Smarter Money Long-Short Credit Fund

ARSN 617 838 543
APIR: SLT2562AU
ISIN code: AU60SLT25623
Morningstar Ticker: 41597

Product Disclosure Statement

Issued 26 July 2017

Table of Contents

1. About the Smarter Money Long-Short Credit Fund
2. Objectives
3. Benefits of investing in the Fund
4. ASIC Benchmarks and disclosure
5. Investing your money
6. Our team
7. How to invest and withdraw
8. Risks of managed investment schemes
9. Fees and costs
10. Tax
11. What else should you know?
12. Further information

LEARN MORE

Investors
Contact SMI on 1300 901 711 or the Administrator on 1300 133 451
Email: info@smitrust.com.au or registry@fundbpo.com
Learn more about the Smarter Money Long-Short Credit Fund:
www.smitrust.com.au
Learn more about SMI: www.smitrust.com.au
Find forms at the Download Centre: www.smitrust.com.au
You may request a free printed copy of this PDS and any other document or policy mentioned in or incorporated into this PDS by calling OneVue on 02 8252 2200 during business hours, or speak to your adviser.

Before you start

This Product Disclosure Statement (**PDS**) is an important document and you should read it carefully before making a decision to invest. It does not take into account your personal circumstances. You are encouraged to seek professional advice before investing.

OneVue RE Services Limited ABN 94 101 103 011 AFSL 223271 (**OneVue**) is the issuer of this PDS and the responsible entity (or trustee) of the Smarter Money Long-Short Credit Fund (the **Fund**). When we, or us or our is used in this PDS, it is a reference to OneVue.

OneVue has appointed Smarter Money Investments Pty Limited ABN 64 153 555 867 (**Smarter Money Investments** or the **Investment Manager**) the Investment Manager of the Fund.

Smarter Money Investments has in turn appointed Coolabah Capital Investments Pty Ltd (**Coolabah Capital** or **Portfolio Manager**) as the Portfolio Manager of the Fund. Coolabah Capital's wholly-owned subsidiary, Coolabah Capital Institutional Investments Pty Ltd ACN 153 327 872 (**CCII**), holds AFSL Licence No 482238. Coolabah Capital sub-delegates portfolio manager support services to Coolabah Capital group companies, including CCII.

The Investment Manager is 50% owned by Coolabah Capital, to which it sub-delegates all portfolio management responsibilities for the Fund. Coolabah Capital is 75% owned by its institutional portfolio management team, led by Christopher Joye and Darren Harvey, and one quarter owned by AMB Holdings Pty Limited (**AMB Holdings**), which is a private investment company representing a family office. The other 50% of the Investment Manager is owned by ASX listed Yellow Brick Road Holdings Limited (**YBR**) which undertakes all retail and certain wholesale distribution, marketing and support activities.

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely affected by not receiving notice of it, the PDS may be updated by notice at www.onevue.com.au and you can request a paper copy free of charge from us or your financial adviser. Otherwise, this PDS will be replaced or a supplementary PDS will be issued.

1. About the Smarter Money Long-Short Credit Fund

Snapshot

The Smarter Money Long-Short Credit Fund is an absolute return fixed-income strategy focused on exploiting long and short mispricings in credit markets.

The Fund invests primarily in senior and subordinated debt securities, hybrids and derivatives issued by Australian entities domestically and overseas, although it can also invest in these types of securities when they are issued by overseas entities (into the Australian market or offshore). The Fund targets holding the majority of its portfolio in investment-grade quality debt securities and hybrids.

The Fund aims to generate high absolute returns which have low to no correlation with equities, fixed-rate bonds and property markets, from relatively low risk and liquid investments identified through the Portfolio Manager's active asset-selection process.

The Fund aims to reliably distribute strong quarterly income.

Investment management

The Portfolio Manager's investment process combines quantitative and qualitative valuation techniques designed to identify investments that are trading materially above or below 'fair' value. The Portfolio Manager then seeks to exploit these mispriced investments by taking a 'long' position or a 'short' position, either directly or through using derivatives.

The Fund can seek to enhance returns by using leverage, however there are strict limits – see below for details.

The Fund's Investment Manager is Smarter Money Investments, which has appointed the Coolabah Capital as the Fund's Portfolio Manager. The Portfolio Manager is a specialist active credit investor that is responsible for managing approximately $1.5 billion in fixed-income assets as at 15 July 2017.

The Fund's Responsible Entity is OneVue. OneVue provides the Fund with independent compliance and risk management oversight over and above the independent compliance processes of the Investment Manager and the Portfolio Manager.

Returns

The Fund targets returns above the Reserve Bank of Australia (**RBA**) cash rate plus 4% to 6% p.a. over rolling 3 year periods after Management Fees, Administration Fees and Performance Fees.

The intention is to generate high absolute returns which have low or no correlation with equities, fixed-rate bond and property markets.

The Portfolio Manager seeks to generate these returns by taking a “long” or “short” position in relation to assets which it considers are trading below or above fair value. The goal is to generate significant risk-adjusted returns, or “alpha”. The ability to go long or short, either directly or through using derivatives, means the Fund can profit from price rises and price falls. Going long or short can also result in the Fund being leveraged – see below for details.

Risk management

The Portfolio Manager considers that the Fund is a medium to high risk investment.

The Fund targets return volatility equal to or less than 5% p.a. over rolling 3 year periods, which is approximately one-third the historic volatility of the Australian equities market.

The Fund seeks to manage risk as far as is practicable through:

- taking long or short positions in relation to assets which are considered mispriced, with the goal to generate capital gain rather than simply chasing yield by focusing on duration, credit and/or illiquidity risk,
- avoiding significant interest rate duration exposure – being more than 24 months,
- focusing on holding securities that are liquid during normal market conditions,
- investing in securities that have relatively low expected probabilities of default and loss, and
- utilising internal and external risk management overlays that monitor the Fund’s compliance with its mandate.
- Risk management is not always successful. Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money.

Suitability

An investment in the Fund may be suitable for investors seeking:

- relatively high absolute returns,
- medium to high risk,
- a suggested investment timeframe of 3 years or more, and
- no or low correlation with mainstream asset classes such as equities, fixed-rate bond and property markets.

The Fund aims to reliably distribute strong quarterly income.

It offers daily investment applications and withdrawals.

It is not recommended that the Fund be used for short-term investments.

2. Objectives

The Fund targets generating absolute returns of 4% to 6% p.a. above the RBA cash rate after Management Fees, Administration Fees and Performance Fees with less than 5% p.a. volatility over rolling 3 year periods, and low to no correlation with equities, fixed-rate bonds, and property markets.

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 3 year period. The Fund may not achieve its investment objective. Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money.

The recent performance of the Fund will be available at www.smitrust.com.au. Your financial adviser can also provide further information on the Fund. Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

3. Benefits of investing in the Fund

Significant features	
Strategy	This is an absolute return fixed-income strategy focused on exploiting long and short mispricings in credit markets. The Fund invests primarily in debt securities, hybrids and derivatives. The Fund employs an “active” fixed-income investment strategy, seeking to take ‘long’ and/or ‘short’ positions in relation to debt and hybrid securities which are considered mispriced. The goal is to generate ‘alpha’, or risk-adjusted excess returns, through identifying and exploiting mispricings in the underlying assets and/or derivatives related to them
Investment exposure	The Fund is primarily exposed to fixed and floating-rate senior and subordinated debt securities and hybrids, the majority of which will be investment-grade in quality.
Suitability	The Fund may suit investors targeting returns of 4% to 6% p.a. above the RBA cash rate after Management Fees, Administration Fees and Performance Fees, with volatility of less than 5% p.a., who have an investment timeframe of 3 years or more
Minimum investment time-frame	None, but the suggested minimum investment timeframe is greater than 3 years.
Minimum initial investment	$1,000
Minimum additional investment	$1,000
Minimum balance	$1,000
Easy set-up	You can invest online at www.smitrust.com.au
Investment management fee	1.25% p.a. see the Fees and costs section for details.
Administration fee	0.25% p.a.

Performance fee	20.5% of any amount by which the Fund outperforms the RBA cash rate, with the protection of a high water mark See the Fees and costs section of this PDS for details.
Distributions	Quarterly, and unless you choose otherwise, distributions are automatically reinvested.
Applications/ withdrawals	Each Sydney business day.
On-line access	Access your account details online See www.smitrust.com.au for more.

Significant benefits	
Ability to go long and short assets or derivatives, and thereby profit from price rises and falls	The Fund employs an “active” fixed-income investment strategy, seeking to take ‘long’ and/or ‘short’ positions in relation to debt and hybrid securities which are considered mispriced, so seeking to profit from price rises and falls.
Ability to enhance returns with leverage	The Fund has the ability to enhance returns through leverage.
Target returns	The Fund targets high absolute returns that outperform the RBA cash rate by 4% p.a. to 6% p.a. over rolling 3 year periods after Management Fees, Administration Fees and Performance Fees.
Target volatility	The Fund targets return volatility of less than 5% p.a. over rolling 3 year periods, which is approximately one-third the historic volatility of the Australian equities market. It is a medium to high risk investment
Target correlation	The Fund targets producing returns that have low to no correlation with Australian and global equities, fixed-rate bonds and property markets, which can smooth an investor’s portfolio returns over time.
Diversification	The Fund can provide investors with added diversification to their investment portfolio.
Alpha focus	The Fund’s investment strategy targets delivering risk-adjusted excess returns through identifying mispricings in liquid debt and hybrid securities that when exploited successfully will provide superior alpha.
Regular income	The Fund aims to reliably distribute strong quarterly income.
Convenient access	Withdrawals generally available in your bank account after 3 Sydney business days during ordinary circumstances.

4. ASIC benchmarks and disclosure

This section summarises some important information, consistent with Australian Securities & Investments Commission (**ASIC**) policy. You should however read the entire PDS and are encouraged to seek professional advice before making your investment decision.

Benchmarks		
1. How we value assets	Daily, based on the most recently available value of the Fund’s investments.	Page 5
2. Periodic reporting	■ Annual report, ■ Semi-annual periodic statements, and ■ Monthly updates are available from www.smitrust.com.au.	Page 14
Disclosure principles		
1. Investment Strategy	The Fund is an absolute return fixed-income Australian focused strategy focused on exploiting long and short mispricings in credit markets. The Fund aims to generate high absolute returns, which have low to no correlation with equities, fixed-rate bonds, and property markets, from relatively low risk and liquid investments identified through the Portfolio Manager’s active asset-selection process.	Page 2
2. Investment manager/ Portfolio Manager	There have been no adverse findings (significant or otherwise) against us, the Investment Manager or the Portfolio Manager, or any of the senior investment professionals at these organisations. Members of the Portfolio Manager’s Investment Committee play a key role in investment decisions.	Page 15
3. Portfolio structure	An ASIC registered open ended Australian unit trust operated as a “hedge fund”.	Page 15
4. Valuation, location and custody of assets	Valuation is independent of the Responsible Entity, the Portfolio Manager and the Investment Manager. Assets are held by FundBPO, a professional custodian. FundBPO utilizes the services of sub-custodians including JP Morgan. Certain assets may also be held in safe custody at the Responsible Entity or Equity Trustees Ltd as its delegate.	Pages 5, 7

5.	**Liquidity**	Withdrawals are usually processed daily. Some underlying investments can be illiquid. The portfolio is managed to target appropriate liquidity with withdrawals generally available in your bank account after 3 Sydney business days.	Page 5
6.	**Leverage or gearing**	The Fund can take long and short positions, borrow and use derivatives and this can mean the Fund is geared (or leveraged).	Page 5
7.	**Derivatives and structured products**	Derivatives are used to manage risk and/or gain exposure to investments.	Page 4
8.	**Short selling**	Short selling is used to manage risk and/or gain exposure to investments.	Page 4
9.	**Withdrawals**	Daily.	Page 5

5. Investing your money

Why invest in this Fund?

After a 30 year bull market in fixed-rate debt securities, which have benefited from the secular decline in interest rates, the Investment Manager believes the period ahead could be much more challenging for investors who seek the relative safety afforded by debt and hybrid investments (compared to more volatile equities) without taking on substantial interest rate, or so-called "duration", risk.

Many sophisticated investors have mitigated duration risk by allocating to portfolios that hold floating-rate cash and debt securities that do not automatically fall in value when interest rates increase, like the Investment Manager's Smarter Money Fund and Smarter Money Higher Income Fund, which the Portfolio Manager oversees.

Since 2012 the Smarter Money Fund, and since 2014 the Smarter Money Higher Income Fund, have delivered risk-adjusted excess returns through applying the Portfolio Manager's active asset-selection style, which utilises a range of quantitative and qualitative valuation techniques that can identify mispriced assets. By exploiting potential mispricings, the Portfolio Manager has produced alpha over time that is broadly unrelated to duration risk, credit risk or illiquidity risk.

The Investment Manager believes the Smarter Money Long-Short Credit Fund is a natural extension of this capability, by allowing the Portfolio Manager to exploit long and short mispricings that involve assets trading above and below what it considers fair value.

Unlike the Investment Manager's other managed funds, this Fund's strategy permits the use of leverage to seek further enhanced returns attributable to these mispricings and/or situations where the interest or income earned on the assets is higher than the cost of the leverage.

In this way, the Fund targets providing higher absolute returns of 4% to 6% p.a. above the RBA cash rate after Management Fees, Administration Fees and Performance Fees over rolling 3 year periods. The Fund also targets volatility of less than 5% p.a. over rolling 3 year periods, which is approximately one-third the historic volatility of Australian equities.

These are objectives and neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money.

What are the Fund's investments?

The Fund offers investors exposure to assets that are traditionally defined as defensive, including:

- cash and cash equivalents,
- senior and subordinated bonds,
- hybrid securities, and
- Asset-backed securities.

In addition to these physical assets, the Fund may also invest in a range of derivatives to express its strategy, including:

- interest rate derivatives,
- credit derivatives,
- foreign exchange derivatives,
- equity derivatives, and
- other related swaps and repurchase agreements.

The majority of the Fund's portfolio will be invested in assets of investment-grade quality, which means assets with at least a BBB- credit rating from a recognised rating agency.

While the Fund does not target equities investments, focusing on securities ranking higher up the capital structure, it can invest in equity derivatives (typically for hedging purposes) and hold equities as a result of its bond, hybrids and/or derivatives converting into shares.

The Fund does not expect to assume significant interest rate duration risk, which is limited to 24 months. This means the Fund expects to be mainly invested in floating-rate securities and/or fixed-rate securities that have had their interest rate risk hedged.

The Fund does not have a maximum or minimum exposure to cash or debt/hybrid securities. It may be fully invested in either depending on the magnitude of the potential mispricings the Portfolio Manager has identified.

Naturally, the Fund is not the same as a bank account.

See the **Risks** section of this PDS for details.

Going long, going short

The Portfolio Manager can take "long" and "short" positions in respect of individual securities and/or derivatives. When going long, the Portfolio Manager targets benefiting from the security or derivative's value rising. Conversely, when the Portfolio Manager short-sells, it plans on profiting from its value falling.

In this way, the Fund's strategy can in theory produce positive absolute returns when overall market prices are appreciating during booms or declining in busts. The Portfolio Manager is targeting this objective however it cannot be guaranteed.

The Portfolio Manager can go long or short senior bonds, subordinated bonds, asset-backed securities and hybrids. It can also go long or short credit derivatives related to the risk of issuers defaulting on securities, interest rate derivatives that rise and fall based on market expectations for rate changes, foreign exchange derivatives that may be used to express views on interest rate movements, and equity derivatives that can be harnessed to hedge credit risk and/or the risk of the value of a bond or hybrid declining.

See the **Risks** section of this PDS for details.

Diversification through low correlation

By not chasing traditional interest duration, credit and illiquidity risks, and by focussing on producing bona fide alpha captured through identifying potential positive and negative mispricings at all points in the cycle, the Fund aims to offer investors diversification gains insofar as it targets providing returns that have low or no correlation with equities, fixed-rate bonds and property investments.

Derivatives and short selling

A derivative is any financial product that derives its value from another security, index or liability.

The Fund uses derivatives to take investment positions and to manage (or 'hedge') risk. Their use is central to the investment strategy of the Fund, employed so that the Fund can take long and short positions.

The types of derivatives can vary and may include:

- interest rate derivatives,
- credit derivatives,
- foreign exchange derivatives,
- equity derivatives, and
- other related swaps and repurchase agreements.

Short sales involve selling an investment you do not own in anticipation that the investment's price will decline. Short sales are important as they can generate performance in declining markets or provide a hedge to long market exposure.

But they present a risk on an individual investment basis, since the Fund may be required to buy back the investment sold short at a time when the investment has increased in value, which would generate a loss.

Leverage

The Fund can take long and short positions, borrow and use derivatives and this can mean the Fund is geared (or leveraged).

Leverage can amplify gains and also amplify losses.

The Portfolio's manager's approach to leverage is relatively conservative. At the core of the Portfolio Manager's use of leverage is that it is applied against relatively conservative debt securities and hybrids which display high liquidity and which rank ahead of equities in the corporate capital structure.

Complementing this conservative asset class approach, the Portfolio Manager has set direct and indirect leverage limits to assist risk management, which is overseen by the Portfolio Manager's independent compliance committee. The rules are asset-class specific, with riskier exposures subject to tighter controls. They are designed to reduce the risk of loss and manage portfolio volatility within the target range.

Please refer to Section 8. "Risks of managed investment schemes" for more details on this subject.

Volatility

Volatility is a measure of how the return of an investment fluctuates around its average level over time. If an investment is more volatile than, say, cash, this means its returns tend to move up and down around their average level more sharply and/or regularly than a cash investment does.

The Fund's goal is that over rolling 3 year periods, return volatility averages less than 5% p.a. or around one-third the historic volatility of the Australian equities market.

See the **Risks** section for more details on this subject.

Withdrawals

This Fund offers daily liquidity in normal circumstances. The constitution for the Fund as well as the law sometimes restricts withdrawals.

Investors will be notified of any material changes to withdrawals (e.g. if withdrawals need to be restricted).

See the **Risks** section and the section **What else should you know?** for more details on this subject.

Valuation of assets

The Fund's assets are valued on a daily basis and provided to the Fund's independent administrator, who then calculates the daily unit prices for the Fund.

Environment, Social and Governance

The Portfolio Manager considers that that environment, social and governance (**ESG**) issues can affect investment performance and other matters including credit ratings. It considers for example that that ESG issues are not always fully incorporated by credit agencies when rating Australian fixed-income securities.

Accordingly, the Portfolio Manager may take into account ESG issues as part of its active investment process, including with the goal of helping reduce potential credit risks and enhance investment performance.

No formal guidelines are used, nor is any formal weighting given to the ESG issues in portfolio construction. Rather the Investment Manager takes a broad, implicit approach when carrying out this subjective assessment.

The types of ESG that may be taken into account include:

- environmental: weather, pollution and environmental disruption, sustainability, and associated reputational and brand risks,
- social: political stability, human rights issues, privacy and cyber-security, impact on local communities, health and safety, and associated reputational and brand risks, and
- governance: board composition, risk management track-record, legal and compliance track-record, history of prosecutions, management remuneration, distribution of equity, and associated reputational and brand risks.

Changes

We would give at least 4 weeks' notice of any material change in investment strategy.

6. Our Team

The Investment Manager

OneVue has appointed Smarter Money Investments as the Investment Manager of the Fund, which has appointed its 50% shareholder, Coolabah Capital, as the Portfolio Manager of both the Fund and its other fixed-income products, the Smarter Money Fund and the Smarter Money Higher Income Fund.

The Investment Manager is 50% owned by Coolabah Capital, to which it sub-delegates all portfolio management responsibilities for the Fund. Coolabah Capital sub-delegates portfolio manager support services to Coolabah Capital group companies, including CCII. Coolabah Capital is 75% owned by its institutional portfolio management team, led by Christopher Joye and Darren Harvey, and one quarter owned by AMB Holdings, which is a private investment company representing a family office. The other 50% of the Investment Manager is owned by ASX listed YBR which undertakes all retail and certain wholesale distribution, marketing and support activities.

Established in 2011, the Investment Manager's objective is to become Australia's leading short-term fixed-income fund manager for retail investors with the Portfolio Manager having the same aspiration in respect of institutional investors.

Since the first fund's launch in February 2012, combined FUM has grown strongly to approximately $1.5 billion as a result of delivering a consistent, 5 year track-record of superior risk-adjusted returns that have been recognized via growth in funds under management and the award of multiple institutional mandates.

More specifically, the Smarter Money Fund and the Smarter Money Higher Income Fund have materially outperformed their benchmarks, an index of peer short-term fixed-interest funds tracked by Morningstar, the AusBond Floating-Rate Note Index, and cash deposits since their inception in 2012 and 2014 respectively.

In 2016 the Investment Manager was a finalist for Money Management/Lonsec's 'emerging fund manager of the year' award.

All the funds' portfolios are predicated on an investment philosophy that focuses on producing alpha that is not attributable to traditional fixed-income factors or 'beta', including interest rate duration risk, credit risk and liquidity risk.

The Portfolio Manager's experienced investment team at the date of issue of this PDS comprises four full-time portfolio managers, two full-time analysts, and five part-time researchers who apply intensive quantitative and qualitative valuation analysis to identify mispriced securities that can be profitably translated into alpha, as they have consistently done since 2012. This team is augmented by an experienced independent chair and an independent compliance committee specialist, as well as distribution, performance and compliance oversight by the Investment Manager and ultimately OneVue as the Responsible Entity.

Key professionals

The combined team includes the following key professionals involved in the investment, governance, risk management and compliance functions:

Melda Donnelly

Ms Donnelly was appointed Chair of Coolabah Capital in August 2015. She is responsible for managing its board processes relating to compliance, governance, strategy, performance and risk management. Ms Donnelly is a director of Pacific Current (ASX: PAC) and a member of HESTA's Investment Committee. Ms Donnelly's previous work experience includes being CEO of the Queensland Investment Corporation, Deputy Managing Director of ANZ Funds Management, Managing Director of ANZ Trustees and chairperson of the Centre for Investor Education (CIE), a specialist education and consultancy firm for executives in Australian and overseas superannuation funds, institutional investment bodies and the financial markets. Ms Donnelly started her career at PriceWaterhouse as an audit/tax specialist and has a BComm from the University of Queensland and is a Chartered Accountant. In 2017 she was awarded an Order of Australia Medal for 'service to the financial management and superannuation sectors'.

Darren Harvey

Darren co-founded Coolabah Capital Investments in 2011 with Christopher Joye, for which he serves as an Executive Director, Co-Chief Investment Officer and Portfolio Manager of the Fund. He also is a director and co-founder of Smarter Money Investments. Darren is jointly responsible for all investment decisioning, portfolio management and risk management. He started his career at McIntosh Hamson Hoare and Fay Richwhite. In 1992 Deutsche Bank recruited Darren as an Associate Director and Head of Exchange Traded Options to replicate the market making business he had established inside Fay Richwhite. In 1994 Deutsche Bank promoted Darren to Director and Head of Exchange Traded and OTC Options, which included a team of six market makers reporting to the Head of Trading. In 1998 Darren moved to London with Deutsche Bank as a Director of Deutsche Bank Global Proprietary Trading in London where he traded interest rate derivatives, currencies and stock index securities, and reported to the Head of Deutsche Bank Global Proprietary Trading, Steve Kennedy. Darren resigned from Deutsche Bank in 2001 and established his family office, Bower Capital.

Christopher Joye

Christopher co-founded Coolabah Capital in 2011 with Darren Harvey, for which he serves as an Executive Director, Co-Chief Investment Officer and Portfolio Manager of the Fund. He also is a director and co-founder of Smarter Money Investments. He is jointly responsible for investment decisioning, portfolio management, all research and asset pricing, and general business management. He is also a Contributing Editor with The Australian Financial Review and well-known as one of Australia's leading economists, policy advisors and fund managers. Christopher previously worked for Goldman Sachs in London and Sydney, the RBA, and was the founder of an award-winning research and investment group, Rismark International. Christopher served as a Director of The Menzies Research Centre, which is a leading Australian think-tank, from 2003 to 2007. Christopher received Joint 1st Class Honours (Economics & Finance) and the University Medal in Economics & Finance from the University of Sydney, where he was a Credit Suisse First

Boston Scholar, SIRCA and University Honours Scholar. He studied in the PhD program at Cambridge University in 2002 and 2003, where he was a Commonwealth Trust scholarship recipient.

Andrew McLachlan, Senior Credit Analyst

Andrew joined Coolabah Capital in May 2015. He is involved in credit risk analysis, quantitative asset pricing, and assisting with portfolio management. He was the Credit Strategist at the $5.5 billion Australian fixed-income manager Vianova (2008-2013), and its successor Brookline Partners (2014-2015), where he was responsible for all quantitative and qualitative credit analysis and valuation, as well as having input into macroeconomic strategy. He has over 15 years buy-side experience analysing Australian and indeed overseas credits from a bottom-up and top-down perspective and built and maintained the credit process at Perennial, Vianova and Brookline. Prior to Vianova, Andrew was a Senior Credit Analyst at the $6 billion fixed-income fund manager Perennial Investment Partners (2001-2008) where he designed and implemented Perennial's in-house credit risk pricing models. After 3 years working as an economist with various government agencies in Australia and overseas, Andrew started his private sector career at NAB where he spent 7 years working as an Economist focusing on quantitative industry analysis for Australia, the UK and the US. At NAB Andrew was heavily involved in developing commodity price and commercial property forecasting models that consistently outperformed consensus expectations.

Ed Teh, Senior Credit, Compliance & Investment Director

Ed joined Coolabah Capital in September 2013. He is involved in credit risk analysis, risk management, compliance and governance reporting, and assisting with portfolio management. Ed has served in numerous credit research roles since 1996 including: Director, Debt Products & Global Risk, at Bank of America Merrill Lynch, Senior Credit Analyst, Fixed Income Credit Research at ING Investment Management, Vice President, Project Finance & Credit, at MBIA Insurance, Assistant Vice President, Corporate Risk Management at Citigroup, Associate, Project Finance & Credit, at Bank of America, and Credit Analyst, Institutional Banking, at NAB. He graduated with a Bachelor of Commerce and Bachelor of Laws from UNSW.

Ashley Kabel, Junior Portfolio Manager

Ashley Kabel joined Coolabah Capital, which manages Smarter Money Investments' funds, in 2017 in a full-time role as a quantitative analyst and junior portfolio manager. Ashley was Director of Quantitative Strategies at the award-winning and strongly performing FX hedge fund, The Cambridge Strategy, between 2012 and 2016, based in London. At Cambridge Ashley managed US$250m (and a small team) in medium-term, quant-based FX strategies spanning 2012-2016 with an average audited annual return of 13.4% and volatility of 8.2%, outperforming FX beta indices and FX and Macro Hedge Fund indices. Prior to Cambridge, Ashley served as an investment analyst with portfolio management responsibilities covering FX, equities and fixed-income at the $800bn fund manager, Invesco between 2005 and 2012, based in Sydney. At Invesco he helped develop, analyse and manage multiple quant strategies including direct execution of fixed-income portfolios. Ashley graduated with honours degrees in Law and Engineering (Software) from Melbourne University, has extensive quant analytical and programming skills, and in his youth was awarded Australian government prizes for mathematics.

Dr Stephen Parker, Junior Portfolio Manager

Dr Stephen Parker joined Coolabah Capital in September 2016 in a full-time role as a quantitative risk analyst and junior portfolio manager. Dr Parker was previously a futures trader at Star Beta focusing on Australian and US government bonds and the formulation of quantitative trading strategies and risk management models for these markets. In 2013 Dr Parker completed a PhD in Astrophysics from the University of New South Wales that involved developing automated reduction, analysis and simulation routines relating to the mass distribution of very cold brown dwarf stars' host clusters.

The Portfolio Manager's investment team encompasses five other analysts with varying backgrounds, including decades of buy-side credit research, fixed-income risk management, and mathematical and statistical analysis of financial markets.

Alex Wise

Alex Wise was appointed an independent member of Coolabah Capital's Compliance Committee in 2016. He was previously the Head of RE Services at OneVue before becoming an industry consultant in late 2016. Alex has senior experience in investment management firms in Sydney and London and previously practiced as a managed funds lawyer in the UK having studied Law at Cardiff University and The College of Law (London).

Adrian Bouris

Adrian Bouris is a director and co-founder of Smarter Money Investments and a Non-Executive Director of YBR, being its representative on the Investment Manager's board.

He has been intimately involved in the establishment, development and governance of the Investment Manager since its inception, but no direct role in the Portfolio Manager.

Adrian has over 30 years' experience in investment banking and corporate and commercial law. He is currently Principal and Managing Director of BBB Capital Pty Ltd, a boutique corporate advisory and investment company, and prior to that he was Managing Director of the Australian Investment Banking Division of ING Bank N.V. He is also a non-executive director of a number of other organisations.

The Responsible Entity

The Investment Manager is appointed by OneVue, the Responsible Entity of the Fund and the issuer of this PDS.

Founded in December 2002, OneVue is a professional responsible entity, a wholly owned subsidiary of OneVue Holdings Limited ABN 15 108 221 870 (OneVue Holdings), an ASX listed company (ASX code OVH) which provides services to participants in the wealth management industry with a focus on the superannuation and investment management sectors. As at 31 December 2016, OneVue had retail funds under administration of approximately $2.2 billion.

As the Responsible Entity of the Fund and issuer of this PDS, OneVue is responsible for the operation of the Fund in accordance with the Fund's Constitution, the Corporations Act and trust law.

More information about the OneVue group can be found at www.onevue.com.au.

Service providers

In addition to the Investment Manager, OneVue has appointed the following service providers.

Custodian and Administrator: FundBPO Pty Limited ABN 81 118 902 891 AFSL 303253 (**FundBPO** or the **Custodian** or **Administrator**). The Administrator is responsible for the general administration of the Fund that includes keeping the register of unitholders, arranging for the issue and redemption of units and the calculation of asset valuations and fees. FundBPO is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS. OneVue maintains agreements with FundBPO which have certain limits on FundBPO's liability. OneVue periodically reviews compliance with those agreements, which includes meeting at least annually with FundBPO.

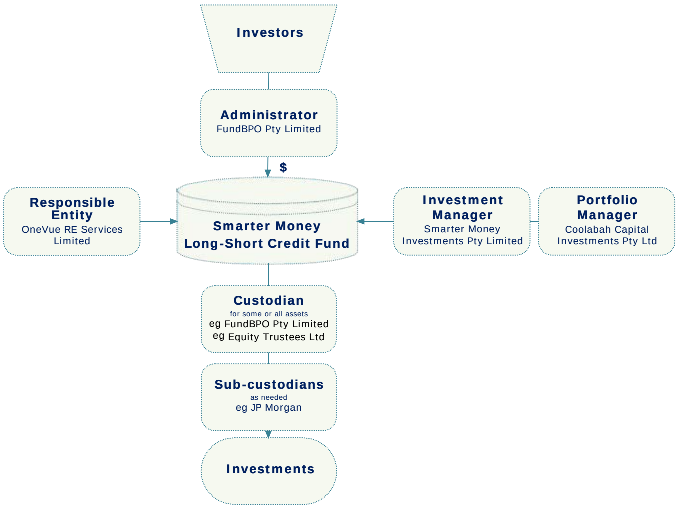
The Custodian is responsible for, among other tasks, arranging for settlement of sales and purchases of Fund investments. FundBPO may appoint sub-custodians, such as JP Morgan, from time to time, but is not responsible for the investment management of the Fund nor caused the issue of this PDS. We maintain a service level agreement with FundBPO which has certain limits on its liability. We periodically review FundBPO's services.

Certain assets may also be held in safe custody at the Responsible Entity or Equity Trustees Ltd as its delegate.

Fund Auditor: Ernst & Young ABN 75 288 172 749. Ernst & Young has been appointed as the independent auditor of the Fund's financial statements and Compliance Plan. Ernst & Young is not responsible for the operation or the investment management of the Fund and has not caused the issue of this PDS.

We have processes for selecting, monitoring and reviewing the performance of all of our service providers. Service providers can change without prior notice. We will inform investors as required by law.

We are not aware of any related party relationships between any of the service providers above other than as disclosed in this PDS, nor between any of the key service providers and any underlying funds or counterparties. We are not aware of any material arrangements in connection with the Fund that are not on at least arm's length terms.



7. How to invest and withdraw

Investing for the first time

The minimum initial investment for investors – whether investing themselves or with the help of their financial adviser is $1,000.

The easiest way to get started is to complete our simple online application at www.smitrust.com.au. Using this online application form you can also identify yourself easily, as the law requires, and transfer funds easily with BPAY®. We will send you a reference number so you can pay with BPAY®, or you can use EFT to transfer funds for investment – details are set out at www.smitrust.com.au.

If applying on line isn't for you, you can always use the **Application Form** and either scan and email it and identification documents or post it to the Administrator:

FundBPO Pty Limited
GPO Box 4968
Sydney NSW 2001
registry@fundbpo.com

We do not accept cash.

Investing more

BPAY® is the easiest way to invest more – you will be given your reference number when you first invest. Or contact your financial adviser – they will tell you the easiest way to pay.

The minimum additional investment is $1,000.

Further investments are made on the basis of the PDS current at the time of further investment.

We do not accept cash.

Processing

Applications received before 3.00pm on a Sydney business day are generally processed by the next Sydney business day, assuming we have everything we need. Once lodged, applications cannot generally be withdrawn. Any interest on lodged application moneys is credited to the Fund and not to individual applicants. Applications are almost always accepted, however OneVue has discretion to refuse any application and does not need to give a reason. Investors will receive confirmation whenever they invest. You can borrow to invest, but please ensure you seek professional advice first.

So-called platform investors (i.e. those who are accessing the Fund through an investment platform) should contact the operator of their platform to invest or to invest more. Remember, processing times may be slightly longer overall, and minimum investment amounts and savings plan arrangements may be different.

Cooling off

Once lodged, applications cannot generally be withdrawn. However, the law provides you can change your mind: you have 14 days, starting on the earlier of when your confirmation of your investment is sent, or the end of the 5th day after the day on which your units are issued. Speak to the Administrator. In this case, your money will be repaid, although adjustments are made for market movements up or down, as well as any tax and reasonable transaction and administration costs (for example, if you invest$1,000 and the value of the units falls by 1% between the time you invest and the time your request to withdraw your investment is actioned, you could be charged $10 on account of the reduced unit value plus costs).

Withdrawing

You generally have access to your investment each Sydney business day. In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw their funds within the usual period upon request – see below for details.

To make a withdrawal, use the Request for Withdrawal Form. Contact the Administrator on 1300 133 451 for a copy. Send it or scan and email it to the Administrator. Signed Withdrawal requests can be faxed or scanned and emailed, but telephone requests are not accepted.

There is no minimum withdrawal, but usually we require that you maintain a minimum balance of $1,000.

Withdrawals are paid to your nominated account, normally within 3 Sydney business days of processing of your request or such shorter period at our discretion. We do not pay cash or by cheque. Withdrawals received before 3.00pm on a Sydney business day are generally processed by the next Sydney business day, assuming we have everything we need. Once lodged, withdrawal requests cannot generally be withdrawn. Maximum withdrawal periods that may apply are contained in the Fund's constitution, available free from us.

Deductions are made for any money you owe relating to your investment.

Again, platform investors (i.e. those who are accessing the Fund through an investment platform) need not complete our forms. Processing times may be slightly longer overall. Speak to your platform operator.

The price of units

Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund fluctuate. The unit prices for issuing and withdrawing are slightly different: for the exit price there is a "spread". The Fees and costs section of this PDS gives more detail on the spread.

We have a policy that sets out the guidelines and relevant factors and discretions for calculating unit prices. A copy (and records of any departures from the policy) is available from us on request.

The unit price of the Fund is determined at least each Sydney business day, based on the information most recently available. Unit prices are calculated generally in 3 steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted – this gives the "net asset value",
- this is divided by the number of units on issue, and
- for the withdrawal price, an adjustment is generally made for transaction costs (or spread) - see the Fees and Costs Section of this PDS.

Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

Delays

Access to your money can be delayed in limited circumstances. Those circumstances include where:

- the Fund becomes illiquid (the law dictates this, and if this happens, at our discretion, some money can be made available for withdrawals, to be allocated on a pro rata basis among those wanting to withdraw),
- there is a circumstance outside our reasonable control which we consider impacts on our ability to properly or fairly calculate the unit price, or
- withdrawal requests that would result in 20% or more of the net asset value of the Fund being withdrawn (we can stagger payment over such period that we determine).

Unit prices are generally calculated at the time the delay ends.

Compulsory redemptions

We can redeem your investment without asking if you breach your legal obligations to us, to recover money you owe us or anyone else relating to your investment, if law prohibits you from legally being an investor or if you fail to meet any minimum account balance from time to time.

Distributions

Distributions accumulate in the Fund through each quarter ending 30 June, 30 September, 31 December and 31 March and this is reflected in the unit price. Around 7 business days after the end of each quarter, your distribution will be reinvested unless you have chosen on the application form to have distributions paid to you in which case they will be paid to your bank account.

Platform investors should read the relevant administration platform guide for details about distributions.

Depending on your personal circumstances you may need to make a cash payment to the Australian Taxation Office (**ATO**) for tax on your distribution, even if your distribution is reinvested. Unit prices fall after the end of each half-year, reflecting the fact that distributions have been paid to investors and there is less money in the Fund. If you invest just before the end of a distribution period, you may find that you get an immediate return of some of your investment capital as income, and this may give rise to a tax liability.

8. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Neither returns nor the money you invest in the Fund is guaranteed and you may lose some or all of your money. Investing in the Fund is not the same as investing in a bank account. Whilst the Fund targets risk-adjusted returns above the average returns of the RBA cash rate, it has higher risk than traditional cash and fixed-income products. Units in the Fund are not bank account deposits.

The significant risks of the Fund include the following.

Investment and credit risk

This is the risk that the value of an individual investment in the Fund may change or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in the Government's policies, the Investment Manager's or Portfolio Manager's operations or management, or business environment, or a change in perceptions of the risk of any investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure.

Since the Fund may employ leverage and derivatives, these risks may be further amplified and losses worse than those experienced in investments that do not use leverage or derivatives.

Certain assets may be pledged or otherwise encumbered to a broker that will facilitate the provision of leverage to the Fund. Should the Fund default on its obligations to such a broker the Fund may have assets under pledge seized by the Broker to make up losses in trading positions.

Market risk

This is the risk that an entire market or economy changes in value or becomes more volatile, including the risk that country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of the currency changes (either through inflation or deflation), and/or other market-wide factors, like economic growth or the unemployment rate, deteriorate, which can cause a reduction in the value of the Fund and increase its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment.

Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and RBA policies. Because the Fund can speculate on interest rate changes, it may suffer capital losses when it gets these changes wrong, which could be amplified by the use of leverage.

Ratings risk

The assets in which the Fund invests may or may not have been assigned credit ratings by independent ratings agencies. A ratings downgrade could significantly reduce the value of an investment and impact the value of the units of the Fund. Credit ratings do not guarantee the credit quality of a security, its underlying assets or its repayment, and may be re-assessed by ratings agencies in a range of circumstances. Ratings agencies can make mistakes. The Fund seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

Financial instruments risk

A derivative is any financial product that derives its value from another security, index or liability.

The Fund uses derivatives to take investment positons and to manage (or 'hedge') risk. Their use is central to the investment strategy of the Fund.

Derivatives use attracts certain risks including the value of a derivative failing to move in line with the underlying asset, potential illiquidity of a derivative, the Fund not being able to meet payment obligations as they arise, leverage (or gearing) resulting from the position and counterparty risk (counterparty risk is where the other party to the derivative cannot meet its obligations).

Specialist professionals are employed to help manage the Fund and have a thorough understanding of the financial instruments it invests in. The Investment Manager deals with issuers and counterparties it considers to be reputable. The Investment Manager manages the Fund so that assets are always available to meet derivatives liabilities.

Unfortunately, using derivatives to reduce the Fund's risks is not always successful, is not always used to offset all relevant risk, and is sometimes not cost effective or practical to use.

Derivatives may also result in leverage: see below for details.

Short sale risk

The Portfolio Manager seeks to exploit mispriced investments by taking a 'long' position or a 'short' position.

Short selling means the trust sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale. The short sale of a security can increase the risk of loss, as losses on a short position are not limited to the purchased value of the security.

Leverage risk

Leverage is a measure of borrowing. A Fund that is leveraged is often described as being geared.

The Fund can take long and short positions, borrow and use derivatives and this can mean the Fund is geared (or leveraged).

Leverage can amplify gains and also amplify losses. The Portfolio's Manager's approach to leverage is relatively conservative. At the core of the Portfolio Manager's use of leverage is that it is applied against relatively conservative debt securities and hybrids which display relatively high liquidity and which rank ahead of equities in the corporate capital structure.

Complementing this conservative asset class approach, the Portfolio Manager has set direct and indirect leverage limits to assist risk management, which is overseen by the Portfolio Manager. The rules are asset-class specific, with riskier exposures subject to tighter controls. They are designed to reduce the risk of loss and manage portfolio volatility within the target range.

While the Fund does use leverage, it does not expect to leverage ordinary shares or equities, which are the most junior ranking securities, like traditional hedge funds.

Leverage magnifies returns and magnifies losses. By way of a simple example, assume the Fund's investments were $10 million and leverage represented a further $10 million. A 1% increase in the return on the assets of the Fund results in a 2% increase in return to investors. But 1% decrease in the return on the assets of the Fund results in a 2% loss to investors.

Volatility risk

Markets can be volatile. Investing in volatile conditions usually implies a greater level of risk for investors than an investment in a more stable market.

The Portfolio Manager uses sophisticated techniques with the goal of regularly measuring and managing volatility, and the Fund's losses in extreme shocks.

The Portfolio Manager's goal is that over rolling 3 year periods, the Fund's volatility averages less than 5% p.a. or around one-third the historic volatility of the Australian equities market.

Valuation risk

The value of the Fund's underlying investments, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments. The Fund seeks to reduce this risk by having all the assets of the Fund valued independently on a daily basis and wherever possible using market prices.

International risk

The Fund invests primarily in senior subordinated debt securities, hybrids and derivatives issued by Australian entities domestically and overseas, although it also invests in these types of securities also when issued by overseas entities (into the Australian market or offshore). International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets. These factors can influence the Fund's investments.

The Fund may have some foreign currency exposure, which the Fund normally seeks to minimise or hedge, but may not always be successful in doing so. Changes in exchange rates can cause the value of the Fund to rise and fall.

Liquidity risk

This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw, investments of the Fund may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.

This is one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal request. The law sometimes restricts withdrawals.

Although you may sell your units privately, you may not find a buyer or a buyer at the price you want.

Structure risk

This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include that it could be closed and your money returned to you at the prevailing valuations at that time, there can be a change in the responsible entity or at the investment manager or portfolio manager (for example if key individuals were no longer involved in managing the Fund), someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail or insurance may be inadequate.

Investment decisions by investment managers are not always successful.

Investing through an administration platform also brings some risks that the operator of the administration platform may not perform its obligations properly.

Investing in the Fund may give inferior results compared to investing directly.

Governance risk

The Investment Manager may take into account environmental, social and governance issues in the management of the Fund with the intention of helping to reduce certain potential credit risks and enhance relative performance of certain asset classes. Be aware that the Investment Manager's policy does not take into account all labour standards, environmental, social and ethical considerations, and that any assessment of what is or is not such a factor and should or need not be taken into consideration is subjective. Remember that the Investment Manager's policy can change, and that investing having regard to such factors may not result in environmental, social or governance outcomes improving or desired investment outcomes being achieved. Investments may form part of the portfolio even though they do not meet such standards.

Information risk

We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. We use the internet in operating the Fund, and may store records in a cloud system. If stored overseas, different privacy and other standards may apply there.

The internet does not however always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

Managing risk

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable.

Whenever investments are made, the potential for returns in light of the likely risks involved are assessed.

9. Fees and costs

Risk is considered throughout the investment process and level of the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond our and the Investment Manager's and Portfolio Manager's control altogether.

Operating history

The Fund is newly established. There can be no assurance that the Fund will achieve its objectives. Further, the Fund's future performance depends upon a number of factors with the Portfolio Manager, including their ability to manage the Fund's investment strategy, and to grow the funds under management in the Fund.

Risk generally

The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary, the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed and investors may lose some or all of their money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a financial adviser. If you have questions about the Fund, feel free to call the Administrator.

Further information about the risks of investing in managed investment schemes can be found on ASIC's MoneySmart website at www.moneysmart.gov.au.

Risk measure

The Investment Manager considers that the "standard risk measure" for this Fund is a medium to high risk rating, which means that the estimated number of negative annual returns over any 20-year period is 3 to less than 4. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 5.

The standard risk measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. It is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment, or from the Fund's assets as a whole. Taxes are discussed on in the PDS. You should read all of the information about fees and costs, because it is important to understand their impact on your investment in the Fund.

Smarter Money Long-Short Credit Fund		
Type of fee or cost	**Amount**	**How and when paid**
Fees when your money moves in or out of the Fund		
Establishment fee the fee to open your investment	nil	Not applicable
Contribution fee the fee on each amount contributed to your investment	nil	Not applicable
Withdrawal fee the fee on each amount you take out of your investment	nil	Not applicable
Withdrawal fee the fee to close your investment	nil	Not applicable

Management costs		
The fees and costs for managing your investment		
Investment Management Fee	1.25%pa of the net asset value of the Fund including net GST	Payable to the Investment Manager as an expense of the Fund, this is calculated and accrues daily, and is payable monthly in arrears. This fee is negotiable for certain types of investors.
Administration Fee	0.25%pa of the net asset value of the Fund including net GST	Payable to the Responsible Entity from the Fund as a fee, this is calculated and accrues daily, and is payable monthly in arrears. This fee is not negotiable.
Performance Related Fee	If earned, this is 20.5% of any amount by which the Fund outperforms the RBA cash rate, with the protection of a high water mark.	Payable to the Investment Manager from the Fund as an expense, but only if the Fund exceeds certain performance levels. Entitlement is calculated each calendar half-year. The fee accrues in the unit price through period. This fee is not negotiable.
Ordinary expenses	nil	All Ordinary Expenses are paid from fees.
Other expenses	nil estimate	Any other Expenses (if incurred) may be paid from the Fund.
Indirect costs	0.3%pa of the net asset value of the Fund including net GST estimate	Investors bear the impact of indirect costs - see below for more detail.
Service fees		
Switching fee the fee for changing investment options	not applicable	not applicable

Refer to our website for any updates which are not materially adverse from time to time.

Additional explanation of fees and costs

Management and Administration Fees

Management Fees are charged primarily for managing the assets of the Fund. The Administration Fee covers the costs operating the Fund. Management Fees and Administration Fees are calculated and accrue daily and are paid monthly in arrears out of the Fund's assets.

Performance Related Fee

The Performance Related Fee is 20.5% of any performance of the Fund above the RBA cash rate (the **Benchmark**), payable each calendar half-year, calculated on a gross return basis.

Investors also have the protection of a high-water mark, which means that the Fund must make up any underperformance from previous periods before a Performance Related Fee is payable (the **High Water Mark**). The High Water Mark calculation is the cumulative return of the Fund, including distributions but before Performance Related Fees, since inception.

If the Investment Manager successfully manages the Fund so as to out-perform the Benchmark in any half year as well as the High Water Mark, it is entitled to a Performance Related Fee. The Performance Related Fee is only ever earned if both of these requirements are met. If earned, it is calculated daily and paid shortly after the end of each calendar half year. The fee accrues in the unit price through the period. Adjustments are generally made for applications, withdrawals and distributions through the period when doing the calculation.

The Benchmark is not intended to be a forecast. It is only an indication of the minimum return that the Investment Manager aims to achieve to earn its Performance Related Fee. Performance for this purpose is calculated pre-fees and expenses. Note that performance may exceed the Benchmark even when the investment objective for the Fund is not met.

This is a new Fund: future Performance Related Fees are not able to be reasonably estimated.

Ordinary Expenses

All Ordinary Expenses of the Fund are paid from the Management Fee and Administration Fee.

Ordinary Expenses for the Fund include all the usual expenses associated with the Fund (including establishment, promotion, licensing, responsible entity fees, custodian, registry, audit, taxation, legal advice, external consultants, accounts, stationery, postage, compliance and compliance committee costs, fund accounting and operations costs, insurance costs and regulatory expenses, as well as any GST impact on these services).

Ordinary Expenses does not include investment expenses such as brokers, custodial transaction costs or exit (or break) costs for any particular investment, investment transaction costs or unusual expenses such as investor meetings, dispute management, platform listing costs, change of responsible entity or termination of the Fund, as well as any GST impact on these services, which if they arise may be recovered from the Fund.

Expenses are generally paid as incurred.

We and the Investment Manager pay our respective personal costs. When expenses relate to related parties, these are always on at least arm's length terms. Many expenses have taxes and duties associated with them, such as GST and stamp duty, which are paid as part of the expense.

Indirect costs

The table above includes a measure of 'indirect costs'. The indirect cost figure is intended to give you some measure of the cost of entities used – or interposed - to give you investment exposure through the Fund. It seeks to show you what additional cost you are paying for not investing yourself. Examples include the fees and expenses, and transactional and operational costs, charged by underlying investments. Indirect cost will reduce overall returns however these costs are deemed necessary in the opinion of the Investment Manager to implement the Fund's strategy.

This figure is based on figures known to us and/or as we may reasonably estimate.

Government and other charges

Government fees, taxes and duties, as well as charges made by your financial institution (including dishonour fees), may also apply to investments and withdrawals, and these are payable from your investment. Stamp duty can be payable if you transfer your units in the Fund to someone else.

Deductions

We may deduct from any money payable to you, or adjust the value of Assets to be transferred, for any money due to us (as trustee or in any other capacity) by you or any money we (as trustee or in any other capacity) owe someone else relating to your investment (for example, to the tax office or someone who has lent you money to invest like a margin lender). If the Fund is terminated and wound up, then any amount or value distributed to you may be reduced for moneys owed or unpaid.

Transactional and operational costs

These are costs are associated with making the Fund's investments. They include:

- the Sell Spread, and
- other transactional and operational costs

To ensure equity as between all investors in the Fund, you pay for transaction costs associated with selling of the Fund's investments when you exit the Fund through the Sell Spread. This money is retained in the Fund, not paid to us or the Investment Manager. The exit price is made 0.10% lower. For example, if you withdraw $1,000 in the Fund then a sell spread $1.00 would apply. In a sense, the Sell Spread compensate the Fund for, or offset the impact on investors of, on a continuing basis for certain transactional and operational costs.

Other **transactional and operational costs** are payable from the Fund and vary from year to year. They include brokerage, any spread and break costs charged by the Fund's investments, OTC derivatives costs associated with hedging and any leverage costs which the Fund may incur. Excluding leverage, we estimate these as between 0.1% and 0.3% of the net asset value of the Fund. Based on the $50,000 fees and costs example below, this would add between $50 and $150 to the annual cost of your investment.

The use of leverage is possible but not certain. Any leverage would increase transactional and operational costs. The cost impact will vary, depending on factors including the interest rate, the term of borrowing and the extent of leverage employed. This is a new fund and until the portfolio is established, the annual cost to the Fund, and the impact on the cost of your investment, cannot be reasonably estimated.

Tax

The Fund does not usually pay tax. You will usually pay tax in relation to your investment. See the Tax section for details.

Changes

Our fees are not indexed. However, we may change the fees and costs without your consent. You will receive at least 30 days' notice of any increase. In any case, you cannot be charged more than the constitution for the Fund allows. Such a change to the constitution requires approval of investors.

Other payments and commissions

Neither we nor the Investment Manager makes payments to any person (including your adviser) to distribute the Fund unless law allows. The law restricts payments by us and the Investment Manager to other AFSL holders which are 'conflicted'. Subject to law, we and the Investment Manager may make payments to others associated with the Fund.

Negotiating fees and costs

The law regulates with whom we can negotiate fees. We are not usually allowed to negotiate fees with investors who are retail clients (as the Corporations Act defines this) but we can do so for our employees and those of a related body corporate. We may also negotiate fees on an individual basis with wholesale clients (as the Corporations Act defines) but there is no obligation for us to do so: enquiries can be made direct to us.

We aim to invest on the best terms possible. If the Fund invests on an institutional basis, we aim to secure fee reductions. Often paid by a rebate, these amounts are paid into the Fund for the benefit of all investors.

We do not charge you twice

If the Fund invests into any other Smarter Money fund which may be established, we ensure that management fees payable to SMI are charged only once. We would generally do this by way of a rebate.

Because all funds have administration costs, we do not rebate any Administration Fees charged by us to those funds (these pay for the costs of running these funds).

Other fees and costs

Fees and costs relating to the Fund which are borne by indirect investors may be less, or calculated differently. The operator of your Administration Platform may also charge you fees and expenses. It follows that your overall costs could be more or they could be less. Speak to the operator of your Administration Platform.

Investors accessing the Fund with the assistance of their financial adviser are likely to also be paying fees for their assistance. Ask your adviser about this.

Example of annual fees and costs

This table gives an example of how the fees and costs for the Fund can affect your investment over a one-year period. You should use this table to compare the Fund with other managed investment products. It is important read the assumptions and notes below the table.

Example		Balance of $50,000 including a contribution of $5,000 at the beginning of the year
Entry Fees	nil	For every additional $5,000 you put in, you may be charged a $nil entry fee.
PLUS **Investment Management Fee**	1.25%	And, for every $50,000 you have in the Fund you will be charged $625 each year.
PLUS **Administration Fee**	0.25%	And, for every $50,000 you have in the Fund you will be charged $125 each year.
PLUS **Performance Related Fee**	Nil This is a new Fund: future Performance Related Fees are not able to be reasonably estimated	And, for every $50,000 you have in the Fund you will be charged $nil each year.
PLUS **Usual expenses**	nil All Ordinary Expenses of the Fund are paid from the Management Fee and Administration Fees	And, for every $50,000 you have in the Fund you will be charged $nil each year.
PLUS **Unusual expenses**	nil estim ate	And, for every $50,000 you have in the Fund you will be charged $nil each year.
EQUALS **Cost of the Fund**		If you put in $5,000 at the beginning of the year and your balance was $50,000, then you would be charged fees of $750. What it costs you may depend on the fees you negotiate with your financial adviser.

The total of the Management Fees plus the Administration Fee is 1.50% pa, but fees will be higher if there are Unusual Expenses, or if a Performance Related Fee is earned by the Investment Manager - if the Fund's gross return exceeded the Benchmark by say 5.0% and exceeded the High Water Mark, then in this example a Performance Related Fee of $512.50 would also be payable.

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. This example 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.

5. Tax

Tax implications

This information is a general guide only for Australian resident investors who hold their investment on capital account. It is not a complete statement of relevant tax laws.

You will probably need to pay tax in relation to your investment in the Fund, both on distributions and withdrawals. The amount and type of tax you will need to pay, and when, depends on the tax character of any amounts paid to you, their timing and on your personal financial circumstances.

Tax can be complex.

We strongly encourage you to you seek timely professional advice before making investment decisions.

This Fund aims to pay distributions quarterly. Our policy is to distribute all cash income of the Fund unless we consider it in the best interests of investors as a whole to do otherwise. Investors will usually incur an income tax liability on their distributions.

Under certain laws if they apply to the Fund, we can attribute different tax results to different investors and classes, but we must make these decisions fairly, and you have rights in limited circumstances to object to any such decision. We expect that for the most part, all investors of each class will be treated the same.

This Fund offers regular liquidity in normal circumstances. Investors will usually incur a capital gains tax liability when they make a withdrawal from the Fund and when ownership of their units changes. Sometimes discounts are available which reduce tax liability. Relevant factors include the kind of taxpayer you are, your tax residence and how long you have held your units.

Foreign investors

Under Australia's offshore tax rules, the ATO expects that tax be paid by investors on some gains made offshore, even though those gains are not yet received by investors back in Australia. It is also possible that investors have a tax liability on gains realised offshore but not actually paid to them here in Australia.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard' which is designed to be a global standard for collection and reporting of tax information about non-residents. You must, in a timely way, give us such information concerning these matters as we may ask. Generally, we report this to the ATO, who then shares this with relevant foreign tax authorities.

You do not have to disclose your tax file number (**TFN**) or any Australian Business Number (**ABN**) you may have, but most investors do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

Tax outcomes can be different for investors who are not residents of Australia for tax purposes. For example, we may need to deduct withholding tax from amounts we pay.

What else should you know?

We will send you information after the end of each financial year (June) to help you complete your tax return.

Investing through a trust can also mean some things are different for you from a tax viewpoint. Liabilities may be different and you may have less control. It is possible that a liability to pay tax arises on your investment even when we have not paid money to you, and in this case you may need to fund this liability independently of your investment.

Sometimes when we are administering the Fund we learn things new about past tax matters and need to make adjustments. If this happens, it is possible that we will ask you to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

Tax outcomes can be different for indirect investors. We strongly encourage you to you seek timely professional advice before making investment decisions.

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

5. What else should you know?

Complaints

If you wish to lodge a complaint, please contact us. We will attempt to resolve your concerns within 45 days. If you remain unhappy we will always tell you of other steps you can take. One of these is to take your complaint to:

The Financial Ombudsman Service GPO Box 3,
Melbourne, Victoria, 3001
T: 1300 78 08 08 | E: info@fos.org.au.

The Financial Ombudsman Service (FOS) is independent of OneVue and the Investment Manager.

FOS has some rules which may change from time to time, including that the claim involved must generally be under $500,000.

Current details can be obtained from www.fos.org.au.

If you are investing through an administration platform then complaints should be directed to the operator of your administration platform, not to us.

Keeping you informed

Contact our Administrator to set up online access to your account. You can email them at registry@fundbpo.com.

We send you an initial confirmation statement, transaction statements, distribution statements, together with an annual holding statement and taxation statement.

Monthly investment reports and other information on your investment – such as unit prices are available at the Download Centre.

Information that OneVue is required to disclose to satisfy any continuous disclosure obligations will be available on our website and you can request a paper copy free of charge from your financial adviser or by contacting OneVue.

Each September, the Fund's audited accounts will also be available there (we will also email or mail them to you if you wish).

A report on investment matters will also be available at the Download Centre, including:

- net asset value,
- key service providers if they have changed,
- investment returns,
- any material change in the Fund's risk profile,
- any material change in the Fund's strategy, and
- any change in the individuals playing a key role in investment decisions for the Fund.

We will also make available on our website, at least annually, a report on key strategic investment matters, including:

- allocation to asset type,
- liquidity profile,
- derivative counterparties,
- investment returns, and
- key service providers if they have changed.

You will receive reports, at least annually, on key investment matters, including allocation and manager profile.

Remember, however, that if you are an indirect investor then reporting will come from the operator of that administration platform.

Information about you

It's important to keep your details with us up to date – please contact us to correct them if required. You must provide in a timely way all information regarding you and your investment which law requires, for example, regarding your identity or the source or use of invested moneys.

For a change of address or other contact details, please forward to the Administrator a signed request.

For a change of nominated bank account (for receipt of distributions and/or withdrawals), please forward to the Administrator a signed request and a copy of a bank statement for the new account, showing the account name, BSB and account number.

Your rights and other important issues

Our legal relationship with investors is governed by the Fund's constitution together with this PDS and certain financial services laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of the Fund (all units of each class are identical),
- our powers (and how and when we can exercise them),
- when the Fund terminates (we can terminate the Fund at any time and eligible investors share the net proceeds on a pro- rata basis),
- when we can retire and what happens if we do (usually another responsible entity will be appointed), and
- changing the constitution (we need investors' approval for any changes which are adverse to rights).

We will send you a copy of the constitution free of charge if you ask.

Transferring your units

Investors wishing to transfer your units (including recording change of trustees) should contact us. You often need to pay stamp duty.

Privacy

We respect what you tell us. We use personal information about you principally to administer your investment, comply with laws and conduct research. The Investment Manager may also use it to conduct direct marketing - if you do not want this, say so using the Application Form or just contact us. We will not share any information that it has about you unless:

- our privacy policy allows
- you otherwise agree,
- in circumstances where the Australian Privacy Principles authorise the use or disclosure (for example, the law requires),
- a regulator or exchange requests,
- we consider that someone needs the information (typically because they are a regulator or exchange, or your financial adviser or someone else assists us), or
- to administer your investment.

If you do not provide us with your contact details and other personal information which we ask for, we may not be able to have or keep you as an investor. You may access the personal information about you that we hold. If details we hold about you are incorrect, they will generally be corrected, always free of charge, if you contact us. We will have no information about you if you are investing through an administration platform. A copy of our Privacy Policy is available on our website.

Meetings and changes of the responsible entity

Investor meetings are uncommon. Direct investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 investors present in person or by proxy together holding at least 10% of all units in the relevant class.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Direct investors can requisition a meeting. The quorum for a meeting where there is any proposal to remove the responsible entity is at least 2 investors present in person or by proxy together holding at least 50% of all units in the Fund.

Terminating the Fund

We can decide to terminate the Fund any time, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to investors as soon as we consider practicable. It can take some time to finalise this process.

Limits on our responsibility

The constitution has some limits on when we are liable to investors for example, when we rely in good faith on professional advice. Subject always to any liability which the Corporations Act might impose on us, if we act in good faith and without gross negligence, we are not liable to investors for any loss suffered in any way relating to an investment in the Fund.

The constitution also contains a provision that the relevant constitution is the source of our relationship with investors and not any other laws, except those laws we cannot exclude.

Limits on your responsibility

We have included provisions in the constitution designed to protect investors. The constitution limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the responsible entity and/or any creditor in the event that the liabilities of the Fund exceed the assets of the Fund. However, an absolute assurance about these things cannot be given as the issue has not been finally determined by Australian courts.

Investing through an administration platform

An investor through an administration platform is not an investor in the Fund, and some things are different for them. Platform investors:

- are not investors in the Fund (the administration platform operator is the investor),
- do not acquire the rights of an investor (the administration platform operator has these rights),
- do not receive distributions or reports directly from us (we send these to the administration platform operator),
- do not directly participate in investor meetings or directly in any winding up of the Fund (the administration platform operator can participate if it chooses), and
- need not complete the application form or investor identification forms accompanying this PDS.

The minimum amounts to invest and withdraw depend on your administration platform, as do the overall times to invest and withdraw and the costs you pay.

Please read your administration platform guide carefully. None of OneVue, the Investment Manager or the Portfolio Manager is responsible for the operation of any administration platform, but investors who wish to access the Fund through an administration platform are authorised to use this PDS for that purpose.

Your promises when you invest

When you apply to invest, you (the applicant) are telling us:

- you have received, read and understood the current PDS,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing (nor will monies received from your account have any such association),
- you are not bankrupt or a minor, and
- you agree to be bound by the constitution of the Fund and the PDS (as supplemented, replaced or re-issued from time to time).

Regulatory and contractual information

The Fund is a 'hedge fund' and falls within ASIC's policy governing hedge funds.

There have been no adverse findings (significant or otherwise) against the Responsible Entity or the Investment Manager or the Portfolio Manager, or any of the senior investment professionals at these organisations. The Responsible Entity has appointed the Investment Manager on terms that are at least arm's length. There are no unusual or materially onerous provisions in those agreements from an investor's perspective. Each can be terminated in usual commercial circumstances, for example insolvency and material un-remedied breach.

Legal

The Investment Manager, YBR, Coolabah Capital and Ernst & Young have each given and not withdrawn their consent to be named in this PDS in the form and context in which they appear and to inclusion of the statements describing them and their roles. They make no other statements or representations in this PDS. ASIC takes no responsibility for the contents of this PDS or the issue or redemption of units by us.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). If you received this PDS electronically, you can request a paper copy free of charge from us during the life of this PDS. Unless otherwise stated, all figures are in Australian dollars and include the net impact of GST.

You should read this PDS before making any decision about the Fund.

The information contained in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is subject to change from time totime. If a change is not materially adverse to you the PDS may be updated or replaced by notice at www.smitrust.com.au and you can request a paper copy free of charge from us, or your financial adviser. Otherwise, this PDS will be replaced.

You may request a free printed copy of this PDS and any other document or policy mentioned in or incorporated into this PDS by calling OneVue on 02 8252 2200 during business hours, or speak to your financial adviser.

6. Further Information

Investors

Contact SMI on 1300 901 711 or the Administrator FundBPO Pty Limited on 1300 133 451
E: info@smitrust.com.au or registry@fundbpo.com
GPO Box 4968
Sydney NSW 2001 Australia
Fax: 02 9251 3525
www.mainstreambpo.com.au
Investor Login: https://smitrust.fundbpo.com
Find forms at the Download Centre: www.smitrust.com.au

Distributed by:

Smarter Money Investments Pty Limited (ACN 153 555 867), which is authorised representative #000414337 of Coolabah Capital Institutional Investments Pty Ltd that holds Australian Financial Services Licence No. 482238 and authorised representative #414337 of Yellow Brick Road Investment Services Pty Limited (**YBRIS**) that holds Australian Financial Services Licence No. 255016.

Issued by:
OneVue RE Services Limited AFSL 223271
Level 5, 10 Spring Street,
Sydney NSW 2000 Australia T: 02 8252 2200