

Hejaz Income Fund

Product Disclosure Statement

ARSN 653 782 524
APIR ETL4236AU
Issue Date 28 January 2022



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This Product Disclosure Statement ("PDS") was issued on 28 January 2022. This PDS is for the offer of interests in the Hejaz Income Fund ARSN 653 782 524, APIR ETL4236AU (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The investment manager is Hejaz Asset Management Pty Ltd (referred to throughout this PDS as the "Investment Manager" or "Hejaz"). The fund manager is Hejaz Financial Advisers Pty Limited (referred to throughout this PDS as the "Fund Manager").

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). This PDS is available for use by persons applying for units through an IDPS ("Indirect Investors").

The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read these terms and conditions before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Equity Trustees or to withdraw the PDS from circulation if required by Equity Trustees.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you,

having regard to your objectives, financial situation and needs and you may want to seek professional financial advice before making an investment decision.

Equity Trustees, the Investment Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in the Fund.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 6.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this PDS electronically, you will need to print and read this document in its entirety. We will provide a paper copy free upon request during the life of this PDS. The PDS is available on www.eqt.com.au/insto.

Certain information in this PDS is subject to change. We may update this information. You can obtain any updated information:

- by contacting Hejaz on 1300 043 529; or
- by visiting the Hejaz website at www.hejazfs.com.au

A paper copy of the updated information will be provided free of charge on request.

You may also contact Equity Trustees:

- by writing to GPO Box 2307 Melbourne VIC 3001; or
- by calling +613 8623 5000

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in Australian dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

1. Fund at a glance

	Summary	For further information
<i>Name of the Fund</i>	Hejaz Income Fund	N/A
<i>APIR Code</i>	ETL4236AU	N/A
<i>ARSN</i>	653 782 524	N/A
<i>Investment objective</i>	To achieve a (total) return equal to Benchmark (Bloomberg AusBond Bank Bill Index) plus 2% over a rolling 5 to 7-year timeframe through exposure to a diversified portfolio of Sharia Compliant fixed income investments, net of fees and expenses.	Section 3
<i>Fund Benchmark</i>	Bloomberg AusBond Bank Bill Index	Section 3
<i>Investment strategy and investments held</i>	<p>The Fund's investment approach is to research, screen, and then select quality investments, across Sharia Compliant fixed income assets.</p> <p>The Fund applies a rigorous and robust investment approach which encompasses an analysis of both quantitative and qualitative factors. It adopts an adaptive investment style by considering investments in terms of their asset type and investment specific characteristics across the short, medium and long term. The Investment Manager may use sub-advisors such as Carnbrea & Co Limited and/or Eternal Asset Management to assist with investment services of the Fund.</p> <p>The Fund applies an ethical overlay and endeavours to invest in compliance with Sharia ethical investment principles. These principles create negative screens which exclude investment assets based upon the nature of their business activities and their failure to meet financial thresholds relating to debt, liquidity, and income.</p>	Section 3
<i>The type(s) of investor(s) for whom the Fund would be suitable</i>	The Fund is generally suitable for investors seeking a periodic income-based return, who are comfortable with a medium risk of market fluctuations and potential capital loss. The Fund may experience some degree of volatility in the returns in the short term however is expected to perform better compared to the market during periods of financial stress. This, in part, may be due to the Sharia overlays implemented by the Investment Manager.	Section 3
<i>Recommended investment timeframe</i>	Minimum 5 years	Section 3
<i>Minimum initial investment</i>	\$10,000	Section 5
<i>Minimum additional investment</i>	\$1,000	Section 5
<i>Minimum withdrawal amount</i>	\$1,000	Section 5
<i>Minimum balance</i>	\$2,000	Section 5

	Summary	For further information
<i>Cut off time for applications and withdrawals</i>	<p>Applications Before 2pm (Sydney time) on the last Business Day of a given calendar month and your application for units is accepted, you will generally receive the Application Price calculated for that calendar month end.</p> <p>On or after 2pm (Sydney time) on the last Business Day a given calendar month and your application for units is accepted, you will generally receive the Application Price calculated for the next calendar month end.</p> <p>Withdrawals Before 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that calendar month end.</p> <p>On or after 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next calendar month end.</p>	Section 5
<i>Valuation frequency</i>	Monthly.	Section 5
<i>Applications</i>	Generally accepted on a monthly basis.	Section 5
<i>Withdrawals</i>	Generally accepted on a monthly basis.	Section 5
<i>Income distribution</i>	The Fund usually distributes income quarterly. Investors will have their distributions automatically reinvested annually as at each quarter end, e.g. 30 September, 31 December, 31 March and 30 June. There is no Buy Spread on distributions that are reinvested.	Section 5
<i>Management fees and costs</i>	2.43% p.a. of the Net Asset Value ("NAV") (including GST less RITCs)	Section 7
<i>Entry fee/exit fee</i>	Nil	Section 7
<i>Buy/Sell spread</i>	+/- nil on applications into the Fund, and withdrawals out of the Fund.	Section 7
<i>Performance fee</i>	Nil	Section 7

2. Who is managing the Fund?

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Hejaz Asset Management Pty Ltd as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

Hejaz Asset Management Pty Ltd

Hejaz Asset Management Pty Ltd ABN 69 613 618 821 ("Hejaz Asset Management" or the "Investment Manager") is an Australian based fund manager specialising in ethical and Sharia Compliant investments.

The directors of Hejaz Asset Management:

- Specialise in offering boutique ethical advisory and investment services.
- Provide expertise in the sciences of Islamic jurisprudence, specifically Islamic finance and investments.

The Fund Manager

Hejaz Financial Advisers Pty Limited

Hejaz Financial Advisers Pty Limited ABN 49 634 683 613, AFSL 517686 ("Hejaz Financial Advisers" or the "Fund Manager"). The Fund Manager's role is primarily to assist the Responsible Entity with overseeing and monitoring the Investment Manager's investment and management of the Fund and to promote and market the Fund.

The Custodian and Administrator

Mainstream Fund Services Pty Ltd

The Responsible Entity has appointed Mainstream Fund Services Pty Ltd ("Administrator") to act as administrator for the Fund. In this capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the NAV of the Fund.

The Responsible Entity has entered into an administration agreement with the Administrator, which governs the services that will be provided by the Administrator.

The Investment Manager may at any time, in consultation with the Responsible Entity, select any other administrator to serve as administrator to the Fund.

The Responsible Entity has also appointed Mainstream Fund Services Pty Ltd as an independent custodian to hold the assets of the Fund ("Custodian"). In such capacity, the Custodian will hold the assets of the Fund in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. The Responsible Entity has entered into a custodian agreement, which governs the services that will be provided by the Custodian to the Fund.

3. How the Fund invests

Investment Objective

To achieve a (total) return equal to Benchmark (Bloomberg AusBond Bank Bill Index) plus 2% over a rolling 5 to 7-year timeframe through exposure to a diversified portfolio of Sharia Compliant fixed income investments, net of fees and expense.

Suggested investment timeframe

The suggested investment timeframe of the Fund is minimum of 5 years.

Investor suitability

The Fund is generally suitable for investors seeking a periodic income-based return, who are comfortable with a medium risk of market fluctuations and potential capital loss. The Fund may experience some degree of volatility in the returns in the short term however is expected to perform better compared to the market during periods of financial stress. This, in part, may be due to the Sharia overlays implemented by the Investment Manager.

Investment Strategy

The Fund's investment approach is to research, screen, and then select quality investments, across Sharia Compliant fixed income assets.

The Fund applies a rigorous and robust investment approach which encompasses an analysis of both quantitative and qualitative factors. It adopts an adaptive investment style by considering investments in terms of their asset type and investment specific characteristics across the short, medium and long term. The Investment Manager may use sub-advisors such as Carnbrea & Co Limited and/or Eternal Asset Management to assist with investment services of the Fund.

The Fund applies an ethical overlay and endeavours to invest in compliance with Sharia ethical investment principles. These principles create negative screens which exclude investment assets based upon the nature of their business activities and their failure to meet financial thresholds relating to debt, liquidity, and income.

Asset allocation

The Fund is a diversified fund with the following asset allocation ranges:

Asset Class	% Range
Sharia Compliant asset-backed securities	0 – 60%
Sharia Compliant receivable-secured financing opportunities	0 – 40%
Sharia Compliant secured property financing opportunities	0 – 40%
Sharia Compliant corporate financing opportunities	0 – 40%
Sharia Compliant cash	0 – 10%

The Fund may maintain an exposure to the asset allocation via investments in underlying funds. Carnbrea & Co Limited are the Investment Manager of the underlying fund (Hejaz Income Fund (Wholesale Class)) which the Fund currently invests in.

The Fund has a maximum exposure limit to subordinated financing opportunities of 40%.

Ultra-Ethical Code of Governance (UECG)

1. Introduction

The Ultra-Ethical Code of Governance (UECG) outlines the Sharia Ethical Standards that the Investment Manager will abide by, in relation to the Fund, the Sharia Ethical Screens that will be applied during the investment selection process and the authorities that will govern the Fund from a Sharia ethical perspective.

1.1 Purpose

The purpose of the UECG is to ensure that the highest levels of corporate governance and policy guidance are applied in the investment management of the Fund, in terms of Sharia Ethical Funds Management. This is done to increase investor confidence, align with investor values, and to become a net positive contributor to all stakeholders.

2. Sharia Ethical Standards Board

The UECG will follow the Sharia Ethical Investment Standards stipulated by an independent and recognised Sharia Ethical Standards Board which provide Sharia standards for Islamic investment principles.

2.1 Selection of Sharia Ethical Standards Board

The Sharia Ethical Standards Board (SESB) will be selected by the Investment Manager. This selection will be made in consultation with Investment Manager's Sharia Compliance Board.

2.2 Role of the SESB

The SESB is charged with the responsibility of preparing a set of standardised, applicable, and compatible Sharia Ethical Investment Screens to be applied when filtering investments to create a Sharia compliant investment portfolio.

3. Sharia Ethical Screening of Investments

The UECG requires that all investments must have Sharia Ethical Screening applied to them before they can be incorporated into the investment portfolio for the Fund. An investment must pass all the Sharia Ethical Screens for it to be added to the portfolio. The Investment Manager is charged with the responsibility of ensuring that investment screening is undertaken in accordance with the requirements set by the SESB.

3.1 Initial and ongoing screening

The Investment Manager is charged with the responsibility of ensuring that Sharia Ethical Screening is conducted as frequently as required by the Investment Manager's Sharia Compliance Board.

3.2 Delegation of Screening responsibility

The Investment Manager may delegate the responsibility of conducting the Sharia Ethical Screening of investments by way of contracting a third-party to provide this service or an individual to carry out this task. Delegation of this authority must be conducted in consultation with the Fund's Sharia Compliance Board.

4. Sharia Ethical Investment Screens

The Investment Manager, in consultation with the Sharia Compliance Board, will ensure application of the criteria stipulated by the SESB to complete the Sharia Ethical Screening process.

5. Sharia Compliance Board

An independent Sharia Compliance Board, appointed by the Investment Manager, will provide Sharia Ethical governance advice to the Investment Manager and Responsible Entity, and Sharia Certification in relation to the Fund.

5.1 Role of the Sharia Compliance Board

The primary roles of the Sharia Compliance Board in relation to the Fund will be to:

- Undertake annual Sharia audit of the Fund to ensure compliance with guidelines and Sharia Ethical Screens as required by the SESB
- Provide Sharia Certification to the Fund upon completion of each successful audit
- Provide guidance on the frequency of Sharia screening

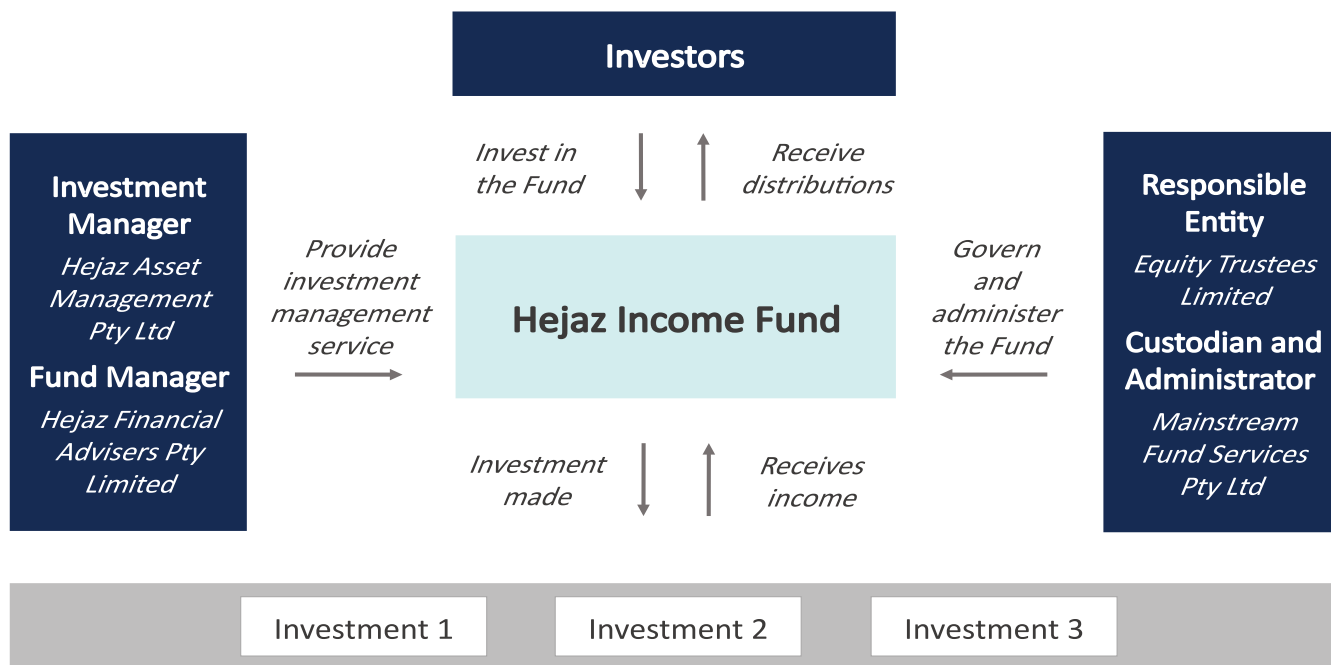
- Provide guidance to the Investment Manager in relation to the Fund on its wider social role

5.1.1 Supporting the Sharia Compliance Board

The Investment Manager must ensure that the Sharia Compliance Board has a high level of autonomy and independence in conducting their activities, protecting them from commercial pressures.

The Investment Manager must also ensure that the Sharia Compliance Board is well resourced to ensure full compliance with both legal and Sharia Ethical requirements.

Fund Structure



Withdrawals

When possible and subject to available liquidity, the Responsible Entity anticipates offering investors the opportunity to seek to withdraw some or all of their investment in the Fund at least once each calendar month. However, as outlined below, withdrawals are not guaranteed.

The cut off time for withdrawals:

- Before 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that calendar month end.
- On or after 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next calendar month end.

At the end of each calendar month, the Responsible Entity will consider all withdrawal requests submitted during the current period, together with any withdrawal requests which remain unsatisfied (in whole or in part) from previous withdrawal period. Where there are insufficient funds available to satisfy all withdrawal requests, withdrawal requests will be satisfied on a pro-rata basis. Where withdrawal requests are not fully satisfied, it will be carried over to subsequent withdrawal periods until the withdrawal request is fully satisfied or alternatively withdrawn.

Where the Fund is not liquid (as defined in the Corporations Act), withdrawals, an investor does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act (see section 5 for further details).

Labour standards and environmental, social and ethical considerations

The Investment Manager does not generally take into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising investments. However, the Investment Manager follows an UECG for the purposes of selecting, retaining or realising investments of the Fund.

Fund performance

Up to date information on the performance of the Fund can be obtained from <https://www.hejazfs.com.au/documents-and-forms/>. A free of charge paper copy of the information will also be available on request.

Significant benefits of investing in the Fund

Investing in the Fund offers a number of benefits including:

- Creating a positive impact which integrates moral values and socio-economic justice. The Fund's goals are not merely materialistic but a balance between the financial and spiritual need through incorporating

ethical foundations which are based on achieving prosperity and fair distribution of income and wealth amongst members of the Fund, without negatively impacting society.

- Refraining from all forms of economic activities which are considered by the Investment Manager to be morally or socially injurious and companies which primarily operate in such sectors (e.g. alcohol, military, riba/interest bearing investments, pig products, media/adult, tobacco, gambling and conventional financial institutions).

- Offering investors a simple way of accessing a diversified portfolio of Sharia Compliant fixed income investments, such as private finance products, structured income instruments and Sharia Compliant term deposits.

4. Managing risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Responsible Entity and the Investment Manager do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed and you may lose money by investing in the Fund. The level of returns will vary and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial or taxation advice, you should contact a licensed financial adviser and/or taxation adviser.

Key Risks

Market and individual investment risks

Sharia-Compliant fixed income investments can be volatile. The value of your investment in the Fund may fluctuate with the market. In addition, losses for the Fund may also not be linked to the market's overall returns. Such losses can arise for factors related to general market sentiment and economic conditions, reasons specific to a company (e.g. bankruptcy), or if the Investment Manager makes investment decisions resulting in poor returns.

Fund risk

The Fund could terminate. Laws affecting registered managed investment schemes may change in the future, Equity Trustees or the Investment Manager could become insolvent, and the fees and expenses could materially change. Investment in the Fund may give different results than investing directly in securities and instruments because of income or capital gains accrued in the Fund and because of investors redeeming from the Fund.

Liquidity risk

The investment of the Fund is generally in less liquid investments than other investments (such as exchanged traded investments). There may be times when securities may not be readily sold (for example the lack of active buyer in the secondary market) and this may impact the investment and markets to which the Fund has exposure. If there is an interruption to trading in a market generally, or for a particular investment to which the Fund has exposure, there may be delays in processing withdrawal requests. Neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the Fund's investments or of investments in the Fund.

Credit risk

Investment assets to which the Fund is exposed may fail to meet regular payment obligations or principal when due because the credit counterparty or counterparty experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

Contractual risk

The Fund's counterparties may default on a transaction or the Fund's custodian may become insolvent. If this occurs, there may be additional costs or time delays associated with settling a transaction or appointing another custodian. This may have an effect on your ability to invest in, or redeem from, the Fund.

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments. Further, under such circumstances, the operations, including functions such as trading and valuation, of the Investment Manager, Fund Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

5. Investing and withdrawing

Applying for units

You can acquire units by completing the Application Form that accompanies this PDS. The minimum initial investment amount for the Fund is \$10,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

Mainstream Fund Services Pty Ltd
Client Services Registry Team
GPO Box 4968,
Sydney NSW 2001

Please note that cash and cheques cannot be accepted.

Indirect Investors should use the Application Form attached to their IDPS Guide (not the Application Form accompanying this PDS) to invest in the Fund. You will need to contact your IDPS Operator regarding the cut-off times for pricing purposes and the minimum investment amount.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is nil.

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

Application cut-off times

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

- before 2pm (Sydney time) on the last Business Day of a given calendar month and your application for units is accepted, you will generally receive the Application Price calculated for that calendar month end; or
- on or after 2pm (Sydney time) on the last Business Day of a given calendar month and your application for units is accepted, you will generally receive the Application Price calculated for the next calendar month end.

We will only start processing an application if:

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

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

Additional applications

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. The minimum additional investment into the Fund is \$1,000.

Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in the initial applications section above.

Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Cooling off period

If you are a Retail Client who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

- confirmation of the investment being received; and
- the end of the fifth business day after the units are issued.

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

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14- day period. This could include selling part of your investment or switching it to another product.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Trust by the IDPS. The right to cool off in relation to the Trust is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in the Trust except in relation to access to Equity Trustee's complaints resolution process (see Section 8). Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Trust on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Trust and any rights an Indirect Investor may have in this regard.

Making a withdrawal

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

Mainstream Fund Services Pty Ltd
Client Services Registry Team
GPO Box 4968,
Sydney NSW 2001

or sending it by fax to +61 2 9251 3525

or emailing the request to registry@mainstreamgroup.com
(Please insert the Fund name in the subject line)

The minimum withdrawal amount is \$1,000. Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Except where the Fund is not liquid (see below) or there are insufficient funds available to satisfy all withdrawal requests (see section 3.9), Equity Trustees will generally allow an investor to access their investment within 5 Business Days of acceptance of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account. However, the Constitution allows Equity Trustees to reject withdrawal requests and also to make payment up to 21 days after acceptance of a request (which may be extended in certain circumstances).

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is nil. The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$2,000 as a result of processing your withdrawal request. Equity Trustees can deny a withdrawal request or suspend consideration of a withdrawal request in certain circumstances, including where accepting the request is not in the best interests of investors in the Fund or where the Fund is not liquid (as defined in the Corporations Act). When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

Withdrawal cut-off times

If we receive a withdrawal request:

- before 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for that calendar month end; or
- on or after 2pm (Sydney time) on the 15th Business Day of a given calendar month and your withdrawal request is accepted, you will generally receive the Withdrawal Price calculated for the next calendar month end.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion. We have the discretion to delay processing withdrawal requests where we believe this to be in the best interest of the Fund's investors.

Access to funds

Except where the Fund is not liquid (see below) or there are insufficient funds available to satisfy all withdrawal requests (see section 3.9), the Responsible Entity will generally allow investors to access their funds within 5 Business Days of acceptance of a withdrawal request for the relevant amount.

However, the Constitution of the Fund allows the Responsible Entity to make payment up to 30 days after receipt of a withdrawal request, and this period can be extended at the discretion of Equity Trustees in accordance with the Constitution.

The Responsible Entity reserves the right to postpone the processing and payment of withdrawals for the Fund subject to the above extensions of time.

Where the Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. The Fund will cease to be liquid if less than 80% of its assets are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

Terms and conditions for withdrawals

The minimum withdrawal amount in the Fund is \$1,000. Where a withdrawal request takes the balance below the minimum level of \$2,000, the Responsible Entity may require you to redeem the remaining balance of your investment. Equity Trustees has the right to change the minimum holding amount.

The Responsible Entity can deny a withdrawal request in whole or in part. Equity Trustees will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawal payments will not be made to third parties (including authorised nominees), and will only be paid directly to the investor's bank account held in the name of the investor at a branch of an Australian domiciled bank. By lodging a facsimile or email withdrawal request the investor releases, discharges and agrees to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile or email withdrawal request.

You also agree that any payment made in accordance with the fax or email instructions shall be in complete satisfaction of the obligations of Equity Trustees, notwithstanding any fact or circumstance including that the payment was made without your knowledge or authority.

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

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your Redemption Request Form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier, fax or email, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.

You agree that if the payment is made according to all the terms and conditions for withdrawals set out in this PDS, you and any person claiming through or under you, shall have no claim against Equity Trustees or the Investment Manager in relation to the payment. Investors will be notified of any material change to their withdrawal rights (such as any suspension of their withdrawal rights) in writing.

Distributions

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

The Fund usually distributes income quarterly. Investors will have their distributions automatically reinvested as at each quarter end, e.g. 30 September, 31 December, 31 March and 30 June. There is no Buy Spread on distributions that are reinvested.

In some circumstances, where an investor makes a large withdrawal request (i.e. the withdrawal request is in respect of 5% or more of the units on issue), the Constitution may allow that their withdrawal proceeds may be taken to include a component of distributable income.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Valuation of the Fund

The value of the investments of the Fund is generally determined monthly. The value of a unit is determined by the NAV. This is calculated by deducting from the gross value of the Fund assets the value of the liabilities of the Fund (not including any unitholder liability). Generally, investments will be valued at the end of each calendar month at their market value but other valuation methods and policies may be applied by Equity Trustees if appropriate or if otherwise required by law or applicable accounting standards. The Application Price of a unit in the Fund is based on the NAV divided by the number of units on issue. The Responsible Entity can also make an allowance for transaction costs required for buying investments when an investor acquires units; this is known as the Buy Spread.

The Withdrawal Price of a unit in the Fund is based on the NAV divided by the number of units on issue. The Responsible Entity can also make an allowance for transaction costs required for selling investments when an investor makes a withdrawal; this is known as the Sell Spread.

The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.eqt.com.au/insto will be updated as soon as practicable to reflect any change.

Refer to Section 9 for additional information.

Joint account operation

For joint accounts, each signatory must sign withdrawal requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

Authorised signatories

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

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

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic instructions

If an investor instructs Equity Trustees by electronic means, such as fax or email, the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the investor e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against Equity Trustees or the Fund in relation to such payments or actions. There is a risk that a

fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

6. Keeping track of your investment

Complaints resolution

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

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

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:
Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

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

Reports

Investors will be provided with the following reports:

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

Annual audited financial accounts are available on Equity Trustees' website.

7. Fees and other costs

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

Hejaz Income Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Management fees and costs The fees and costs for managing your investment	2.43% of the NAV of the Fund ²	The management fees component of management fees and costs are accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Not applicable	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	0.00% of the NAV of the Fund ²	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at the interposed vehicle level are reflected in the value of the Fund's investment in the relevant interposed vehicle, and therefore reflected in the unit price.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable

Hejaz Income Fund		
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	nil upon entry and nil upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing investment options	Not applicable	Not applicable

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

² The indirect costs component of management fees and costs and transaction costs incorporate estimated amounts with reference to the relevant costs incurred during the current financial year to date, adjusted to reflect a 12-month period. Please see "Additional Explanation of Fees and Costs" below.

Additional Explanation of Fees and Costs

Management fees and costs

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

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 1.77% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component of 0.66% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

The indirect costs and other expenses component incorporate estimated amounts with reference to the relevant costs incurred during the current financial year to date, adjusted to reflect a 12-month period. In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at www.eqt.com.au/insto where they are not otherwise required to be disclosed to investors under law.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is nil upon entry and nil upon exit. The dollar value of these costs based on an application or a withdrawal of \$10,000 is \$0 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and

www.eqt.com.au/insto will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.00% p.a. of the NAV of the Fund, which is based on a reasonable estimate of the costs for the current financial year to date, adjusted to reflect a 12-month period. In relation to the costs that have been estimated, they have been estimated on the basis of relevant information for a similar product offering in the market offered by the Investment Manager.

However, actual transaction costs for future years may differ.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 2% of the GAV of the Fund. However, Equity Trustees does not intend to charge that amount and

will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Wholesale Clients. Please contact the Investment Manager on 1300 043 529 for further information.

Taxation

Please refer to Section 10 of the Product Disclosure Statement for further information on taxation.

Example of annual fees and costs for an investment option

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

EXAMPLE – Hejaz Income Fund		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Plus Management fees and costs	2.43% p.a.	And , for every \$50,000 you have in the Hejaz Income Fund you will be charged or have deducted from your investment \$1,215 each year
Plus Performance fees	Not applicable	And , you will be charged or have deducted from your investment \$0 in performance fees each year
Plus Transaction costs	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
Equals Cost of Hejaz Income Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$1,215* What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

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

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances.

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

8. Taxation

Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

A number of tax reform measures are currently under review by the Australian Government. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

General

The Fund is an Australian resident trust for Australian tax purposes. Therefore, the Fund is required to determine its net income (taxable income) for the year of income. On the basis that investors are presently entitled (which is the intention of Equity Trustees) to the net income of the Fund (including net taxable capital gains) or will be attributed their share of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their share of the Fund's net taxable income or the amount attributed to them, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to the operation of the trust loss rules.

Attribution Managed Investment Trust ("AMIT") – core rules

The Fund may qualify as an eligible Attribution Managed Investment Trust (AMIT), and if so, intends to elect into the AMIT regime. The AMIT legislation applies an attribution model whereby Equity Trustees as the Responsible Entity of the Fund attributes amounts of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Fund's Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

Fair and reasonable attribution: Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a "fair and reasonable" attribution basis, rather than being allocated proportionally based on each investor's present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor's units may be increased (or decreased). Details of cost base adjustments will be included on an investor's annual tax statement, referred to as an AMIT Member Annual Statement ("AMMA").

Large withdrawals: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the redeeming investor.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors. Where the Fund does not elect into the AMIT regime, or has made the election but the election is not effective for the income year (e.g. the Fund does not satisfy the requirements to be a managed investment trust for the income year), the Tax Law applicable to non-AMITs should be relevant. In particular, the Fund should not generally pay tax on behalf of its investors and instead, investors should be assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled.

Deemed Capital Gains Tax ("CGT") Election

Eligible managed investment trusts ("MITs") may make an election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives, debt securities and foreign exchange contracts). Where the election is made the Fund should hold its eligible investments on capital account and gains/(losses) from the disposal of eligible investments should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

Where the CGT election is not made, the Fund should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

Controlled Foreign Company ("CFC") Provisions

There are certain tax rules (i.e. the CFC provisions) which may result in assessable income arising in the Fund in relation to investments in foreign equities, where certain control thresholds are met. If such interests were to be held at the end of the income year, the taxable income of the Fund may include a share of net income and gains (i.e. CFC attributable income) from such investments.

Taxation of Financial Arrangements ("TOFA")

The TOFA rules may apply to certain "financial arrangements" held by the Fund. In broad terms, the TOFA regime seeks to recognise "sufficiently certain" returns on certain financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from derivative instruments are not "sufficiently certain" they will continue to be recognised on a realisation basis, unless specific tax timing elections are made.

Taxation Reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to

the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Tax File Number ("TFN") and Australian Business Number ("ABN")

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

By quoting their TFN or ABN, the investor authorises Equity Trustees to apply it in respect of all the investor's investments with Equity Trustees. If the investor does not want to quote their TFN or ABN for some investments, Equity Trustees should be advised.

GST

The Fund is registered for GST. The issue or withdrawal of units in the Fund and receipt of distributions are not subject to GST.

The Fund may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit. Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available reduced input tax credits. The Fund may be entitled to as yet undetermined additional input tax credits on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the unit price of the Fund. Investors should seek professional advice with respect to the GST consequences arising from their unit holding.

Australian Taxation of Australian Resident Investors

Distributions

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them by Equity Trustees as the Responsible Entity of the Fund.

The tax consequences for investors in the Fund depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them.

Investors will receive an Annual Tax Statement (or an "AMMA" for an AMIT) detailing all relevant taxation information concerning attributed amounts and cash distributions, including any Foreign Income Tax Offset ("FITO") and franking credit entitlements, returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their units in the Fund (in the case of an AMIT).

An investor may receive their share of attributed tax components of the Fund or net income in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Fund on capital account, a capital gain or loss may arise on disposal and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 & 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for 12 months or more. No CGT discount is available to corporate investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units of the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Tax on Income

The Fund expects to derive income which may be subject to Australian withholding tax when attributed by Equity Trustees as the Responsible Entity of the Fund to non-resident investors.

Australian withholding tax may be withheld from distributions of Australian source income and gains attributed to a non-resident investor. The various components of the net income of the Fund which may be regarded as having an Australian source include Australian sourced interest, Australian sourced other gains, Australian sourced dividends and CGT taxable Australian property.

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement ("EOI") between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains

tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property. We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

9. Other important information

Consent

The Investment Manager and the Fund Manager have both given and, as at the date of this PDS, have not withdrawn:

- written consent to be named in this PDS as the investment manager and custodian respectively of the Fund; and
- written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Investment Manager and the Fund Manager have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, the Fund Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to Equity Trustees for inclusion in this PDS.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

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

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;

- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

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

In addition to the above information, Equity Trustees' Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

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

The Constitution

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws

(whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Foreign Account Tax Compliance Act ("FATCA")

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

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

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply

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

Common Reporting Standard ("CRS")

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

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

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

10. Glossary of important terms

AFSL

Australian Financial Services Licence.

Application Form

The Application Form that accompanies this PDS.

ASIC

Australian Securities and Investments Commission

AFSL

Australian Financial Services Licence.

Application Form

The Application Form that accompanies the PDS.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Business Day

A day other than Saturday or Sunday on which banks are open for general banking business in Sydney.

Buy/Sell Spread

The difference between the application price and withdrawal price of units in the Fund, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time.

Corporations Act

The Corporations Act 2001 and Corporations Regulations 2001 (Cth), as amended from time to time.

Custodian

Mainstream Fund Services Pty Ltd ("Mainstream")

Derivative

A financial contract whose value is based on, or derived from, an asset class such as shares, interest rates, currencies or currency exchange rates and commodities. Common derivatives include options, futures and forward exchange contracts.

Equity Trustees

Equity Trustees Limited (ABN 46 004 031 298) which holds an AFSL No. 240975.

Fund

Hejaz Income Fund

Fund Benchmark

Bloomberg AusBond Bank Bill Index

ARSN

653 782 524

GST

Goods and Services Tax.

Gross Asset Value (GAV)

In relation to the Fund at a Valuation Time, the sum of the value of the assets.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

Investment Manager

Hejaz Asset Management Pty Ltd.

Net Asset Value (NAV)

Value of the investments of the Fund after deducting certain liabilities including income entitlements and contingent liabilities.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

Responsible Entity

Equity Trustees Limited.

Retail Client

Persons or entities defined as such under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits where applicable to reduce the cost of GST to the Fund.

Sharia

Islamic law based on the teachings of the Quran and the traditions of the Prophet Muhammad, prescribing both religious and secular duties for Muslims.

Sharia Certification

Written approval by a Sharia Board confirming that a matter is Sharia Compliant.

Sharia Compliant

Structured in accordance with Islamic rules.

Sharia Ethical Funds Management

Investment into portfolios comprising only Sharia Compliant assets and being managed in a Sharia Compliant manner.

Sharia Ethical (investment) Screen(ing)

A series of filters applied to an investment asset to determine whether it meets Sharia Ethical Standards.

Sharia Ethical (investment) Standards

Investment principles which specify what constitutes a Sharia Compliant investment.

US Person

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

(a) any citizen of, or natural person resident in, the US, its territories or possessions; or

(b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c) any agency or branch of a foreign entity located in the US; or

(d) a pension plan primarily for US employees of a US Person; or

(e) a US collective investment vehicle unless not offered to US Persons; or

(f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g) any Fund of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

Valuation Time

A time at which the Responsible Entity calculates the Net Asset Value.

We, us

Refers to Equity Trustees

Wholesale Client

Person or entity which is not a Retail Client.