing in shares and shares in companies generally refer to shares in Australian companies, or units in trusts listed on the ASX. The principal exception being that the Fund may invest in corporate debt that is not listed on the ASX but the parent entity is listed on the ASX. Furthermore, unlisted securities may be acquired when offered to the Fund/Responsible Entity, on the basis that those securities are expected to be quoted on the ASX in the foreseeable future.

Consideration of labour standards and environmental, social or ethical issues

Equity Trustees and Lincoln do not specifically take into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising investments. However, where earnings sustainability of the companies that the Fund invests in may be impacted by factors such as poor labour standards or environmental, social or ethical matters, investment holdings will be reviewed in light of those issues and may be removed from the Fund, or the Fund's exposure may be reduced.

Compliance plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Indemnity

Equity Trustees, as the Responsible Entity of the Fund, is indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Equity Trustees may retain and pay out of any money in its hands all sums necessary to effect such an indemnity.

7. Fees and costs

IDPS

For indirect investors, the fees listed in the 'fees and other costs' section of the PDS are in addition to any other fees and charges by your IDPS Operator. IDPS Operators acquire units in the Lincoln Wholesale Australian Income Fund.

Expense recoveries

We are entitled to be reimbursed for certain expenses incurred in managing the Fund. They include expenses properly incurred in the administration, custody, management, compliance and promotion of the Fund. Other expenses including tax and operating costs, such as audit, legal and tax consulting fees, are also recoverable out of the assets of the Fund.

Alternative forms of remuneration

As a member of IFSA, we maintain an Alternate forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from AFS licensees, Fund managers or representatives (if any is paid or received at all in relation to the Fund).

Differential fee arrangements

The Responsible Entity or 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 or New Zealand Wholesale Investors.

Payments to IDPS Operators

Subject to the law, annual payments may be paid to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by Lincoln Indicators Pty Ltd out of the management fees and is not an additional cost to the investor. If the payment of annual fees to IDPS Operators is limited or prohibited by the law, Equity Trustees will ensure the payment of such fees is reduced or ceased.

Transaction and other costs

All Government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Reduced Input Tax Credits (RITCs) will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund and investors.

The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs include costs incurred by the Fund when investors invest in or withdraw from the Fund and when transacting to meet investment objectives. These costs are an additional cost to the investor but are generally reflected in the unit price (through the Buy/Sell spread) and not charged separately to the investor. Transaction costs which are not recovered through the Buy/Sell spread are deducted from the Fund from time to time, and as they are incurred, are reflected in the unit price.

The exact amount of transaction costs is dependent on a number of different variables, including the level of trading undertaken by the Fund.

8. Enquiries and complaints

If you have an enquiry regarding the investment management of the Fund, please contact:

Lincoln Indicators Pty Ltd
Level 2, 379 Collins Street, Melbourne VIC 3000
Telephone 1300 676 333
Email: managedinvestments@lincolnindicators.com.au
Website: www.lincolnindicators.com.au

If you are not completely satisfied with any aspect of the services regarding the management of the Fund, please contact Equity Trustees.

Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly consider and resolve all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 business days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 45 days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may lodge a complaint with the Financial Ombudsman Service ("FOS") or from 1 November 2018, direct the complaint to the Australian Financial Complaints Authority ("AFCA"), which will replace FOS.

Contact details are:

Online: www.fos.org.au or www.afc.org.au
Phone: FOS on 1800 367 287 or AFCA on 1800 931 678
Email: info@fos.org.au or info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important you contact us first.

Additional information

If and when the Fund has 100 or more direct investors, it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half-yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

9. Other important information

Constitution of the Fund

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors. Provisions relating to an investor's rights under the Constitution include:

- your right to share in the income of the Fund, and how we calculate it
- your ability to transfer units, subject to the Constitution
- what you are entitled to receive when you withdraw from the Fund or if the Fund is wound up
- your right to withdraw from the Fund subject to the times when we can cease processing withdrawals – such as if the Fund becomes 'illiquid'
- the nature of the units – identical rights attach to all units
- your rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act. Resolutions passed at meetings are binding on all investors regardless of whether or how they voted.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover
- when we can amend the Constitution – generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors
- when we can retire as the Responsible Entity of the Fund, as permitted by law
- when we can be removed as the Responsible Entity of the Fund, when required by law
- our broad powers to invest, borrow money and generally manage the Fund – we do not currently intend to borrow money to acquire assets for the Fund, although this is permitted under the Constitution.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the assets of the Fund, for example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently
- we can be reimbursed for all expenses we incur in connection with the proper performance of our duties in respect of the Fund.

The Constitution, as well as the Corporations Act and general trust law, also provide that we must:

- act in the best interests of investors, and if there is a conflict between investors' interests and our own, give priority to investors
- ensure the assets of the Fund are clearly identified, held separately from other funds and our assets, and are valued regularly
- ensure payments from the assets of the Fund are made in accordance with the Constitution and the Corporations Act
- report to ASIC breaches of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on investors' interests.

Anti-money laundering

Australia's AML/CTF laws require Equity Trustees to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing Program. A fundamental part of the AML/CTF Program is that Equity Trustees knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation (KYC Documents) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs.

The Responsible Entity shall not be liable for any loss you may suffer because of compliance with the AML/CTF laws.

Joint account operation

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants unless we are advised to the contrary in writing.

Investor's liability

The Constitution provides that unless there is a separate agreement with an investor, no investor can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. Therefore it is expected that investors will not be under any obligation if a deficiency in the assets of the Fund was to occur.

However, this view has not been fully tested and so it is not possible to give an absolute assurance that an investor's liability will be limited in all circumstances. In general, the liability of an investor is limited to the amount (if any) which remains unpaid in relation to their subscription for units in the Fund and any tax owed to the Responsible Entity. The Responsible Entity may redeem some or all of an investor's units to satisfy an amount of money due from the investor to the Responsible Entity.

The Responsible Entity is also permitted to deduct certain amounts of money from the proceeds of an investor's withdrawal request.

Non-listing of units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the number of units they hold in the Fund and the withdrawal price for these units.

Privacy

The Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, the administrator, custodian, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to "opt out" by contacting Equity Trustees.

Equity Trustees' Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees' Privacy Policy is available at www.eqt.com.au. You can contact Equity Trustees' Privacy Officer on +61 3 8623 5000, or email privacy@eqt.com.au to request a copy.

Foreign Account Tax Compliance Act (“FATCA”)

In April 2014, the Australian Government signed an intergovernmental agreement (“IGA”) with the United States of America (“U.S.”), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (“ATO”). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard (“CRS”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. From 1 July 2017, Australian financial institutions will need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

US Person

A person so classified under securities or tax law in the United States of America (“US”) including, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the US, its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the US; or
- (d) a pension plan primarily for US employees of a US Person; or
- (e) a US collective investment vehicle unless not offered to US Persons; or
- (f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- (g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- (h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or
- (i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

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