



ELLERSTON CAPITAL

2 October 2013

Ellerston Australian Small Companies Fund Information Memorandum

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Important Information

Ellerston Capital Limited (Ellerston Capital, we or us) is the trustee and investment manager of the Ellerston Australian Small Companies Fund (Fund) and is the issuer this Information Memorandum (IM) dated 2 October 2013. As responsible entity, Ellerston Capital is responsible for all aspects of the Fund including managing the assets and overseeing the operations of the Fund.

Ellerston Capital holds an Australian Financial Services Licence (AFSL No. 283 000) which regulates its prudential requirements and its delivery of financial services.

This IM provides a summary of significant information relating to Units of the Fund. It also contains a number of references to additional information which forms part of this IM. This is important information you should read before making a decision to invest into the Fund. The information in this IM is general information only and does not take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. If you are investing through an IDPS, you should contact your IDPS with any queries.

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1. About Ellerston Capital Limited

Ellerston Capital is a specialist investment manager providing innovative benchmark independent equity strategies.

Ellerston Capital is passionate about investing, creating value for clients, identifying the best stocks and creating portfolios that perform. As a firm majority owned by its principals and employees, our client's objectives are our objectives.

Ellerston Capital has been managing money since 2002 and currently manages over \$2.8 billion.

2. How the Ellerston Australian Small Companies Fund works

Your investment in the Fund is pooled together with other investors' money. We use this pool to invest in our equity based strategy and manage them on behalf of all investors in the Fund according to the Fund's investment strategy. By investing in the Fund you benefit from the knowledge and expertise of our skilled investment managers. We have day-to-day control over the operation of the Fund.

The Fund is a unit trust and is governed by its Constitution. The Net Asset Value of the Fund is divided into one or more classes of 'Units' which represent a share of the pool of assets that make up the Fund. The prices for these Units are generally calculated on a daily basis, and will change as the market value of assets in the class rises or falls.

When you make an investment in the Fund, we will allocate Units to you based on the Application Price for the relevant Transaction Day. When you redeem, we will redeem your Units based on the Redemption Price for the relevant Transaction Day. See "Processing" below for further details.

Application Prices are usually higher than Redemption Prices due to the Buy/Sell Spread. The Buy/Sell Spread is built into the Application Price and Redemption Price and represents your contribution to the costs of buying and selling the underlying assets in the Fund. See "Buy/Sell Spread" on page 6 for further details.

Unit prices are available by contacting Ellerston Capital on (02) 9021 7797. Ellerston Capital has documented how it intends to exercise unit pricing discretions in a policy document. The policy document is available to Unitholders free of charge by contacting Ellerston Capital.

The Fund is only available to investors within Australia who are "wholesale clients" as defined by the Corporations Act 2001 (Cth) unless otherwise approved by us.

Investing Indirectly in the Fund

If you invest indirectly in the Fund through an Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody service (collectively, IDPS), then you do not hold Units in the Fund and you have none of the rights of a Unitholder. Instead, the IDPS holds those Units on your behalf. Investing through an IDPS may result in different conditions applying from those referred to in this IM including minimum investment, fees and other costs, cooling off rights, applications, redemptions and distributions and provision of statements. You should contact your financial adviser or IDPS operator for further information.

This IM may be used as disclosure to persons who wish to access the Fund through an IDPS. If you wish to invest in the Fund through an IDPS, contact your IDPS for details regarding how to invest and how to redeem. This IM must be read together with documents provided by the IDPS.

You should read the important information about how Indirect Investors acquire and dispose of Units in the Fund before making a decision. Go to the sections "Indirect Investors", "Application Form" and "Redemptions" in section 2 entitled "Indirect Investors" of "Additional Information to the Information Memorandum". The material relating to the acquisition and disposal of Units in the Fund by Indirect Investors may change between the time when you read this IM and the day when you acquire the product.

INVESTING DIRECTLY IN THE FUND

Information regarding how to invest directly (as opposed to investing through an IDPS) is set out below.

Minimum Initial Investment

The minimum initial investment is \$100,000. We may in our absolute discretion waive or reduce this minimum requirement. In certain circumstances, we may reject an application or accept only part of an application. Refer to “Processing” below and page 7 for more information about the application process.

Additional Investments

The minimum additional investment is \$10,000. We may in our absolute discretion waive or reduce this minimum requirement. If you wish to invest more in the Fund, please send the Administrator or Ellerston Capital your written instructions with your payment. There is no need to complete an additional Application Form.

HOW TO REDEEM

Generally, you can redeem some or all of your investment by giving the Administrator written notice prior by 2:00pm (Sydney time) on a Transaction Day (or such other time as we may determine). A Transaction Day occurs each Business Day. See “Processing” below for further details.

The minimum redemption amount is \$10,000 unless otherwise approved by us. Redemptions will generally be paid to you within five Business Days of the transaction day.

There may be circumstances where your ability to redeem on request from the Fund within the usual period is restricted. For example, there may be a freeze on redemption requests where we are unable to value the Fund’s assets due to financial market disruptions.

PROCESSING APPLICATIONS AND REDEMPTIONS

Generally, if the Administrator receives a completed Application Form, including all related documents and application monies, by 2:00pm (Sydney time) on a Transaction Day (or such other time as we may determine), we will process the application using that Transaction Day’s Application Price.

Generally, if the Administrator receives a redemption request by 2:00pm (Sydney time) on a Transaction Day (or such other time as we may determine), we will process the redemption using that Transaction Day’s Redemption Price.

Application Forms or redemption requests received after the relevant cut-off time will generally be processed for the following Transaction Day. We may in our absolute discretion reject or decline to accept applications (in part or in full). Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or the scaled back portion of applications will be returned to investors without interest.

You should read the important information about how Direct Investors acquire and dispose of Units in the Fund before making a decision. Go to section 3 entitled “Applications and Redemptions” of “Additional Information to the Information Memorandum”. The material relating to the acquisition and disposal of Units in the Fund by Direct Investors may change between the time when you read this IM and the day when you acquire the product.

DISTRIBUTIONS

If you invest in the Fund via an IDPS, you should contact your IDPS to find out how distributions may be paid to you.

Distributions will be calculated on a pro rata basis, by reference to the number of Units held. The distribution policy of the Fund is to distribute (where available) as soon as practicable after each half yearly period ending 30 June and 31 December (or otherwise as determined by us) the income of the Fund less expenses. Distributions from the Fund may comprise income and/or capital as determined by us under the Constitution. Unitholders may elect to reinvest distributions from the Fund (refer to the Application Form). If you do not make a choice, your distributions will be automatically reinvested. Units issued on reinvestment of distributions will generally be issued at the Net Asset Value per Unit (with no Buy/Sell Spread). We may, from time to time, distribute additional amounts where we believe it is appropriate.

3. Benefits of Investing in the Ellerston Australian Small Companies Fund

SIGNIFICANT FEATURES

- The Fund is an actively managed portfolio of Australian listed smaller company securities.
- Ellerston Capital takes an active, research-driven, benchmark independent approach to investing.
- The ability to apply for and redeem Units on a daily basis and to receive half yearly distributions of income (to the extent available).
- The Fund will not short sell physical securities or borrow securities.

SIGNIFICANT BENEFITS

Investing in the Fund offers investors a range of benefits:

- Potential for long term capital growth and income distributions. This approach aims to generate returns that are superior to the Benchmark returns
- The Fund provides access to Ellerston Capital's experienced investment specialists and benchmark independent investment approach; and
- Regular updates including reports, investment statements and annual tax statement to keep you up-to-date on your investment.

You should read the important information about other features and benefits of the Fund before making a decision. Go to section 6 of the “Additional Information to the Information Memorandum”. The material relating to the other features and benefits of the Fund may change between the time when you read this IM and the day when you acquire the product.

4. Risks of Managed Investment Schemes

All investments carry risk. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term.

The significant risks of the Fund are:

- **Market Risk:** The risk that the value of the Fund's investments will fluctuate as a result of factors such as economic variables (including interest rates, unemployment, inflation and economic growth), market conditions and sentiment. Changes in government regulations (e.g. tax), local and international political events and environmental and technological issues may impact on the Fund's ability to implement its strategy. Market risk may have different impacts on each type of asset, investment style and investor.
- **Security Specific Risk:** The risk that the price of shares in a particular company may be affected by the operational and financial circumstances of the issuer of those securities such as the state of their underlying businesses (including the level of debt they carry, the availability of debt financing and level of interest rates), their profits, earnings and cash flows.

- **Small Companies Risk:** Small companies are those that generally have a lower than average market capitalisation. Compared with larger companies, small companies (i) may have less liquidity and their security price more volatile (namely subject to greater price fluctuations); (ii) may be recently established with less or lower quality publicly available information on their business activities; and (iii) can be engaged in more speculative businesses. For these reasons the small companies sector may experience significant volatility and reduced liquidity (which may reduce the value of the relevant investment).
- **Fund Risk:** The success of the Fund depends upon our ability to develop and implement the Fund’s investment strategy and identify investment opportunities that achieve the Fund’s investment objective.
- **Distribution Risk:** The Fund is not designed for investors seeking regular income payments. There is no guarantee that any distributable income will be generated. In certain circumstances, Unitholders may be liable for tax on distributions even if they have not received any distribution in cash.
- **Derivatives Risk:** Derivatives have the potential to cause losses that are large in proportion to the money invested in them. The Fund’s net exposure to Derivatives will generally be limited to 15% (Delta Exposed) of Net Asset Value.

Risk can be managed but it cannot be completely eliminated. It is important to understand that:

- the value of your investment will go up and down.
- investment returns will vary and future returns may be different from past returns.
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make.
- laws affecting your investment in a managed investment scheme may change over time.

The appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some of your money in some years.

You should read the important information about the significant risks of investing in the Fund before making a decision. Go to section 5 entitled “Risks” of “Additional Information to the Information Memorandum”. The material relating to significant risks of investing in the Fund may change between the time when you read this IM and the day when you acquire the product.

5. How We Invest Your Money

Warning: You should consider the likely investment return, risk and your investment time frame when choosing to invest into the Fund.

ELLERSTON AUSTRALIAN SMALL COMPANIES FUND					
INVESTMENT OBJECTIVE	The investment objective of the Fund over time is to outperform the Benchmark over a rolling three year period. The Fund aims to achieve this by investing in between 20 and 50 Australian listed securities, with the majority of the Fund invested in securities outside the S&P/ASX 100 Index. Where there is a lack of suitable investment opportunities or as a means of preserving capital, the Fund may hold up to 20% of its Net Asset Value in Cash.				
MINIMUM SUGGESTED TIME FRAME	At least 5 years				
BENCHMARK	S&P/ASX Small Ordinaries Accumulation Index.				
SUITABILITY	The Fund is intended to be suitable for investors with a medium to long term investment timeframe who are looking to invest in an actively managed portfolio of Australian listed smaller company securities.				
ASSET CLASSES AND ASSET ALLOCATION RANGES (DELTA EXPOSED)	<table border="0"> <tr> <td>Australian listed securities</td> <td>80 – 100%</td> </tr> <tr> <td>Cash</td> <td>0 – 20%</td> </tr> </table>	Australian listed securities	80 – 100%	Cash	0 – 20%
Australian listed securities	80 – 100%				
Cash	0 – 20%				

ELLERSTON AUSTRALIAN SMALL COMPANIES FUND											
DESCRIPTION OF FUND	<p>The Fund employs an active, research-driven investment approach which seeks to identify a portfolio of smaller company securities with the aim of delivering superior returns to the Benchmark over time.</p> <p>The Fund will invest in companies that are believed to have the potential to deliver significant upside over the medium term and where there is a reasonable margin of safety to mitigate the downside risk. We will actively manage the positions of the Fund.</p> <p>Investments will generally be made in companies that have a sound business franchise with an attractive earnings profile, that operate in growth industries and trade at a discount to valuation.</p>										
PORTFOLIO GUIDELINES	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Investment Universe</td> <td style="padding: 5px;"> <p>Australian listed securities (including dual listed securities) outside the S&P/ASX 100 Index, however the Fund may invest up to 25% of its Net Asset Value in securities of companies included in the S&P/ASX MidCap 50 Index.</p> <p>Securities expected to list on a recognised Australian exchange within 12 months, or through American Depositary Receipts or similar instruments or Derivatives.</p> </td> </tr> <tr> <td style="padding: 5px;">Cash</td> <td style="padding: 5px;">Cash</td> </tr> <tr> <td style="padding: 5px;">Number of Positions</td> <td style="padding: 5px;">20-50 Securities</td> </tr> <tr> <td style="padding: 5px;">Parameters</td> <td style="padding: 5px;"> <p>Minimum market capitalisation of a security must be \$50m.</p> <p>Up to 25% of the Fund's Net Asset Value can be invested in securities of companies included in the S&P/ASX MidCap 50 Index.</p> <p>The Fund will not invest in securities in the S&P/ASX 50 Index.</p> <p>An investment held in any one company must not exceed:</p> <ul style="list-style-type: none"> • 8% of the Net Asset Value at cost; • 12% of the total market value of the Net Asset Value; • 10% of the voting rights or issued capital of any issuer. <p>The Fund must be exposed to a minimum of 5 GICS Sectors.</p> <p>The maximum exposure to unlisted investments is limited to 5% of the Net Asset Value of the Fund.</p> <p>Underwriting or sub-underwriting of issues in respect of authorised investments is permitted, provided that in the event that commitments pursuant to any underwriting or sub-underwriting agreements should revert to the Fund, the relevant constraints must not be breached. The total exposure to underwriting or sub-underwriting at any one time may not exceed 5% of the Net Asset Value of the Fund.</p> </td> </tr> <tr> <td style="padding: 5px;">Derivatives</td> <td style="padding: 5px;"> <p>May be used, on a temporary basis, with the dominant purpose of efficiently gaining or reducing an economic exposure, through the use of exchange traded Derivatives, to the underlying Australian listed securities. Maximum 15% (Delta Exposed) of the Net Asset Value except in the short term for portfolio management purposes. Australian listed Derivatives only.</p> </td> </tr> </table>	Investment Universe	<p>Australian listed securities (including dual listed securities) outside the S&P/ASX 100 Index, however the Fund may invest up to 25% of its Net Asset Value in securities of companies included in the S&P/ASX MidCap 50 Index.</p> <p>Securities expected to list on a recognised Australian exchange within 12 months, or through American Depositary Receipts or similar instruments or Derivatives.</p>	Cash	Cash	Number of Positions	20-50 Securities	Parameters	<p>Minimum market capitalisation of a security must be \$50m.</p> <p>Up to 25% of the Fund's Net Asset Value can be invested in securities of companies included in the S&P/ASX MidCap 50 Index.</p> <p>The Fund will not invest in securities in the S&P/ASX 50 Index.</p> <p>An investment held in any one company must not exceed:</p> <ul style="list-style-type: none"> • 8% of the Net Asset Value at cost; • 12% of the total market value of the Net Asset Value; • 10% of the voting rights or issued capital of any issuer. <p>The Fund must be exposed to a minimum of 5 GICS Sectors.</p> <p>The maximum exposure to unlisted investments is limited to 5% of the Net Asset Value of the Fund.</p> <p>Underwriting or sub-underwriting of issues in respect of authorised investments is permitted, provided that in the event that commitments pursuant to any underwriting or sub-underwriting agreements should revert to the Fund, the relevant constraints must not be breached. The total exposure to underwriting or sub-underwriting at any one time may not exceed 5% of the Net Asset Value of the Fund.</p>	Derivatives	<p>May be used, on a temporary basis, with the dominant purpose of efficiently gaining or reducing an economic exposure, through the use of exchange traded Derivatives, to the underlying Australian listed securities. Maximum 15% (Delta Exposed) of the Net Asset Value except in the short term for portfolio management purposes. Australian listed Derivatives only.</p>
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	Number of Positions	20-50 Securities									
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Derivatives	<p>May be used, on a temporary basis, with the dominant purpose of efficiently gaining or reducing an economic exposure, through the use of exchange traded Derivatives, to the underlying Australian listed securities. Maximum 15% (Delta Exposed) of the Net Asset Value except in the short term for portfolio management purposes. Australian listed Derivatives only.</p>										
BORROWING	<p>The Fund will not short sell physical securities or borrow securities. Save where specified to the contrary, the above thresholds apply as at the date of the relevant investment. Where a threshold would be breached merely because of any appreciation in value (e.g. as a result of strong outperformance), depreciation in value, capital restructure, corporate action or similar event, the Fund will be rebalanced or reduced back to below that threshold within a reasonable timeframe this will be addressed within a reasonable timeframe.</p>										

ELLERSTON AUSTRALIAN SMALL COMPANIES FUND	
	We may invest through funds with a substantially similar investment objective, philosophy and universe managed by us or an entity related to us. We will waive or set off additional management and performance fees payable in respect of such investments.
LABOUR, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS	We do not take labour standards or environmental, social or ethical considerations into account when making investment decisions. Such issues may affect the financial performance of an investment and any such financial effect would influence our investments.
CHANGES TO FUND DETAILS	We have the right to change the Fund's investment return objective (including Benchmark), asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. We will inform investors of any material change to the Fund's details in your next regular communication or as otherwise required by law.

You should read the important information about the Fund's investments before making a decision. Go to section 1 entitled "Fund Investments" of "Additional Information to the Information Memorandum". The material relating to the Fund's investments may change between the time when you read this IM and the day when you acquire the product.

6. Fees and Costs

Did You Know?

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

For example, total annual fees and costs of 2% of your fund 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 investment fee calculator to help you check out different fee options. The calculator can also be used to calculate the effect of fees and costs on your investment.

This section provides summary information about the main fees and costs that you may be charged for the Fund. The fees and costs charged by the Fund may be deducted from your account, from the returns on your investment or from the class assets as a whole.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

You can use this information to compare the fees and costs with those of other simple managed investment schemes.

The fees and costs outlined in this IM are for the Fund only.

If you are investing indirectly through an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

TYPE OF FEE OR COST	AMOUNT
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND	
<i>ESTABLISHMENT FEE</i>	Nil
<i>CONTRIBUTION FEE</i>	Nil
<i>WITHDRAWAL FEE</i>	Nil
<i>TERMINATION FEE</i>	Nil
MANAGEMENT COSTS	
<i>THE FEES AND COST FOR MANAGING YOUR INVESTMENT</i>	<p>Management Fee – 1.25% p.a. (\$1,250 per \$100,000) of the Gross Asset Value of the relevant class</p> <p>Expenses – estimated to be 0.25% p.a. (\$250 per \$100,000) of the Gross Asset Value of the relevant class</p> <p>Management Costs – being the sum of the Management Fee and Expenses. Estimated to be 1.50% p.a. (\$1,500 per \$100,000) of the Gross Asset Value of the relevant class. Management costs consist of the following components:</p> <p>Performance Fee – 20.5% of the amount by which the accumulated investment return of the relevant class exceeds the accumulated return of the Benchmark during each year to 30 June. Estimated to be nil. As we cannot accurately forecast what the performance of the relevant class or the Benchmark, we have assumed that no Performance Fees would be payable.</p>

All fees set out in this section are inclusive of the net effect of Goods and Services Tax (**GST**) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the relevant class can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE	BALANCE OF \$100,000 WITH A CONTRIBUTION OF \$10,000 DURING YEAR ¹	
CONTRIBUTION FEES	Nil	For every additional \$10,000 you put in, you will not be charged any contribution fee.
PLUS MANAGEMENT COSTS	\$100,000 x 1.50% = \$1,500.00	And, for every \$100,000 you have in the Units, you will be charged \$1,500.00 each year.
EQUALS COST OF FUND		<p>If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged fees of:</p> <p>\$1,500.002</p> <p>What it costs you will depend on the fees you negotiate with your Fund, your IDPS operator or financial adviser, as applicable.</p>

¹ This example assumes the \$10,000 contribution occurs at the end of the first year, therefore management costs are calculated using the \$100,000 balance only. Due to the difficulties in forecasting performance, the above estimate assumes the Unit's performance is not in excess of the return of the Benchmark and therefore no Performance Fees will be payable for the relevant period.

² 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.

We may change the fees set out on this page (e.g. due to changes in economic conditions and size of the Fund) without the Unitholder's consent and Unitholders will be provided at least 30 days written notice of any change in these or other fees.

BUY/SELL SPREAD

The Buy/Sell Spread is effectively deducted from the Unitholder's application and redemption monies. This amount is currently 0.25%. For example, if you invested \$100,000 in the Fund the cost of your Buy/Sell Spread would be \$250. We may vary the Buy/Sell Spread from time to time and prior notice will not ordinarily be provided. Any changes to the Buy/Sell Spread will be posted on our website www.ellerstoncapital.com. This amount is paid to the Fund on account of our estimate of costs associated with buying and selling assets represented by the relevant application or redemption and is not paid to us. Such costs are, however, an additional cost to you and will impact on the return on your investment. Such costs could include estimated brokerage and stamp duties, taxes and other charges and expenses from buying or selling Fund investments. The amount is paid so as to mitigate any unfairness from an application or redemption affecting other Unitholders. Management Costs do not include the Buy/Sell Spread.

You should read the important information about fees and costs before making a decision. Go to section 4 entitled "Additional Explanation of Fees and Costs" of "Additional Information to the Information Memorandum". The material relating to fees and costs may change between the time when you read this IM and the day when you acquire the product.

7. How Managed Investment Schemes are Taxed

WARNING: Investing in a managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice before investing.

Managed investment schemes generally distribute all of their income each year so that the fund is not subject to tax. Managed investment schemes generally do not pay the tax liability on behalf of Australian resident investors. As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Fund. There is no guarantee that the Fund will generate income or capital gains during the year.

Because the Australian taxation system is complex and different investors have different circumstances, you are strongly advised to seek professional tax advice before investing in the Fund.

8. How to Apply

To invest in the Fund via an IDPS, you will need to contact your IDPS and complete the relevant application form and any other document required by the IDPS. You will also need to contact your IDPS in relation to making any additional contributions to your investment.

To invest directly, applicants should complete the Application Form accompanying the IM. Details of where to send your completed Application Form, customer identification documents and application monies are on the Application Form. The offer made in this IM is only available to persons receiving this IM (electronically or otherwise) within Australia. Applications from outside Australia will not be accepted unless otherwise determined by Ellerston Capital. See page 2 for more information on how applications are processed.

If you have a complaint, please notify Ellerston Capital's Company Secretary. We will acknowledge your complaint within 30 days of receipt by the Company Secretary, and will generally investigate complaints and aim to provide a response (if not resolve the complaint) within 60 days although some complaints may take significantly longer to deal with. If you are a retail client and believe that your matter has not been dealt with satisfactorily, you can contact the Financial Ombudsman Service by calling 1300 780 808. If you are investing through an IDPS, you should contact your IDPS about any complaints.

9. Other Information

Updated information: Information in this IM is subject to change from time to time. Information that is not materially adverse information can be updated by us. Where a change is not materially adverse to investors, the information may be made available at: www.ellerstoncapital.com. Investors may obtain a paper copy of this information free of charge by contacting us on (02) 9021 7797. At least 30 days written notice will be provided for changes which are materially detrimental including a change to fees.

TERMS USED IN THIS IM

Administrator means the person specified in the Application Form, to whom applications and redemptions may be sent.

American Depositary Receipt means an instrument representing the ownership in the shares of a non US company (including ASX listed entities) trading on United States financial markets.

Application Form means the application form accompanying this IM.

Application Price means Net Asset Value per Unit of the relevant class at the relevant Transaction Day plus the Buy/Sell Spread.

ASIC means the Australian Securities and Investments Commission.

Benchmark has the meaning set out on page 4 of this IM.

Business Day means any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia.

Cash means assets reasonably determined by Ellerston Capital to be cash or cash like securities.

Constitution means the constitution of the Fund dated 28 November 2011, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Direct Investor means a Unitholder holding Units in the Fund directly, as opposed to investing through an IDPS.

Derivative means a financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index).

Delta Exposed means the exposure obtained to underlying designated assets by means of a Derivative using current market values.

Ellerston Capital, we, our or us means Ellerston Capital Limited, the responsible entity of the Fund.

Fund means the Ellerston Australian Small Companies Fund.

Gross Asset Value means the Net Asset Value of the relevant class or the Fund, as appropriate, after adding back accrued Management Fees and Performance Fees.

GST means the Australian Goods and Services Tax, as established under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

IDPS has the meaning set out on page 2 of this IM.

IM means this information memorandum for Units in the Fund.

Indirect Investor means an investor investing the Fund through an IDPS.

Management Fee means the management fee payable to Ellerston Capital as set out on page 6 of this IM.

Net Asset Value means the net asset value of the relevant class or the Fund, as appropriate, as determined under the Constitution.

Performance Fee means the performance fee payable to Ellerston Capital as set out on page 6 of this IM.

Redemption Price means Net Asset Value of the relevant class at the relevant Transaction Day less the Buy/Sell Spread.

Securities mean equity interests in a company, managed investment scheme or investment organisation including but not limited to shares, units, preference shares, convertible preference shares, stapled securities and installment receipts

Transaction Day has the meaning set out on page 2 of this IM.

Unit means a beneficial interest in the Fund.

Unitholder means a person entered on the register of the Fund as a holder of Units.



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