Product disclosure statement

Baker Steel Electrum Fund

ARSN 661 387 926
Retail class APIR MSC2103AU **ISIN**: AU60MSC21030
Institutional class APIR EVO5929AU **ISIN**: AU60EVO59291
Dated 8 May 2023

Contents

1. About Melbourne Securities Corporation 2
2. How the Baker Steel Electrum Fund works 2
3. Benefits of investing in the Fund 3
4. Risks of managed investment schemes* 3
5. How we invest your money 4
6. Fees and costs* 5
7. How managed investment schemes are taxed* 7
8. How to apply* 7

Additional information* 8
Contact 8

Snapshot

The Baker Steel Electrum Fund (the **Fund**) is a professionally managed specialist investment fund intended to be suitable for both retail and institutional investors looking to diversify their portfolio with exposure to a geographically diversified portfolio of globally listed mining equities, with a focus on specialty, precious and future facing metals equities, who have a minimum investment timeframe of 5 years and a high risk tolerance.

The Fund will give investors exposure, principally through the ES Baker Steel Electrum Fund (the **UK OEIC**) and the BAKERSTEEL Global Funds - Electrum Fund (the **Luxembourg UCITS**) (together the **Electrum UCITS and OEIC Funds**), to a broad range of investments and markets which individual investors may not be able to access directly themselves.

The Electrum UCITS and OEIC Funds can also often access investments for less cost than individual investors could achieve, and it can also use efficient portfolio construction and risk management techniques to help reduce volatility.

What to read

This is the Fund's **product disclosure statement** (**PDS**). It summarises significant information about the Fund and is designed to help you make an informed decision whether to invest or not. The layout is similar to many other PDSs, and for the most part, this is set by law.

In reading this document, you will from time to time notice some references marked with an asterix (*). This is referring you to further important information about that topic, contained in the **Information Booklet** for the Fund. The Information Booklet forms part of this PDS. The term 'PDS' includes the Information Booklet as well.

A **Target Market Determination** (**TMD**) is available and explains who is the intended type of investor for this fund. It accompanies this PDS.

Each of the documents mentioned above is important. Each is available free from the Fund Manager's and/or the Sub-Investment Manager's website. You should read this PDS and the TMD carefully before making a decision about the Fund.

If you make the PDS available to someone else, please make the entire PDS available. That's the only way they too can make an informed investment decision.

Know who is who

Each document has been prepared by Melbourne Securities Corporation Limited ACN 160 326 545 | AFSL 428 289 (**MSC Trustees**, the **Responsible Entity**).

Sanlam Investments (Australia) Pty Ltd ABN 72 160 042 222 (**Sanlam**, the **Fund Manager**) has been appointed as the manager of the Fund, but it is the sub investment manager Baker Steel Capital Managers LLP ARBN 107 539 711 (**Baker Steel**, the **Sub-Investment Manager**) (appointed by Sanlam) who manages the Electrum UCITS Funds on a daily basis.

Apex Fund Services Pty Ltd, ABN 81 118 902 891, AFSL 303253 (**Apex**, the **Administrator**) has been appointed as the administrator and independent custodian to hold assets of the Fund. Apex's custody role is limited to holding the assets of the Fund as agent for the Responsible Entity. Apex has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

Seek advice as you may need

This PDS is for general information only. It does not take into account your particular objectives, financial situation or needs, and is not a recommendation to invest. You should consider the appropriateness of the Fund having regard to your own objectives, financial situation and needs.

You should read the entire PDS, and speak to a financial adviser, before proceedings to acquire or dispose of units in the Fund. A financial adviser will look at your particular objectives, financial situation and needs, and can help you make sure this investment is the right one for you.

Risk

Investing involves risk. This is a high risk investment. Neither returns nor the money you invest is guaranteed. You can make money, but you can also lose money.

The value of your investment will change up and down as the market value of the assets of the Fund fluctuates. The speed at which this happens is often called volatility. Higher volatility means value is expected to go up and down more quickly, and perhaps significantly. At times this will be a higher volatility fund.

Being patient often helps with risk and volatility. The suggestion for this fund is that you invest for at least 5 years.

The past and the future

Past events – for example, how well a stock or this fund performed - can be an unreliable predictor of the future. Keep this in mind when considering historical matters.

Statements about the future are always based on what is thought reasonable at the time. But the future is uncertain. Keep this in mind when considering statements about what may happen and what is intended.

Already using an Administration Platform?

Your professional adviser may have helped you establish an account with an administration platform (such as a managed discretionary account or an investor directed portfolio service) . In this PDS, these are called Administration Platforms and persons who invest like this are indirect investors. Indirect investors are not investors in the Fund. But indirect investors can access the Fund through their Administration Platform.

1. About Melbourne Securities Corporation

The Responsible Entity has appointed Sanlam as the manager of the Fund. In turn, Sanlam has appointed Baker Steel as the sub investment manager who is be responsible for' managing the assets of the Fund and carrying out the Fund's investment strategy.

The Fund Manager
Sanlam Investments (Australia) Pty Ltd

Sanlam is an independent dedicated provider of financial services to the Australian investment markets, and is part of the Sanlam group, a leading South African financial services business, with the parent entity listed on the Johannesburg and Namibian stock exchanges.

Sanlam has appointed Baker Steel as the sub-investment manager for the Fund.

The Sub-Investment Manager
Baker Steel Capital Managers LLP

Baker Steel has extensive experience in the management of funds, investing in the natural resources, gold, specialty, precious and future facing metals (for example, platinum and silver) sectors.

The firm was established in 2001 by Managing Partners David Baker and Trevor Steel. Its investment management team is underpinned by strong technical backgrounds in the geo-sciences, mining, geology and engineering fields. This in-depth understanding of its sectors, combined with the investment expertise of the team, has produced an impressive investment track record.

Baker Steel is also the investment manager of the ES Baker Steel Electrum Fund (the **Electrum OEIC Fund**) and the BAKERSTEEL Global Funds SICAV – Electrum Fund (the **Electrum UCITS Fund**, together the **Electrum Funds**), both being funds in which the Fund principally invests.

The Electrum UCITS Fund is a UCITS sub-fund of a Luxembourg SICAV, and is regulated by the Commission de Surveillance du Secteur Financier (**CSSF**).

The Electrum OEIC Fund is a UK domiciled open-ended investment company regulated by the Financial Conduct Authority (**FCA**).

The current Managing Partners of Baker Steel are David Baker, Trevor Steel and Mark Burridge.

The Responsible Entity
Melbourne Securities Corporation Ltd

MSC Trustees is the responsible entity of the Fund and the issuer of units in the Fund. MSC Trustees is responsible for operating the Fund and the Fund's compliance with the Fund's constitution (**Constitution**), the Corporations Act 2001 (Cth) (**Corporations Act**) and other relevant laws.

2. How the Baker Steel Electrum Fund works

A managed fund

The Fund is a managed investment scheme (or trust). When you invest your money in the Fund, it is mixed or pooled with the money of other investors who invest in the Fund. This larger pool of money is used to buy investments on behalf of all investors.

The Fund is an Australian unit trust. It is registered under the Corporations Act. An investor's interest in the Fund is represented by a number of units, each class of which has identical rights (such as a right to certain fees and to vote) and a value which will vary as the market value of assets in the Fund rises and falls. As a unit holder, each investor also has certain obligations. Investors have no direct interest in the assets of the Fund.

You can increase your investment by applying and paying for more units, and the number of units issued depends on the amount you invest and the unit price at the relevant time. You can decrease your investment by withdrawing (or redeeming), and the number of units redeemed depends on the amount you withdraw and the unit price at the relevant time.

You generally have access to your investment each Monday (or if not a Sydney business day, the next Sydney business day), but in unusual circumstances (and even after your request is processed) there can be delays in payment.

This Fund may pay distributions annually (end of June). An investor's entitlement is generally based on the number of units held by the investor at the end of the distribution period. Distributions are reinvested unless an investor instructs otherwise.

The price of units

Log into Apex's Investor Portal to check the latest prices. Remember that quoted unit prices will be historical and are unlikely to be the price you will receive when applying or withdrawing – that price could be higher or lower.

Unit prices will vary as the market value of the assets of the Fund fluctuates. The unit prices for issuing and withdrawing are slightly different: this difference is called the 'spread'" and Section 6 of this PDS gives more detail.

Unit prices are calculated in 3 steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted – this gives the net asset value,
- this is divided by the number of units on issue, and
- adjustment is generally made for transaction costs (or spread).

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

3. Benefits of investing in the Fund

Significant features and benefits	
Style	Exposure to a geographically diversified portfolio consisting primarily of listed mining equities, with a focus on specialty, precious and future facing metals equities
Investment exposure	A specialty, precious and future facing metals equities focus.
Investment objective	Over the long-term to: ■ provide capital growth by being exposed to a portfolio consisting primarily of listed mining equities, with a focus on specialty, precious and future facing metals equities and their related instruments, and ■ outperform the EMIX Global Mining Index expressed in AUD and after Management Fees and Usual Expenses.
Investment timeframe	Suggested minimum 5 years
Minimum investment	⇨ Retail: $25,000 ⇨ Institutional: $1,000,000
Minimum additional investment	⇨ Retail: $1,000 ⇨ Institutional: $100,000
Minimum account balance	⇨ Retail: $25,000 ⇨ Institutional: $1,000,000
Minimum withdrawal	⇨ Retail: $1,000 ⇨ Institutional: $100,000
Distributions	Targeting annual distributions (June), automatically reinvested unless you choose otherwise.
Applications & withdrawals	Each week

4. Risks of managed investment schemes*

You should read the important information in the Information Booklet about 'Risks' before making a decision. The material relating to this may change between the time when you read this PDS and the day that you acquire the product.

Risk is a part of investing

All investments are subject to varying risks, and the value of your investment will vary - rise and fall - over time. As a general rule, the higher the potential returns, the higher the level of risk.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. As a stand-alone investment, the Sub-Investment Manager considers this a high risk investment, but one which potentially reduces overall portfolio risk and smooths investment returns when included appropriately in an investor's investment portfolio. The Fund would not sensibly make up the whole or even a majority of an investor's investment portfolio.

Changes in value can be significant and can happen quickly.

Different types of investments have different risk characteristics which will affect their value. When risk materialises, gains can be lower than targeted, and capital invested may fall significantly in value.

As risk cannot be entirely avoided when investing, the philosophy employed by the Sub-Investment Manager is to identify and manage risk as far as is practicable. None of the Responsible Entity, the Fund Manager or the Sub-Investment Manager make any promise that the ways in which risks are aimed to be managed will be successful. You can lose as well as make money. Neither the capital you invest nor any return is guaranteed.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, it is recommended that you consult your professional adviser.

The Sub-Investment Manager expects unit prices in this Fund to at times be high in volatility.

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

The significant risks of the Fund are set out below.

Investment risk

This is the risk that the value of an individual investment in the Fund may change in value or become more volatile. Investment values can change quickly. Reasons include changes in an investment's operations, changes in the environment, and changes in what people think of the investment.

Market risk

Economic, environmental, peace and war, technological, public health, political matters, legal and sanction requirements, and market sentiment can impact on Fund value.

Natural resource companies are subject to additional risks including mine disasters, faulting of the ore body, misinterpretation of geotechnical data, fraud or that a mine does not produce what was expected.

Baker Steel's experienced investment team monitors chosen underlying investments carefully and changes them when it thinks appropriate. Baker Steel diversifies the Electrum Funds, including by setting limits such as at the individual investment level.

Commodity risk

Commodity markets are generally more volatile.

Precious metal and mining shares are also generally countercyclical – generally their performance has a low correlation with equity market performance.

Commodity prices generally are correlated to the overall level of economic activity and industrial production. During periods of instability, commodities and the securities of producers often suffer extreme price fluctuations. In turn, the earnings and general financial conditions of producers are highly dependent on the market price of the underlying resources which, historically, have been extremely volatile.

Baker Steel uses research and analysis to form a view on these matters as best it can and then rebalances the investment mix of the Electrum Funds in an effort to reduce the impact.

International risk

The Fund invests predominantly in the Electrum UCITS Funds which in turn invests globally.

Commodities production can be concentrated in regions or countries, and the impact of natural, political or social factors can have a significant effect. Commodities can be influenced by co- operative or co-ordinated actions, by producers or sovereign nations. Markets may perform poorly relative to others. Adverse social and political circumstances (such as civil unrest, wars and political change) can significantly impact on the value of investments.

The Electrum Funds are generally geographically agnostic, with exposure to advanced, developing and emerging economies. The Fund may be exposed to some emerging and developing economies. These markets are generally less sophisticated with poorer reporting, governance and regulatory frameworks, and greater political, legal and other risks.

Natural resource and technology risk

Natural resource production is subject to particular risks, which include disasters, social unrest and wars.

The discovery of a significant new supplies, supplies dwindling, new technology and changes in laws can also influence price.

Currency risk

The Fund invests predominantly in the Electrum UCITS Funds which in turn invest globally.

So the value of the Fund will vary depending on changes to exchange rates and the extent and effectiveness of any 'hedging'. Hedging is an investment made with the goal of reducing the risk of loss, but which might also reduce the potential gain from changes in the exchange rates. Unfortunately, hedging is not always successful, is not always used to offset all currency risk, and is sometimes not cost effective or practical to use.

The Fund generally does not manage exchange rate risk with the Australian dollar. The Sub-Investment Manager may hedge currency exposure from time to time. Investors should however be prepared to accept that currency movements will impact on the value of their investment.

5. How we invest your money*

Warning: you should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund.

This fund only offers one investment option. Switching between investment options is not possible.

You should read the important information about 'How we invest your money' in the Information Booklet before making a decision. This material may change between the time when you read this PDS and the day that you acquire the product.

Investment strategy

This is a professionally managed specialist investment fund which principally invests into the Electrum UCITS Funds.

Actively managed by Baker Steel, the Electrum Funds are specialty, precious and future facing metals funds with a portfolio of globally listed mining equities, with a focus on specialty, precious and future facing metals equities.

The core of the strategy is to invest in and hold good value specialty, precious and future facing metal equities.

The Electrum UCITS Funds are diversified by country.

Benchmark

The Funds' performance benchmark is the EMIX Global Mining Index return expressed in AUD. This Index measures the returns of more than 150 major companies around the world operating in the metal and mineral extraction industries.

Investment style

Using a well-established, fundamentals based research process, the Electrum Funds focus on emerging specialty, precious and future facing metal producers that have strong management teams in place and where Baker Steel considers that the investment offers good value and above average growth potential, according to its research and investment models.

Baker Steel's investment process has the following key features:

- a well-established value-oriented and metals-based research process, enhanced by research visits to companies and projects throughout the world,
- an extensive in-house valuation database for evaluating mining opportunities worldwide,
- a rigorous and informed approach to environmental, social and governance (**ESG**) factors in the investment process, discussed below, and
- a team-based stock selection and investment decision-making process with controlled investment and position limits.

Asset allocation

The Fund invests predominantly in the Electrum UCITS Fund a specialty, precious and future facing metals equities funds. Investments held directly by the Fund are usually limited and would be of the same nature as for the Electrum UCITS Funds. The Electrum Funds target a minimum exposure of two thirds of their assets to equities of specialty mining and other precious metals companies globally. they can, at times, reduce their exposure to equities markets and increase exposure to instruments that track the values of precious metals. The Electrum Funds are generally fully invested.

The Electrum Funds may also hold investments of companies and commodities within the wider mining sector from time to time. The Electrum Funds may also hold investments in other transferable securities such as fixed or variable rate short-term debt instruments

if Baker Steel considers this appropriate for risk reduction.

They can also gain exposure to other listed equities globally, as well as to unlisted equities (up to 10% of the net asset value of each of the Electrum Funds, measured at the time the investment is made), which will be related primarily to the specialty, precious and future facing metal sectors.

The Electrum UCITS Funds are diversified by country but there are no specific allocation limits to location.

ESG

Baker Steel has always taken environmental, social and governance (**ESG**) factors very seriously in its investment decision making process, and will continue to do so. ESG includes elements such as labour standards as well as environmental, social and ethical considerations.

Baker Steel believes that promoting ESG factors is important not only to support sustainable and ethical investment, but because ESG considerations are key for creating and maintaining investor value through risk avoidance and instilling progressive standards of best practice.

Baker Steel's view is that companies that produce goods in an ethical and sustainable manner and that maintain a higher standard of corporate governance and transparency will likely financially outperform over the long-term.

Baker Steel's ESG Investment Policy draws from international best practice. Utilising Baker Steel's in-house ESG screening processes, the Electrum Funds build upon the principles and processes outlined in the United Nations Principles for Responsible Investment (**PRI**), of which Baker Steel is a signatory. The Electrum UCITS Funds both promote ESG characteristics, with the Electrum OEIC Fund doing so in accordance with its status as an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (**SFDR**).

ESG considerations for the Electrum Funds are considered as part of investment due diligence in terms of enhanced risk management and, as such, are embedded into Baker Steel's investment decisions including being directly addressed with company management during meetings and on-site visits. Evaluating ESG factors in the mining sector, such as tailings dam assessment, usually require the specialist and technical knowledge of an expert team.

As an active investment manager Baker Steel uses its voting rights to influence investee company direction in a sustainable way where it deems doing so to be appropriate. Baker Steel believes that social and environmental responsibility, along with good governance, are an integral element of running a successful mining company.

Learn more here: http://www.bakersteelcap.com/en/esg/

Changes

You would be given at least 4 weeks' notice of any material change in investment strategy.

6. Fees and costs*

You should read the important information about 'Fees and costs' before making a decision. Go to Section 5 of the Information Booklet. The material relating to fees and costs may change between the time when you read this PDS and the day that you acquire the product.

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower 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**) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

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

All fees are expressed as a percentage of net asset value of the Fund and are inclusive of net GST.

Baker Steel Electrum Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs the fees and costs for managing your investment	**Retail**: 1.28% pa estimate consisting of: ▪ Management Fee 1.00% pa ▪ Usual Expenses 0.28% pa estimate ▪ Indirect costs: nil **Institutional**: 1.00% pa estimate consisting of: ▪ Management Fee 0.72% pa ▪ Usual Expenses 0.28% pa estimate ▪ Indirect costs: nil	Management fees are calculated, accrued daily and payable monthly in arrears on the net asset value for the class, and are negotiable for certain investors. Expenses are generally paid as incurred. Indirect costs are nil because Baker Steel does not charge this Fund management or performance fees for its management of the Electrum UCITS Funds

Performance Fee amounts deducted from your investment in relation to the performance of the Fund	10.25% on any outperformance over the EMIX Global Mining Index return over the relevant 6 month period, and prior underperformance must be recouped before a fee can be taken: this is called the high-water mark	Entitlement is calculated at the end of each financial year but an allowance accrues in the unit price.
Transaction costs the costs incurred by the Fund when buying or selling assets	nil estimate	These costs are expressed net of the buy-sell spread, and are generally paid as incurred.

Member activity related fees and costs fees for services or when your money moves in or out of the Fund		
Establishment fee the fee to open your investment	nil	Not applicable
Contribution fee the fee on each amount contributed to your investment	nil	Not applicable
Buy-sell spread an amount deducted from your investment representing costs incurred in transactions by the Fund	+0.25% -0.25%	Calculated as a percentage of the unit price and paid from investors' money when you purchase or redeem units. Spreads are retained by the Fund.
Withdrawal fee the fee on each amount you take out of your investment	Nil	Not applicable
Exit fee the fee to close your investment	Nil	Not applicable
Switching fee the fee for changing investment options	Nil	Not applicable

Refer to the Fund Manager's and/or the Sub-Investment Manager's website for any updates which are not considered to be materially adverse from a retail investor's point of view.

Example of annual fees and costs

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

Example Baker Steel Electrum Fund		**Balance of $50,000 including 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	**Retail**: 1.28% pa estimate **Institutional**: 1.00% pa estimate	**And** you will be charged or have deducted from your investment: ⇨ **Retail**: $640 pa estimate ⇨ **Institutional**: $500 pa estimate management fees and costs each year.
PLUS Performance Fee	nil estimate	**And** you will be charged or have deducted from your investment nil in performance fees
PLUS Transactions costs	nil estimate	**And**, you will be charged or have deducted from your investment $nil in net transaction costs.
EQUALS Cost of the Fund		If you put in $50,000 at the beginning of the year and your balance was $50,000, then you would be charged fees of: ⇨ **Retail**: $640, or ⇨ **Institutional**: $500, each year. **What it costs you will depend on the fees you negotiate.**

Remember, estimates may prove to be incorrect. Actual fees and costs could be lower or higher than any estimate. Please refer to the Fund Manager's and/or the Sub-Investment Manager's website for any updates law requires.

This example uses assumptions: it assumes the $5,000 contribution was made at the beginning of the year, as part of the $50,000 investment, no other investments or any withdrawals or distributions were made through the year and the investment value remained unchanged.

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC Moneysmart website (www.moneysmart.gov.au) and use their managed investment fee calculator.

Additional explanation of fees and costs

Management Fees and Costs*

Management fees and costs are the fees and costs for managing your investment and include all direct and indirect costs for managing the Fund. This figure is an estimate. It includes:

- the Investment Management Fee, from which all Usual Expenses are paid
- an Usual Expenses estimate, and
- an indirect costs estimate, being nil because Baker Steel does not charge this Fund management and performance fees for its management of the Electrum UCITS Funds.

Performance Fees

A Performance Fee is payable to the Sub-Investment Manager where the investment performance of the Institutional Class exceeds the performance of the EMIX Global Mining Index return hurdle.

The Performance Fee is 10.25% of this excess, calculated daily and paid semi-annually in arrears and is calculated based on the beginning NAV of the class over the relevant 6 monthly period ending 31 December and 30 June.

No Performance Fee is payable until any accrued underperformance from prior periods has been made up. This feature is sometimes referred to as a high water mark. The high water mark is the highest value of the class (after Management Fees and Usual Expenses but before Performance Fees) at the end of any prior half year period after accounting for all applications, withdrawals and distributions paid since that prior half year period.

7. How managed investment schemes are taxed *

You should read the important information in the Information Booklet about 'Tax' before making a decision. The material relating to this may change between the time when you read this PDS and the day that you acquire the product.

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

8. How to apply*

You should read the important information about 'How to apply' in the Information Booklet before making a decision. This material may change between the time when you read this PDS and the day that you acquire the product.

Investing for the first time

The minimum initial direct investment amount for the Fund is:

- ⇨ Retail: $25,000
- ⇨ Institutional: $1,000,000

If you are using your platform, it may be less – check with your professional adviser or your Administration Platform

Investors can be any type: individuals, family trusts, companies or super funds for example.

To make an initial investment directly, go to:

https://bakersteelelectrum.apexgroupportal.com/apply

If you are asked to send hard copies of documents, post them to the Administrator:

Apex Fund Services
Client Services Registry Team
GPO Box 4968
Sydney NSW 2001 Australia

Or complete our paper **Application Form** attached to this PDS and post that, together with any required hard copy documents, to the Administrator.

If you are investing through an Administration Platform, then check with your professional adviser or your Administration Platform on what to do.

Investing more

The minimum additional investment amount for the Fund is:

- ⇨ Retail: $1,000
- ⇨ Institutional: $100,000

To make an additional direct investment, simply complete the **Additional Investment Form** available from the Fund Manager or the Administrator. Post, fax or email your form to the Administrator. If you are investing through an Administration Platform, then check with your professional adviser or your Administration Platform on what to do.

How you pay

You can pay using electronic funds transfer (**EFT**) or Australian cheque. Instructions are included in our forms. BPay, cash, or digital payments are not accepted. Please use your investor name or number as the reference when using EFT.

If you are investing through an Administration Platform, then check with your professional adviser or your Administration Platform on what to do.

Cooling off

Law provides that once units are issued, retail clients can change their mind. They have 14 days to do so, starting on the earlier of when you are sent confirmation that you are invested or the end of the 5th day after the day on which units are issued to you. If this applies to you, your money will be repaid to you, although adjustments are made for market movements up or down, as well as any tax and reasonable transaction costs.

For example, if you invest $25,000 and the value of the units falls by 1% between the time you invest and the time MSC acts on your request that you wish to withdraw your investment, MSC may reduce the refund by $250 on account of the reduced unit value.

This right to cool off is not available if you are an indirect investor, even if you are a retail client.

Distributions

Although there are no guarantees, the Fund targets making distributions annually (June), which will be reinvested unless you instruct the Administrator otherwise. But as mentioned, neither the capital you invest nor any return is guaranteed. Any distributions not reinvested are paid to your nominated account.

Withdrawing

At any time you can request to withdraw your money from the Fund. You generally have access to your investment each Monday (or if not a Sydney business day, the next Sydney business day), but in unusual circumstances (and even after your request is processed) there can be delays in payment.

Completed redemption requests which are received before 2pm each Monday receive the price calculated for that day. If received after this time, you will receive the price next calculated, which will generally be the following Monday. The minimum withdrawal is:

- ⇨ Retail: $1,000
- ⇨ Institutional: $100,000

or any lesser remaining balance you might have.

You generally need to keep this minimum balance invested

- ⇨ Retail: $25,000
- ⇨ Institutional: $1,000,000

and if your account falls below this your account may be closed.

To request a withdrawal, complete the Redemption Form, available from the Fund Manager or the Administrator. Post, fax or email your

form to the Administrator. There can be delays if your Redemption Form is incomplete. You may also be contacted to check your details before your withdrawal request in processed. No interest is payable if there is any delay. Once lodged, withdrawal requests cannot generally be withdrawn.

Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund fluctuates.

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

You will receive confirmation when your withdrawal is processed. Your withdrawal will be paid by transfer to your nominated account, normally within 10 Sydney business days of the request being processed, and should reach your nominated account soon after this. Payments are not made by cheque or cash.

Additional Information*

You should read the important information about 'Additional Information' in the Information Booklet before making a decision. This material may change between the time when you read this PDS and the day that you acquire the product.

Complaints

If you are dissatisfied or have a complaint about your investment, please contact the Fund Manager:

Online: www.sanlamprivatewealth.com.au
Phone: +612 8245 0501
Email: sydney@sanlam.privatewealth.com.au
Post: Level 2, 33 York Street, Sydney NSW 2000

Keeping you informed

Communication with investors is by email.

Investors will receive:

- confirmation of their investment,
- a monthly portfolio update,
- distribution income statements, and
- tax return information, as soon as practicable after the end of the financial year.

To help keep you informed of your investment, the following information will be provided:

- every transaction you make is confirmed, and
- you are sent a tax report as soon as possible after the end of each financial year.

Information required to disclose to satisfy any continuous disclosure obligations will be available on the Fund Manager's and/or the Sub-Investment Manager's website and you can request a paper copy free from them or your professional adviser. Each September, the Fund's audited accounts will also be available there (these can be emailed or mailed to you if you wish). Remember, however, that if you are an indirect investor then reporting will come from the operator of that Administration Platform.

None of the Responsible Entity, the Fund Manager or the Sub-Investment Manager, and none of their employees, officers, agents, contractors or associates, is responsible for any mis-delivery or non-receipt of any facsimile or email from or on behalf of any investor. Facsimiles or emails sent by or for investors are only effective when actually received.

If you received this PDS electronically, a paper copy will be provided free during the life of this PDS.

Your promises when you invest

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

- you have received, read and understood the current PDS and TMD,
- you are part of the target market as described in the TMD,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing nor will monies received from your account have any such association,
- you are not bankrupt or a minor, and

you agree to be bound by the Fund's constitution and the PDS as supplemented, replaced or re-issued from time to time.

How to find out more

The Fund Manager's and/or or the Sub-Investment Manager's website has further information about the Fund, including the latest investment reports and press releases and media.

Otherwise speak to your professional adviser or contact the Fund Manager or the Sub-Investment Manager.

The Fund has regular reporting and disclosure obligations. Copies of documents lodged with the ASIC (such as any half-year and annual financial reports) may be obtained from or inspected at an ASIC office or distributor. You will be sent copies of any document lodged, free on request.

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely affected by not receiving notice of it, the PDS may be updated by notice at the Fund Manager's and/or the Portfolio Manager's website, and you can request a paper copy free from them or your professional adviser. Otherwise, this PDS will be replaced or a supplementary PDS issued.

Contact

Investor queries

Apex Fund Services Pty Ltd
ACN 118 902 891
GPO Box 4968, Sydney, NSW, 2001
E: registry@Apexgroup.com
Ph: 1300 133 451
Web: www.Apexgroup.com

Sub-Investment Manager

Baker Steel Capital Managers LLP
ARBN 107 539 711
34 Dover Street, London, W1S 4NG
Ph: +44 20 7389 0009
E: enquiries@bakersteelcap.com
W: http://www.bakersteelcap.com/en/

Fund Manager

Sanlam Investments (Australia) Pty Ltd
ABN 72 160 042 222
a corporate authorised representative of
Sanlam Private Wealth Pty Ltd
ABN 18 136 960 775 | AFSL 337 927
Level 2, 33 York Street, Sydney NSW 2000
Ph: +612 8245 0501
E: sydney@sanlam.privatewealth.com.au
W: www.sanlamprivatewealth.com.au

Responsible Entity

Melbourne Securities Corporation Limited
ACN 160 326 545 | AFSL 428 289
Level 2, 395 Collins Street, Melbourne Victoria 3000
E: trustee@msc.group
Int: +61 3 9050 2000
T: 1300 798 790
W: www.msc.group